Monitoring and analysis of Flexicurity policies

Progress report

The Indicators Group will produce a report of the state of the art concerning identification and development of indicators to monitor/analyse progress of implementation of flexicurity policies to be sent to EMCO for adoption in June 2008. This draft is based on last years report and the progress done since June 2007. Indicators that are proposed for the June meeting are included.

1. BACKGROUND

Flexicurity has been the main item on the work programme of EMCO in 2007 and 2008. The Indicators’ group has worked to provide technical advice and support by identifying and developing indicators to monitor, analyse and present performance with the respect to flexicurity.

Members have given oral and written contributions with proposals on how to improve and develop flexicurity indicators. A special workshop was organised in order to work in more detail on the graphical presentation of progress of flexicurity. This report is the result of the work and discussions so far.

The purpose of this report is to

- report to EMCO about discussions that have taken place,
- provide a list of EES-indicators that can be used to monitor/analyse the components of flexicurity including recently developed indicators,
- show how the progress of flexicurity can be monitored in a graphical way, to improve visualisation of change and
- seek approval of EMCO on the work so far and receive guidance on how to continue.

The work of the Indicators’ group will continue in the autumn, and the monitoring/analysis of flexicurity policies will be considered as an integrated part of the work of the Indicators’ group taking into account the guidance provided by EMCO.
2. POLITICAL CONTEXT

In December 2007, the EPSCO Council\(^1\),

*Underlined the importance of European-level mutual learning and progress monitoring in the field of flexicurity, for which a consensual set of robust indicators based on high-quality statistics, covering equality and adequately the different components of flexicurity, is of utmost importance*

and endorsed the Joint Opinion of EMCO and SPC on the common principles of flexicurity\(^2\), see annex 1, where principle 3 states that 'Progress should be effectively monitored' and in the next steps:

*It is advised that the Council and the Commission review and assess Member States’ achievements in adopting and implementing flexicurity-oriented policies in the context of the Lisbon strategy evaluation, using a comprehensive set of robust indicators based on high-quality statistics. In this perspective, the indicators considering input, process and output of flexicurity approaches should be further developed to cover all flexicurity components.*

In the report to EMCO in June 2007, the flexicurity indicators were only based on the existing indicators agreed by EMCO. However, it was recognized that there were important issues for which new indicators needed to be developed to improve the monitoring and analysis of flexicurity. The indicators group has tried to fill some of these gaps.

3. THE CONCEPT OF FLEXICURITY AND THE EU POLICY CONTEXT

Common principle 2 states that:

*Flexicurity involves the deliberate combination of flexible and reliable contractual arrangements, comprehensive lifelong learning strategies, effective active labour market policies, and modern, adequate and sustainable social protection systems.*

The Commission and the Member States have reached a consensus that flexicurity policies can be designed and implemented across four policy components:\(^3\)

- *Flexible and reliable contractual arrangements* (from the perspective of the employer and the employee, of "insiders" and "outsiders") through modern labour laws, collective agreements and work organisation;
- *Comprehensive lifelong learning (LLL)* strategies to ensure the continual adaptability and employability of workers, particularly the most vulnerable.

---

\(^1\) Presidency conclusions, EPSCO Council 5/6 December 2007

\(^2\) doc. 15320/06

\(^3\) European Commission Communication Towards Common Principles of Flexicurity: more and better jobs through flexibility and security adopted on 27 June 2007
• Effective active labour market policies (ALMP) that can help people cope with rapid change, reduce unemployment spells and ease transitions to new jobs;

• Modern social security systems that provide adequate income support, encourage employment and facilitate labour market mobility. This includes broad coverage of social protection provisions (unemployment benefits, pensions and health care) that help people combine work with private and family responsibilities such as child care.

In general, the EMCO Indicators group can benefit most from its own competence regarding components of flexicurity which are directly linked to employment (Flexible contractual arrangements and Active labour market policies) and the employment related aspects of the two remaining components (Lifelong learning and Social protection systems) Examples of the latter are vocational education and training for Lifelong learning and unemployment benefits and supports for Social protection systems. For a complete treatment of these components, cooperation with other groups is necessary, in particular with the SPC Indicators' group for Social security systems, and DG EAC's Indicators' group for Lifelong learning systems.

4. ASSESSING FLEXICURITY

4.1. Framework for flexicurity indicators

The three elements of the framework for flexicurity indicators (input, process and output) that have been endorsed by the Council describe a thematic policy field from different points of view and can serve as “a check list” for the choice of indicators and for the combination of indicators in a graphical presentation. This allows a more comprehensive monitoring approach than a simple list of indicators. But it is not assumed any automatic causal relationships between the input-, process- and output indicators. The process is too complicated and too complex to use a mechanistic understanding of the interaction between different variables. The indicators must be understood as measures indicating more or less of a phenomenon and that there may be other variables with a potential influence.

• Input indicators for the flexicurity components are quantitative assessments of rules and regulations, for example concerning benefit coverage or provision of services. Indices have been developed to describe the rules and regulations of some policy areas but they must be interpreted with caution since some relevant information will always be excluded from such a numerical value. Provision of financial resources, for example public expenditure, is seen as an input indicator even though it does not include the aspect of effectiveness.

• Process indicators for the flexicurity components are the shares of particular groups of persons affected by or participating in policy measures. Indicators will show and measure the extent to which policy measures are being implemented.

• Output indicators should be identified for the four components. Principle number five points out that upward mobility needs to be facilitated as well as between unemployment or inactivity and work and indicators related to labour market dynamics can be used to monitor/analyse the mobility. Indicators drawing from longitudinal surveys would be better than those from cross-sectional surveys.

It is not appropriate to measure general outcomes of flexicurity, since the outcome indicates the broader results achieved after implementation of several policy strategies.
They are often long-term results of the efforts of a number of policy initiatives. General outcomes such as employment rates, long-term unemployment rates, productivity and quality at work and inclusive labour markets, are the results of the general economic situation and of economic, labour market and social policies and it is not possible to identify the outcome of flexicurity alone.

The following criteria for the selection of indicators – including flexicurity indicators - have been used in the process to identify the most relevant indicators for monitoring of the EES:

- reflect the guidelines closely (common work with other Committees should not dilute the specificity of employment indicators)
- be clear and unambiguous
- be estimated with harmonised EU sources (if possible)
- be appropriate to identify the problems related to targets or benchmarks
- be in conjunction with structural indicators
- of good quality

One should try to take both the flexibility and the security aspect into account when defining indicators, if possible flexibility and security aspects for each component. It is also important that gender issues are mainstreamed and this should also be the case when identifying a subpopulation, for example an age group in order to analyse this group separately.

Member states' different starting positions related to flexicurity should also be taken into account. The starting point reflects the institutional set up, economic situation of the country, available financial resources and the precise challenges that need to be addressed (JER 2007).

In the following, the input-, process- and output-indicators that have been endorsed by the Council and the indicators that are developed recently are used.

Both monitoring indicators and indicators for analysis in the EMCO-list have been included for the monitoring of flexicurity. Monitoring indicators are well-known and normally comparability and data sources are ensured. However, also a number of the existing indicators for analysis are suitable in the flexicurity context and the assessment of flexicurity policies will benefit from the use of both categories of indicators. Quality improvement may be necessary. The difference between indicators for monitoring and analysis is kept in the tables in sections 5-8 and indicators for monitoring are presented in bold.

When monitoring of flexicurity policies in the EU perspective, indicators drawing on harmonised EU-data sources are preferred. On the other hand, when each MS is monitoring its own progress, suitable indicators could be chosen from EES indicators with national data sources or MS own indicators.

4 Long-term unemployment rate is seen as a general outcome even though it is particularly linked to outcomes of ALMP.
4.2. Monitoring the policy progress and the combination of flexicurity components – the choice, interpretation and use of indicators

- In order to monitor progress in the implementation of flexicurity policies, comparison of indicators over time is necessary. The required time span for changes to be visible in the statistics is different for different policy measures (indicators). Change from one year to another may be enough for some input and process indicators but too short for most output indicators such as annual transition rates. Transition rates over several years or longer time series are required.

- When implementing flexicurity policy measures in a MS, the first step identified is the adoption of decisions that change rules and regulations eventually in combination with financing decisions. This kind of qualitative information is provided in the LABREF database and the reporting tables that are sent by MS with their NRPs. These are sources to be used to discover such decisions.

- When comparing an input indicator such as expenditure from one year to the other, the eventual change in effectiveness is not taken into account. Another disadvantage when using expenditure as a percentage of GDP is that it does not take into account increase or decline in the number of the beneficiaries. Changes in expenditure which are addressed to a specific group of persons would take this into account if expenditure is calculated per person in this group. On the other hand it would be informative to picture the relative increase or decrease of financial resources (in relation to GDP) allocated to measures of the four components.

- In a corresponding manner one could investigate increase or decrease in process indicators for the four components or for the relevant components. Even if there is no pre-empted causal relationship between the input, process and output indicators it is assumed that reforms will show gradually and at a later stage as change in the process indicator data and still later as change in the output indicator data.

- Further research would be needed on how to show the complexity of the concept. In this respect, ongoing research and in-depth analysis on flexicurity should be considered as an important complement to the annual monitoring with EES indicators.

- It appears that a composite indicator that includes all four dimensions is not appropriate for monitoring of this complex issue since a composite indicator would need to be "decomposed" in order to understand and interpret the results. In the longer term, a composite indicator or composite indicators for each of the components might be useful at least for analysis if one wants to summarize large quantities of information.

- The following sections list input-, process- and output-indicators that have been selected for monitoring and analysis of the four flexicurity components. There are other indicators used by the Commission or by other organisations that seem to be suitable for monitoring or analysis of flexicurity components but they need further investigation both concerning the exact definition and the quality of
the data sources. Some of them and also some ideas for development are included in the text.

- At present the indicators are not presented for different age groups separately but as far as possible there should be a subdivision by age and other relevant background variables in order to analyse possible segmentation of the labour market.

5. **CONTRACTUAL ARRANGEMENTS INCLUDING WORKING TIME ARRANGEMENTS**

**EES-indicators to monitor/analyse Contractual arrangements**

<table>
<thead>
<tr>
<th>Input indicator</th>
<th>Process indicator</th>
<th>Output indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Use of flexitime (new)</td>
<td>Over-time hours 21.A3</td>
</tr>
<tr>
<td></td>
<td>Employees with overtime work 21.A3</td>
<td></td>
</tr>
</tbody>
</table>

*Contractual arrangements* can possibly be analysed by an **input** indicator developed by the OECD giving an index of the *Strictness of the Employment Protection Legislation* (EPL). An important disadvantage is that the bargaining agreements between the social partners are not taken into account in the index. There is need for further investigation if the work done by the OECD can be used for monitoring of contractual arrangements.

The **process** indicator is a sub-indicator of *Diversity and reasons for contractual and working arrangements* and in order to monitor progress (positive) the used indicator is the *Share of employees not working in involuntary fixed-term or part-time contract*. It summarises information about involuntary fixed-term and part-time contracts.

An **output**-indicator is the *Frequency of transitions* (by type of contract) and "good transitions" should be defined to monitor progress. *Turnover on the labour market* could also monitor mobility but at present, there is no such EES indicator and the interpretation is not straightforward.

**Internal flexicurity**

*Internal flexicurity* such as flexible working time arrangements and good work organisation is treated under this component. Working time arrangements should be monitored both from the employee's and the employer's perspective. A proposed EES-indicator (input indicator) on *Access to flexi-time* provides information to measure the rules or the structural framework mostly from the employee's perspective and the **process** indicator *Use of flexi-time* provides information about the use of flexitime. In order to have annual data on *Access to flexi-time*, a new variable needs to be included in the regular EU-LFS.

*Employees with overtime* (process indicator) and *Hours of overtime work* (output indicator) measure the working time arrangements aspect mostly from the employer's perspective.

At present, there are no indicators to monitor or analyse *work organisation* but research about work organisation building on data from the European Working Conditions Survey is done by the European Foundation for the Improvement of Living and Working
Conditions. This could be taken into account in the qualitative analysis together with other Quality in work indicators which require further development.

6. ACTIVE LABOUR MARKET POLICIES (ALMP)

<table>
<thead>
<tr>
<th>EES-indicators to monitor/analyse Active Labour Market Policies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Input indicator</strong></td>
</tr>
<tr>
<td>• Expenditure on LMP-measures per person wanting to work 19.A8</td>
</tr>
<tr>
<td>• Expenditure on LMP-measures as % of GDP 19.A7</td>
</tr>
<tr>
<td>• Registered unemployed per person wanting to work (new)</td>
</tr>
</tbody>
</table>

The Expenditure on Active Labour Market Policies (ALMP) can be used as an input indicator. If presented as a percentage of GDP, it is a macroeconomic measure, while if presented per person wanting to work, the target population is demarcated. Rules for registration with the Public Employment Service (PES) vary over time and the Registered jobseekers per person wanting to work could be used to estimate the coverage of the PES. Registered unemployed per person wanting to work measures access to PES activation measures and to unemployment benefits in most MS and could be used as an input indicator. With this indicator it is not possible to distinguish between access to measures and supports.

Process indicators, see table, are EES indicators. Activation-indicators use European harmonized data while New start/Preventative services draw on national data sources.

The Follow up – indicator, an EES indicator which relates directly to ALMP - for monitoring the output uses national definitions and data sources. The network of Public Employment Services has started to develop indicators and benchmarks and will collaborate with the Indicators group.

7. LIFELONG LEARNING (LLL) SYSTEMS

<table>
<thead>
<tr>
<th>EES-indicators to monitor/analyse Lifelong Learning Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Input indicator</strong></td>
</tr>
<tr>
<td>• Public spending on human resources 23.M1</td>
</tr>
<tr>
<td>• Investment by enterprises in training of adults 23.A1</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Input indicators for reliable and responsive lifelong learning (LLL) systems measure contributions from the public education and training system and from the enterprises. Data sources are continuously improved but expenditure of enterprises are only surveyed at long intervals (1999, 2005, 2010) and private expenditure is not measured at all. The
Expenditure indicators are included in the list of EES-indicators while there is no indicator to measure the access rules, for example rules for "second chance".

The process indicators are also included in the list of EES-indicators but the quality of the indicators of LLL needs to be improved, as noticed by the quality profiles group. For the flexicurity approach a subdivision by type of contract should be added.

At present, there is no output indicator measuring adult skills but the Indicators group will try to develop such indicators in cooperation with DG EAC. The indicator would aim to capture skills including informally acquired qualifications. Educational attainment of adults (25-64) is not in the list of EES indicators but it is an output indicator measuring long-term development. Share of persons with upwards Transitions (from unemployment to employment or education and with an increase in pay) can also be used in this context.

8. SOCIAL SECURITY SYSTEMS INCL. RECONCILIATION OF WORK AND PRIVATE LIFE

EES-indicators to monitor/analyse Social Security Systems

<table>
<thead>
<tr>
<th>Input indicator</th>
<th>Process indicator</th>
<th>Output indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>• LMP expenditure on supports per person wanting to work 19.A8</td>
<td>• Recipients of LMP supports per person wanting to work (new)</td>
<td>• In-work–poverty risk 19.A10 &amp; SPC OA-11</td>
</tr>
<tr>
<td>• LMP expenditure on supports as % of GDP 19.A7</td>
<td>• Employment impact of parenthood 18.A5</td>
<td>• People living in jobless households. SPC OA-5</td>
</tr>
<tr>
<td>• Registered unemployed per person wanting to work (new)</td>
<td></td>
<td>• Lack of care for children and other dependents 18.A6</td>
</tr>
<tr>
<td>• Unemployment trap 19.M7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Low wage trap 19.M6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Child care 18.M3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Care of dependent elderly 18.A7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Modern social security system should facilitate labour market mobility including removal of restrictions and obstacles for mobility of workers within the EU. In the context of flexicurity, one of the key roles of modern social security systems is to ensure the continuity of income security to the workers and their family whether they are in or out of work. It is also to ensure access for all to quality health care and adequate income (including supplementary pensions) in old age through sustainable pension systems. The proposed indicators above are closely linked with employment issues (unemployment and child care) while the SPC Indicators group are developing the broader aspect of social security systems including health care and pensions.

LMP expenditure on supports (categories 8 and 9: out of work income and support and early retirement) is an input indicator in analogy with expenditure indicators for ALMP and LLL-systems. Rules for unemployment registration vary over time, and the Registered unemployed per person wanting to work can be used as input indicator. With this indicator it is not possible to distinguish between access to measures and supports, see section 6. Other input indicators for Social security systems in the flexicurity context could measure rules and coverage of other social security benefits when unemployed or when having "atypical" work and entitlements to benefits when losing such "atypical" jobs. There are no such indicators in the EES-list but a project in DG EMPL is developing an indicator measuring the Coverage of certain benefits (unemployment benefits, maternity/paternity/parental leave and sickness benefits) for self-employed, and
persons with part-time and fixed-term contracts. Input indicators should also be developed to measure pension amounts and eligibility criteria but a study showed that this is much more complicated. The SPC indicators group will investigate this.

Recipients of support is a process indicator for measuring the take up rates of benefits of out of work support in line with the Activation indicator. Furthermore, the EES-indicators: Unemployment trap and the Poverty (low wage) trap are used as process indicators. OECD has developed indicators showing the Net replacement ratios and, in order to monitor the impact of flexible working arrangements on future pension entitlements, Pension theoretical replacement rates for specific broken career cases (SPC indicator OA-12C) which could be investigated further.

In-work-poverty-risk is included as an output indicator to measure the share of employed people\(^5\) who are at risk of poverty. The share of People living in jobless households, which is a SPC indicator, reflects the share of the working age population (excluding students households) living in a household where nobody works. These two indicators are basically general outcome indicators and Transitions from work to inactivity by main cause (see also 4.1) could be developed as an output indicator which would be more closely related to flexicurity.

Reconciliation of work and private life in short and long term

Flexible Working time arrangements contribute to the Reconciliation of work and family life in the short term. Maternity/paternity/parental leaves and benefits may be preconditions for reconciliation of work and family life and indicators to monitor access to leave have been explored (treated above). Care arrangements for children and for dependant elderly is treated here as input indicators since they are important preconditions for the reconciliation. Care arrangements are monitored by existing indicators, see table. Employment impact of parenthood is chosen as a process indicator. It shows the difference in employment rates for women and men without and with young children and an output indicator is the share of persons who do not work or who work less because of lack of suitable care facilities.

There are no indicators on how to reconcile work and family life in a life-cycle perspective. Average number of years of combination of work and parenthood, Average number of years of work combined with partial retirement could give such information and indicators should be developed to monitor/analyse the aspect of reconciliation.

9. GRAPHICAL PRESENTATION OF RESULTS

9.1. General considerations

A comprehensive presentation of the state of the art and the progress of flexicurity policies will build on tables showing indicators for each of the four components. Since the concept is complex, there are several input-, process-, and output-indicators for all components showing different aspects of flexicurity policy measures, see section 5 – 8. The assessment of the position and change of Member states regarding flexicurity

\(^5\) Individuals classified as employed according to the definition of most frequent activity status. The most frequent activity status is defined as the status that individuals declare to have occupied for more than half the number of months in the calendar year.
policies requires that this data is easily accessible. The comparison of Member States is not straightforward, since starting positions are different and qualitative information should be used to interpret the quantitative results.

9.2. Radar chart

A graphical presentation has been developed which aims at a holistic approach and to show that the combination of the four dimensions and the interaction between the elements yield the output. Radar charts provide the possibility to present this multidimensional concept and pictures the "interaction". Four dimensions (the four components) are shown in the same graph and this is "easier" to grasp than a set of tables for each component. It would be technically possible to include more than one indicator for each flexicurity component but doing so would complicate the picture. The radar diagram is well suited for presenting changes from one year to another for a single MS and it is important to present all MS with a common scale.

A radar chart gives a highly simplified picture of the situation and recent change in flexicurity policies in MS. Some additional information is provided in a small table with actual values which is included with the chart. In order to get the full picture one would have to interpret the graph taking into account more data, qualitative aspects and the specific conditions of the MS. This is particularly important when interpreting the changes.

9.3. Choice of indicators to be included in the same radar chart.

The time aspect would imply that it is more suitable to include the same type of indicators (input, process or output) for all four components in one radar chart. Depending on whether the chart should present rules/resources, "take-up"-rates or achievements of the MS, input-, process- or output- indicators would be preferred. Ideally, there should be a logical reason behind the combination of four input indicators (for each component of flexicurity) in the same graph but this has to be seen on a case by case. Indicators should be examined on an individual basis in order to judge whether they are suitable or not. The annex shows the combination of input indicators and process indicators that have been chosen for the monitoring, using the available data sources.

9.4. Choice of subpopulation

A radar chart can be drawn to picture flexicurity policies designed for the whole population or for a specific subpopulation. In monitoring progress for a specific subpopulation such as persons with fixed-term contracts, the chosen indicators must be presented in more detail taking into account this background variable. The EMCO-indicators used for monitoring/analysis of flexicurity policies need to be reviewed with this in mind so that the corresponding data can be provided. The annex does not show this aspect.

9.5. How to use the radar charts – EU and MS perspective

A set of radar charts using EES indicators and using harmonised data sources are suited for giving overviews in an EU perspective. The combinations of indicators in the annex have been chosen with this in mind. On the other hand, if Member States use radar charts in the National reforms programmes, the choice and combination of indicators could be done more freely. In this way, national indicators and data sources could be used to show how certain aspects of flexicurity policies are being implemented.
9.6. Data situation

In the overview of flexicurity indicators, there are several indicators for each dimension. The choice is sometimes difficult but the data situation is a serious restriction at least in the short-term for the EU perspective. Better availability of data will increase the possibility to choose other combinations of indicators. Actually, there are only a few possibilities (because of lack of data for some MS) to produce charts to illustrate the advantages with a graphical presentation.

9.7. Radar charts for all Member States

In the annex, there are two radar charts for each MS:

• one chart where four input indicator have been combined and

• one graph where four process indicators have been combined.

From the EU perspective, the selected combinations of indicators are seen to be the most informative combinations taking into account the present list of indicators and the actual data situation. Data are too scarce at this stage to show combinations of output indicators. Each graph shows the level and change for one Member State and a table is included with the actual values for the chosen indicators.
**Finnish examples with explanations**

**Access to flexitime** shows the proportion of employees having access to flexible working time arrangements i.e. not having a fixed start and end of working day. It is chosen as an indicator of **Flexible contractual arrangements**. The data source is an LFS ad hoc module carried out in 2004. Only one year is available since the data from the LFS ad hoc module 2001 is under revision.

**Public spending on Human resources as a percentage of GDP** is the **Lifelong learning** indicator which describes the financial resources in a macroeconomic perspective that are allocated by the government to LLL. The data source is the harmonised UOE data collection.

**Expenditure on regular activation measures (training, employment incentives etc.) per 100 persons wanting to work** and **Expenditure on financial supports per 100 persons wanting to work** build on data from the LMP database. The public expenditure is seen in relation to all persons who said that they want to work, both unemployed and inactive. The two axes do not have the same scale and absolute values can only be seen from the table.

The scale for all charts is the same which implies that comparisons over the EU are possible. The direction of the scale means in general, that a point further away from the centre means a better result but this has to be interpreted in a country perspective particularly for expenditure. The scale is not indicated in the graph because of technical reasons. Instead, the actual values are presented in the table.

The Finnish chart shows an increase both of expenditure on regular measures and on supports per person wanting to work between 2005 and 2006. Finland shows a higher level for all input indicators with no particular emphasis on a certain flexicurity component.
Flexicurity-process indicators: FI

<table>
<thead>
<tr>
<th>Employees not working involuntary pt or ft (%)</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part. In education and training (% of adult pop)</td>
<td>23.1</td>
<td>22.5</td>
</tr>
<tr>
<td>Nr of persons in regular act per 100 pers wanting to work</td>
<td>24</td>
<td>25</td>
</tr>
<tr>
<td>Unempl benefit recip per 100 pers wanting to work</td>
<td>55</td>
<td>52</td>
</tr>
</tbody>
</table>

Employees not working in involuntary part-time or fixed-term contracts shows the proportion of employees working in "good" contracts e.g. working in a type contract that they have accepted voluntarily. It is chosen as an indicator of Flexible contractual arrangements.

Participation in education and training is the Lifelong learning indicator which gives the proportion of all employees who said that they participated in education and training. The data source for the two indicators is the LFS.

Number of persons in regular activation measures (training, employment incentives etc.) per 100 persons wanting to work and Number of unemployment recipients per 100 persons wanting to work building on data from the LMP database estimates the proportion of persons in regular measures and in financial support. They are seen in relation to all persons who said that they want to work, both unemployed and inactive.

The scale for all charts is the same which implies that comparisons over the EU are possible. The direction of the scale means in general, that further away from the centre means a better result but this has to be interpreted in a country perspective. The scale is not indicated in the graph because of technical reasons. Instead the actual values are presented in the table.

The Finnish chart shows that differences between the two years are very small for all components and that in comparison with other Member States, Finland shows a stronger emphasis on lifelong learning.
Alternativ 1: One page per MS with both input and process charts. Examples: BE, CZ and DE, see below. All MS are in a separate document: Input-process indicators.

**Input Indicators:**
- Access to flexitime 2001 and 2004 (% avg employees)
- Public spending on HR 2004 and 2005 (% of GDP)
- Exp on ALMP 2005 and 2006 (PPP per pww)
- Exp on unemployment benefits 2005 and 2006 (PPP per pww)

<table>
<thead>
<tr>
<th>First year</th>
<th>Second year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to flexitime 2001 and 2004 (% avg employees)</td>
<td>25</td>
</tr>
<tr>
<td>Public spending on HR 2004 and 2005 (% of GDP)</td>
<td>5.89</td>
</tr>
<tr>
<td>Exp on ALMP 2005 and 2006 (PPP per pww)</td>
<td>392</td>
</tr>
<tr>
<td>Exp on unemployment benefits 2005 and 2006 (PPP per pww)</td>
<td>10870</td>
</tr>
</tbody>
</table>

**Process Indicators:**
- Employees not working voluntarily pt or ft (%)
- Part. in education and training (% of adult pop)
- No of persons in regular act per 100 pers wanting to work
- Unempl benefit recip per 100 pers wanting to work

<table>
<thead>
<tr>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees not working voluntarily pt or ft (%)</td>
<td>94</td>
</tr>
<tr>
<td>Part. in education and training (% of adult pop)</td>
<td>8.3</td>
</tr>
<tr>
<td>No of persons in regular act per 100 pers wanting to work</td>
<td>53</td>
</tr>
<tr>
<td>Unempl benefit recip per 100 pers wanting to work</td>
<td>320</td>
</tr>
</tbody>
</table>
**Flexicurity input indicators: CZ**

- Employees not working voluntarily part-time or full-time (%): 94.3 (2006), 94.6 (2007)
- Part. in education and training (% of adult pop): 5.6 (2006), 5.6 (2007)
- Nbr of persons in regular act per 100 persons wanting to work: 8 (2006), 8 (2007)
- Unemp. benefit recip per 100 persons wanting to work: 20 (2006), 21 (2007)

<table>
<thead>
<tr>
<th>First year</th>
<th>Second year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to flexitime 2001 and 2004 (% av employees)</td>
<td>21</td>
</tr>
<tr>
<td>Public spending on HR 2004 and 2005 (% of GDP)</td>
<td>4.3%</td>
</tr>
<tr>
<td>Exp on ALMP 2005 and 2006 (PPP per pww)</td>
<td>310</td>
</tr>
<tr>
<td>Exp on unemp. benefits 2005 and 2006 (PPPs per pww)</td>
<td>620</td>
</tr>
</tbody>
</table>

**Flexicurity-process indicators: CZ**

- Employees not working voluntarily pt or ft (%): 94.3 (2006), 94.6 (2007)
- Part. in education and training (% of adult pop): 5.6 (2006), 5.6 (2007)
- Nbr of persons in regular act per 100 persons wanting to work: 8 (2006), 8 (2007)
- Unemp. benefit recip per 100 persons wanting to work: 20 (2006), 21 (2007)
### Flexicurity Input Indicators: DE

- **Access to flexitime 2001 and 2004 (% of employees)**
  - DE first year: 47, DE second year: 52

- **Public spending on HR 2004 and 2005 (% of GDP)**
  - DE first year: 4.59, DE second year: 4.52

- **Exp on ALMP 2005 and 2006 (PPP per pww)**
  - DE first year: 1.82, DE second year: 1.98

- **Exp on unemp benefits 2005 and 2006 (PPPs per pww)**
  - DE first year: 6.94, DE second year: 6.81

### Flexicurity Process Indicators: DE

- **Employees not working unvoluntary pt or ft (%)**
  - DE first year: 9.4, DE second year: 9.4

- **Part. In education and training (% of adult pop)**
  - DE first year: 7.7, DE second year: 7.5

- **No of persons in regular act per 100 pers wanting to work**
  - DE first year: 27, DE second year: 37

- **Unempl benefit recip per 100 pers wanting to work**
  - DE first year: 94, DE second year: 109
Alternativ 2: Input indicators for all MS followed by process indicators for all MS. Examples BE, CZ, DE and FR, see below.

All MS are in two separate documents: **Input-indicators and process indicators**.