

EMPLOYMENT POLICIES IN THE ENVISAGED UNIFIED CYPRUS

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IN THE ENVISAGED UNIFIED CYPRUS

28 MAY 2015

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OUTLINE

- WHAT IS “EMPLOYMENT POLICY”?
- ACTIVE LABOUR MARKET POLICIES
- THE POLICY FORMATION PROCESS
- SOME SUGGESTION ON EMPLOYMENT POLICY

ON EMPLOYMENT POLICY

Part 1

ON EMPLOYMENT POLICY

- EMPLOYMENT POLICY CONSISTS OF LABOUR MARKET INTERVENTIONS AIMING AT
 - THE INCREASE OF THE OVERALL PROBABILITY OF EMPLOYMENT (NET INCREASE OF NUMBER OF JOBS IN THE ECONOMY)
 - THE REDISTRIBUTION OF EMPLOYMENT PROBABILITIES AMONG POPULATION GROUPS

EMPLOYMENT POLICY: TYPOLOGIES

- MAIN CATEGORIES
 - MACROECONOMIC DEMAND MANAGEMENT
 - LABOUR MARKET DEREGULATION POLICIES
- AUXILIARY CATEGORIES
 - ACTIVE LABOUR MARKET POLICIES
 - ACTIVATION POLICIES

EMPLOYMENT POLICIES AND THE LABOUR MARKET FUNCTIONS

- LABOUR MARKET FUNCTIONS
 - ALLOCATIVE FUNCTION
 - MATCHING WORKFORCE TO JOBS
 - REPRODUCTIVE FUNCTION
 - INDIVIDUAL AND SOCIAL REPRODUCTION OF WORKFORCE
 - THE CENTRALITY OF THE WAGE RATE
 - WAGE RATE AS A COST
 - WAGE RATE AS CONSUMPTION

THE HISTORICAL PENDULUM IN EMPLOYMENT POLICIES

- ECONOMIC VS SOCIAL POLICY – THE INHERENT AMBIGUITY
- MARKET AND NON-MARKET INSTITUTIONS
 - FAMILY
 - SOCIAL POLICY INSTITUTIONS
 - COMMODIFICATION
- MANAGING THE FLOWS INTO AND FROM THE LABOUR MARKET
- SOCIAL FORCES AND POLITICAL POWER

ACTIVE LABOUR MARKET POLICIES

Part 2

CHARACTERISTICS

- NOT A FULL-SCALE, BUT A COMPLEMENTARY, EMPLOYMENT POLICY THAT CAN BE ACCOMMODATED WITHIN A MACROECONOMIC DEMAND MANAGEMENT OR A DEREGULATION FRAMEWORK
- IT CONSISTS OF MICROECONOMIC INTERVENTIONS AIMING AT ELEVATING THE EMPLOYMENT PROBABILITY OR STRENGTHENING THE LABOUR MARKET POSITION OF SPECIFIC POPULATION GROUPS
 - WOMEN
 - YOUTH
 - UNSKILLED
 - MINORITIES
 - etc.
- WHICH ARE CONCEIVED AS FACING EMPLOYMENT DISADVANTAGES

TYPES OF ACTIVE POLICIES

- NEW JOB CREATION
 - EMPLOYMENT SUBSIDIES TO FIRMS
 - DIRECT SUBSIDIES
 - TAX EXEMPTIONS
 - SOCIAL SECURITY EXEMPTIONS
 - TRANSFORMING THE UNEMPLOYMENT BENEFIT TO EMPLOYMENT SUBSIDY
 - SELF – EMPLOYMENT AND BUSINESS START-UP
 - STAGE WORK SUBSIDIES FOR YOUTH
- TRAINING FOR UNEMPLOYED AND EMPLOYED PERSONNEL
- APPRENTICESHIP SCHEMES
- JOB ROTATION AND JOB SHARING
- TEMPORARY DIRECT JOB CREATION
- EMPLOYMENT OPPORTUNITIES FOR THE DISABLE

NATURE OF INTERVENTIONS

- SMALL-SCALE INTERVENTIONS
- WELL SPECIFIED TARGET GROUP
- REQUIREMENTS
 - SOUND STATISTICAL INFORMATION
 - EFFICIENT EMPLOYMENT SERVICES (MANPOWER ORGANISATION MATCHING FUNCTIONS)
 - EFFECTIVE MONITORING
 - FLEXIBLE MANAGEMENT

EVALUATION

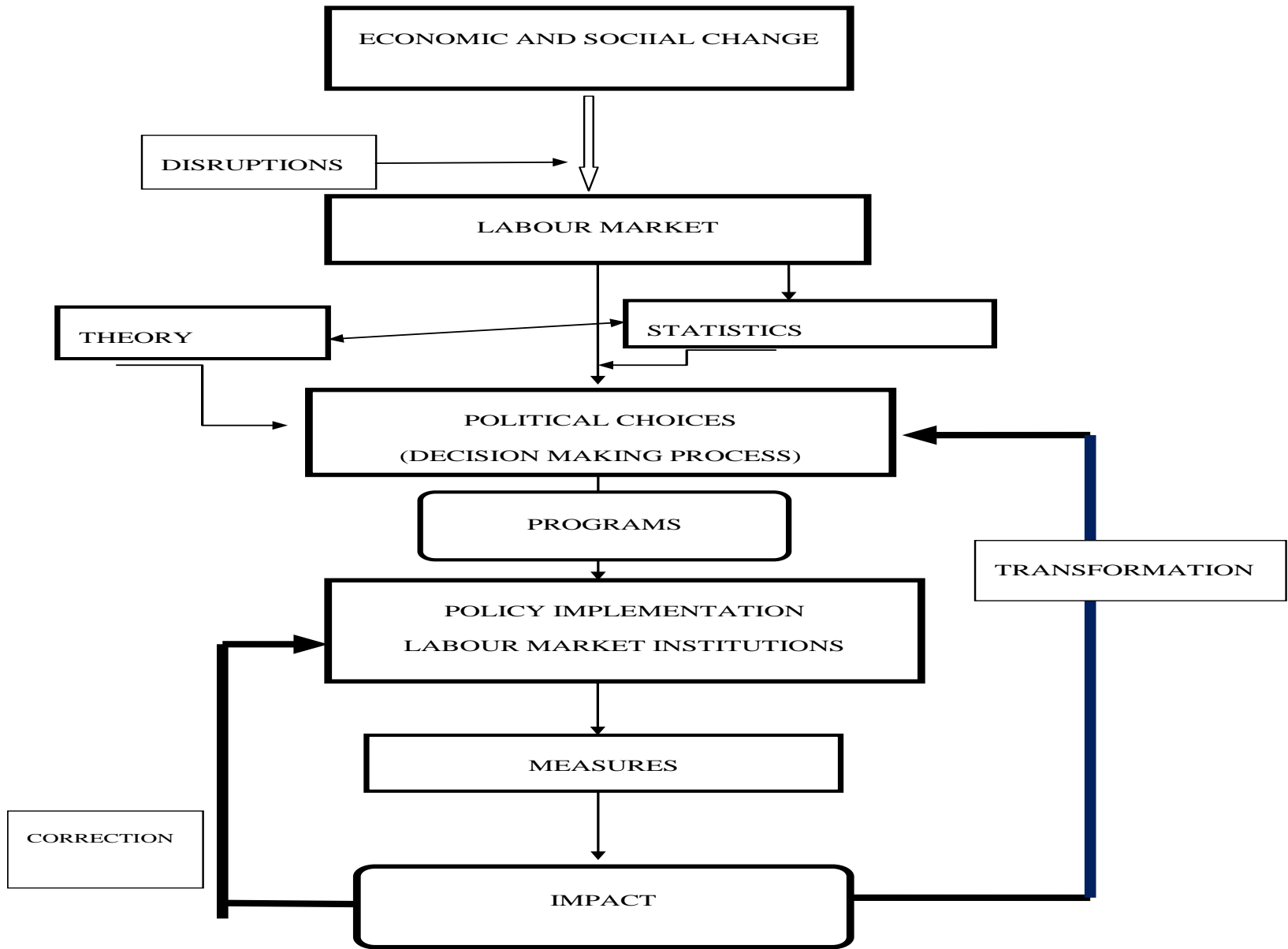
- EX ANTE EVALUATION
 - ESTIMATION OF IMPACT OF ALTERNATIVE MEASURES
- ON GOING EVALUATION
 - MONITORING AND ADMINISTRATION OF INTERVENTIONS
 - CORRECTIVE ACTIONS – RESCHEDULING
- EX POST EVALUATION
 - EXPERIMENTAL METHODS
 - QUASI EXPERIMENTAL METHODS
 - TOTAL IMPACT ANALYSIS
 - COST BENEFIT ANALYSIS
 - LONGITUDINAL METHODS
 - QUALITATIVE METHODS (OPINION OF PARTICIPANTS)

PROBLEMS AND MALFUNCTIONS

- OVER-GENERALISED PROGRAMMES OR MISSPECIFIED TARGET GROUPS
- RECESSIONARY MACROECONOMIC ENVIRONMENT DOES NOT FAVOURS ACTIVE LABOUR MARKET POLICIES
- SUBSTITUTION OF NON-EXISTING OR LOW UNEMPLOYMENT BENEFITS FOR TRAINING SCHEMES PARTICIPATION (DURING RECESSIONS)
- COMMON MALFUNCTIONS
 - DEAD WEIGHT
 - SUBSTITUTION AMONG EMPLOYEES
 - DISPLACEMENT
 - CREAMING OFF

EMPLOYMENT POLICY FORMATION

Part 3



MODELS OF POLICY FORMATION

- TOP-DOWN
 - EXPERT OR POLITICAL DETERMINATION
 - BUREAUCRATIC IMPLEMENTATION
 - MARGINAL LIBERTY OF INTERVENTION BY LOCAL SERVICES
- BOTTOM – UP
 - EXPERT OR POLITICAL GUIDELINES
 - FLEXIBLE IMPLEMENTATION BY LOCAL – DECENTRALISED STRUCTURES
- MANAGEMENT BY OBJECTIVE (MBO)
 - AVAILABILITY OF RESOURCES
 - SETTING DECENTRALISED TARGETS
 - EVALUATION OF RESULTS

THE ROLE OF SOCIAL PARTNERS

- Early notification of problems
- Active participation in the debates on the conceptual framework
- Active participation in policy formation and in the determination of specific measures
- Some involvement in policy implementation
 - Training schemes

SOME SUGGESTIONS

Part 4

EMPLOYMENT POLICY IN ENVISAGED UNITED CYPRUS

- Active labour market policies may be a starting point of creating a coherent and functional employment policy
 - They do not require a common macroeconomic policy
 - They do not require common institutional settings and services
 - They provide necessary flexibility at community level
- But, it is necessary for ethnic communities rapidly to converge on
 - Macroeconomic policy
 - Labour market institutions
 - Industrial relations processes

EMPLOYMENT POLICY IN ENVISAGED UNITED CYPRUS 2

- WITHIN THIS FRAMEWORK, FEDERAL GOVERNMENT MAY PROVIDE
 - FINANCIAL RESOURCES (ESF)
 - GUIDELINES
 - EXPERTISE SUPPORT
 - MONITORING AND EVALUATION
- WHILE COMMUNITIES MAY
 - DEFINE TARGET GROUPS
 - SPECIFY MEASURES
 - IMPLEMENT PROGRAMMES

EMPLOYMENT POLICY IN ENVISAGED UNITED CYPRUS 3

- ACTIVE LABOUR MARKET POLICIES SHOULD BE DIRECTED TOWARDS SPECIFIC POPULATION GROUPS WHICH SUFFER EMPLOYMENT AND/OR WAGE HANDICAPS
- ACTIVE LABOUR MARKET POLICIES HAVE TO BE EMPLOYED IN ORDER VARIOUS EXISTING FORMS OF DISCRIMINATION BE SIGNIFICANTLY REDUCED, I.E.
 - ETHNIC OR RELIGIOUS
 - LANGUAGE
 - GENDER
 - SOCIAL STATUS (LEADING TO LACK OF EDUCATION OR TRAINING)
 - AGE
- AND NEW FORMS OF INEQUALITIES TO BE AVOIDED (SOCIAL DUMPING)

EMPLOYMENT POLICY IN ENVISAGED UNITED CYPRUS 4

- THE TWO COMMUNITIES AND SOCIAL PARTNERS, ESPECIALLY THE TRADE UNIONS, HAVE TO WORK TOGETHER VERY CLOSELY IN VIEW THAT EFFECTIVE LABOUR MARKET POLICIES REQUIRE:
 - A COMMON EFFECTIVE MACROECONOMIC POLICY LEADING TO GROWTH
 - A COMPREHENSIVE REGIONAL DEVELOPMENT PLAN
 - A FULLY DEVELOPED SYSTEM OF INDUSTRIAL RELATIONS, LEADING TO CONVERGING WAGE RATES AT THE HIGHER ESTABLISHED LEVEL.
 - A CONVERGING SOCIAL POLICY AVOIDING INCREASING INEQUALITIES AND SOCIAL DUMPING.
 - EDUCATION
 - HEALTH SERVICES
 - PENSIONS
 - FAMILY ALLOWANCES
 - UNEMPLOYMENT BENEFITS ETC.

EMPLOYMENT POLICY IN ENVISAGED UNITED CYPRUS 5

- THIS IMPLIES THE SPECIFICATION OF A PLAN OF SPECIFIC ACTIONS WITHIN A RELATIVELY SHORT TIME PERIOD
 - THE STATE OF THINGS IN THE TWO COMMUNITIES (INSTITUTIONS)
 - PRIORITIES
 - NECESSARY ACTIONS AND REFORMS
 - TIME TABLE
- SOCIAL PARTNERS AND TRADE UNIONS ARE TO BE MAIN STAKEHOLDERS IN THE ELABORATION AND IMPLEMENTATION OF SUCH A PLAN