

## LABOR MARKET SECURITY CONCEPT UNDER MODERN INTERPRETATION

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Labor market security (LMS) is a category, which indicates safety state of labor market subjects. By definition of OECD, LMS is measured as an incidence of temporary work or employment (OECD, 2013). As it is seen from the point of OECD, both indicators focus on «job loss» determinants, ignoring expected costs which will take place on it. Further shortcomings involve the incidence of temporary work being primarily a measure of labor market duality rather than labor market security (Part 4, OECD, 2014). The incidence of temporary work and short-tenured employment tend to decrease during recessions, thus, measuring job security based on these indicators can be very misleading. Eurofound takes another point of view for LMS, offering integral «prospects» indicator based on the individuals' perceptions on job security, career prospects and contract quality. For example, unemployment benefits are considered both the job quality outcome and the job quality driver.

In our previous researches it has been mentioned that social security (as a stable base for LMS) promotes effective reproduction and development of socio-labor potential of economic entities and includes, first of all, basic worker's protection, which is taken as a human perception of security in the family, at work, at home, in the place of residence and in the country as well. It is balanced nutrition, housing, health care, education, pensions and so on, as well as predictable and minimized social risks associated with job loss, long delayed wages, serious illness or injury. Second, income security which means when real income exceeds the living cost and allows savings, which are protected from devaluation. Third, security skills, which means ability to work in the chosen profession. However, often the qualification doesn't fit the chosen work; there is threat that worker's skills will not be sufficient for their work in five years, i. e. it will be necessary to gain a new professional knowledge. Fourth is the labor market security. There is a real threat to join the ranks of the unemployed because of the high unemployment level in Ukraine. Fifth is employment guarantee. The threat is confidence lack in protection from unfair dismissal, possibility to save jobs as well as wages, working conditions and opportunities to use skills. Sixth is security of job conditions. It is high threat of disease, injury, job conditions with dangerous machinery, with increased noise, high (low) temperature and concentration of

dangerous chemicals or excessive vibrations. Seventh element of social threats could define the problem of sexual harassment at the working place. Eighth is social justice, which is a measure that links opposite vectors of social life, maintaining a balance of interests and softens contradictions resolving. It includes a setting of fair income level or even its absence. The pursuit of social justice is felt by a synthesis of thoughts on the salaries and benefits fixing for hiring, depending on gender, age, nationality and citizenship. That is personal security includes reproduction security, living standards safety, job safety, natural and social environment safety, equality and freedom [4].

Using subjective or objective measures in the labor market security defining is not clear still. Subjective measures have been found to yield considerable predictive power on future events, e. g. the probability to lose job or the probability to find a new job after job loss. Moreover, subjective measures on job security help to predict customers' spending and saving behavior, earnings growth and working bargaining power etc. LMS is associated also with subjective well-being and health outcomes. But subjective measures are quite limited in using and interpreting for different situations (systems, countries), that is why we prefer to measure LMS through objective indicators.

Hijzen and Menyhert have offered own method to measure LMS. In particular, they consider the expected cost of job loss, depending on (1) the probability of becoming unemployed; (2) the expected unemployment duration; (3) the level when unemployment benefits compensate lost earnings during unemployment. Their concept is based on 3 modeling choices: (1) job displacements that do not lead to unemployment are not considered; (2) reductions in expected earnings due to job displacement are ignored; (3) moral hazard issues associated with unemployment insurance are ignored, implying that all transitions from employment to unemployment are considered involuntary, and that job-search and job-retention efforts are independent of the unemployment degree insurance provided [1].

One of the most important factors is immigration influence to the labor market. It is well known that overflow of immigrants cost imbalance on the native labor markets, because labor migrants replace native workers. Immigrants have better access and targeted support in

traditional countries of immigration (Western Europe) especially on innovative employment or non-popular jobs. Most migrants' families can access the labor market, public employment services and trainings. But immigrants looking for the good job or new possibilities have to find one without the help of the social safety net or strong targeted programs to recognize their skills or foreign diploma and orient them to jobs and mainstream services.

Table – **Ranking on the Labor Market Mobility (as a part of LMS)** [2]

Ranking 2014	Country	Score
1	Sweden	98
2	Portugal	91
3	Norway	90
4	Germany	86
5	Canada	81
6	Finland	80
7	Denmark	79
8	Netherlands	73
8	Estonia	73
10	Spain	72
11	South Korea	71
12	New Zealand	67
12	USA	67
14	Italy	66
15	Japan	65
16	Belgium	64
16	Austria	64
18	Switzerland	59
19	Australia	58
20	Romania	57
21	United Kingdom	56
22	Greece	55
23	France	54
23	Croatia	54
25	Czech Republic	52
26	Iceland	51
27	Bulgaria	50
28	Latvia	46
29	Malta	45
30	Luxembourg	42
31	Lithuania	40
31	Hungary	40
33	Poland	38
33	Ireland	38
33	Slovenia	38
36	Cyprus	34
37	Slovakia	21
38	Turkey	15

Estimation on the labor market mobility (as a part of LMS) has been done by MIPLEX in 2014, which results we present in the table (see below).

Abovementioned table shows a composition of national policies found in 2014 in at least one of the 38 countries. As a conclusion, we can note that most mobile and flexible are labor markets of countries that occupy positions 1–7, i. e. Sweden, Portugal, Norway, Germany, Canada, Finland and Denmark. It is obvious. There are countries with a high level of life; they use high-qualified labor forces to raise the economic level and the socio-economic security as well. Lowest level of labor market mobility we can observe at the end of that list. Such countries as Lithuania, Hungary, Poland, Ireland, Slovenia, Cyprus, Slovakia and Turkey are less mobile to the immigrant labor forces adaptation at the national labor markets. They are mostly are donors of labor forces for countries of EU and non-EU zone. That is why their own native labor markets are poor and don't implement any possibilities for potential workers from other countries. From the one side, conservativeness of national labor market is good in order to save working places and jobs for the native population. From the other side, traditional economies with closed socio-labor relations miss new labor flow with a new thinking and innovations from outside. Those countries take risk to stop their socio-economic development and moreover to novelize the growth possibility in the future.

As we know, key labor market indicators include: (1) Labor Force Participation Rate; (2) Unemployment Rate; (3) Employment/Population Rate. Although in our opinion, it is quite limited list of indicators, which give the possibility to estimate the labor market security level.

Last time globalization influences at national labor markets and raises the unemployment risks because of high-speed level of technological progress and unpredictable migrants flow from poorest to the richest countries. Thus, it is necessary to think on adequate employment insurance by new types of security and innovative (non-standard employment). That is why flexicurity has become an actual concept of socio-economic development. In our opinion, providing LMS is an insuring regulative mechanism, which makes possible to have flexible labor markets and employment security, if all certain conditions are satisfied. But it requires investment in labor market and social policies, balancing of labor supply and labor demand; orientation to the flexibility (internal and external) and constructive social dialogue. Analysis of certain EU-members shows that some countries have succeeded in organizing their labor markets in a manner that combines flexibility with security (e. g. Scandinavian countries). Flexicurity supports innovative jobs yielding less security. Mostly, this concept is used for employment security in EU labor markets. That is why it is important to study the advanced EU-experience in

order to create protective mechanism of labor market security in EU-neighbors countries.

As P. Auer has noted, non-traditional view of the labor market was introduced with the flexicurity concept that would overcome previous imagination on labor markets development. Here, in this concept, flexibility and security are complementary through the social dialogue. In this case it worth to remind about efforts of the ILO to conceptualize and implement decent work convention with one stream of research attempting to integrate the concept of flexicurity into the Decent Work Agenda and render the flexicurity agenda. For example, Expert Group on Flexicurity of the European Commission has defined the flexicurity by means of four components: (1) flexible and secure contractual arrangements and work organizations, oriented to the perspectives and intentions of the employer and the employee through modern labor laws and modern work organizations; (2) active labor market policy, which helps effectively to follow any changes; (3) responsive lifelong learning systems to ensure the continuous adaptability and employability, as well as to keep up productivity levels; (4) modern social security systems building, which provide

adequate income support and facilitate labor market mobility [3]. Flexicurity should be built at the constructive social dialogue, trust and high-developed industrial relations.

**Conclusions.** Analyzing current state of labor markets in the EU and non-EU countries at the basic research of OECD and MIPEX, there is “flexicurity model”, which gives the possibility to correct socio-economic policy at the national labor markets. The best to do is to propose some common elements for the implementation: (1) employment security through innovative employment forms development; (2) high social protection by means of social standards balancing; (3) protection of social rights such as maternity, parental and training leave, possibilities to shift between part-and full-time work; (4) complementarities between employees and firm-oriented flexibility; (5) high performance socio-economic systems; (6) productive social dialogue. At the same time we want to put accent into development of innovative forms of employment as it is led by current situation. In our opinion, perspectives exist for internet-jobs, freelance, telecommunications, networking, which are negotiated by youth (most progressive part of economic active population).

## References

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