

Summary Table of Peer Country Comments Papers

Country	Labour market situation in the peer country	Assessment of the policy measure	Assessment of future progression policy development	Questions
Belgium	<ul style="list-style-type: none"> • Generally favourable conditions • Low aggregate employment rate (20-64 yo: 67.7%), variation between regions • Low labour market dynamics, difficult labour market entry for low skilled & migrants • Short careers with late entry and early exit • Strongly institutionalised collective bargaining leads to more equality 	<ul style="list-style-type: none"> • Different paradigm from the UK: a larger role for independent collective bargaining • Drawback: insider/outsider model • Seniority schemes guarantee wage growth for white-collar workers, implies greater retention • Rationales include human capital, productivity & loyalty • Additional measures (fiscal) to pull young low-skilled into employment: income guarantee allowance, sectorial training programmes... 	<ul style="list-style-type: none"> • Poor mobility and early drop in employability to be addressed • Fiscal measures increase risk of low pay-trap (for young career starters) • Signalling function of wages could be reemphasized • Labour market dualization between white and blue-collar workers to be avoided 	<ul style="list-style-type: none"> • Why was ERA cancelled? • 16+ hour contracts as a minimum? • Within sector or between sector (fiscal) solidarity? • Seniority in the UK in individual labour contracts?
Germany	<ul style="list-style-type: none"> • Between 2005 and 2018, the number of employed increased by 4.4 million... • Unemployment fell to just 5.3% • Since 2011 standard employment grew faster than atypical work • In spite of the good employment situation 	<ul style="list-style-type: none"> • The Minimum wage of 2015 led to far above average high wage increases in two lowest deciles of the income distribution • The ripple effects of t-he MW up the 6th decile is high because of linkages with collective bargaining. In 14 industries the social partners agreed an industry minimum wages above the level of the national minimum wage 	<ul style="list-style-type: none"> • The new government plans to declare the whole wage grid in the care sector as generally binding which will lead to substantial wage increases for many care workers • Temporary employment will be reregulated. The impact has to evaluated. 	<ul style="list-style-type: none"> • What is the role of collective bargaining in wage progression in the UK? • What is the role of social partners in the promotion of further training? • Do the union representatives in the UK

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	<p>income inequality grew in the last two decades</p> <ul style="list-style-type: none"> The main reason for the increasing income inequality is the erosion of collective bargaining in many industries. Another important reason is the polarisation of working times between households 	<ul style="list-style-type: none"> The reregulation of temp agency improved wages in this industry The new family policy improved the work-life-balance and reduced the scar-effects of part-time work and career interruption of young parents The training programs of the active labour market policy improved employment chances and wage progression of many unemployed. Innovative collective agreements on the promotion of further training and codetermination right of works councils improved the employability of many workers 	<ul style="list-style-type: none"> A right for full-time workers to work temporarily part-time will be introduced. Together with the already introduced right to work temporarily 28 hours a week in the metal industry this will reduce the scar-effects of part-time work. 	<p>encourage workers to attend training?</p> <ul style="list-style-type: none"> Do the directives of the EU (equal pay for part-timers, temporary employed, temp agency workers) improve wages of precarious employed in the UK and in Germany? Are there good examples of re-reregulation of precarious work in the UK?
France	<ul style="list-style-type: none"> Slow job creation since 2010, recently accelerating, while unemployment stays steadily high. Slow wage increase, especially for low wages. Minimum wage at 0.61 of median wage Working poor are relatively less frequent than in other countries but they exist due to low working hours (cf fixed 	<ul style="list-style-type: none"> Financial incentive to work policies already aim at two different targets: reducing poverty and increasing activity rate. Is it the appropriate tool for a third target, namely in-work progression? Using the same scheme for three targets can be a source of efficiency but it also raises the risk that it won't be perfectly tailored for any. Public policy should take into account invisible obstacles to 	<ul style="list-style-type: none"> For requestable rights, take-up rate should be part of a policy evaluation Public policy should bear in mind the gender dimension to the choice of reference income Policy evaluation and design should value the quality of job (in terms of duration, working time and pay) as much as the return to work. 	<ul style="list-style-type: none"> What are the driving force behind decreasing mobility in the British labour market? How did the changes in employment structure (with self-employment, O-hour contracts, agency workers) influence the pay and working time distribution of British workers?

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	<p>term contracts or low weakly working time)</p> <ul style="list-style-type: none"> • There is an important risk of locked in effect for low wage workers. 	<p>in-work progression (child care, training, transport...)</p> <ul style="list-style-type: none"> • Individual support schemes are crucial. They should be assessed in qualitative terms (what type of support scheme performs well?) as well as quantitative ones (what is the estimated impact on trajectories of beneficiaries?). • Public policy should also consider the firm-side and foster the creation of better quality jobs. 		
Latvia	<ul style="list-style-type: none"> • Latvian labour market continues to recover from the dramatic recession 10 years ago, with gradually declining unemployment and relatively high participation rates; • Emigration has led to a shrinking labour market with total employment more than 10 per cent below the pre-crisis level; • While the minimum and average wages are low in Latvia by European standards, the next few years are likely to bring a further recovery in wage levels. 	<ul style="list-style-type: none"> • UC provides an approach unifying various existing policies; • Standardisation of financial incentives will support ease of communication to the target groups; • Minimum wage is likely to still remain an important policy tool to target the lowest income population groups. 	<ul style="list-style-type: none"> • It is unlikely that efforts will be made in the near future to introduce a set of policy measures similar to the UK's UC in Latvia; • Latvia is likely to continue using minimum wage (in combination with the related non-taxable allowances), as well as GMI to address wage progression indirectly; • Measures related to ALMPs can have a positive impact on the wage progression, however, it would be necessary to assess their effectiveness. 	<ul style="list-style-type: none"> • Are there any risks associated with the UC applied to different regions within a country (from the perspective of some groups of the population not responding to the financial incentives in a similar way)? • Are there any groups of the population that may eventually end up in a worse situation after complete introduction of the policy measure (comparing to the situation before the introduction of UC)?

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				<ul style="list-style-type: none"> Are there any implications for the UC approach in the context of the UK exit from the European Union?
Norway	<ul style="list-style-type: none"> Unemployment rates have gone up in Norway over the past few years and is currently around 4 per cent. Groups which are more likely to be outside the labour market are people with low education, young persons, persons with mental or physical health problems and non-western immigrants. Norway has a compressed wage structure and the difference between high and low earners is much lower in Norway than in the UK. The political attention to in-work wage progression is low in Norway. 	<ul style="list-style-type: none"> There is not a stated low-income problem in the Norwegian economy. The policy focus is on getting people off benefit and into employment, because most jobs provides a decent pay. In Norway, wage formation is based on the tripartite agreement, which at the national level is a co-operation between a strong trade union movement, centralised employers' associations and the state. Important policy initiatives to get people off benefits is the use of conditionality directed at benefit recipients and skill enhancement through education and training in the benefit group. 	<ul style="list-style-type: none"> Groups outside the labour market in Norway are met with high productivity demands. The preferred policy strategy in Norway is to try and include more persons in the labour market by enhancing their formal skills. It is uncertain whether the skill enhancement strategy will succeed. Norway may have something to learn from the UK in terms of how to use the labour market as an arena for developing skills, instead of concentrating so much effort on formal education and training. 	<ul style="list-style-type: none"> What is the role of employers in the UK in relation to wage progression? What are the drivers in the UK behind the growth in low-paid/low-quality jobs? How is wage progression in the UK related to education and training? What are the current debates in the UK about education, skills and qualifications and what is the role of employers in this debate?
Serbia	<ul style="list-style-type: none"> Employment has recovered from an all-time low in 2012 since LFS measurement began in 1995. 	<ul style="list-style-type: none"> Minimum wage is around average by EU standards, its bite is slightly below 50 %. Mandatory seniority premium was relatively efficient in 	<ul style="list-style-type: none"> Reforming labour taxation in the direction of more progressivity and higher take home pay for low wage workers could be a short term measure to 	<ul style="list-style-type: none"> What would be the impact of the introduction of a public employment guarantee?

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	<ul style="list-style-type: none"> • However, the quality of new jobs is relatively low. • Wages have stagnated throughout this decade. • The share of low wage earners is 23 %, much above the EU average. 	<ul style="list-style-type: none"> • bringing older workers above the low wage threshold, however it was diluted by recent changes in the Labour Law. • Current labour taxation rules put a heavy burden on low wage workers and hamper their wage progression. • In-work benefits or any other form of direct support to wage progression of the most vulnerable groups do not exist. 	<ul style="list-style-type: none"> • secure pay progression for low wage workers. • Re-establishing mandatory seniority premium for the entire work experience may also be beneficial. • In the medium term, measures directly supporting pay progression among the most vulnerable groups, such as in-work benefits could be introduced. 	<ul style="list-style-type: none"> • What would be the impact of the introduction of ethical pay?
Slovakia	<ul style="list-style-type: none"> • Considerable employment growth in recent years, number of vacancies increase, unemployment decrease (but still a high proportion of long-term unemployed) • The employment rate is approaching the EU average in Q3 2017 (71.2 %) • Average monthly nominal wages have been increasing annually by 6.17 % between 2000 and 2016, average monthly real wages by 3.02 %. • Demographic factor - population-weak 	<ul style="list-style-type: none"> • Legally anchored continual increase in the minimum wage is systematically implemented by the Government. • Low-paid employees benefit from higher net incomes through tax and benefit concessions. • Central Office of Labour, Social Affairs and Family is focusing active labour market policy to reduce long-term unemployment by reskilling programmes, individual action plans for each jobseeker, regional employment support, etc 	<ul style="list-style-type: none"> • Continuous increase of the minimum wage will most likely continue. • Based on innovative information technologies, individual measures will be developed for each jobseeker based on their work potential. • Special attention will be given to specific target groups - long-term unemployed and disadvantaged jobseekers in order to maximise their chances of re-employment. 	<ul style="list-style-type: none"> • Has the introduction of NLW significant impact on wage increase? • Which measures are recommended for greater motivation of the low-income workers to their progress to better paid work or wage increases? • Could the cuts of obligatory contributions increase the pay of low-earning employees in a long run? • Which were the main principles of reforming a system of financial incentives (such as Universal Credit) in UK?

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cohorts are coming and population-strong cohorts are leaving the labour market.

- Significant regional differences - registered unemployment rate from 3 % up to more than 20 %.

- What type of simulation or other method have been used to examine the impact of the introduction of Universal Credit on public finances?