Impact of Labour Market Measures on Unemployment

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The paper analyses the impact of labour market measures on unemployment. It defines institutional and active labour market measures (ALMSS) as well as passive (unemployment benefits) labour market policies. Considering the fact that labour market is an open system, its function is influenced by many external and internal factors. Labour market answers the changes of the economic environment, therefore the decrease of general production volume, production exports and investment flows during the economic recession reduce vacancies and increase unemployment. It is claimed that the person, who lost his job, experiences financial shortage as well as faces the social – psychological problems, which often have to deal with the State devoted financial resources. The situation in the labour market is proposed to improve applying some different measures. The experience of some countries shows that there is a variety of labour market regulation and unemployment support measures, but the measures determined the positive effect on labour market in one countries not definitely appear as active in the other group of countries. It is argued that the labour market liberalization can create more opportunities to establish new working places, which would satisfy the needs of people who lost their job, and the changes would be beneficial for both employers and employees. Still, the labour market liberalization in the country is rather controversial. Although a lot of researchers and practitioners deal with the problems of labour market, still there is lack of an analysis on the effects of labour market measures. The paper generalizes the experience of labour market liberalization and the impact of labour market measures on unemployment in the country as well as in other foreign countries.

Keywords: labour market, unemployment, active labour market measures, passive labour market measures, labour market liberalization.

Introduction

Today’s global and rapidly changing economic environment has a significant impact on the labour market structure changes both at nation and the EU countries’ level. The labour market rates represent the economic situation of the country and reveal its weaknesses. In the modern and highly dynamic market conditions business companies face new challenges, which were determined by the general market tendencies: business globalization, hyper-competition, rapid technological changes, knowledge and informational society formation. The mentioned environmental features forced companies and their specialists to become flexible and adaptable to the environmental peculiarities, focusing on the new opportunity search, its rapid usage and risk management. Under the economic recession conditions companies seeking to survive in the market and saving opportunity to compete, have to optimize their activities: to decrease the number of employees, to cut the costs and thus to improve performance efficiency. The retrospect of the economic development in various countries shows that one of the most painful and long-term effects of the economic recession increase unemployment. It is recognized that a person, who has lost job, experiences financial shortage as well as faces social – psychological problems, which have to deal with the State devoted financial resources. The research has shown that the problem of unemployment is related with the cause-consequence links with the GDP decrease, the increase of emigration from the country, destitute increase, social benefits growth and other identified rates of the country’s economic negative tendencies (Laskiene, 2009; Pocius, Okuneviciute-Neverauskiene, 2005; Blanchflower, 2007; Ukpere, Slabbert, 2009 and others).

A number of Lithuanian and foreign researchers have analysed different labour market issues. The problems of employment and unemployment evaluation and methodological issues were analysed by Berzinskienė (2005, 2006); Pocius (1999); Pocius, Okuneviciute-Nevertauskiene (2007), the presumptions of labour supply and demand in the different country groups were analysed by Berzinskienë and Stokkus (2006); Martinkus, Stokkus and Berzinskienë (2009); Dubra and Gulbe (2008); Dubra, Kasalis and Purmalis (2008), the issues of labour market liberalization and unemployment in the country as well as in other foreign countries.

Keywords: labour market, unemployment, active labour market measures, passive labour market measures, labour market liberalization.
economic development stages were analysed and evaluated by Simanaviciene, Uzkuryte (2009). Having generalized the research results, it is suggested that labour market problems, particularly during the economic recession conditions, are relevant to both researchers and practitioners; however, there is the lack of the research on labour market measures decreasing unemployment and assessing efficiency.

In order to decrease unemployment in the country some various measures have been applied. In response to the economic recession in the country the amendments of Employment Promotion Law have been passed, which aimed to modify the economic recession impact on unemployment growth creating the presumptions to preserve working places and to involve more people into active labour market policy measures. The experience of some countries shows that there is a variety of labour market regulation and unemployment support measures, but the measures determining the positive effect on the labour market in some countries does not definitely appear as active in the other group of countries. It is argued that the labour market liberalization can create more opportunities to establish new working places, which would satisfy the needs of people who lost their job, and the changes would be beneficial for both employers and employees. Still, the labour market liberalization in the country is rather controversial. Although a lot of researchers and practitioners deal with the problems of the labour market, still there is the lack of an analysis on the effects of labour market measures.

The research aim: to assess and validate the impact of different labour market measures on unemployment.

The research object: the labour market measures reducing unemployment.

The research goals:
- to base labour market function conditions and regulation needs;
- to evaluate the impact of different labour market measures on unemployment.

The research problem formulated the issues: what impact of different labour market policy measures have on unemployment; if the decrease of labour market regulation has a positive impact on labour market outcomes.

The research methodology: the analysis of the scientific literature and its systemization, mathematical statistics methods.

Labour market function conditions and regulation

Analysing and evaluating processes in the labour market and its function conditions, the same concepts have been used as in material goods market. Therefore, in addition to the factors of production in the labour market, the role of human factor with its social, psychological and biological characteristics is one of the most important aspects where the performance is complimented with natural, social, technical evaluation indicators. Labour market is an integral part of market economics, where the main function is to distribute labour force among economic activities, professions, territories, companies, and besides it performs two more socio-economic functions: allocates population income through the form of payment and thereby it supports employment activities, formally creating opportunities to use the rights to work and to improve professionally (Martinkus, Berzinskiene, 2005). Because of the characteristics that distinguishes the labour market from other material markets, it can be claimed that these characteristics determine the research complexity in the labour market and make presumptions for their analysis. In the theoretical works of the researchers a perfect labour market has been defined (Layard, Jackman, Nickell, 1991; Berggren, 1992 and other), with the following characteristics:
- labour supply (labour force content in labour market) which is adequate of labour demand (number of workplaces in labour market);
- a relatively short time from the appearance of a person in labour market (job vacancy) to the employment contract. In other words, employment contract is made when a vacancy in labour market and person’s application proceed at the same time;
- all employees leave and vacancies are removed from labour market effectively, after a contract expired.

Real labour markets do not meet the conception of theoretically perfect labour market. First, the labour supply does not usually answer the labour market demand. In addition to the quantititative differences, there is a structural imbalance (professional, qualification, geographical, etc.). Second, the labour force flows entering the labour market are not equal to vacancy flows. Third, there are some different positions in the negotiations on payment and working conditions (when an employer is dominated, payment is lower and working conditions are often worse than in a perfect labour market). On the other hand, if employees are dominated in the negotiation, for instance, because of strong influence of the strong trade unions, payment level may be too high and this would increase unemployment. Fourth, the period time becomes quite long when a person (vacancy) enters the labour market, till the moment when the employment contract is made (it is quite a significant time for vacancies as well as for employees). Fifth, labour force leave does not always coincide with the working place liquidation; therefore both sides outgo is not always useful. An employee can leave the labour market after losing the hope to get employed, and working places can be constrainedly taken out of the labour market in the case of their liquidation. Sixth, limited information can occur in two areas of the labour market. At first, incomplete information leads to difficulties in finding workers for employers and in finding a job for workers: it is difficult for employers to assess the level of competency of potential workers, and employees find it difficult to predict their further income. Next, incomplete information stops the rational negotiation on payment, because it is difficult to assess every worker’s effort and productivity. Seventh, there are no equivalent labour markets, because unemployment often occurs as a result of deliberate decisions. In this context, the market (private companies) does not provide unemployment insurance services; therefore the lack of equivalent market reduces the power of employees in the negotiation with employers.
All these and other reasons reflect the labour market uncertainty and complicate the integration opportunities for potential employees. Various labour market measures are used to solve unemployment problems:
- regulated relations between employers and employees,
- the minimum wage determination,
- assistance for job-seekers and employees,
- the unemployment insurance services, etc.

Having summarized these aspects, it can be claimed that the decisions of state government institutions (government and municipalities) have a big impact on both labour supply and demand. Chosen labour market policies, especially the labour income taxation, increases or decreases labour force motivation and ability to work. Reskilling of the unemployed, information about vacancies gathering and advertising (active labour market policies) increase labour supply and unemployment benefits (passive labour market policies) decrease it. In order to reduce the consequences of unemployment, the complex of labour market measures has been applied.

Active labour market policies are applied in order to assist people to employ. Passive labour market measures or unemployment benefits temporarily compensate losses, and institutional measures regulate the labour relations between employees and employers. While there is a general consensus on the necessity of the measures of employment promotion, but there is disagreement on the amount of them should be applied: how strictly they to be regulated, what unemployment benefits should be paid for the unemployed, etc.

Labour market sensitively reacts to the changes in economic environment; therefore the need of these measures becomes more relevant through the economic recession conditions. However, the EU countries gave different priorities in the realization of the labour market measures in order to stabilize unemployment growth. Seeking to balance labour demand in the EU labour markets, the crisis was primarily responded in production adjustment and total working time, rather than in reducing the number of employees. Employment in Europe was protected from the very first recession effects by the implemented shorter working time compensation programs, under which the employers could apply for the temporary state benefits to compensate for reduced working hours. The relative strength of the EU labour markets is based on the realization of increased internal corrective measures (shorter working time arrangements, shorter working hours, temporary company’s closure, etc.) in order to preserve existing working places and to increase the employees’ opportunities to employ (in Austria, Ireland, Spain, Italy, Cyprus, Lithuania, the Netherlands, Portugal, Hungary, Germany) and to support movement from one working place to another (in the Czech Republic, Spain, Cyprus, the Netherlands). These measures were the most effective when they involved the particular provisions dealing with labour training in order to increase the employability of individuals and to facilitate a possible transition from one job to another (in the Czech Republic, the Netherlands, Austria, Belgium, Hungary and Germany). During the crisis in many EU countries extensive training opportunities have been developed and job training was recognized as the main measure increasing the employability of working people. In order to satisfy labour market needs, several Member States focused on the public employment services to modernize and improve their administration abilities. Some public employment services in the Member States of the EU (such as Belgium, the United Kingdom, the Netherlands, Sweden, Finland and Germany) have developed special intervention systems (often in collaboration with other social partners, municipalities and other concerned labour market subjects). These measures were intended to ensure rapid and save transition from one working place to another, especially for those who were at risk to be redundant, and thus to be prevented from the long-term unemployment (Macernytė-Panomarioviene, 2009).

Analysis of the situation in the labour market

The analysis of the situation in the EU labour markets showed that in 2009 the average unemployment rate of ES-27 made 8.9 percent. During four years (from 2004 to 2008) this rate was steadily decreasing (for 2.1 percent), but only in one year – from 2008 to 2009, unemployment in the EU increased for 1.9 percent. In the USA at the same time the unemployment rate increase was even bigger: from 5.8 percent in 2008 up to 9.3 percent in 2009. The unemployment rate determined by the global finance crisis increased in all EU-27 countries. The lowest growth was fixed in Germany, the highest - in Latvia (9.6 percent). Having estimated the unemployment rates in the Baltic States group, the unemployment rate in Latvia in 2009 exceeded the unemployment in Lithuania and Estonia. The highest unemployment rate was registered in Spain (18 percent) during the analysed period. The unemployment rates of EU-27 are shown in Table 1.

It is recognized that long-term unemployment hardest attack people, who have lost their jobs, because they lose their skills, qualification and motivation in a long-time period searching for a job. According to the analysis of the unemployment rates, it was estimated that in UE-27 in 2009 even 3 percent of labour force were unemployed and were searching for jobs for more than a year and half of them (1.5 percent) could not employ for more than two years. Having analysed the dynamics of male and female unemployment rates, it was noticed that from 2004 to 2008 female unemployment rate was higher than that of men; but in 2009 male unemployment exceeded women’s for 0.2 percent. Youth unemployment rate in EU-27 during the analysed period was more than twice higher than overall unemployment rate and made 19.6 percent. This means that every fifth young person could not find job. The highest unemployment rate among youths was fixed in Spain (37.8 percent), Latvia (33.6 percent) and Lithuania (29.2 percent). In the Netherland, the only EU-27 country, the youth unemployment was less than 10 percent (6.6 percent) during the analysed period.
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Table 1

Dynamics of the unemployment rate in EU-27 in 2004-2009

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Having analysed the labour market rates in Lithuania, it was estimated that the unemployment rate began to increase in the second half of 2008 – from 4.6 to 8.1 percent. However, the biggest unemployed flow was fixed in 2009. The registered number of unemployed people increased 2.8 times up to 269 thousand and even exceeded the rate achieved during the Russian crisis. This result is 6.4 percent points higher than the average EU rate and is the third largest among the EU members.

The unemployment rate among the 25-year-old and less population group increased from 8.3 percent at the end of 2007 to 30.4 percent in the last quarter of 2010. This means that every third young person was unemployed. And this segment of society is the most flexible in respect of emigration. They usually are single, English speaking people, who do not hold the sentiments to stay in the native country. Another long-term consequence of this stagnation is so-called brain drain. The decrease of this segment is a huge loss for the entire economy. It determines prolonged innovative and technological stagnation in the country what results in lower economic attractiveness of generating capital for foreign direct investment and the low potential for economic convergence.

Generalizing the results of the unemployment rate analysis, it is suggested that unemployment exists in all EU-27 countries, only it differs in its extent, duration and distribution in various age groups. The research showed that the problem of unemployment is related in cause–effect links associated with various negative trends in different countries. The direct link between unemployment and GDP was analysed by Pocius, Okuneviciute-Neverauskiene, 2005; Vetlov, 2003; Vetlov, Virbickas, 2006 and others. The increasing impact of unemployment on emigration flows was discussed by Stulgiene, Daunoriene, 2009; Matuzeviciute, Butkus, 2009; Blanchflower, 2007 and others. Direct relationship of unemployment and wage and tax to the state budget was proved by Shapiro, Stiglitz, 1984; Blanchflower, Oswald, 1995; Blanchard, Diamond 1993 and others. In order to control unemployment, the response of employment policies included three European Council agreed priorities: to preserve preexisting employment rate, to create new working places and stimulate mobility; to improve skills and better meet labour market needs; to provide more employment opportunities and support the households (Brussels European Council, 2008).

Labour market policy and the impact on unemployment

Implementing economic recovery plans, many Member States started applying the measures to support the income of the most vulnerable groups of population, for instance they increased minimal wage rate, paid the unemployment benefits for wider group of population or for a longer period, promoted other social support forms such as tax incentives or even exempted from tax specific group of population. In addition, some Member States invested into the infrastructure of health care, long-term care, children’s care or social housing. These investments have two goals: to promote employment and to improve
opportunities, involving the most vulnerable groups of people, to use social services. This is particularly important seeking to promote women’s employment and gender equality and to prevent workers from leaving the labour market as had happened in the previous recessions.

Various measures aimed at supporting the employment of the most active but do not have a job and support those, who are at risk to leave the labour market: public employment services have been improved and people’s supporting needs have been satisfied (in Austria, Bulgaria, Denmark, Greece, Spain, the United Kingdom, Lithuania, the Netherlands, Portugal, France, Slovenia and Germany); the opportunities to get training have been supported (in Ireland, Bulgaria, the Czech Republic, Greece, the United Kingdom, Lithuania, Portugal, France, Finland and Germany) and the employment of people with disabilities have been supported (in Estonia and Romania). In order to increase labour power needs during a crisis, in some Member States, social insurance contributions have been applied for older workers preventing them from the early pension system usage (in Poland and Portugal).

According to the Law of Employment Promotion Act (Valstybes zinios, 2009), ALMSs are measures, which are applied in order to help people increase their opportunities to employ. ALMSs measures aim to balance labour supply and demand. Their intervention forms can vary: the measures which allow job offers to help people who look for a job (consulting, vacancy registration, help searching for a job, etc.); the measures improving the professional skills (professional training, retraining); establishment of new working places (public works, self-employment promotion, etc.); labour supply structure change (for instance, extra support for the target population group employment). ALMPs became more popular in Lithuania during the last decades. While in 2004-2008 the total number of unemployed decreased, ALMPs participants during this period remained relatively high. From 1997 the number of the unemployed oriented to the active labour market policies exceeded the number of people who received unemployment benefits. In 2005 every fourth from five unemployed persons took part in ALMPs (one third of them took part in a professional training). Later the number in these measures decreased, but still it remained relatively big – in 2008 nearly every fifth recorded in the Labour Exchange was able to use ALMPs measures and thus increased their employment opportunities. The economic efficiency of ALMPs depends on the overall economic situation: the efficiency grows up when economics rises, whereas during the economic recession the results of these measures do not perform so well. Still, considering the destructive consequences determined by the unemployment, it is obvious that ALMPs measures can satisfy the unemployed needs. During the economic recession in Lithuania the role of ALMPs, as the scheme guaranteeing income became relevant (Okuneviciute-Neveryauskiene, Moskvina, 2010). The distribution of active and passive labour market measures in Lithuania is shown in Figure 1.

Although the ALMSs implementation in Lithuania, is quite wide compared it with other EU countries. These measures are minimum funded in relation with a percentage of GDP: in 2005 the cost of labour market measures made 0.34 percent in Lithuania. On average, costs of labour market policies (including public employment services) in the Member States in 1985-2004 made 2 percent of GDP (Gagel 2006). Undoubtedly the efficiency of ALMSs implementation depends on the country’s economic situation. When labour demand is quite high because of ALMSs measures, the participants are easier to remain in the labour market. It is obvious that when the labour demand decreases, the employment of ALMSs participants, as the main rate of efficiency, falls down. But apart from the efficiency impact of ALMSs measures, social benefits justify the investment in these measures supporting employment of the participants who take part in these measures not only for their short-long impact (decreases the needs of unemployment social insurance benefits, increases the opportunities to employ, allows to promote the professional skills, etc.). But it also makes the background for a long-term investment return, it reduces unemployment consequences for society and for each person as well as promotes the efficient labour supply.

Generalizing it can be claimed that to decrease unemployment the countries widely apply labour market measures, however, there is some lack of research in
revealing what can base the impact of these measures on the labour market rates. While in the 1990s only Boix (1998) and Janoski and Hicks (1994) quantitatively analysed the determinants of ALMPs, the 2000s were marked by a growing number of studies (Martin and Swank 2004; Rueda 2006; Rueda 2007; Swank 2007; Huo, Nelson et al. 2008; Van Vliet and Koster 2008). Having analysed the impact of ALMSs measures on labour market rates for a short term period, the economic efficiency of these measures benefits were estimated (the percentage of employed people after these measures). According to the Labour Exchange data, it was estimated that the best results of employment after the measures had been applied were obtained when employment had been subsidized and professional skills promoted (accordingly 75 percent and 82 percent of the participants were employed in 2007). Performed correlation regression analyses confirmed the presumptions that the number of people who were involved into the ALMSs measures positively correlated with the number of employed people, but only during the period of economic growth (in 2004 - 2008 $r = 0.77$, when $p = 0.05$). This could be explained by the fact that new skill and retraining allow to faster occupy vacancies in the labour market, and employers positively assess opportunities to employ the subsidized people. However, when there is a lack of vacancies the participation in ALMSs measures lets remain professional skills and motivation to be employed. Analyzing the participants in ALMSs measures and the unemployment rates in the country, a strong direct correlation was not defined. A direct link was noticed between unemployment rate and passive labour market policy measure in the foundation of almost all the EU countries (in Lithuania $r = 0.583$, when $p = 0.05$).

Generalizing the research results it can be claimed that in response to the increasing unemployment it is not enough to implement the ALMSs and passive labour market policy measures. Nowadays, in the global economics, when new markets open and new technologies are being introduced, companies and their employees are confronted with the growing needs, and thus the opportunity to adjust. While this structural change process positively impacts on economic growth and employment, it has a negative effect on some companies and employees. Companies must become more flexible in responding to the unexpected changes of goods and services, changes in demand, adapt to new technologies and to be able to constantly innovate in order to stay competitive. They must also respond to the increasing needs for quality as well as to cope with aging labour power and decrease the number of young employed people. The labour life of employees becomes more complicated because of more varied and irregular methods of labour organization. Rapidly changing economic conditions force to adjust to new labour patterns, including widely used information and communication technologies (ICT), the professional status and the preparedness to learn all the life. In other words, labour market must be flexible and safe (flexicure) in respect of employment. Labour market flexicurity is associated with the liberalization of labour relations and labour market role of the state cut. The development of employment security through the employment security measures, applying social insurance and social dialogue principles and the active labour market policy measures, help people adapt to the changes in the labour market and encourage professional mobility. It is argued that labour market regulations in Lithuania are not sufficiently flexible and are not suitable for today’s economic challenges. The labour market policy in respect of liberalization is contradictorily assessed. It is claimed that labour market liberalization would lead to more opportunities for new working place creation and satisfy the interests of those, who lost their jobs, and that the changes were beneficial for employees as well as for employers. Controversial provisions are those that all labour contracts should be fixed-term and time of redundancy should be shortened as well as redundancy compensations should be reduced. These provisions are probably beneficial for employers, but they restrict employees’ motivation and security opportunities. EPL (index of employment protection legislation) the best represents institutional environment impact on unemployment. It is one of more frequently used measures of the strictness of the EPL in each country and through different years is the so-called Employment Protection Legislation Index elaborated by the OECD. EPL refers to regulatory provisions that relate to hiring and firing practice, particularly those governing termination of employment, severance payments, advance notice and other procedural obligations. As it has been pointed above, EPL is an obvious candidate for explaining changes in job stability across countries, but also across age groups, since changes in the legislation may not apply to all workers. According to the research estimating the EPL index impact on unemployment different results were obtained. Nickell (1997 and 1998) found that the strictness of EPL had no significant effect on unemployment but it did affect the employment rate, although not when women were excluded. Daveri and Tabellini (2000) found that EPL was significantly but negatively correlated with unemployment, suggesting that more restrictive legislation correlated with lower unemployment. Belot and Van Ours (2001) claimed that EPL was an insignificant determinant of unemployment in the majority of their regressions. Boone and Van Ours (2004) also claimed that EPL was not significant. Baker, Glyn, Howell, and Schmitt (2004) found that the EPL variable was not significant over the periods 1985–1994 and 1960–1999, and turned negative over the period 1980–1999, suggesting stricter regulation reduces unemployment. Scarpetta (1996) agreed that EPL was not significant when a centralization (of collective bargaining) variable was included; without that variable it was significant. Nicoletti and Scarpetta (2004) showed a similar result in which the effect of EPL on the employment rate was entirely due to the countries with an intermediate level of corporatism. Nickell, Nunziata, and Ochel (2005); Bassanini and Duval (2006); and Baccaro and Rei (2007) found that EPL was not significantly correlated with unemployment. The study by Kahn (2010), cited previously, showed that liberalizing reforms that make it easier to hire temporary workers did not affect the employment rate. All but one of the studies cited above...
tested the impact of unemployment insurance benefits (the replacement rate) on unemployment. The impact of institutional environment and ELP index on the unemployment rates in Lithuania has been analysed occasionally. In the economic literature only factual ELP indexes have been introduced or they have been integrated into the results of the research in other EU country groups. According to Eamets and Masso (2004), who replicated OECD’s EPL index for the Baltic countries, the Lithuania’s overall EPL index in 2003 was 2.7, slightly higher than the EU-15 (2.5) and the New Member States (2.4) averages. The value was the highest among the three Baltic countries, even if the differences were negligible. Looking at the different components of the overall EPL index, Lithuanian EPL system showed some divergent patterns with respect to other countries. Indeed, while the regular (i.e. open-ended) contracts’ index was only slightly higher than the EU-15 corresponding index (3.0 vs. 2.6), the temporary contracts’ index was substantially lower (1.4 vs. 2.3) and the collective dismissals’ index was much higher (4.9 vs. 3.2) than the EU-15’s corresponding ones. For temporary contracts, the low value of the index was mostly due to the lack of regulations in the use of temporary work agencies. The high value of the collective dismissals’ index was mainly due to the notification requirements and additional delay periods.

Conclusions

1. Labour market is a complex structure not only for its morphological content, but also for its functioning in different economic cycles. These reasons may be based on labour market uncertainty, which complicates the employability of individuals. Arising disproportion between labour supply and demand determines the unemployment problems, which can be solved through the different measures: active, passive and institutional labour market policies.

2. According to the scientific source analysis, it was estimated that the measure variety of labour market regulation and employment promotion exists, however, the labour market measures caused a positive effect in some countries but there might be no possible effect in other group of countries. There is no doubt that ALMSs measures are efficient in solving unemployment problems and their social benefit justifies investments into the employment of those who take part in these measures even under economic recession conditions. At this time the need of passive labour market policy measures increase (unemployment rate positively correlates with passive labour market policy measure amount). So, unemployment benefit relatively relieves unemployment consequences, but does not decrease the rate of unemployment and often suppresses motivation to work.

3. The results of the research confirmed the presumptions that the number of people who were involved into the ALMSs measures positively correlated with the number of employed people, but only during the period of economic growth (in 2004 - 2008 $r = 0.77$, when $p = 0.05$). This could be explained by the fact that new skill and retraining allow to occupy vacancies in the labour market, and employers positively assess opportunities to employ the subsidized people. During the economic recession the participation in ALMSs measures let’s remain professional skills and motivation to be employed. Analyzing the participants in ALMSs measures and the unemployment rates in the country, a strong direct correlation was not defined. A direct link was noticed between unemployment rate and passive labour market policy measure in the foundation of almost all the EU countries (in Lithuania $r = 0.583$, when $p = 0.05$).

4. Summarizing the research results, it can be claimed that labour market liberalization is one of the measures encouraging to create new working places and satisfying the needs of people who lost their jobs; while the changes in the institutional environment would be beneficial for both employers and employees. Still, the labour market liberalization in the country is rather controversial. In this context, solving the unemployment problems, it is advisable to choose such labour market measure set that would be flexible in the employers’ aspect as well as would be socially secure for the individuals who want to get employed.

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Darbo rinkos priemonių poveikis nedarbai

Santrukā

Šiuolaikinė globālā pokario atveju ir ekonominės krisės atimtis, bet susiduria su socialinėmis-problemomis, kurios spręsti iškyla dažnai skirti nemenkumus finansinės įtakos

1. Išvadu

2. Klausinių analizė

3. Atsakymas

4. Diskusija

5. Referencijas

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