

Portraits of Labor Market Exclusion 2

Snapshots of Findings & Common Themes

Social Protection Committee Meeting
Brussels, October 2017



Project Rationale

Activation and employment support policies- should be tailored to individual barriers, characteristics.

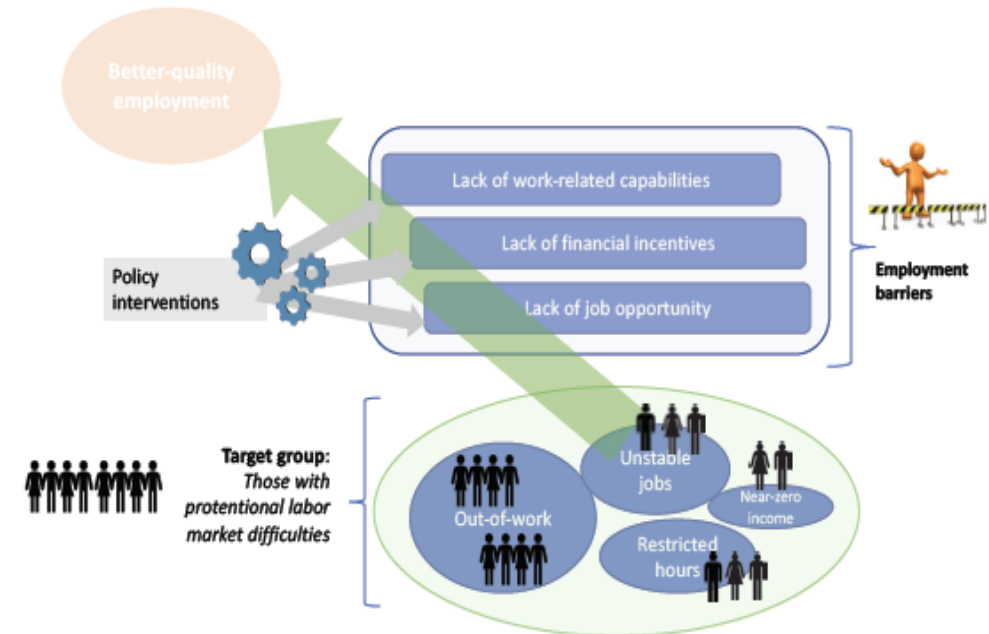
- But data on such characteristics is scarce.
- We only talk about “youth”, “women”, “older workers”, “people with disabilities” and make assumptions about barriers of broad categories of individuals.

So how do we know if the **right programs & policies** are **in place**?

Portraits of Labor Market Exclusion

- Separates the out of work & marginally employed population to distinct groups according to the employment barriers they face- **Big Picture Snapshot**
 - contributing to a potential better match between individual needs and available support, making policy interventions more effective
- And takes stock of existing policies to assess whether they:
 - address the common employment barriers of priority groups?
 - are available and accessible for the various distinct groups identified?

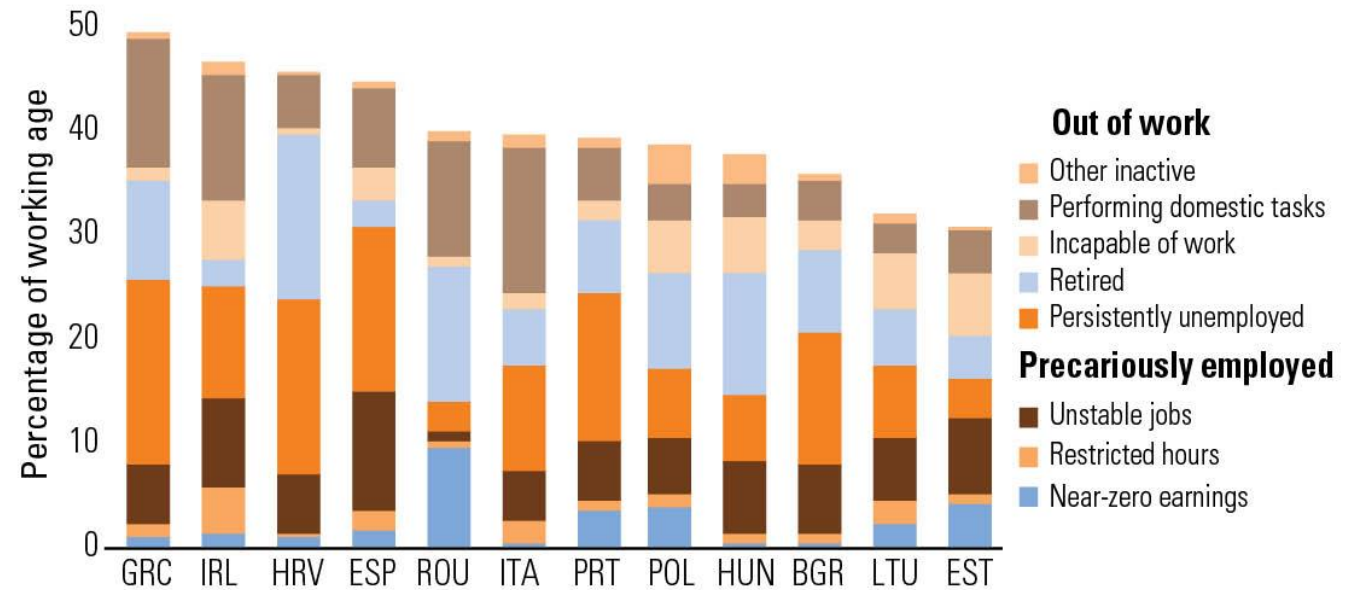
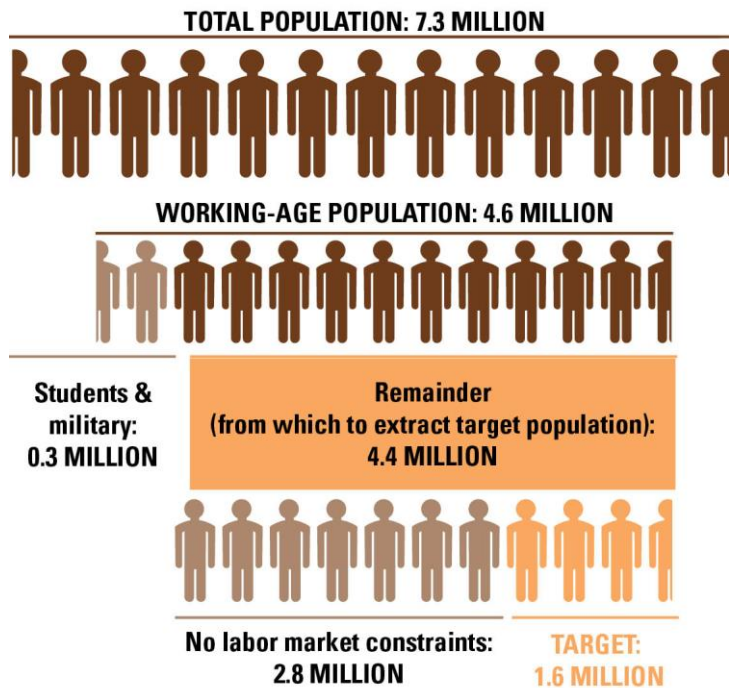
Employment Barrier Framework



Significant share of working age population has potential LM difficulties, but with notable differences

The composition target population also differs: significant shares of out of work (unemployed, retired, perform domestic tasks most common) and lower shares of precariously employed in most

Identification of Target Population Bulgaria



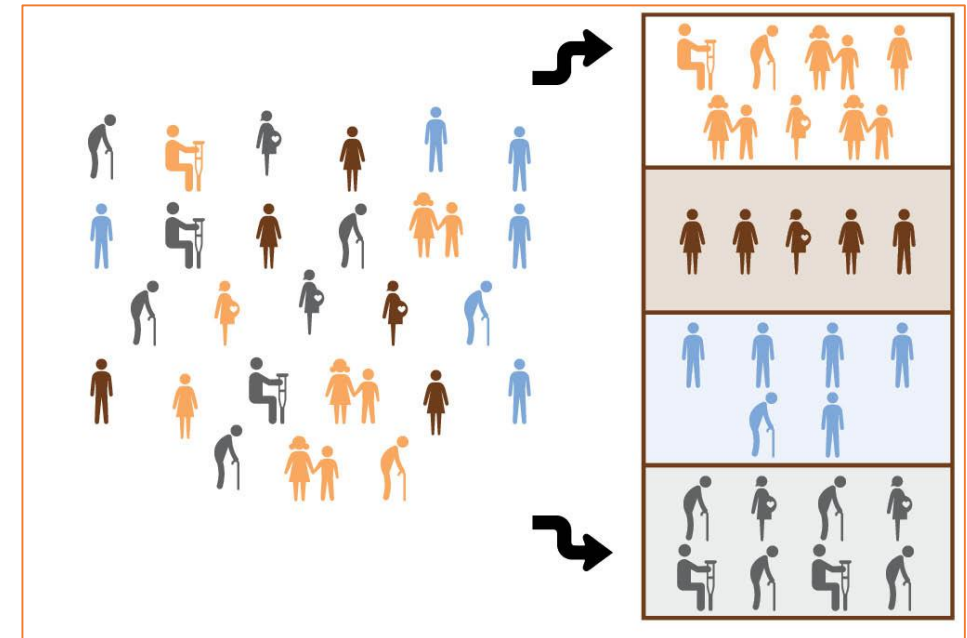
Latent Class Analysis....

Segmenting the target population into distinct groups using an employment barrier framework

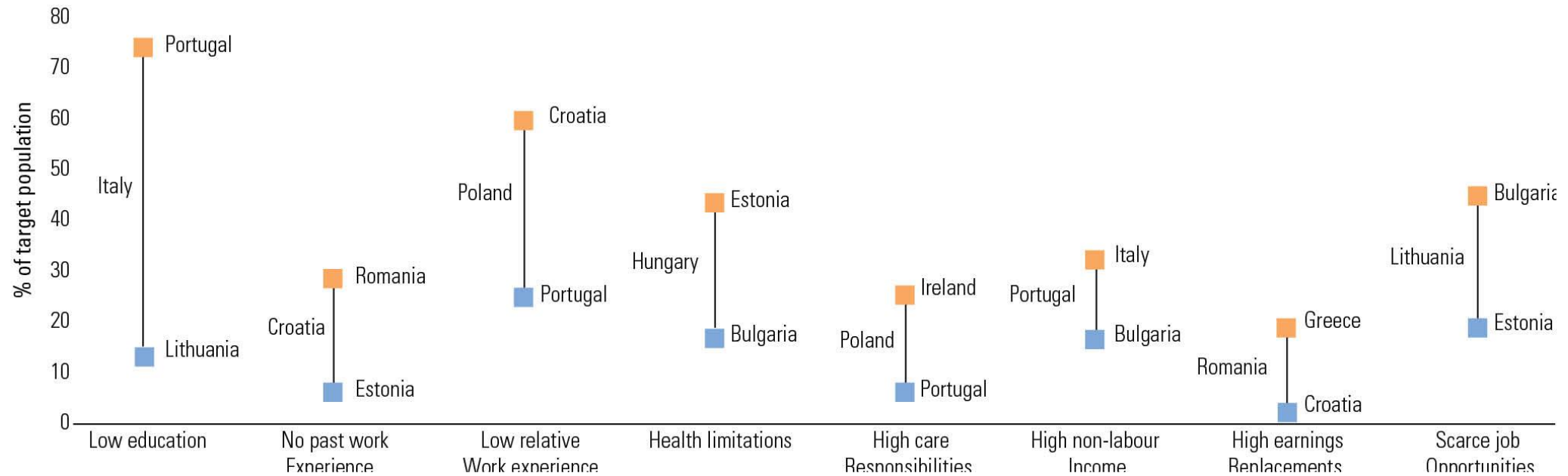
Employment Barrier Indicators

Barrier	Indicator
Insufficient work-related capabilities	1. Low education: if an individual has an education level lower than upper secondary education in the International Standard Classification of Education (ISCED)-11 classification
	2. Care responsibilities: if an individual lives with someone who requires care (i.e., children 12 and under receiving under 30 hours of non-parental care a week, incapacitated household members or elderly with health limitations) and is either the only potential care giver in the household or is reported as inactive or working part time because of care responsibilities
	3. Health limitations: if an individual reports some or severe self-perceived limitations in daily activities due to health conditions
	4. Low relative work experience: if an individual has worked less than 60 percent of the time since they left full-time education
	5. No recent work experience: those who have worked in the past but have no recent work experience (have not worked for at least 1 month in the last semester of the reference period or at the month of the interview); or those who have never worked
Weak economic incentives to look for or accept a "good" job	6. High non-labor income: if household income (excluding that from the individual's work-related activities) is more than 1.6 times higher than the median value in the population of working age
	7. High replacement benefits: if earnings-replacement benefits (excluding categorical social benefits) are more than 60 percent of an individual's estimated potential earnings in work
Scarce employment opportunities	8. If an individual is estimated to have a high probability of being unemployed or involuntarily working part time due to their age, gender, education, and region of residence

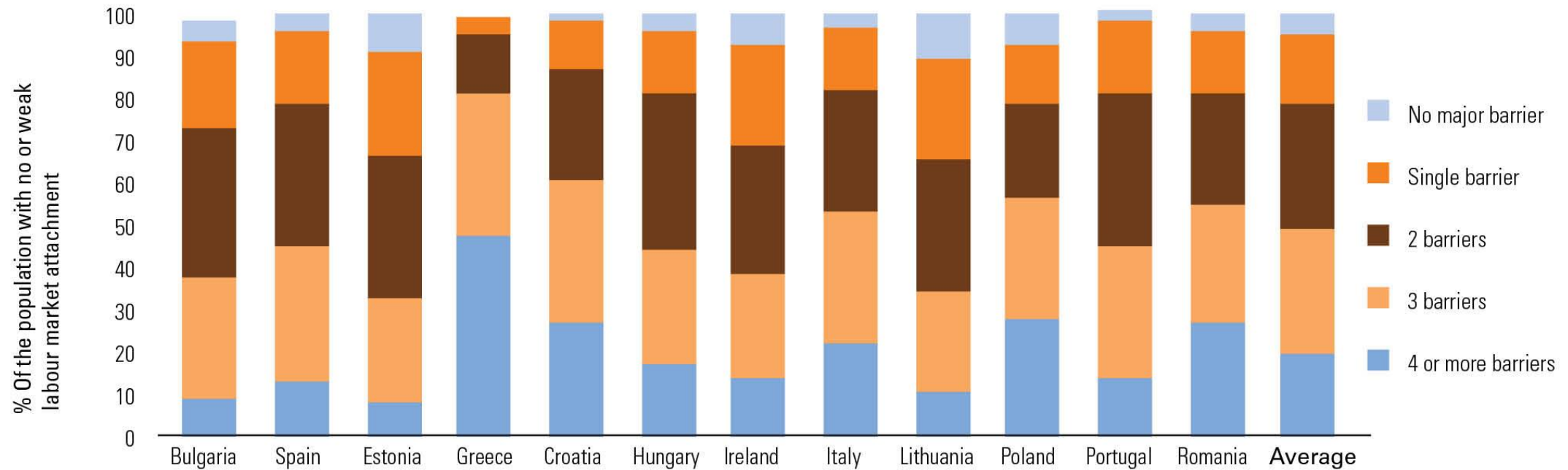
Latent Class Analysis



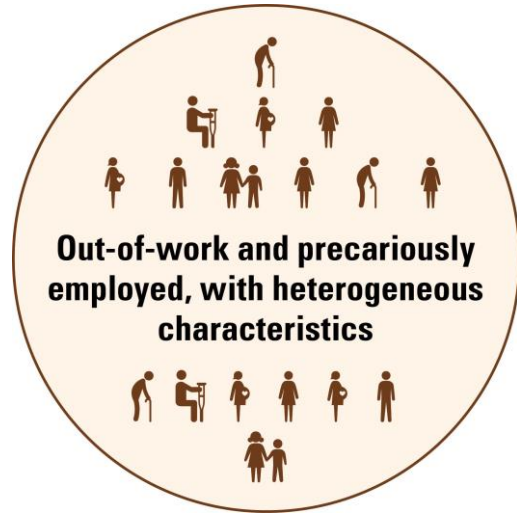
Incidence of barriers largely depend on the context: Low skills/education & low relative work experience most prevalent; generous earnings replacements least



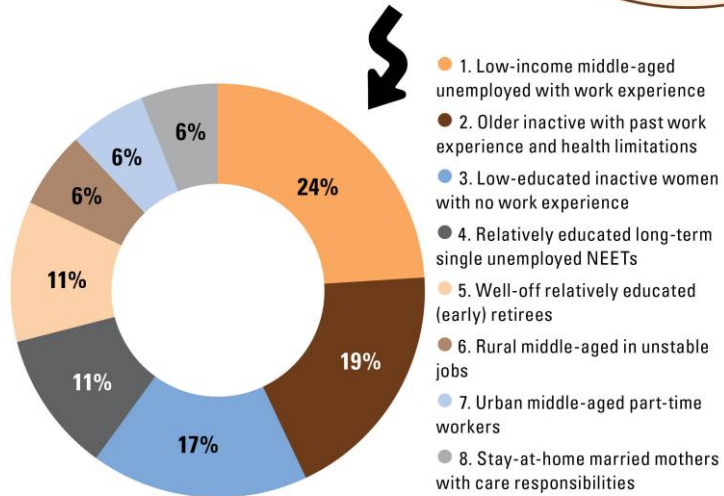
Large share of “target” population face **multiple barriers**, with 40% facing 3 or more barriers in most countries



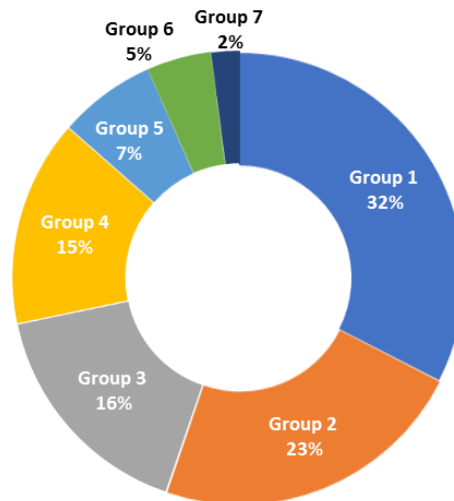
The analysis leads to different groups reflecting the diverse barriers and characteristics of the LM vulnerable in each country



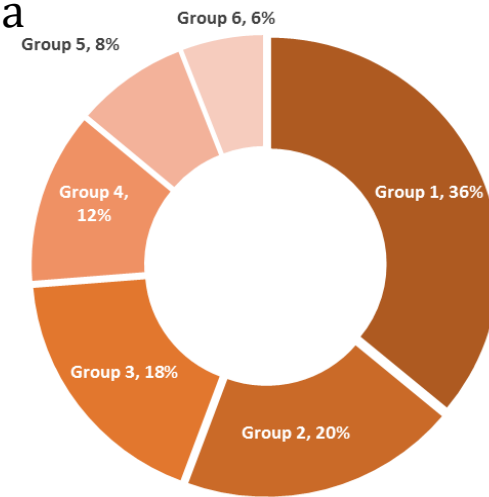
Greece



Poland



Romania



However, common trends have emerged...

Table 2:
Common groups across countries

	Bulgaria	Croatia	Estonia	Greece	Hungary	Ireland	Italy	Lithuania	Poland	Portugal	Romania	Spain
1. Older inactive adults with health problems	●	●	●	●	●	●	●	●	●	●	●	●
2. Mothers with care responsibilities	●	●	●	●	●	●	●	●	●	●		●
3. Long-term unemployed	●	●	●	●	●	●	●	●		●	●	
4. Low-intensity/precarious employment/working poor			●	●		●	●	●	●	●	●	●
5. Youth with low relative work experience	●	●	●	●		●	●	●		●	●	●
6. Disabled			●					●				●

Note: Size of circle indicates prevalence.

Policy reality on the ground

SNAPSHOTS

Policies and programs differ across countries however some common themes emerge.....



Fragmentation of activation and employment support programs

- Though nascent in many, countries are starting to adopt a more coherent approach with menus of coordinated programs and services (e.g. BLG)
- Proliferation of programs with low coverage, and limited capacity in some key services, in particular, on childcare (e.g. POL, HRV, GRC)



Integration across Social Assistance (e.g. GMI), PES and social services at different stages

- Low across newer EU member states and Mediterranean countries
- Different approaches under implementation; physical versus data/system based

Policies and programs differ across countries however some common themes emerge.....



Relatively low (national) spending on ALMPs (e.g. in HRV, POL, and ROU)

- Low coverage, and not all needs are addressed for those who are covered



ALMP spending is not always targeted to priority needs

- e.g. skewed towards relatively well educated/skilled youth who are short term unemployed as opposed to low educated LTU with low work experience



Few monitoring & evaluation best practices

- e.g. lack of data exchange between institutions
- Lack of national framework for identifying outcomes and assessing impacts

Pointing to common emerging challenges...



- (1) Targeting and tailoring design of Activation and Employment Support Programs
- (2) Improving outreach, employment promotion, and individualized services
- (3) Integrating services to address diverse barriers
- (4) Rigorous Monitoring and Evaluation

Pointing to Common Emerging Challenges...



- (1) **Targeting and tailoring design of Activation and Employment Support Programs**
 - Assessment of needs/barriers through different methods (statistical profiling, employment counsellor etc.)
 - Cross-cutting institutional methodological consistency
- (2) **Improving outreach, employment promotion, and individualized services**
 - Joint outreach activities on employment promotion and specialized services, in particular, targeting priority groups living in rural or remote areas
 - Referral and placement onto ALMPs/services: driven by demand and services available on a continuous basis
 - Delivery capacity: private versus public provision
- (3) **Integrating services to address diverse barriers**
 - Devising a menu of policies and programs that are complementary (e.g. Relevant ALMP plus child care, mobility allowance; social benefits designed to promote work)
 - Integration of data systems regardless of status of physical integration/coordination efforts
- (4) **Institutionalizing Monitoring and Evaluation**
 - Systematic approach to collect and utilize administrative data
 - Regularly assessing effectiveness of ALMPs → esp. cost effectiveness
 - Using evaluation results to tweak intervention designs

THANK YOU

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