



How demanding are eligibility criteria for unemployment benefits?

Quantitative indicators for OECD and EU
countries

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Overview

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9. Limitations of the indicator



1. Design elements of UB systems

Unemployment Insurance (UI)
and/or Unemployment
Assistance (UA)?

**Benefit
generosity**

Unemployment benefit
level?
Unemployment benefit
duration?

Initial waiting periods
Behavioural requirements
during UB entitlement

Minimum employment or
contribution record
Subsequent U-spells?

**Eligibility
Criteria**

**Entitlement
criteria**

Access to
UA?



2. Other/previous indicators of UB strictness

- Danish Finance Ministry in 1997 and in 2003/04: UI eligibility criteria; coverage of selected OECD countries [Ministry of Finance (1998) and Hasselpflug (2005)]
- OECD 2011: UI eligibility criteria; coverage of all OECD and EU countries; added some (but not all) entitlement criteria [Venn, 2012]
- Marchal & Van Mechelen (2013): Activation strategies for minimum income recipients in 17 EU countries and 3 US states in 2012; financial incentives to work, **demanding elements** and enabling elements
- Knotz (2014): UI eligibility criteria in 20 OECD countries; changes over time (1980-2012); *de jure* strictness only



3. Data collection

- Questionnaire to delegates of the OECD's Employment, Labour and Social Affairs Committee and Indicator Sub-Group of the EC's Social Protection Committee
- Responses based on UB legislation (and/or guidelines) and operational practices
- Major UB benefit: most often UI, although recipient numbers sometimes higher for UA; AUS and NZL UA only
- Changes since 2011



4. 2014 OECD UB strictness indicator

- **Availability requirements and suitable work criteria**
 - Availability during ALMP participation
 - Demands on occupational mobility
 - Demands on geographical mobility
 - Other valid reasons for refusing job offers (*count*)
- **Job-search requirements and monitoring**
 - Frequency of job-search monitoring
 - Documentation of job-search activities
- **Sanctions**
 - Sanctions for voluntary unemployment
 - Sanctions for refusing job offers (first/repeated)
 - Sanctions for refusal/ failure to participate in counselling interviews or ALMPs (first/repeated)

5. Scoring

All items are scored from 1 = least strict to 5 = most strict

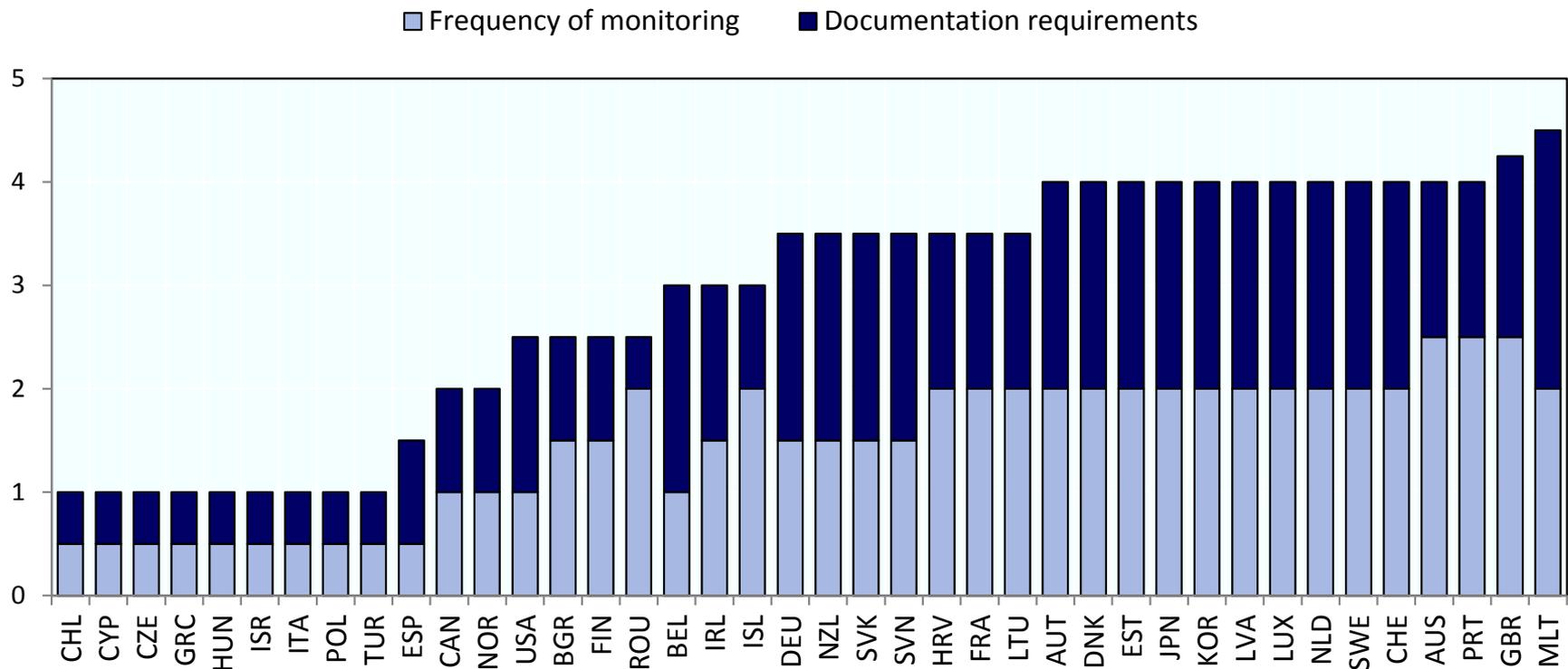
Job-search requirements and monitoring

| Item 5: Frequency of job-search monitoring | Item 6: Job-search requirements and monitoring |
|---|---|
| 1 No check of job-search activity | 1 No formal requirement |
| 2 Infrequent or ad-hoc checking of job-search activity | 2 The person must regularly affirm that he or she has undertaken some actions to find work without specifying what these were (e.g. must tick a box “searched for work” on a claim continuation form) |
| 3 Frequency of job-search activities varies for different jobseekers and/or during the unemployment spell (less than quarterly) | 3 The person must regularly affirm that he or she has undertaken some actions to find work and specify what these were (e.g. job-search diary) |
| 4 All unemployed must regularly prove job-search activity (monthly or quarterly) | 4 The person must regularly supply the name and address (or equivalent documentation) of employers that he or she has contacted |
| 5 All unemployed must often i.e. every week or every second week prove job search | 5 Unemployed must produce declarations by employers that they applied to them for work |



6. Strictness of job-search requirements and monitoring in 2014

Scored from 1 (least strict) to 5 (most strict)



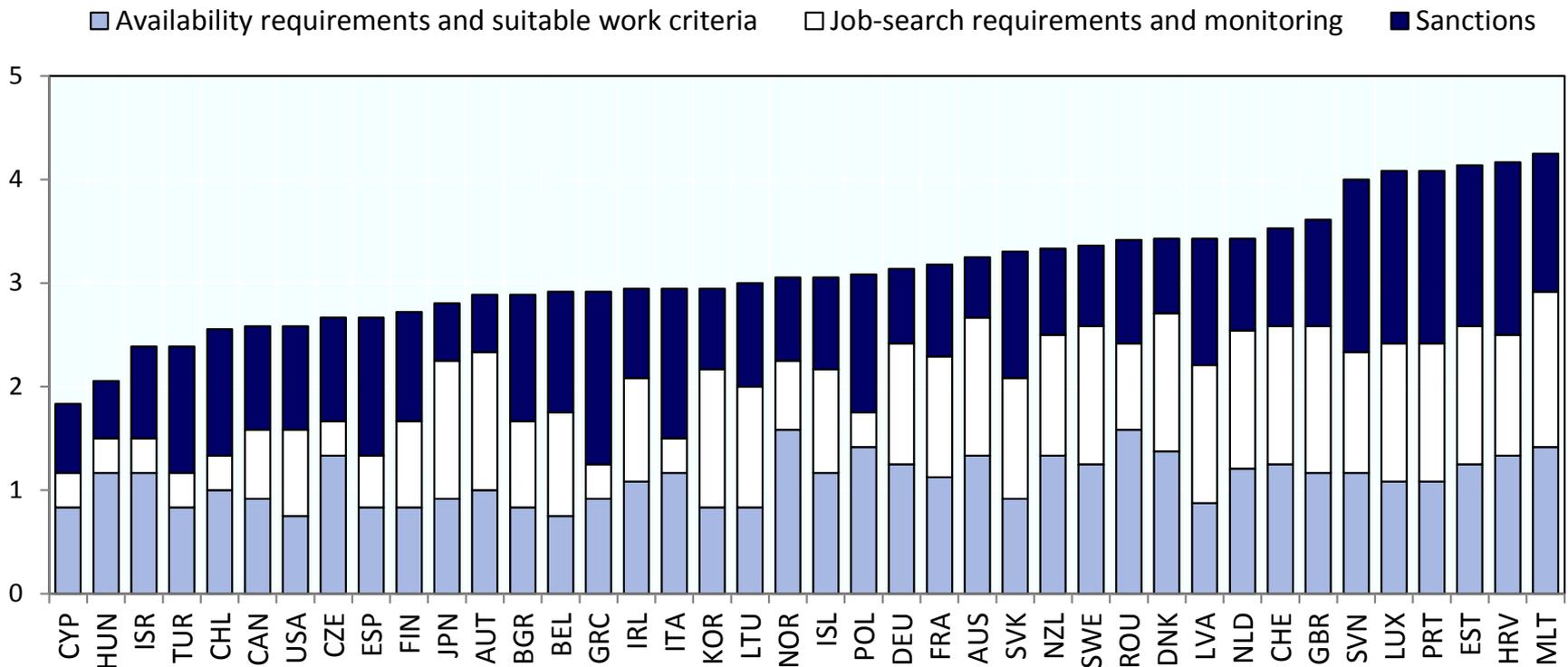
*Note by Turkey: The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the "Cyprus issue".

**Note by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.



7. Overall strictness indicator, 2014

Scored from 1 (least strict) to 5 (most strict)



Notes: See previous slide.



8. Recent changes in UB strictness in EU countries

Changes in UB eligibility criteria between 2011 and 2014

- **Belgium:** Shorter occupational protection
- **Croatia:** Availability during ALMPs & job-search reporting requirements
- **Greece:** Availability during ALMPs & broader definition of suitable work criteria
- **Latvia:** Shorter occupational protection; higher geographical mobility; stricter job-search documentation requirements
- **Malta:** Shorter occupational protection
- **GB:** Availability during ALMPs; higher geographical mobility; stricter sanction regime



9. Limitations of the indicator

- Implementation and enforcement
 - Differences between de jure and de facto strictness
 - Sanction rates as an indicator of enforcement?
- Missing items
 - Initial waiting periods
 - Job-search requirements: number of job-search actions
 - Direct referrals
 - How availability for work is demonstrated



For further information

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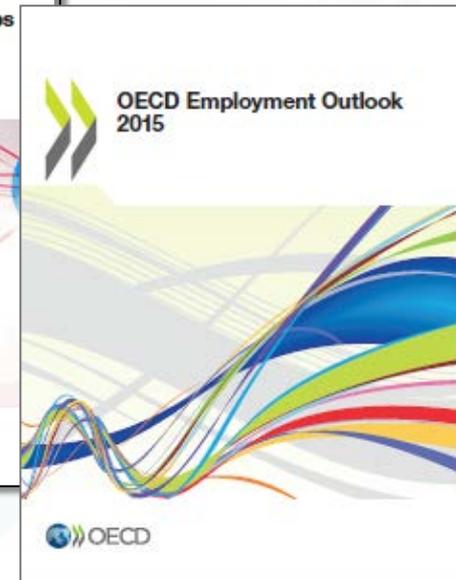
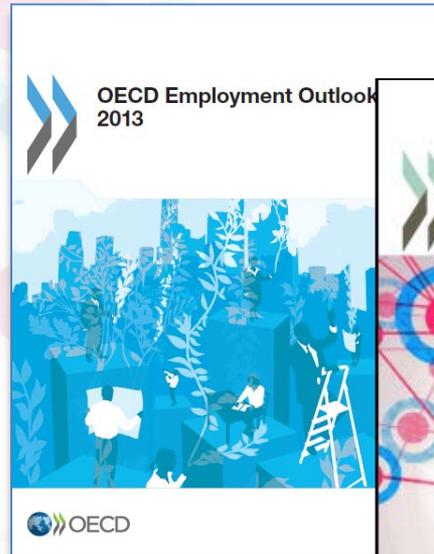


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More on active labour market policies and activation strategies: www.oecd.org/els/employment/alm
OECD Directorate for Employment, Labour and Social Affairs: www.oecd.org/els