



# Monitoring and analysis of Flexicurity policies

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## 1. BACKGROUND

Flexicurity has been an important issue in the work programme of EMCO in 2007 and 2008. It is highly relevant as integrated flexicurity policies are seen as an important tool for dealing with the effects of the economic crisis. The Indicators' Group has worked to provide technical advice and support by identifying and developing indicators to monitor, analyse and present the performance of Member States with the respect to flexicurity.

The assessment of flexicurity is complex and a holistic approach is essential showing the combination and the interaction between the four dimensions: contractual arrangements, life long learning, active labour market policies and modern social security systems.

This report summarises how flexicurity policies can be monitored and analysed within the present framework of EES indicators. A graphical way has been used to improve visualisation of change of the multidimensional phenomenon. As data availability puts a restriction on the monitoring of flexicurity, the charts in this report present the framework for the monitoring and a deliberate choice of the most relevant indicators for which data is available. Although this report should be seen as a final report, further development of the assessment of flexicurity policies should be done as new indicators and data become available.

## 2. THE CONCEPT OF FLEXICURITY AND THE EU POLICY CONTEXT

In December 2007, the EPSCO Council<sup>1</sup>

*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<sup>2</sup> and 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.*

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<sup>2</sup>. The four components are:<sup>3</sup>

- *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;

<sup>1</sup> Presidency conclusions, EPSCO Council 5/6 December 2007

<sup>2</sup> EPSCO Council 5/6 December 2007, doc. 15320/07

<sup>3</sup> European Commission Communication Towards Common Principles of Flexicurity: more and better jobs through flexibility and security adopted on 27 June 2007

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- Comprehensive lifelong learning (LLL) strategies to ensure the continual adaptability and employability of workers, particularly the most vulnerable.
- 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.

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*) EES indicators have been used. The Social Protection Committee (SPC) has contributed to the selection of indicators for the social security component.

### 3. ASSESSING FLEXICURITY

#### 3.1 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 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. Flexicurity principle number five<sup>4</sup> 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 mobility. Indicators drawing from longitudinal surveys would be better than those from cross-sectional surveys.

Both the flexibility and the security aspect should be taken into account when defining indicators, if possible flexibility and security aspects for each component. It is also important that gender issues are

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<sup>4</sup> European Commission Communication Towards Common Principles of Flexicurity: more and better jobs through flexibility and security adopted on 27 June 2007

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mainstreamed and this should also be the case when identifying a subpopulation, for example an age group in order to analyse this group separately.

It is not appropriate to measure **general outcomes of flexicurity**, since the outcome indicates the broader results achieved after implementation of several policies. 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,<sup>5</sup> 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
- be of good quality.

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.

The indicators chosen as **input-, process- and output-**indicators for Flexicurity have been endorsed by the Council or have been recently developed. 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. The difference between indicators for monitoring and analysis is kept in the tables in sections 3.2-3.5 and indicators for monitoring are presented in bold.

The following sections list **input-, process- and output-**indicators that have been selected for monitoring and analysis of the four flexicurity components with following remarks:

- 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).*
- 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 with the aim to summarize large quantities of information.
- In order to monitor progress in the implementation of flexicurity policies, comparison of indicators over time is necessary. The implementation of some policy measures will be visible in the statistics after a relatively short time while for others it may take much longer. Thus, to observe 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.

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<sup>5</sup> Long-term unemployment rate is seen as a general outcome even though it is particularly linked to outcomes of ALMP.

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- When implementing new 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 information is provided by MS with their NRPs. Some additional information may be found in the LABREF and MICREF databases.
- Considering the complexity of the concept of flexicurity, ongoing research and in-depth analysis on flexicurity should be considered as an important complement to the annual monitoring with EES indicators.
- This report mainly focuses on the target population of employment policies (and flexicurity policies) *in general* and looks at the four flexicurity components. Consequently, the indicators refer to the all employed or to all persons wanting to work. In order to analyse possible segmentation of the labour market, such as persons with "atypical" work particular breakdowns or special indicators are needed, see section 3.6.

### 3.2 Contractual arrangements including working time arrangements

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

Input indicator	Process indicator	Output indicator
<ul style="list-style-type: none"> <li>• Access to flexitime 21.A4</li> </ul>	<ul style="list-style-type: none"> <li>• Diversity and reasons for contractual and working arrangements 21.M2</li> <li>• Employees with overtime work 21.A3</li> </ul>	<ul style="list-style-type: none"> <li>• Transitions by type of contract 21.M1</li> <li>• Over-time hours 21.A3</li> </ul>

#### External flexicurity

*Contractual arrangements* could 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 but according to OECD this will be at least partially be taken into account when new updates will be available. When new data will become available, there is need for further investigation of the work done by the OECD to see if the EPL can be used to define an **input** indicator 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 working in permanent contracts or in voluntary fixed-term or part-time contract*. It summarises information about involuntary fixed-term and part-time contracts.

An **output**-indicator is the *Transitions by type of contract* which draws on data from the EU-SILC. It is a dynamic indicator showing transitions between non-employment and employment and within employment by type of contract or self-employment for the working age population (16 - 64 years). For the employed, a transition is classified as upwards/downwards according to the change in security of the employment contract. For non-employed, a transition is classified as upwards/downwards meaning closer to/ further away from the labour market. A summary indicator to be used for the radar charts has been defined to indicate the *Frequency of persons with at least the same employment security as previous year*. (no distinction between upwards and neutral transitions). For further details, see IND/12/300309/EN.

#### Internal flexicurity - working time arrangements

*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. The 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. There is no annual data for this indicator but new data will become available from the LFS ad hoc module 2010. In order to have annual data on *Access to flexi-time*, a new variable would be needed in the regular EU-LFS.

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*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 renewed attention.

### Choice of indicators for the charts

Input indicator: Access to flexitime  
 Process indicator: Persons working in permanent or in voluntary fixed-term or part-time contracts  
 Output indicator: Persons with at least the same employment security as previous year

### 3.3 Lifelong learning (LLL) systems

#### EES-indicators to monitor/analyse Lifelong Learning Systems

Input indicator	Process indicators	Output indicators
<ul style="list-style-type: none"> <li>Public spending on human resources 23.M1</li> <li>Investment by enterprises in training of adults 23.A1</li> </ul>	<ul style="list-style-type: none"> <li>Lifelong learning (age 25-64) 23.M4</li> <li>Participation in continuous vocational training, 23.A2</li> </ul>	<ul style="list-style-type: none"> <li>Transitions (labour status, pay level) 17.A4 &amp; 18.A8</li> <li>Educational attainment of adults 23.A3</li> <li>E-skills 24.A2</li> </ul>

**Input** indicators for reliable and responsive lifelong learning (LLL) systems measure contributions from the public system and from 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"-education or -training.

The **process** indicators measuring participation in LLL and continuing vocational training are also included in the list of EES-indicators but the quality of the indicators of LLL needs to be improved, as noticed in the Eurostat quality profile.

An **output**-indicator is the *Transitions by type of labour status and pay-level* which draws on data from the EU-SILC. It is a dynamic indicator aiming to show change of qualifications. Since the pay level measures the person's wage - compensation for labour - a change of pay is interpreted as a change of qualifications and as a result of lifelong learning. Transition to studies is an upwards transition from the perspective of lifelong learning since it means acquiring new knowledge. For the employed, a transition is classified as upwards/downwards according to the change in pay level. A summary indicator to be used for the radar charts has been defined to indicate the *Frequency of persons with at least the same employment status and pay as previous year*. (no distinction between upwards and neutral transitions). For further details, see IND/12/300309/EN.

At present, there is no **output** indicator measuring adult skills including informally acquired qualifications. The **output** indicator *Educational attainment of adults (25-64)* measures long-term development while *E-skills of adult* measures very specific skills of an individual.

### Choice of indicators for the charts

Input indicator: Public spending on human resources  
 Process indicator: Participation in lifelong learning  
 Output indicator: Persons with at least the same employment status and pay as previous year

### 3.4 Active Labour Market Policies (ALMP)

#### EES-indicators to monitor/analyse Active Labour Market Policies

Input indicator	Process indicators	Output indicator
<ul style="list-style-type: none"> <li>Expenditure on LMP-measures per person wanting to work 19.A6</li> <li>Expenditure on LMP-measures as % of GDP 19.A5</li> </ul>	<ul style="list-style-type: none"> <li>Activation/Support (regular and assisted activation) 19.M2</li> <li>New start/Prevention 19.M3</li> <li>Activation of registered unemployed 19.A3</li> </ul>	<ul style="list-style-type: none"> <li>Follow up of participants in regular activation measures 19.A4</li> <li>PES follow up indicator on training measures</li> </ul>

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.

**Process** indicators, see table, are EES indicators. *Activation*-indicators use European harmonized data while *New start/Prevention* 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. Recent data are only available for 6 MS. The benchmarking network of Public Employment Services (12 MS) has developed performance indicators with a management perspective. The *Transition rate from training measures to employment* is used as an **output** indicator if data will be available.

#### Choice of indicators for the charts

Input indicator: Expenditure on LMP measures per person wanting to work  
 Process indicator: Activation per person wanting to work  
 Output indicator: Follow up of participants in regular activation measures/training measures (depending on the data available)

### 3.5 Social Security Systems incl. reconciliation of work and private life

#### Indicators to monitor/analyse Social Security Systems

Input indicator	Process indicator	Output indicator
<ul style="list-style-type: none"> <li>LMP expenditure on supports per person wanting to work 19.A6</li> <li>LMP expenditure on supports as % of GDP 19.A5</li> <li>Unemployment trap 19.M7</li> <li>Low wage trap 19.M6</li> <li>-----</li> <li>Child care 18.M3</li> <li>Care of dependant elderly 18.A7</li> <li>Inactivity trap after child care cost (lone parent with 2 children) SPC-OV 9b</li> </ul>	<ul style="list-style-type: none"> <li>Activation/Support (support) 19.M2</li> <li>-----</li> <li>Employment impact of parenthood 18.A5</li> </ul>	<ul style="list-style-type: none"> <li>At-risk of poverty of the unemployed. SPC SI-S1c</li> <li>-----</li> <li>Lack of care for children and other dependents 18.A6</li> <li>Drop in theoretical replacement rates due to career interruptions. SPC. PN P4.</li> </ul>

Modern social security system should 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. The focus of EMCO has been on employment issues: unemployment (to ensure the continuity of **income security** to the workers and their family whether they

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are in or out of work) and child care (to facilitate the **reconciliation of professional and private life**). The indicators for these dimensions have been chosen among the EES indicators.

The social security component covers multiple issues and the focus of a deeper analysis would imply that specific indicators should be included. The SPC has provided indicators to cover further dimensions but most issues are not yet fully developed with input-, process and output indicators.

### Unemployment aspects

*LMP expenditure on out of work income and support* is an **input** indicator for benefit recipients and for income security. *Unemployment trap* and the *Low wage trap* are **input** indicators revealing regulations and financial incentives for paid work (Make-work-pay indicators).

*Recipients of support* is a **process** indicator for measuring the take up rates of benefits of out of work support.

*At-risk-of-work-poverty-of the unemployed* is included as an **output** indicator to measure the share of unemployed people who are at risk of poverty. It measures the share of unemployed persons with an equivalised disposable income below the at risk of poverty threshold which is set at 60% of the national median equivalised disposable income (after social transfers and calculated over the whole population). This indicator is to be analysed in relation to the unemployment trap that is meant to assess whether work pays for the unemployed who take-up a job. Since a modern social security system should facilitate labour market mobility, the dynamic aspects should be monitored but no such indicator is available.

### 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 flexitime have been explored (treated above). *Care arrangements for children and for dependant elderly* are important preconditions for the reconciliation and treated here as **input** indicators. They are monitored by existing indicators, see table above. Furthermore, the *Inactivity trap after child care cost (lone parent with 2 children)* is included since the availability and affordability of child care is a key determinant for the decision of lone parents to take-up work.

*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 *Lack of care for children and other dependents* showing the share of persons who do not work or who work less because of lack of suitable care facilities.

The OECD has developed indicators to monitor the impact of flexible working arrangements on future pension entitlements, *Drop in theoretical replacement rates due to career interruptions*. This **output** indicator gives information on how pension accruing income and pension entitlements are insured for those who leave the labour market for reasons such as unemployment or childcare.

There are no indicators to analyse the reconciliation of work and family life in a life-cycle perspective, such as the combination of parenthood and work and the combination of partial retirement and work. Indicators should be developed to monitor/analyse this aspect of reconciliation.

### Choice of indicators for the charts

The graphical presentation **focuses on the unemployment aspect of the social security** component. Combinations of other indicators could be used for other aspects but this has not been done.

Input indicator: Expenditure on supports per person wanting to work

Process indicator: Recipients of LMP supports per person wanting to work

Output indicator: At-risk-of-poverty of the unemployed

### 3.6 Inclusive labour markets and "Atypical work"

An objective of flexicurity policies is to combat segmentation and promote actions for more inclusive labour markets. Common principle 4 states that

*Flexicurity should promote more open, responsive and inclusive labour markets overcoming segmentation.*

In order to tackle skills and opportunity gaps in the population it is important to monitor and analyse how flexicurity policies, in particular design of the social security system, affect access, take-up rates and results for persons with "atypical" work such as self-employed and persons with part-time and fixed-term contracts.

To facilitate the monitoring of progress for a specific subpopulation such as persons with **fixed-term contracts**, several EES-indicators which have been chosen to monitor and analyse flexicurity policies will from now on be presented in more detail taking into account *Type of contract* as a background variable. For the Social security component there are additional indicators that are relevant in this context.

An **input** indicator has been investigated to measure rules and coverage of certain social security benefits (unemployment benefits, maternity/paternity/parental leave and sickness benefits) when having "atypical" work. This needs further development by the EMCO/SPC Indicators Groups and a regular data collection. *In-work poverty risk by type of contract* is an **output** indicator looking at the impact of the type of contract on the situation of workers.

## 4 GRAPHICAL PRESENTATION OF RESULT

### 4.1 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. A graphical presentation has been developed which aims at a holistic approach and to show the **combination of the four dimensions** and the interaction between the elements yield the output. It would be technically possible to include more than one indicator for each component since there are several **input-, process-, and output-**indicators for each component showing different aspects but it 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:s with a common scale. In order to get the full picture one would have to interpret the graph taking into account all the indicators, qualitative aspects and the specific conditions of the MS (see section 3).

The four components of flexicurity are included in one chart and the social security indicators for radar charts should be selected depending on the focus of the analysis. This report **focuses on unemployment** for the three sets of radar charts. Similar sets (input, process and output) of indicators could, if data were available, treat child care, health and pensions. There are severe data gaps for output indicators and there is no dynamic indicator for unemployment/social benefits.

There are three radar charts for each MS and for EU-27:

#### Chart showing input indicators

Contractual arrangements

Access to flexitime

Life long learning systems

Public spending on human resources

ALMP

Expenditure on LMP measures per person wanting to work

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Social security systems                      Expenditure on unemployment benefits per person wanting to work

### Chart showing process indicators

Contractual arrangements                      Employees in permanent contracts or voluntary fixed-term or part time

Life long learning systems                      Participation in lifelong learning

ALMP    Participants in regular activation per person wanting to work

Social security systems                      Unemployment benefit recipients per person wanting to work

### Chart showing output indicators

Contractual arrangements                      Persons with upwards mobility or with the same employment security as previous year

Life long learning systems                      Persons with upwards mobility or the same employment status and pay as previous year

ALMP    Follow up of participants in regular activation measures/training measures (depending on the data available)

Social security systems                      At-risk-of-poverty rate of unemployed

From the EU perspective, the selected combinations of indicators are seen to be the most informative taking into account the present list of indicators and the actual data situation. (The present choice of indicators depends to a large extent on the data situation.)

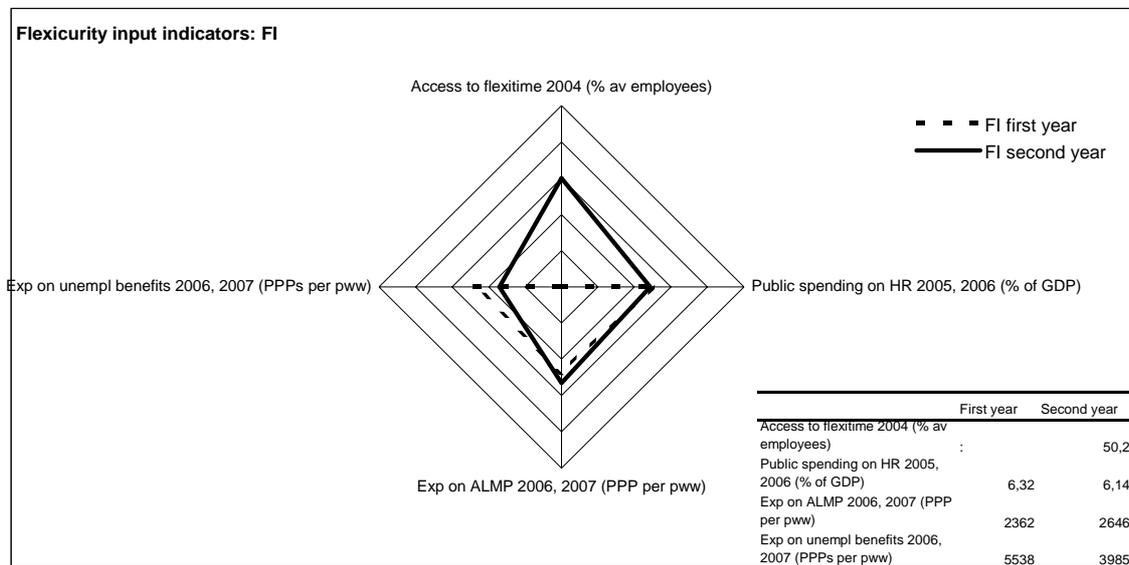
## 4.2 Interpretation of the charts

Each **input-** and **process** chart shows the level and change for one indicator per flexicurity components and a table is included with the actual values for the chosen indicators. Although the scale for all charts is the same, progress is mainly monitored for each MS but comparisons over the EU are technically possible. The direction of the scale means in general, that **a point further away from the centre means a better result**. However, this has to be interpreted carefully in a country perspective particularly for expenditure e.g. financial support. The scale is not indicated in the graph because of technical reasons. Instead, the actual values are presented in the table.

The **output** chart concentrates on mobility showing positive/neutral transitions rates for three of the flexicurity components but for the social security component such an indicator is not yet available. *At-risk-of-poverty rate for unemployed* is the chosen indicator for the unemployment aspect of the social security component and as the charts show indicators where a higher value is favourable, the *Not at-risk-of poverty rate for unemployed* is presented.

The axes and the scale are not the same as for the input- and process charts. Only results for **one year** are included in the chart since the interpretation of differences for the chosen indicators is not straightforward. The maximum value on all axes is 100% and the scale is the same for all MS

## Reading instructions based on the charts of Finland



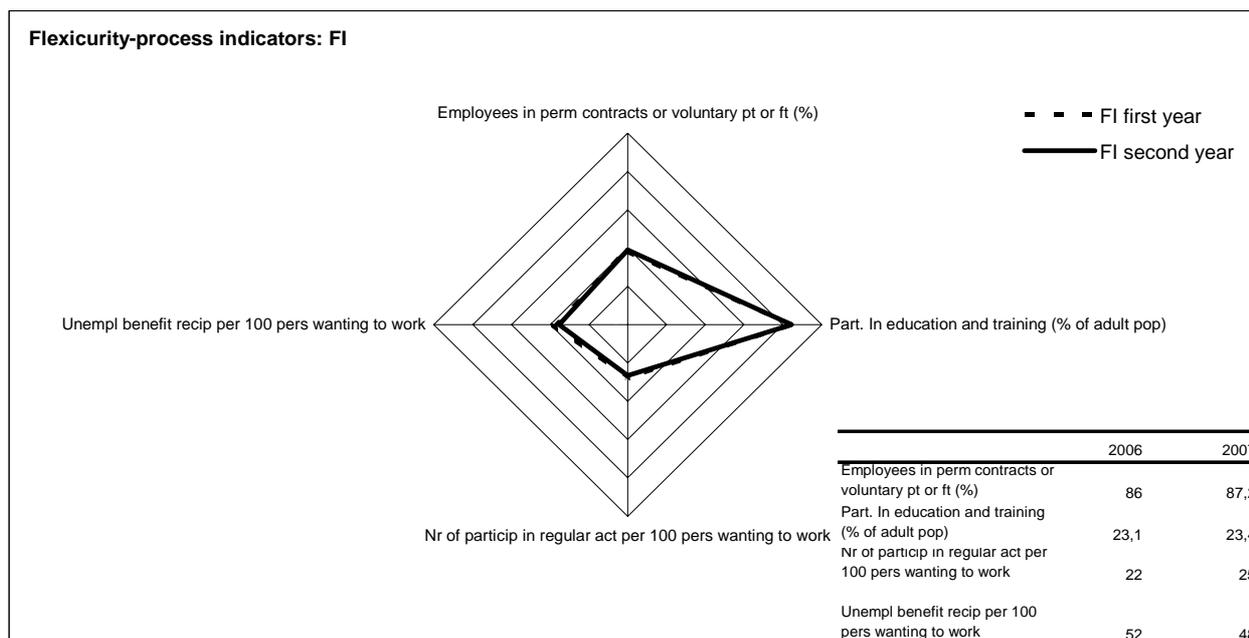
*Access to flexitime* shows the proportion of employees having access to flexible working time arrangements ie. not having a fixed start and end of working day. It is chosen as an indicator of *Flexible contractual arrangements*. The data source is an LFS ad hoc module carried out in 2004. Only one year is available and the next data collection will be done in the LFS ad hoc module 2010.

*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 out of work 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 Finnish chart shows an increase of expenditure on regular measures and a decrease of supports per person wanting to work between 2006 and 2007. Compared to other MS, Finland shows a somewhat higher level for all input indicators with no particular emphasis on a certain flexicurity component.

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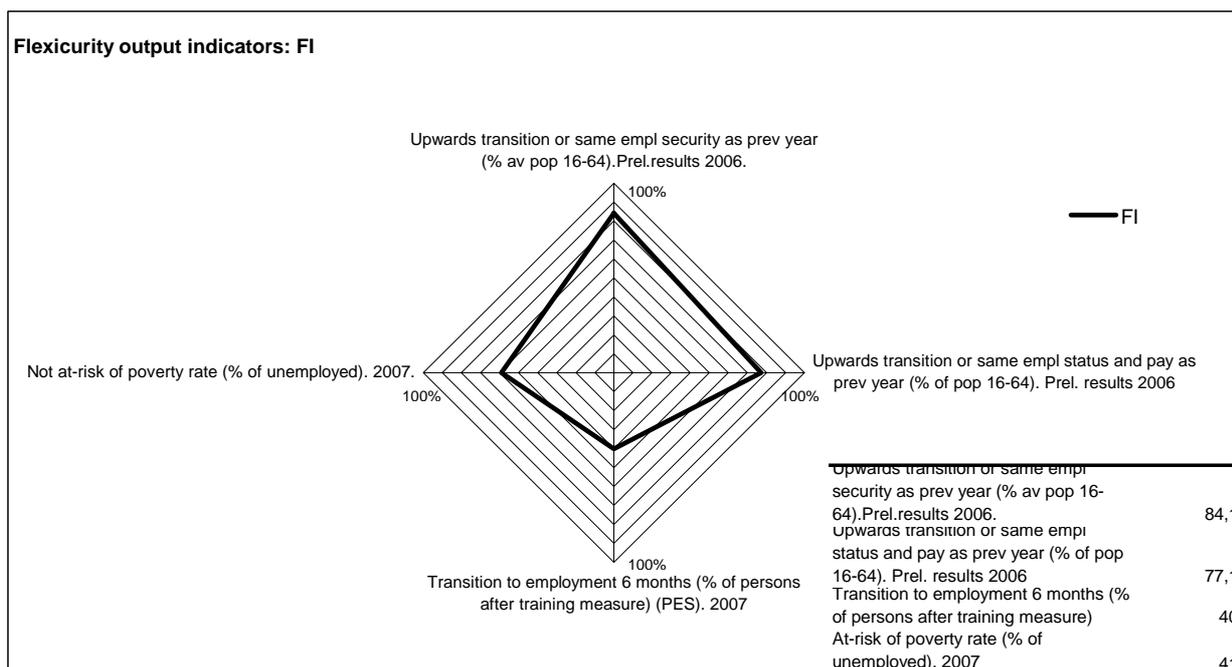
*Employees working in permanent contract or voluntary part-time or fixed-term contracts* shows the proportion of employees working in "good" contracts e.g. working in a type contract that they have accepted voluntarily. It is chosen as an indicator of *Flexible contractual arrangements*.

*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 participants 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 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.

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The **output** chart presents proportions for all four components meaning that the maximum value for all indicators is 100%.

*Persons with at least the same employment security as previous year* is an indicator which summarizes the information about employment security that is expressed by transitions from one year to the next between non-employment and employment and within employment by type of contract or self-employment. It is chosen as an indicator of *Flexible contractual arrangements*. The data source is the EU-SILC.

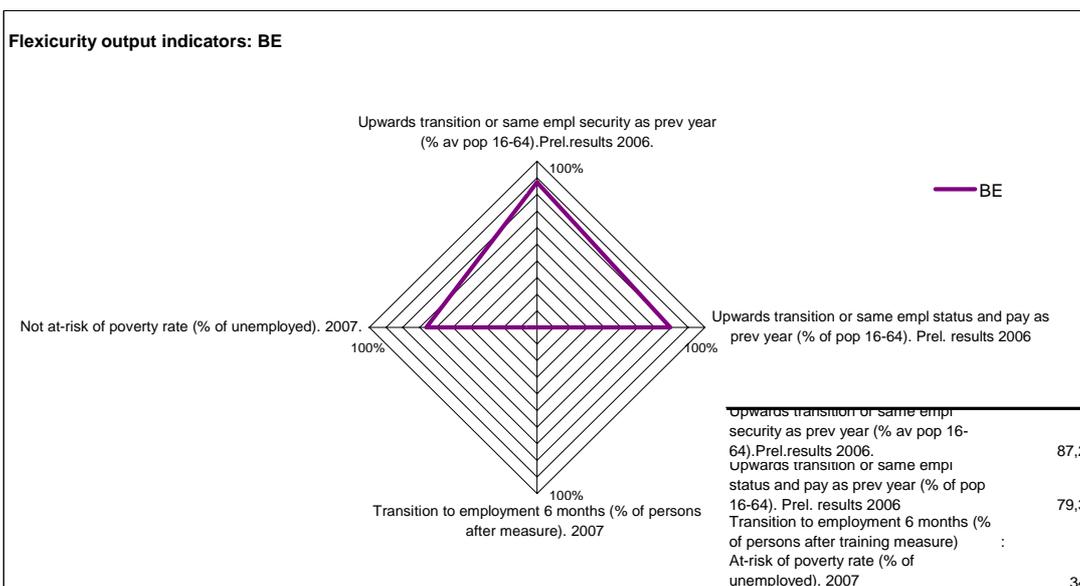
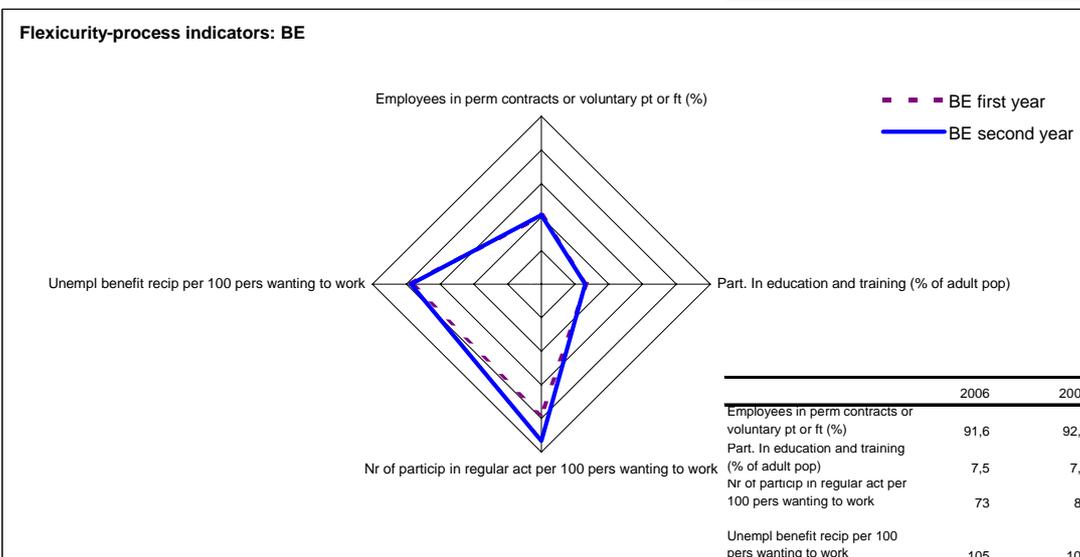
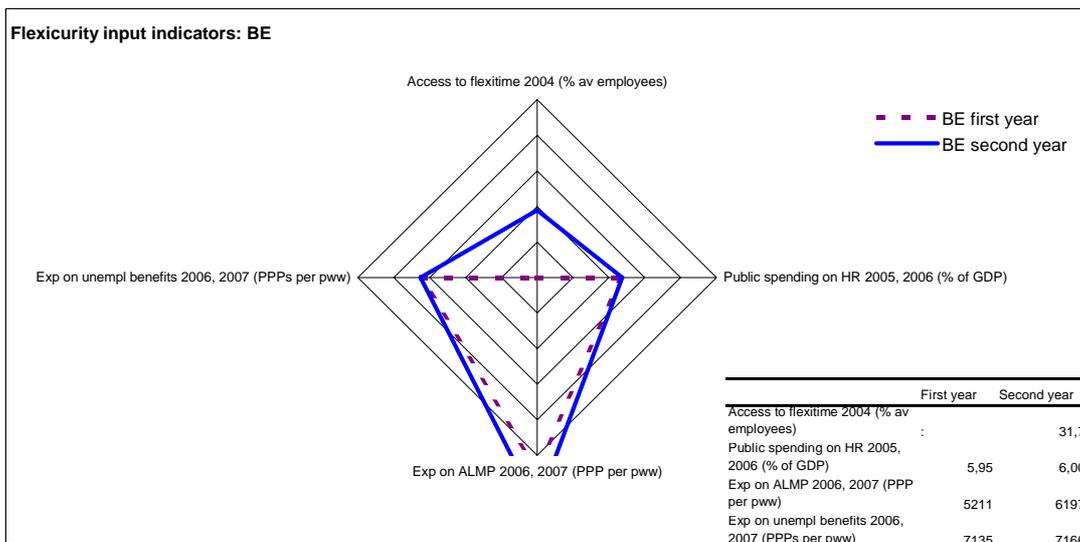
*Persons with at least the same qualification (employment status and pay) as the previous year* is an indicator which summarizes the information about change of qualifications as results of lifelong learning that is expressed as transitions from one year to the next between employment, unemployment, studies and other inactivity and within employment by pay levels. It is chosen as an indicator of *Lifelong learning*. The data source is the EU-SILC.

*Follow up of participants in regular activation measures*, i.e. transitions into employment within 6 months after ending a *regular activation* measure is the output-indicator for the ALMP component. If national data is missing, this indicator is replaced by the *Follow up of participants in training measures* as developed by the PES benchmarking network for those MS with available data. The employed persons are seen in relation to all persons who terminated a measure.

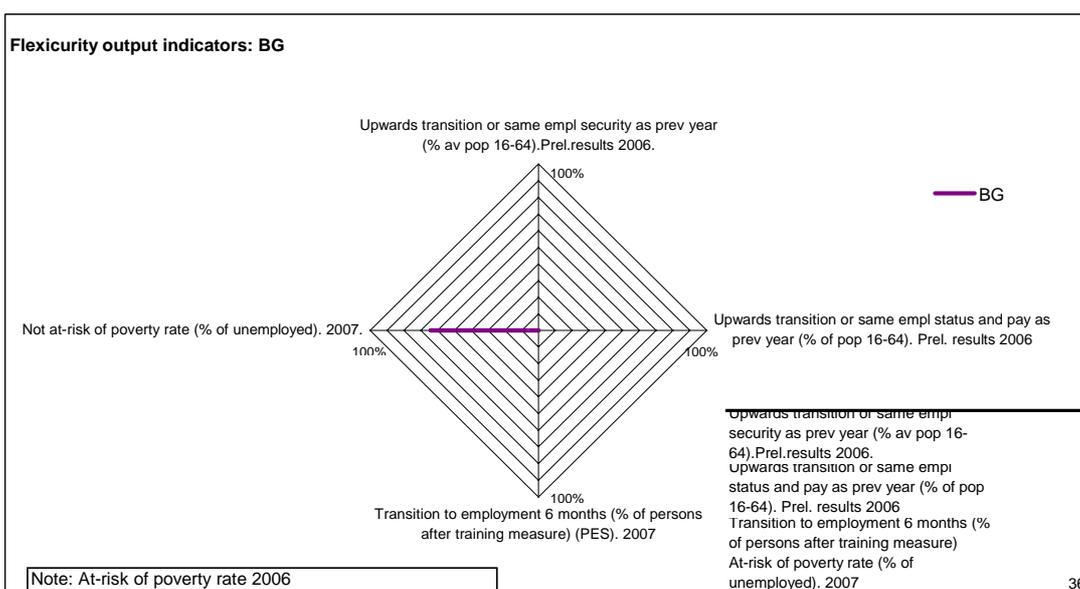
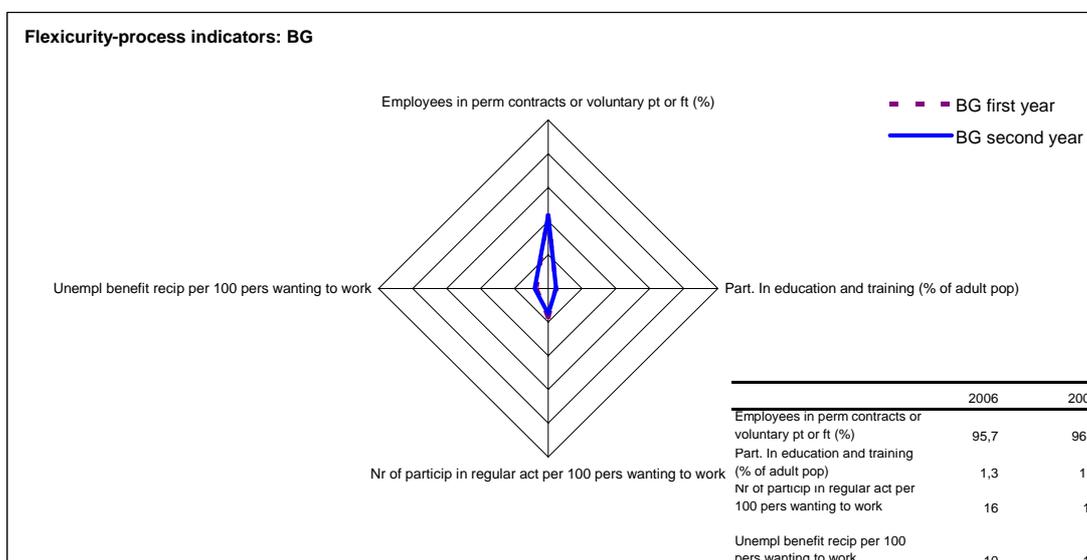
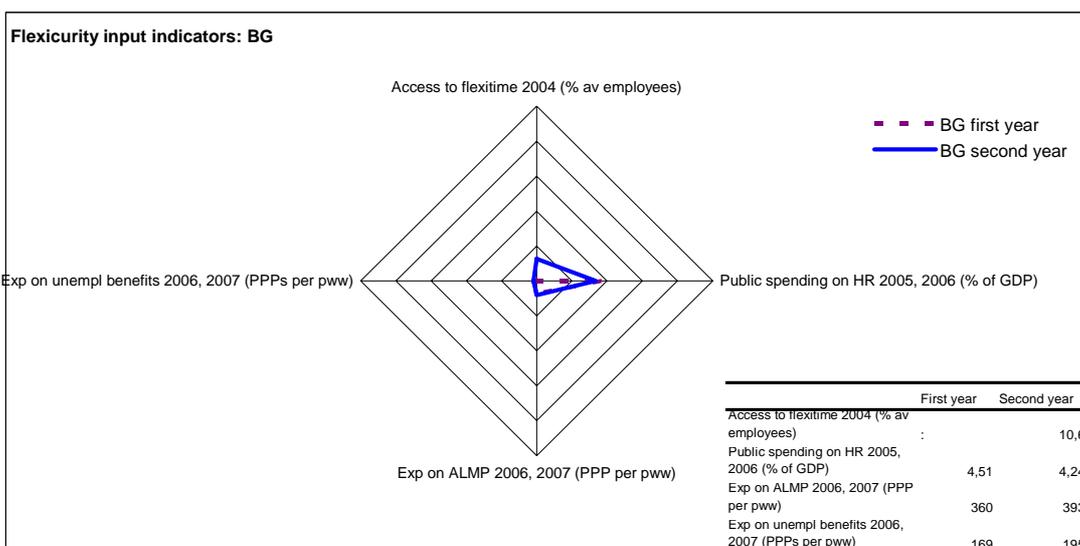
*At-risk of poverty rate of the unemployed*, an indicator measuring the level of income security provided by the unemployment insurance system, is the output indicator for the social security component. It measures the share of unemployed people who are at risk of poverty and the complement, the *Not at risk of poverty rate for the unemployed*, is shown in the radar chart.

The Finnish chart shows that 84% of the population aged 15-64 have made an upwards transition or have the same employment security in 2006 as in 2005 and that 77% have made an upwards transition or have the same employment status and level of pay. It also shows that 40% of persons who have participated in an ALMP training measure in 2007 have become employed after 6 months and that the At-risk of poverty rate of the unemployed is 41% (not at-risk-of-poverty rate of unemployed is 59%).

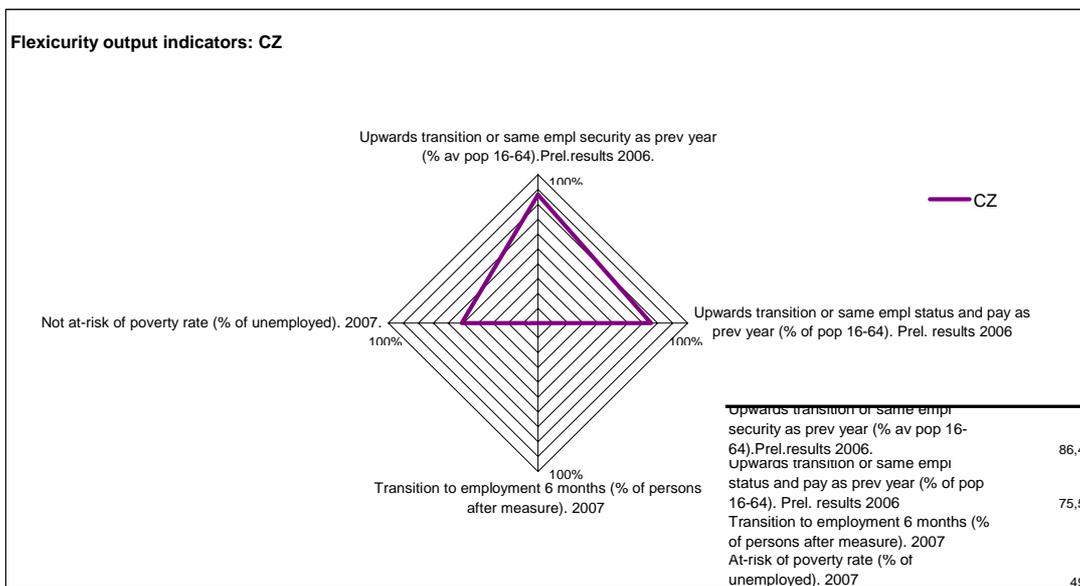
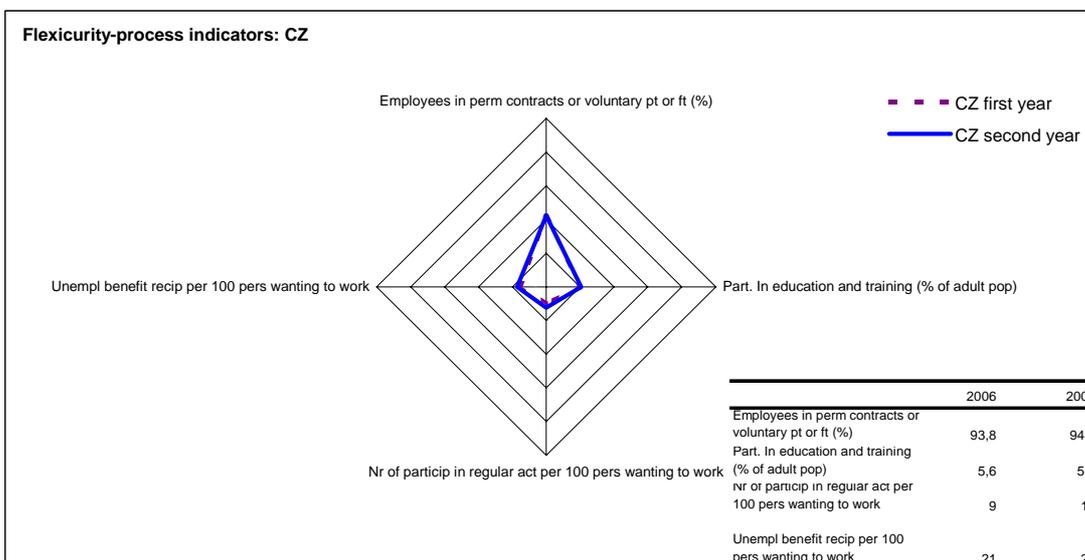
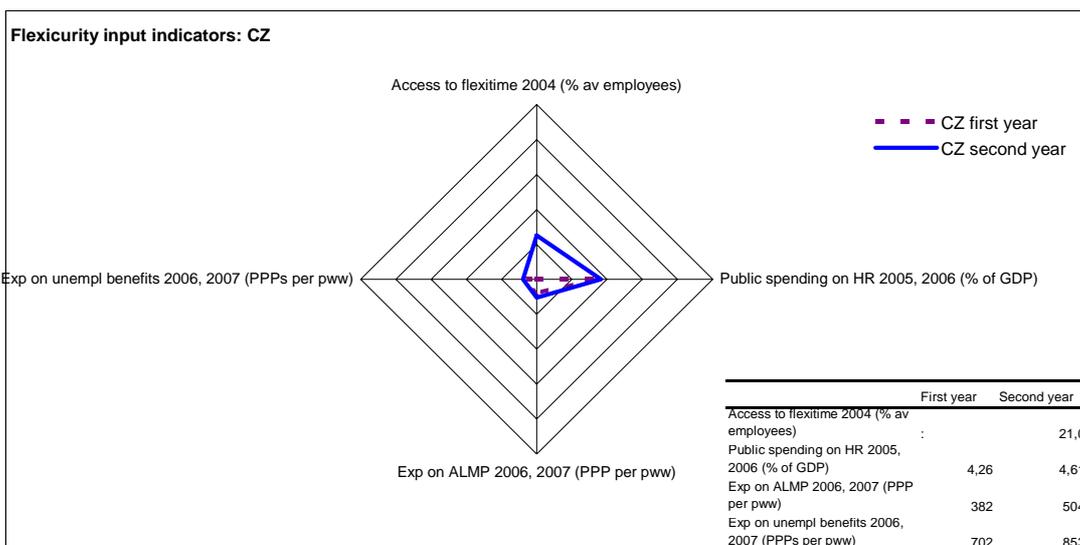
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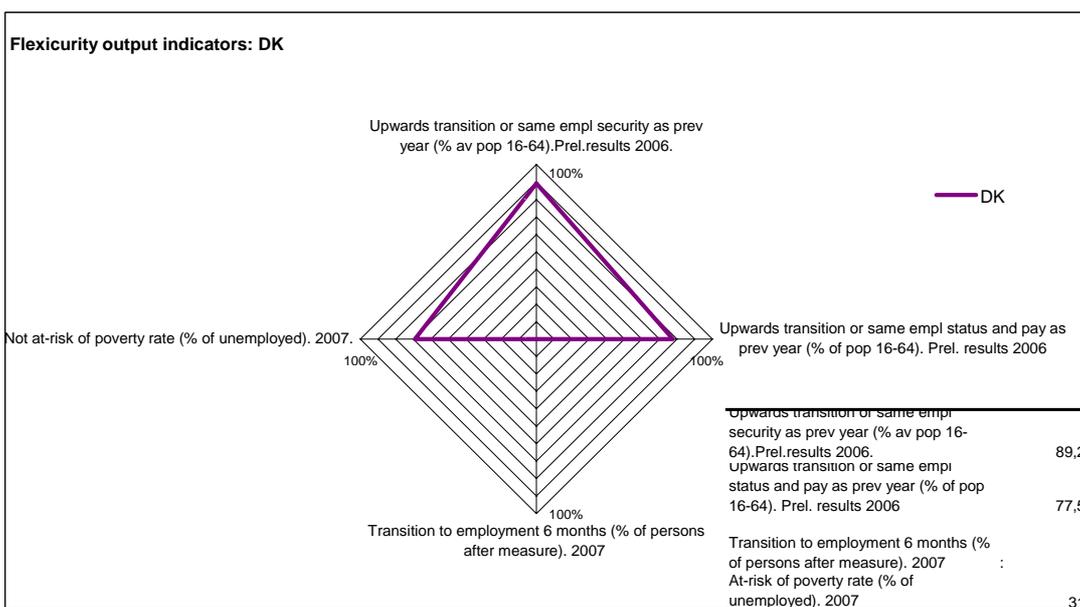
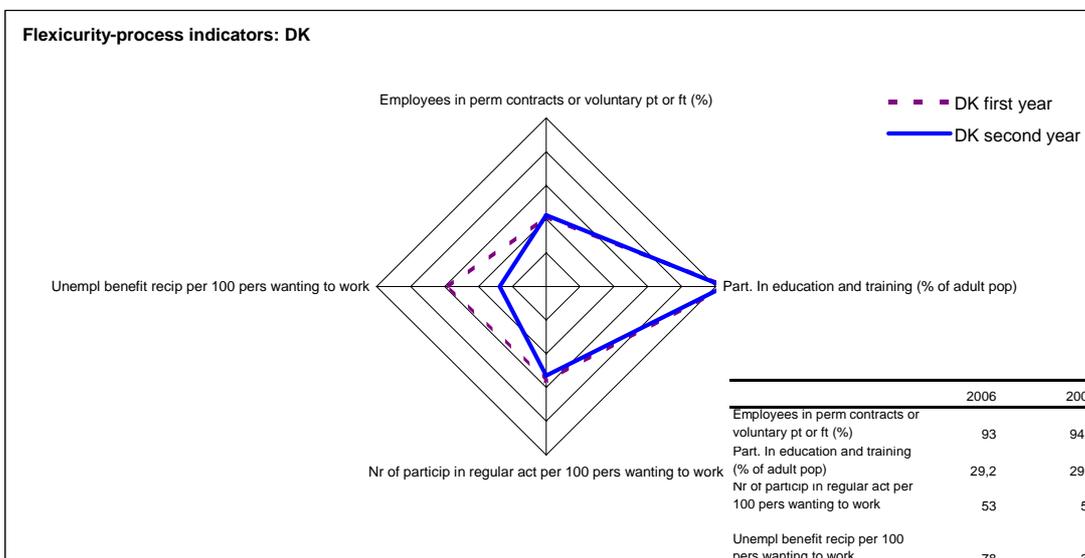
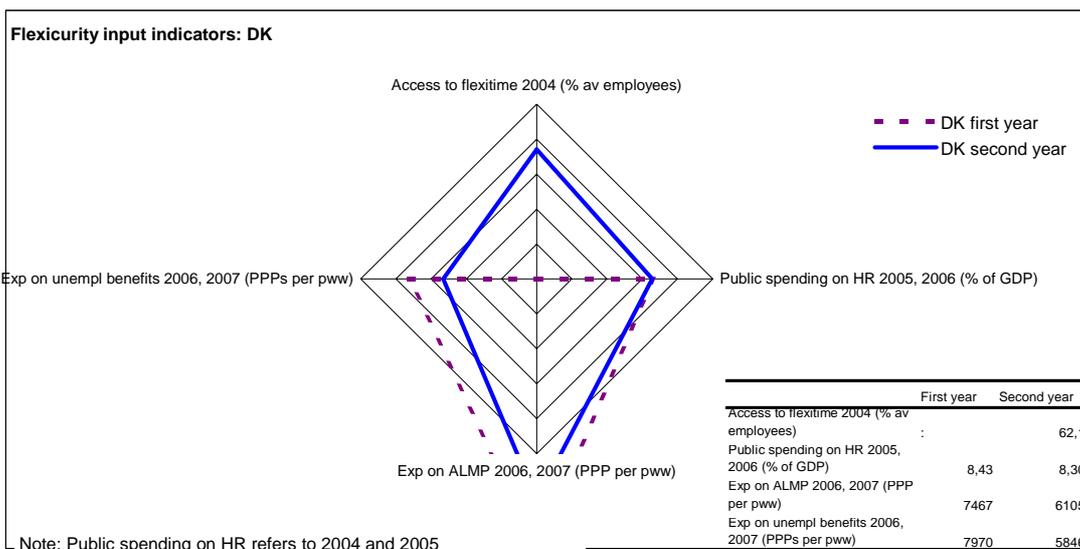
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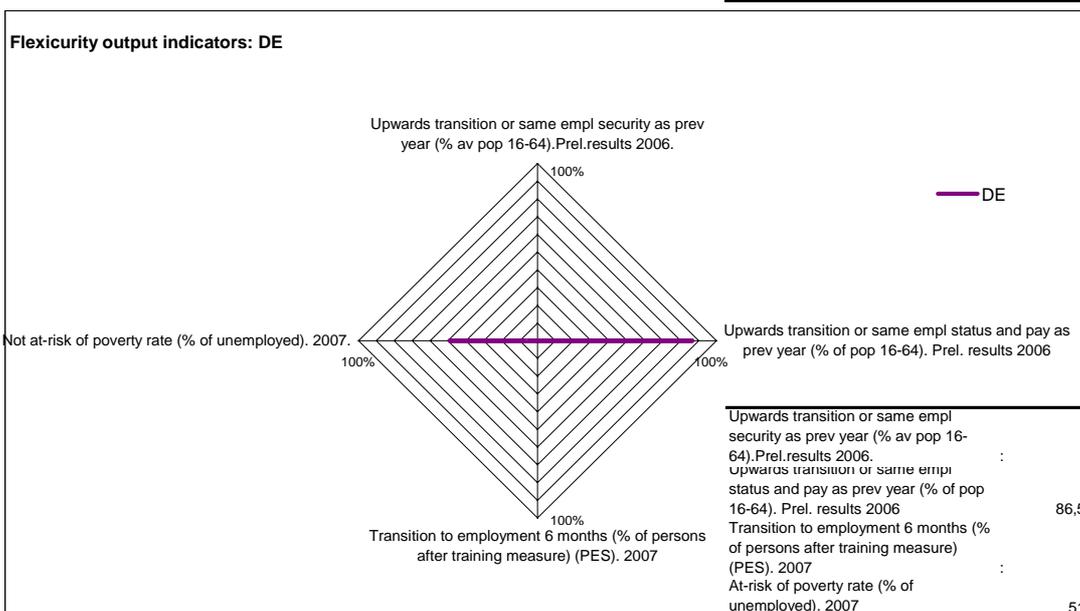
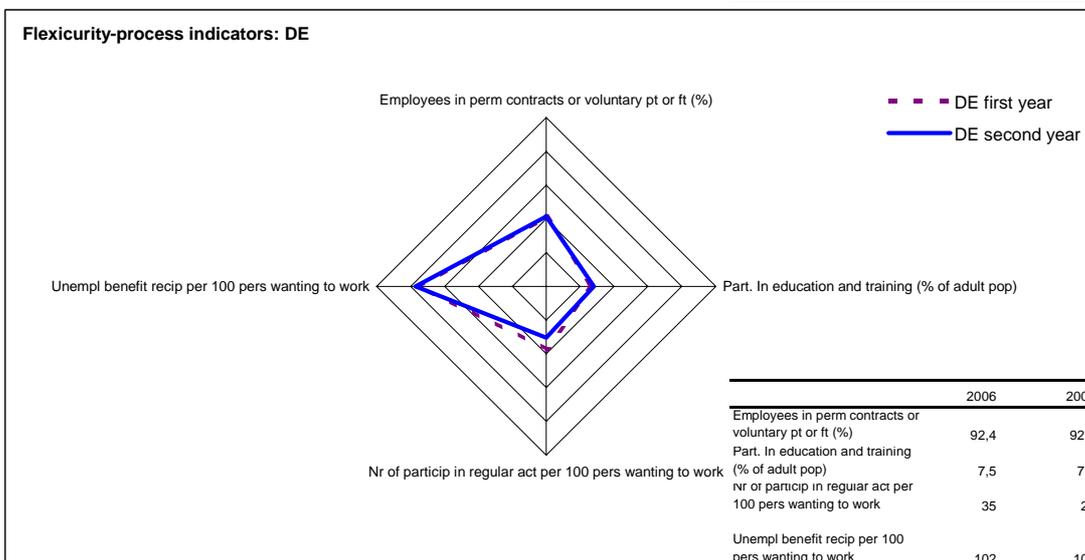
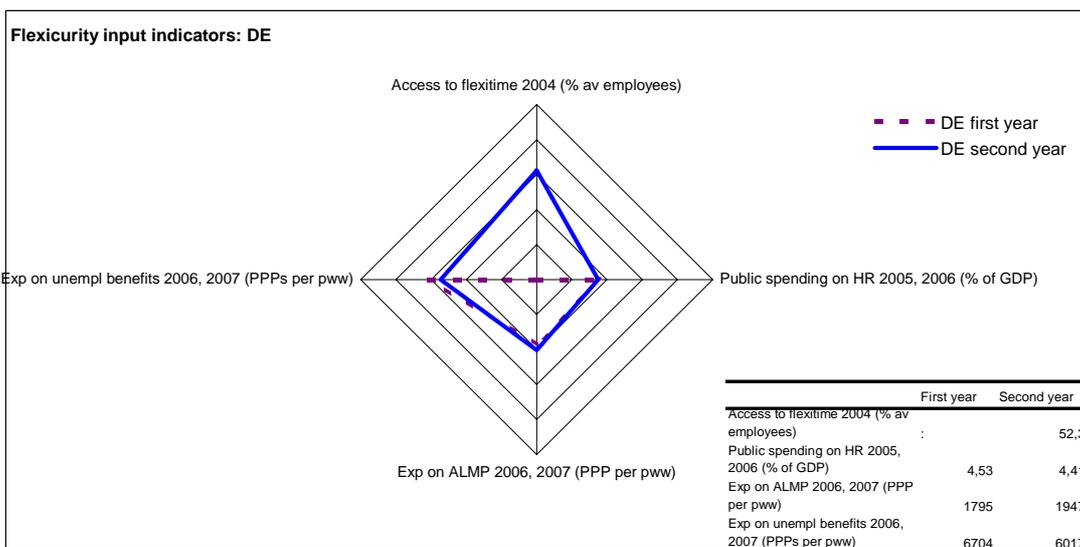
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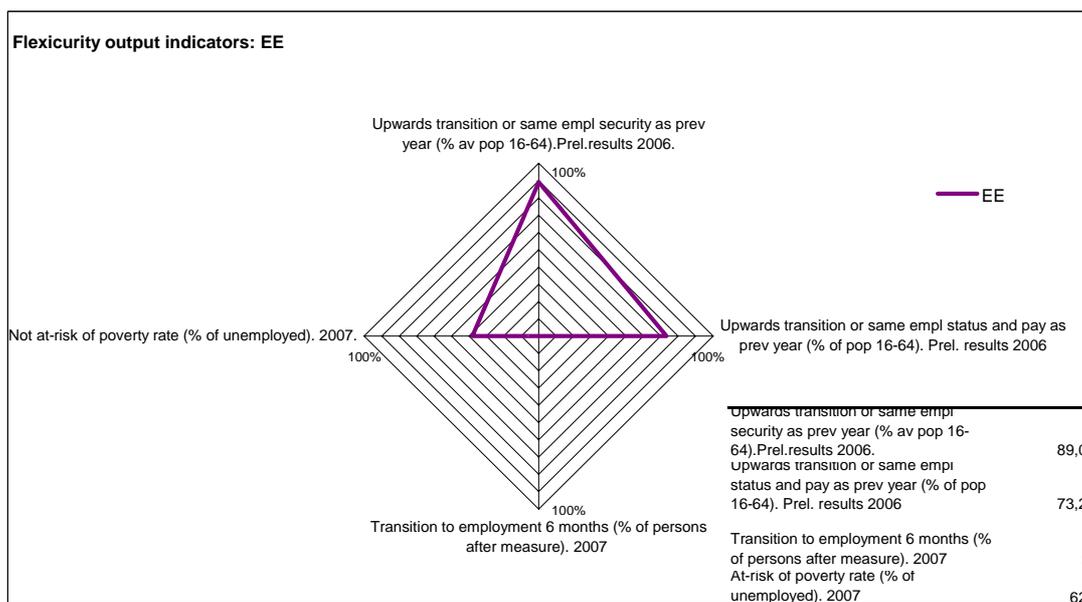
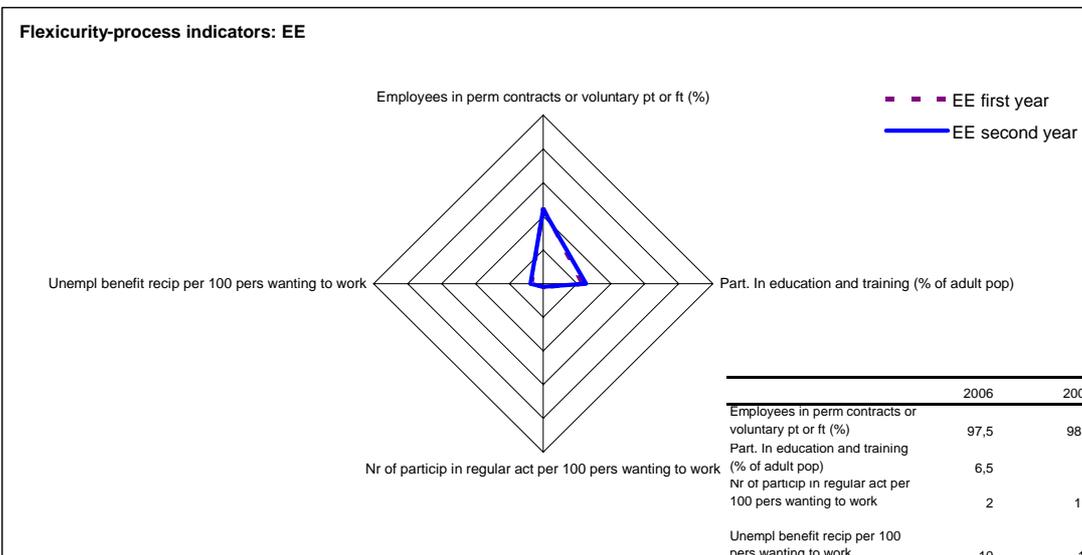
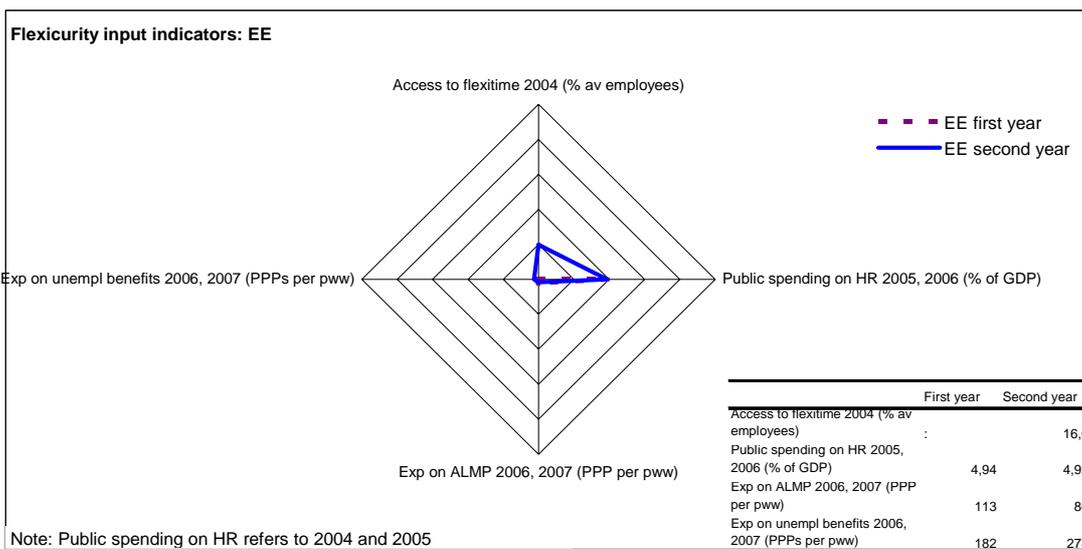
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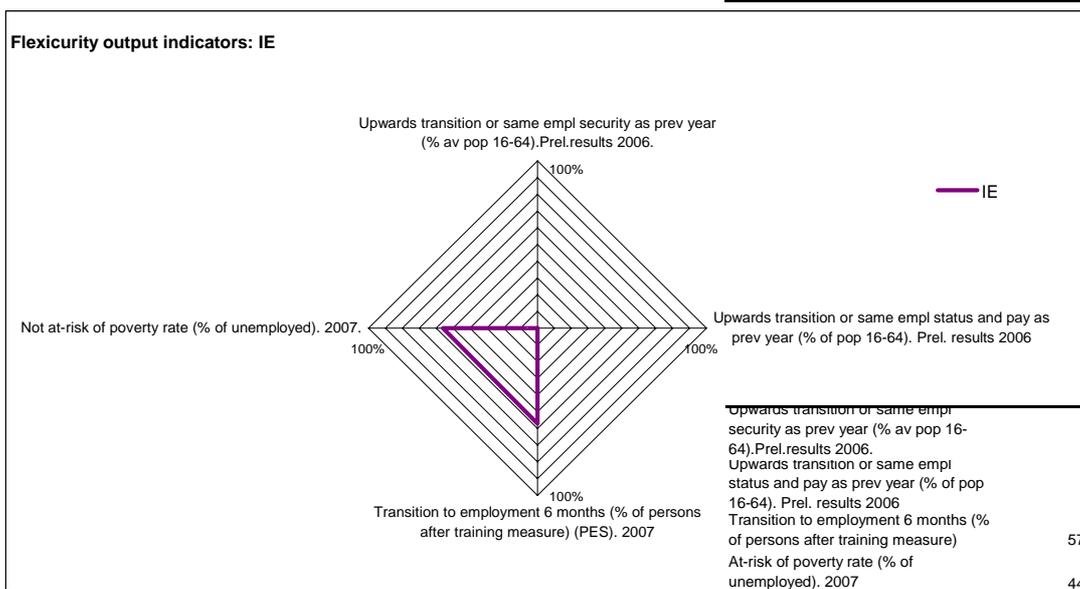
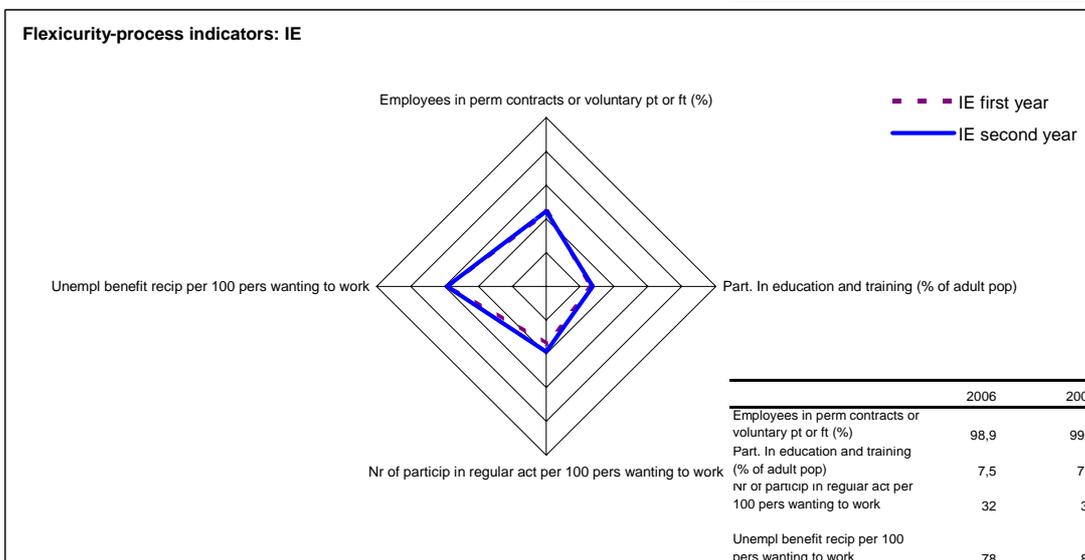
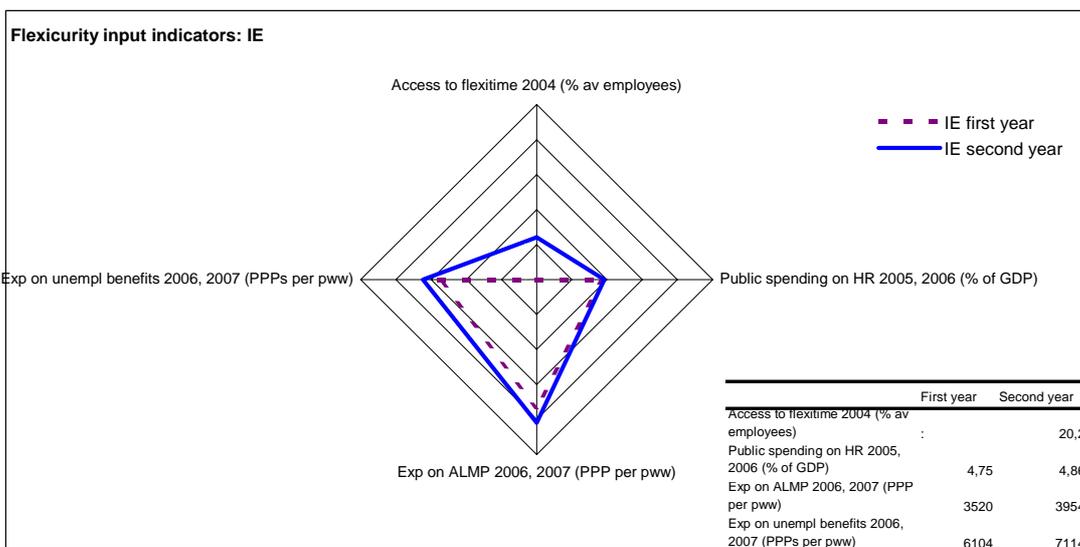
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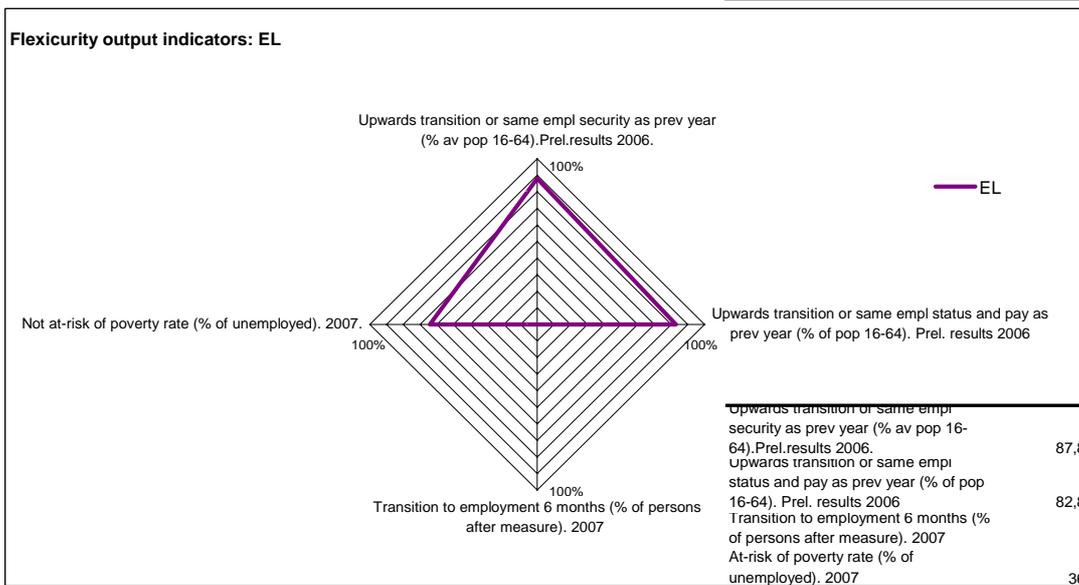
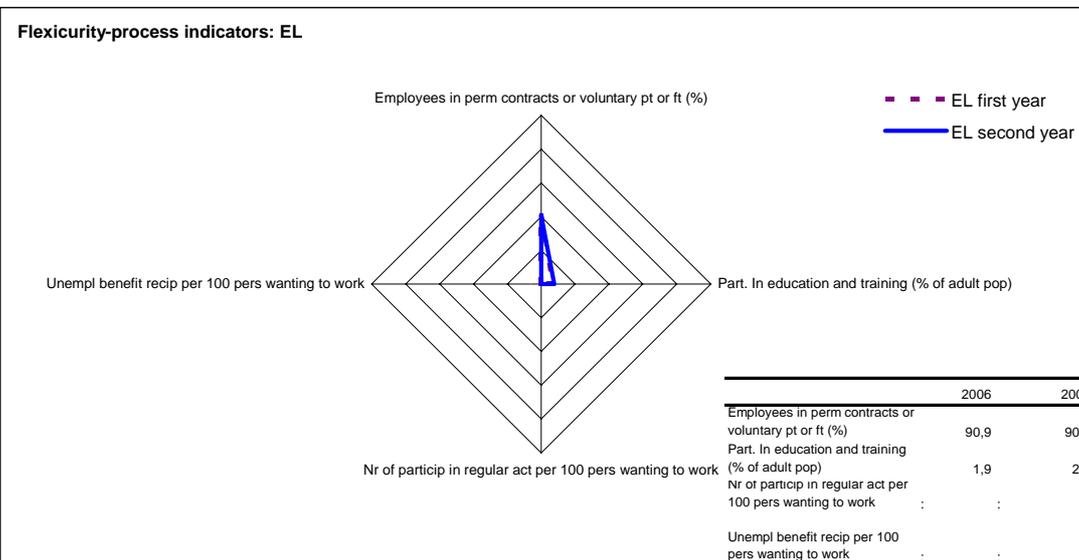
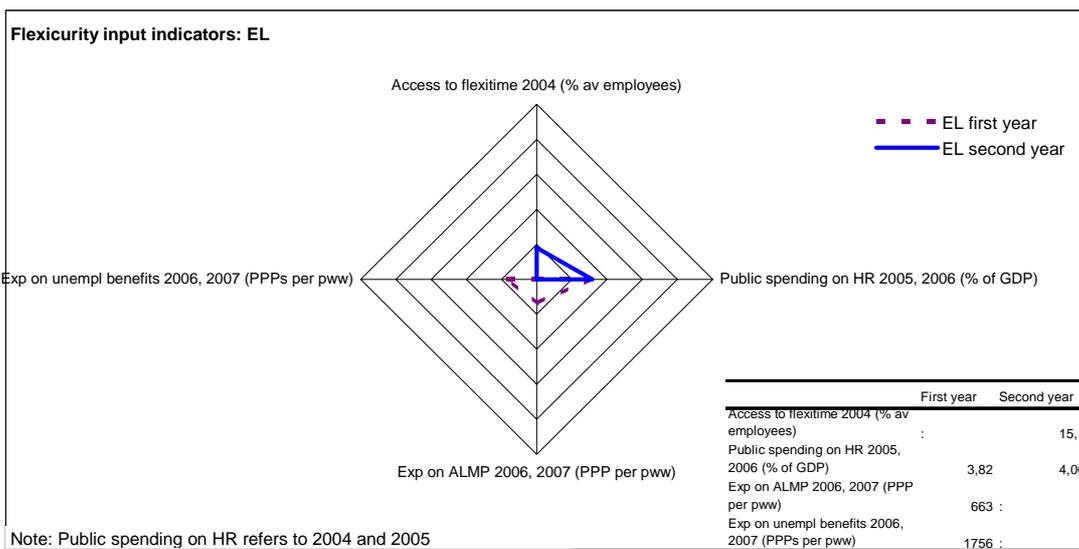
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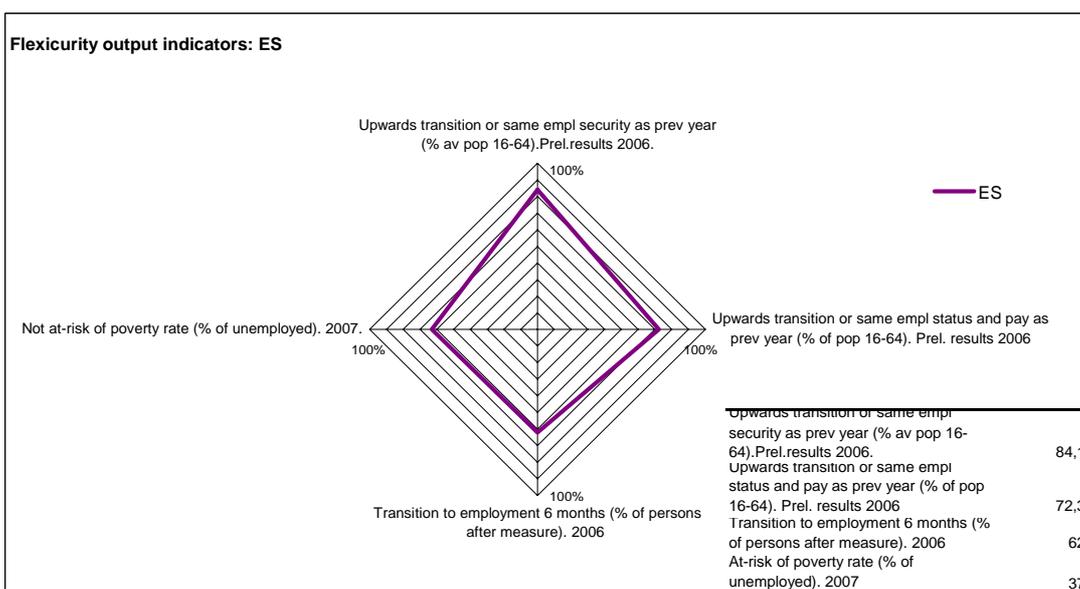
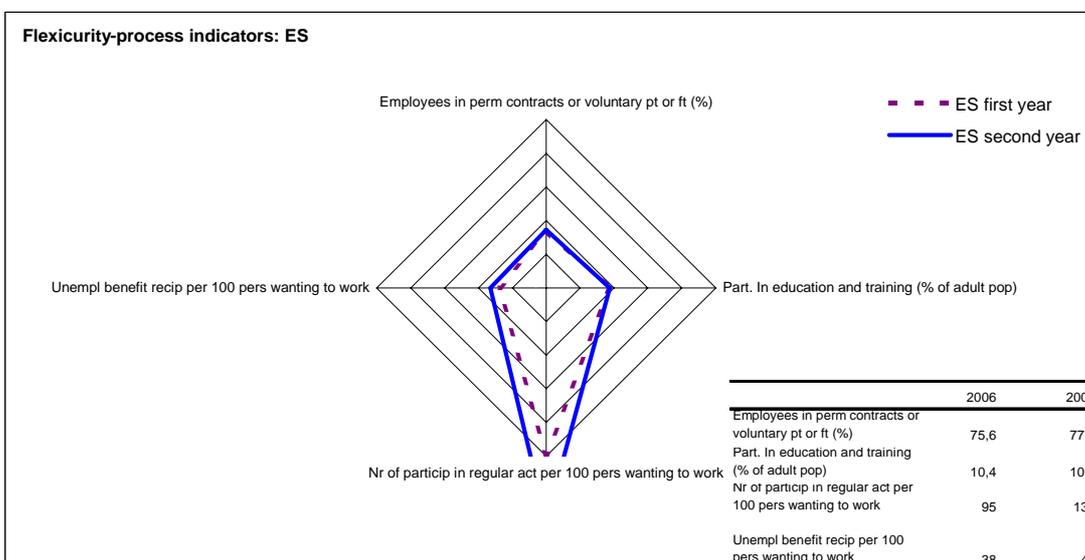
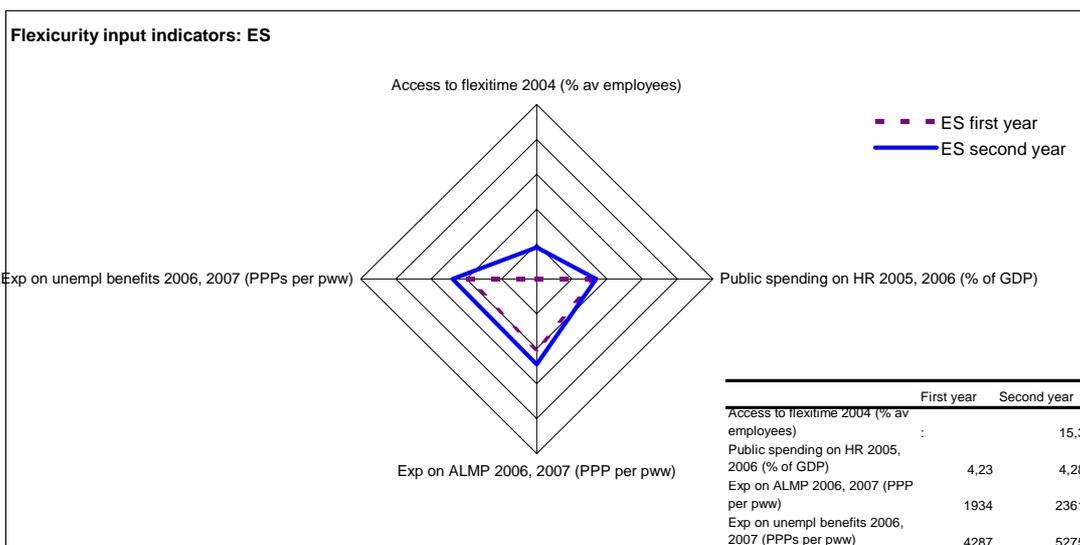
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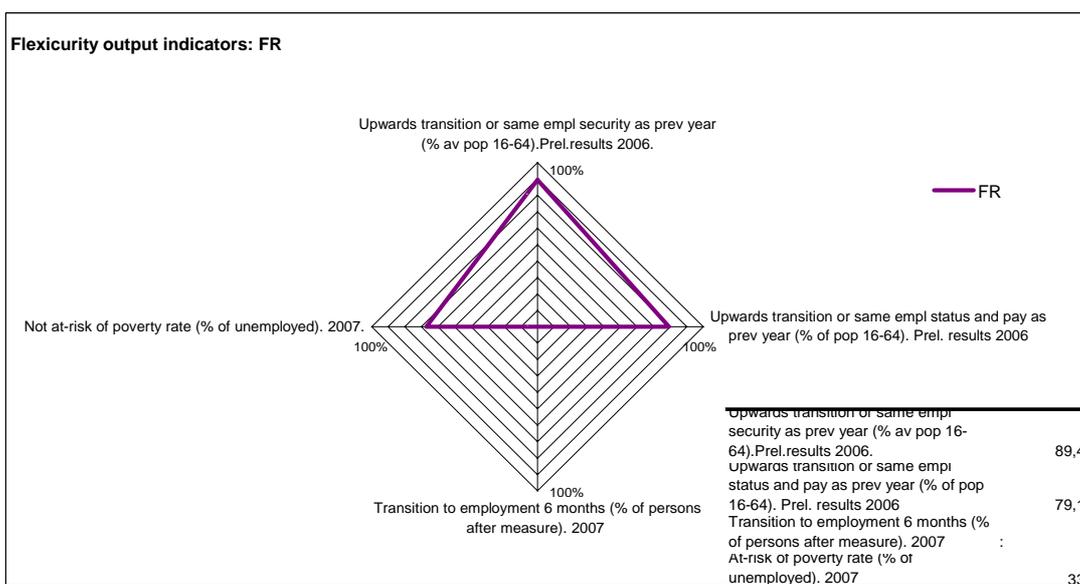
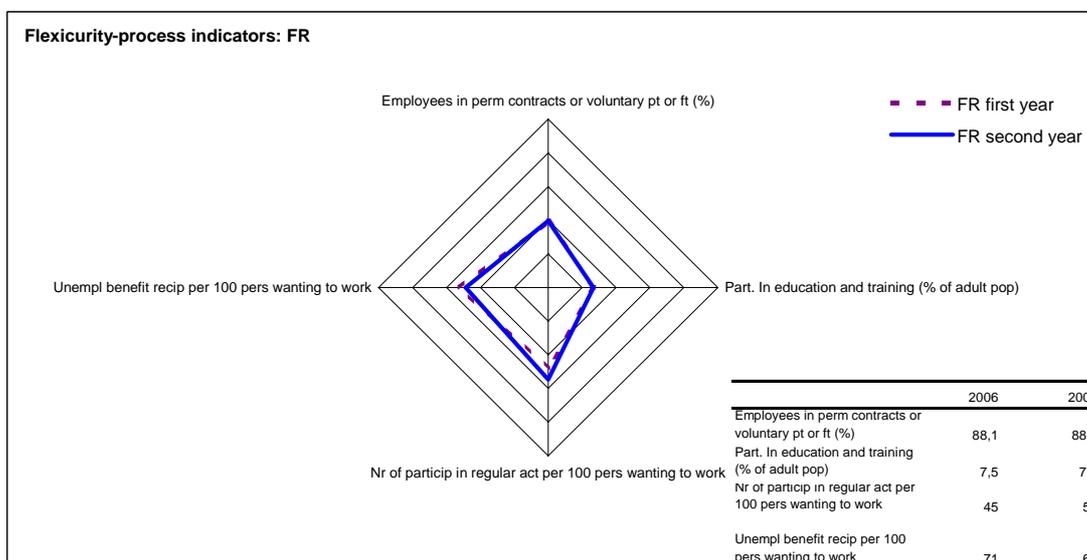
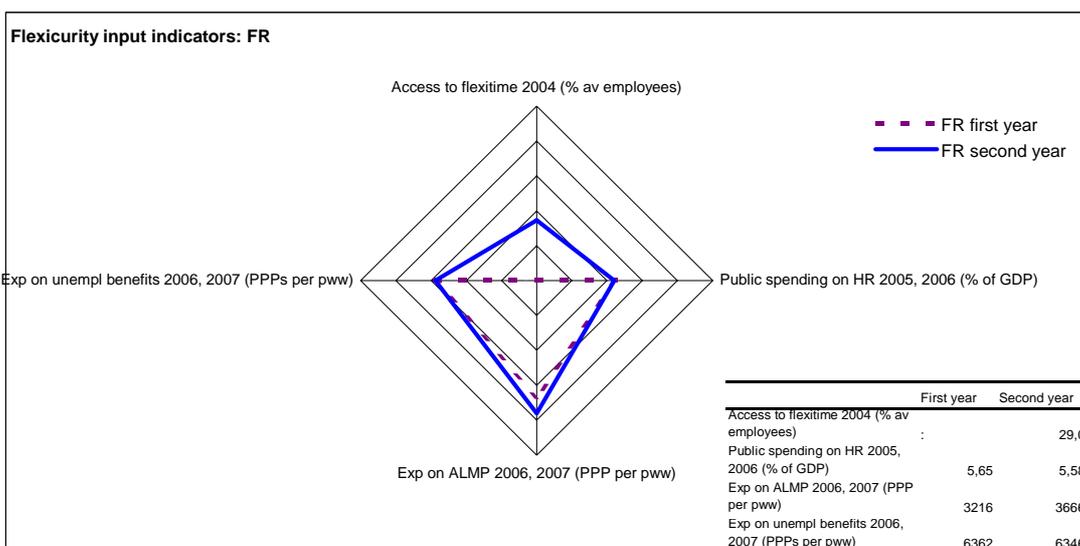
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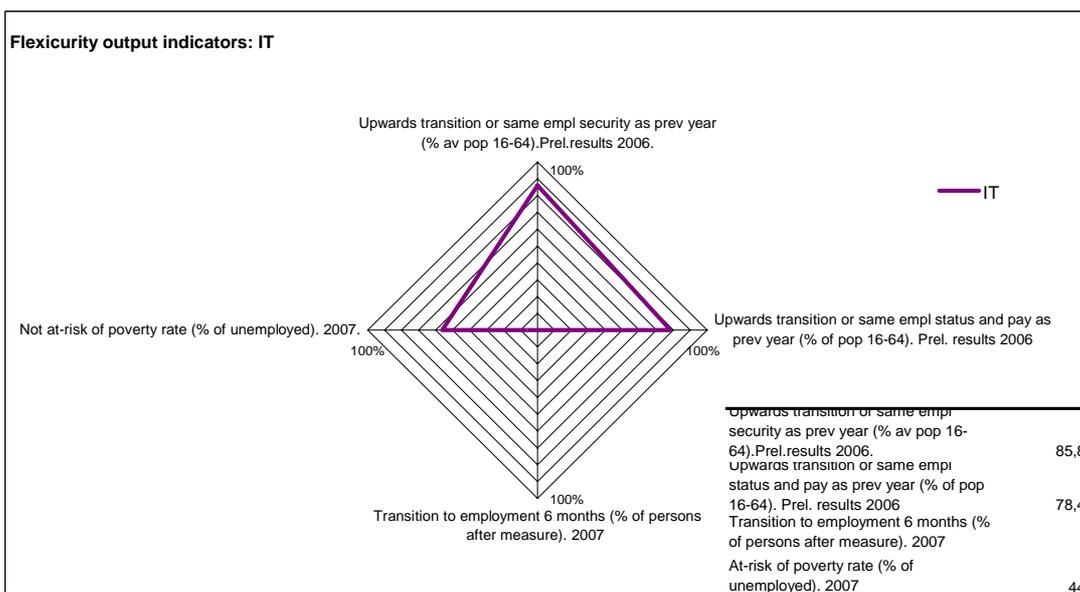
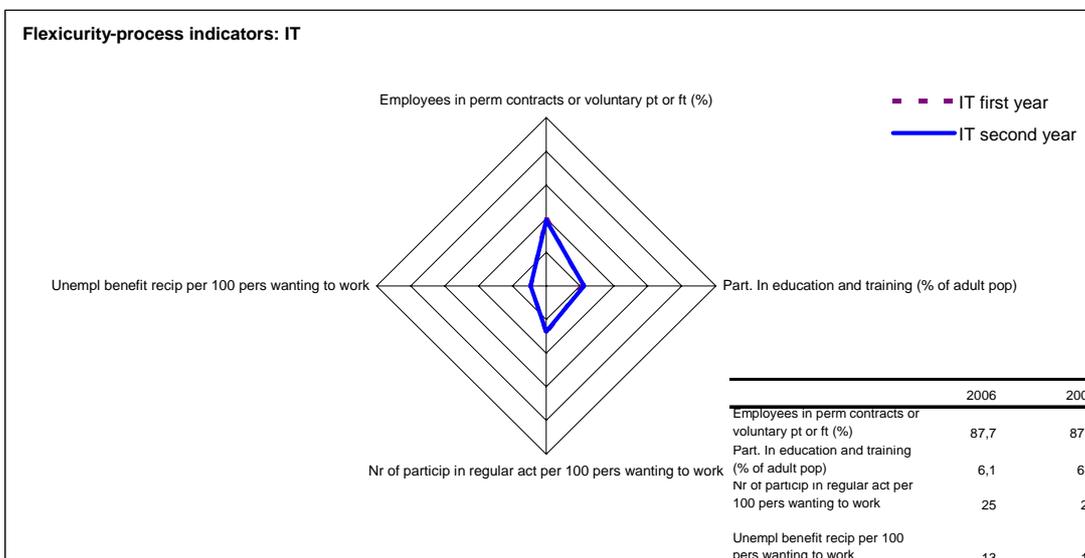
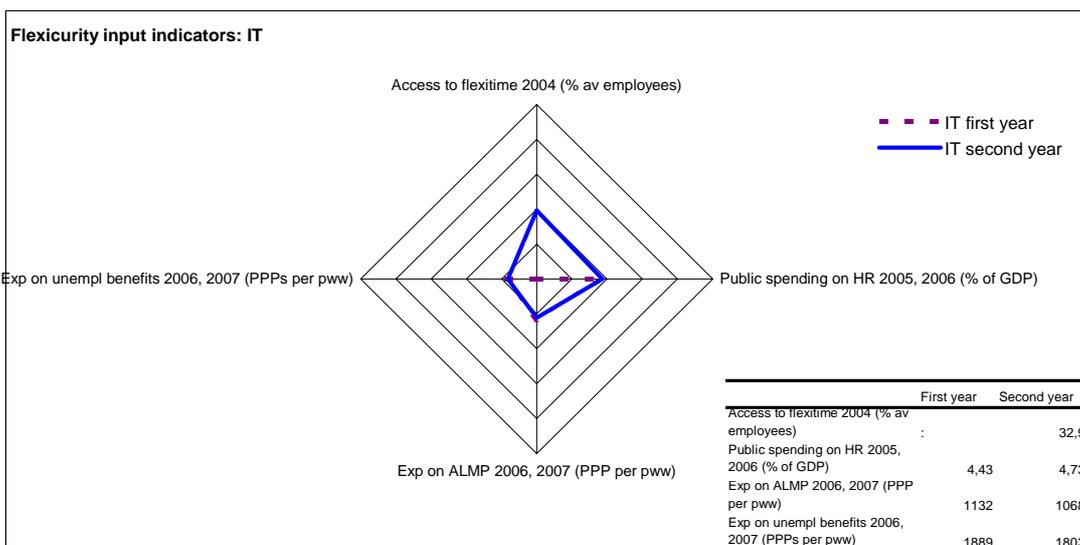
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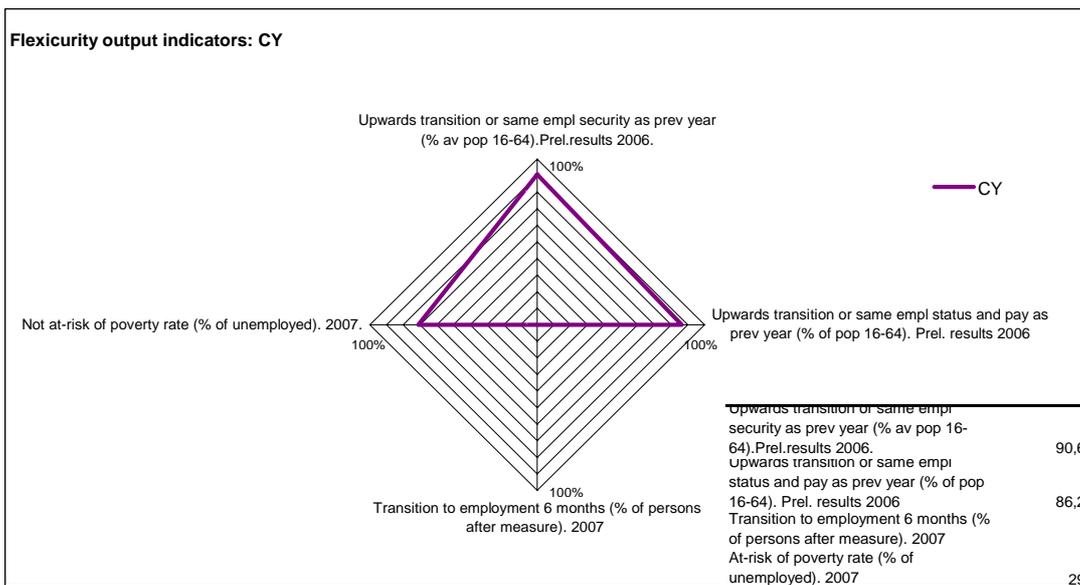
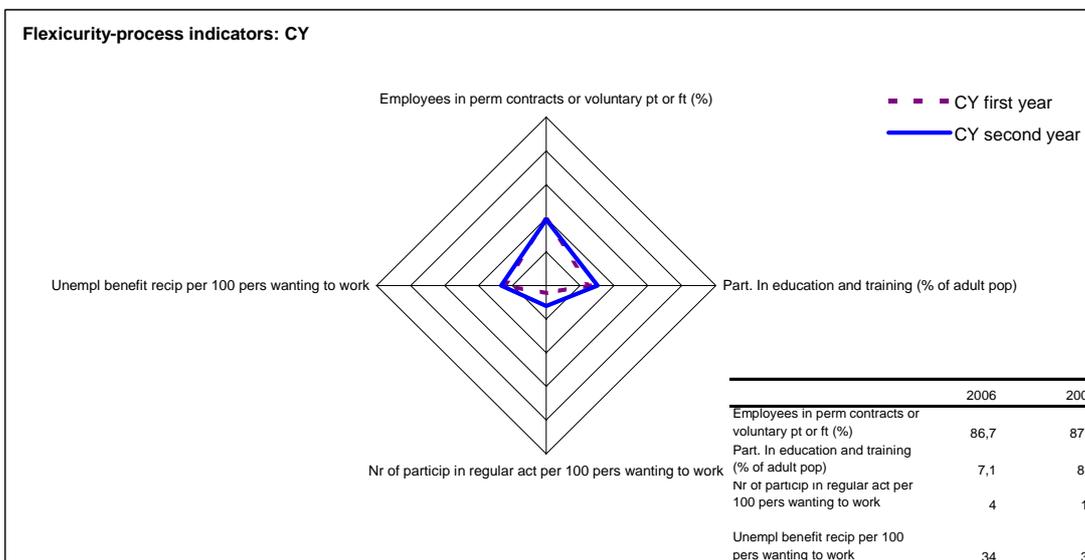
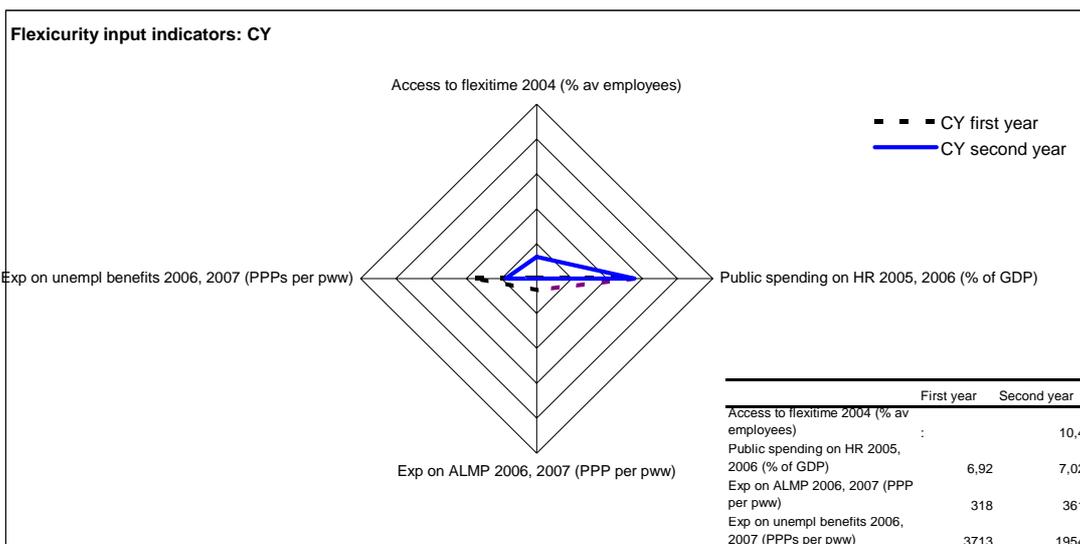
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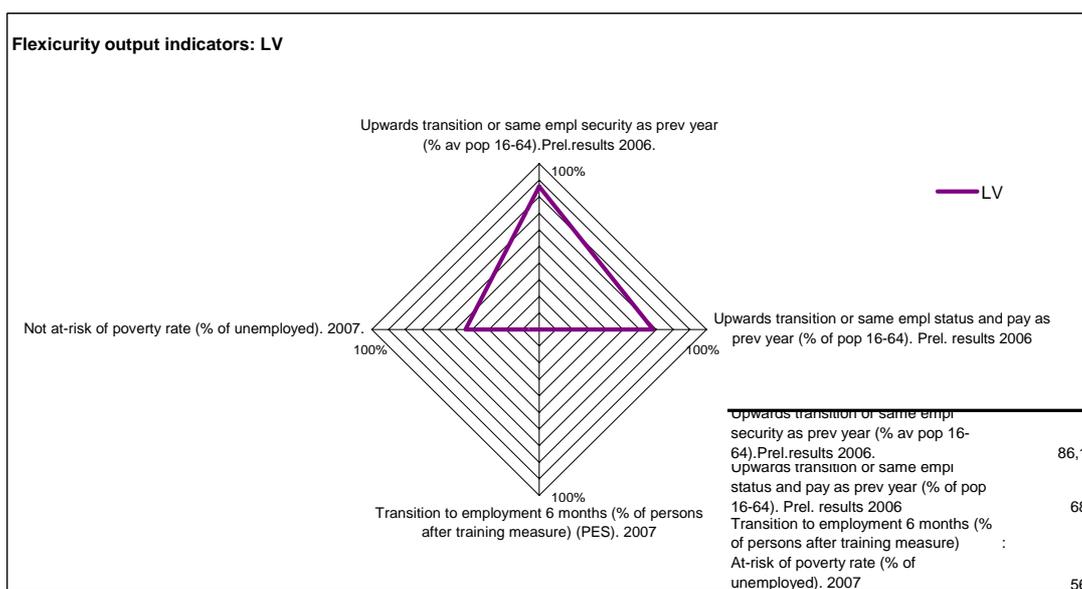
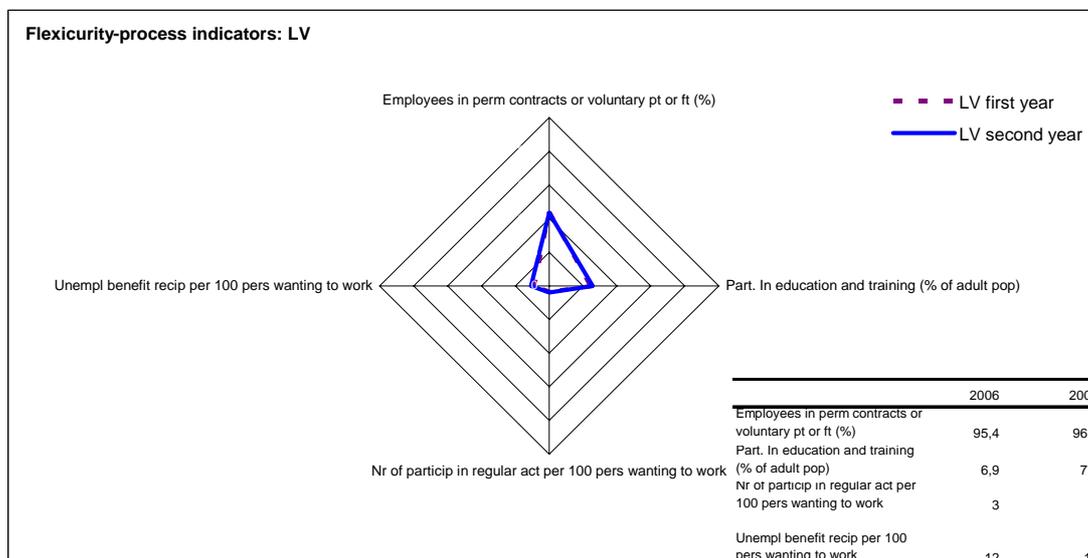
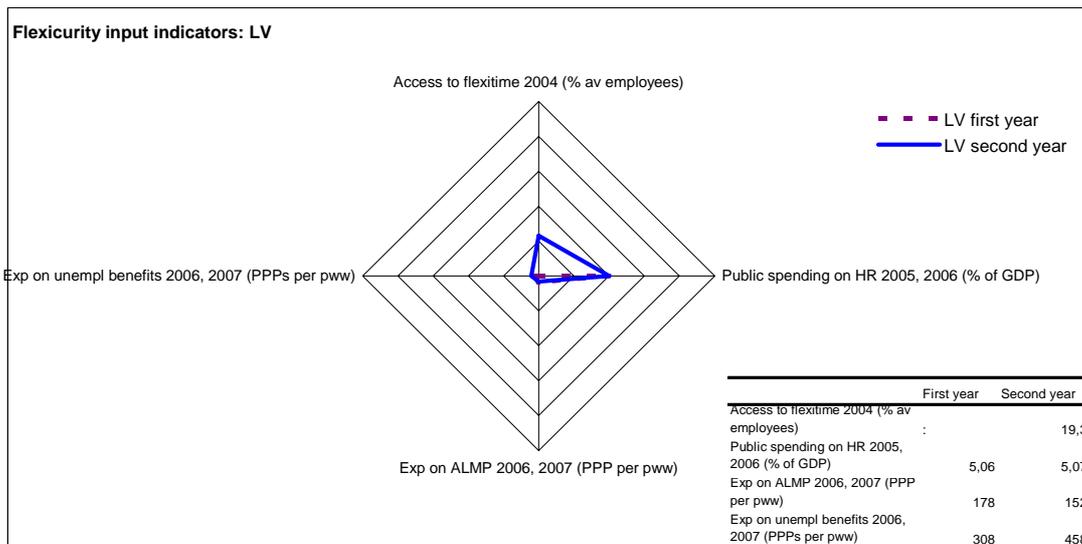
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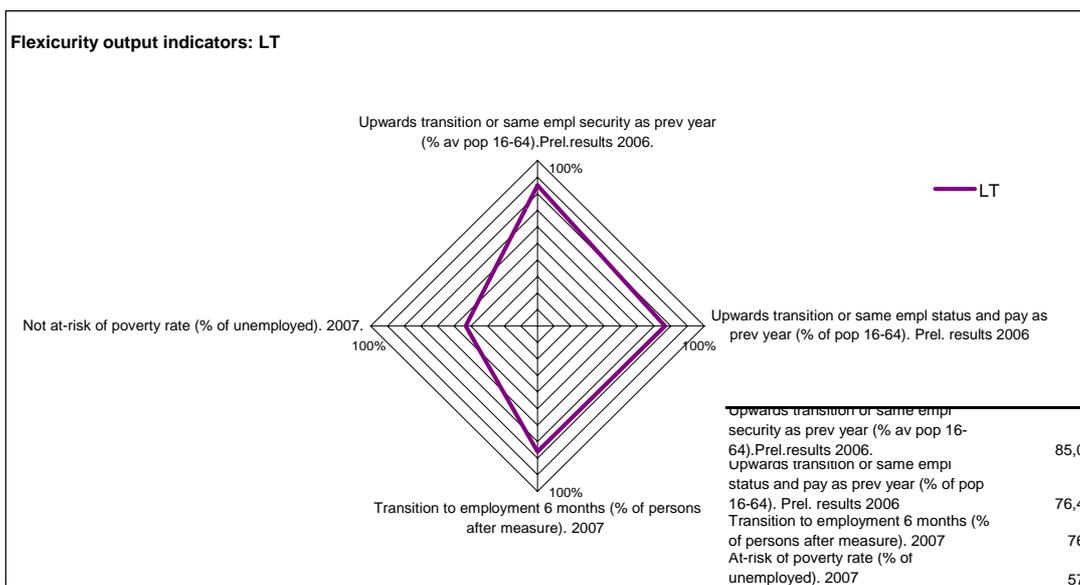
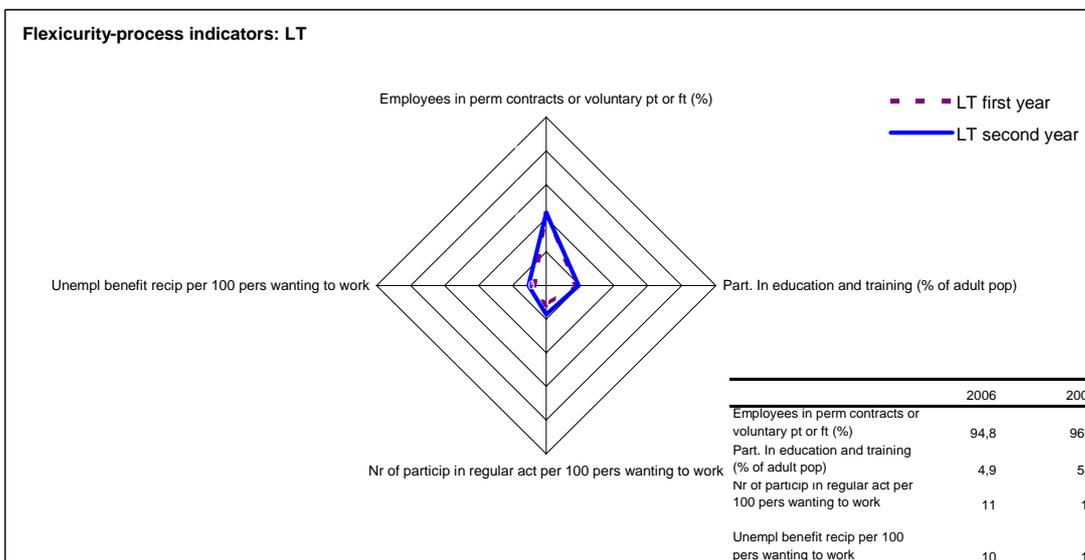
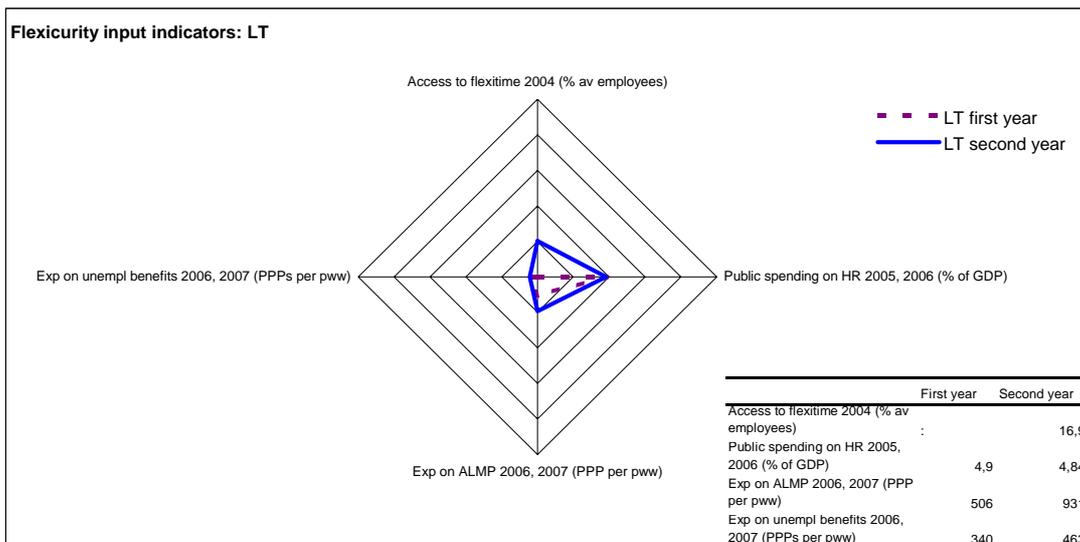
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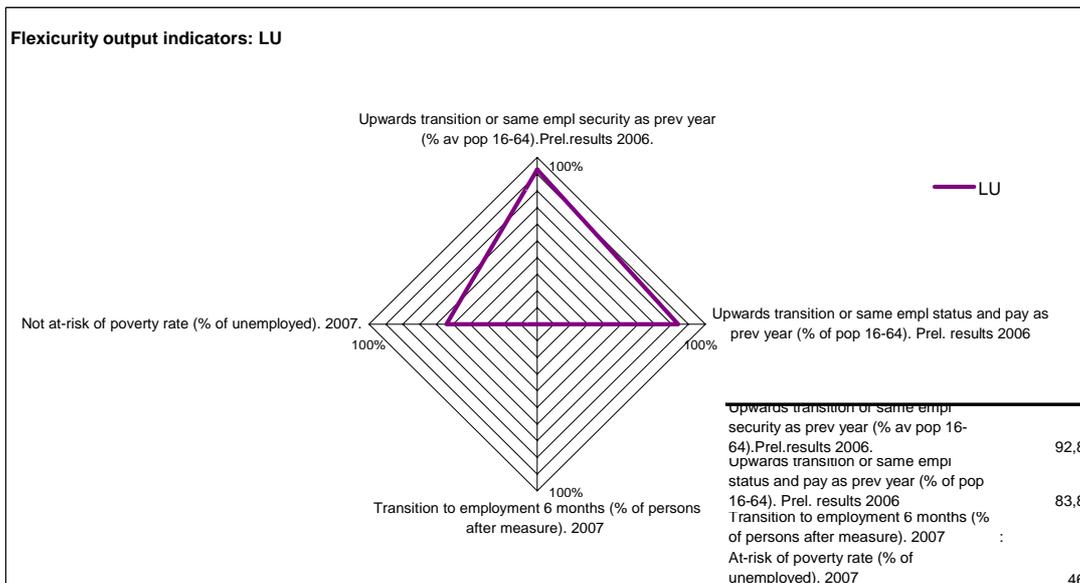
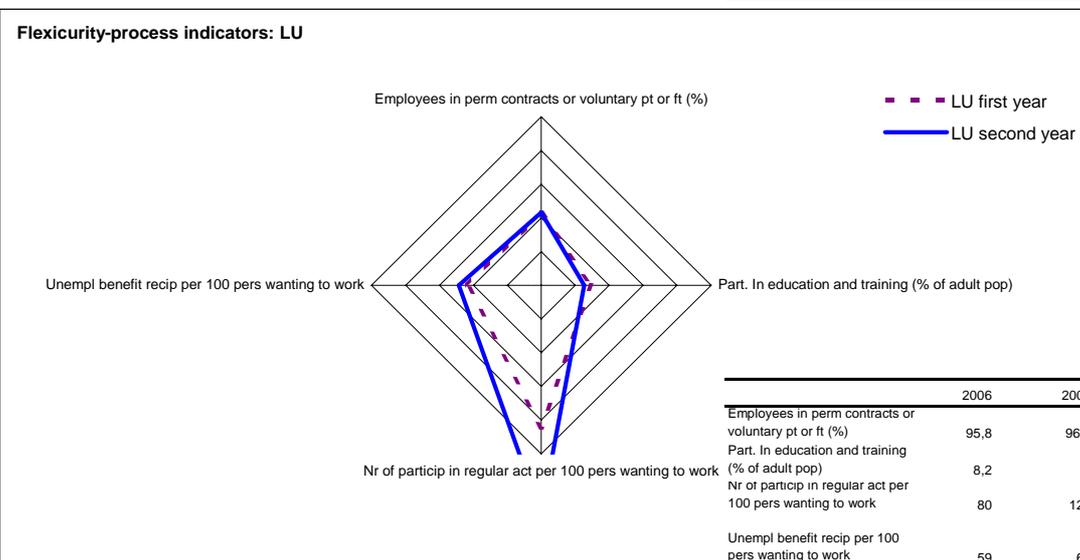
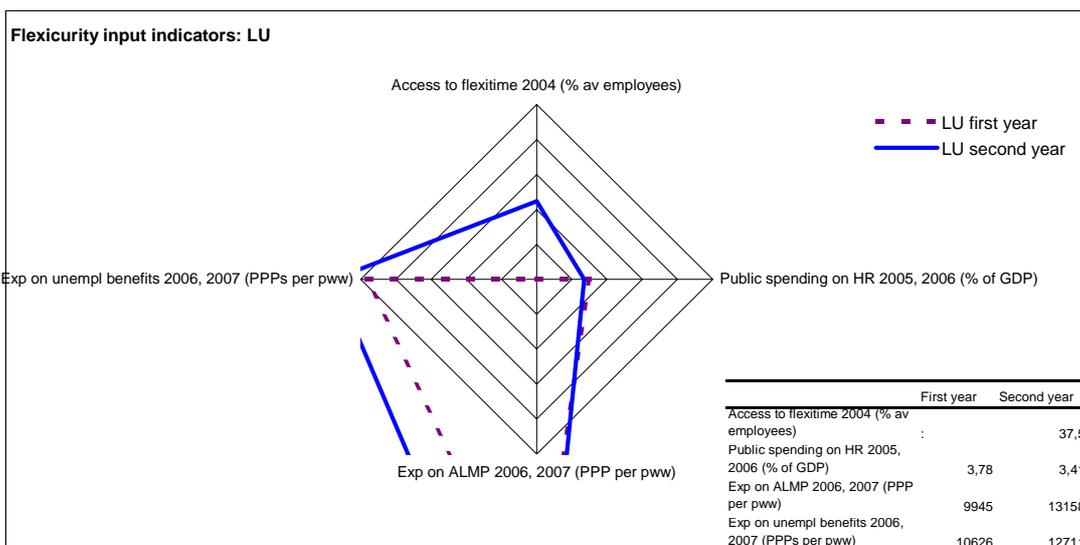
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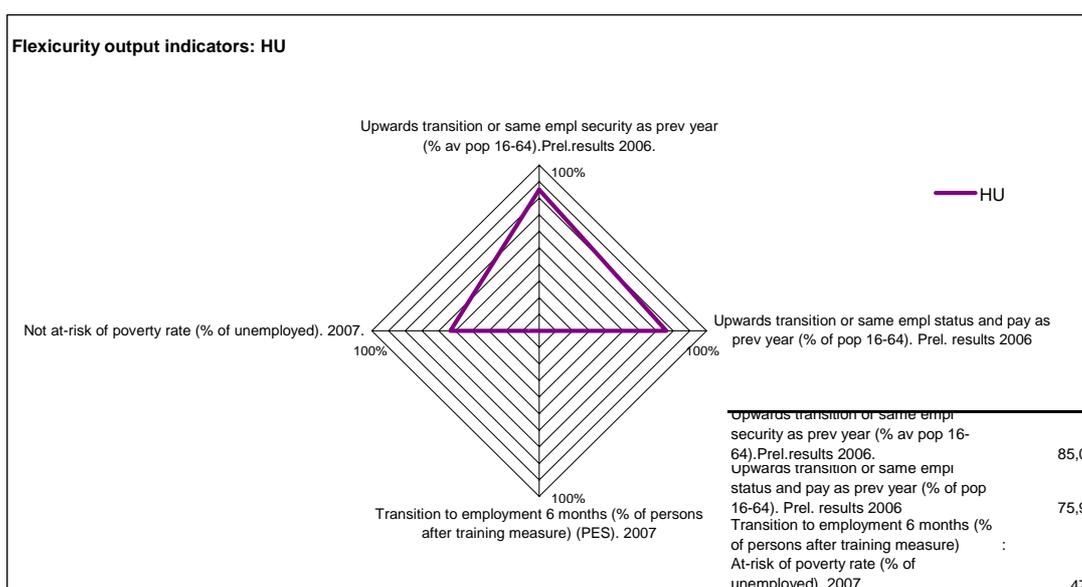
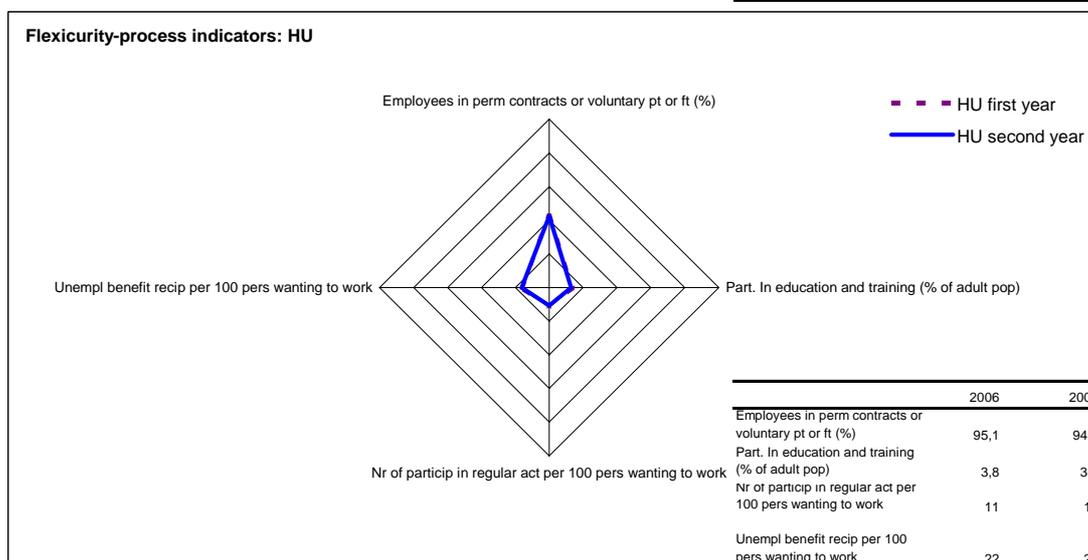
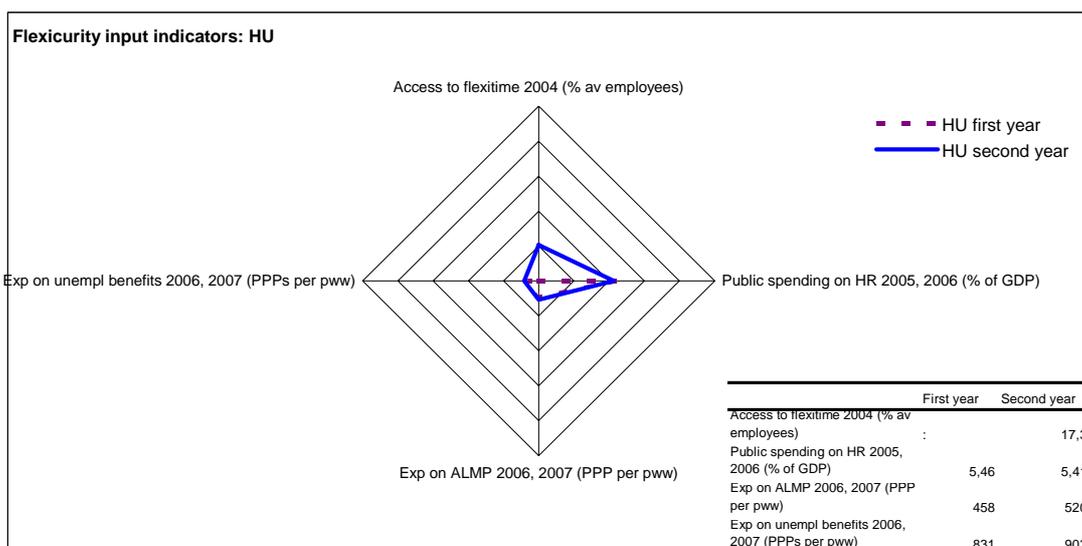
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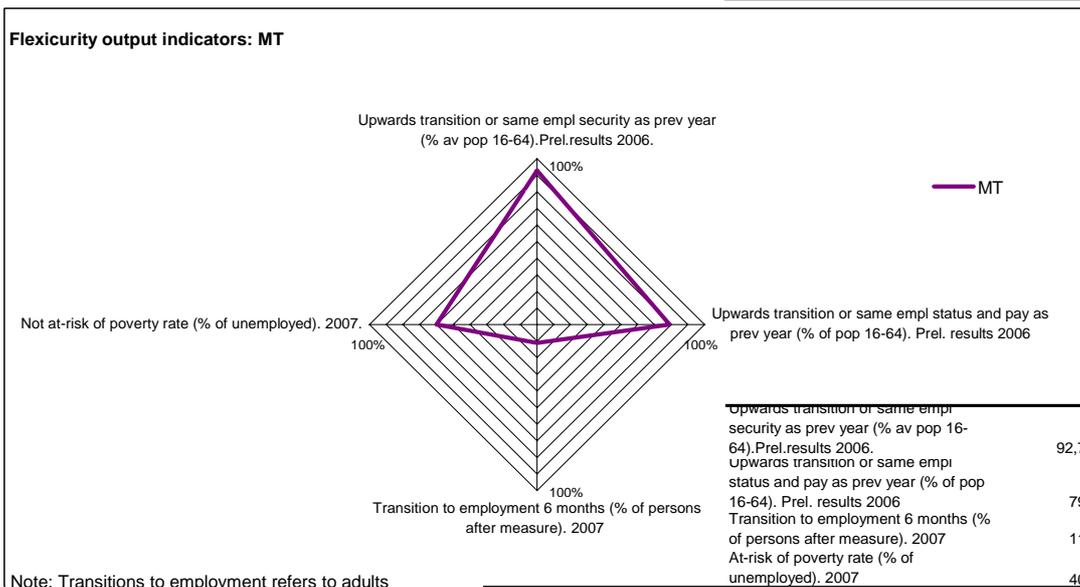
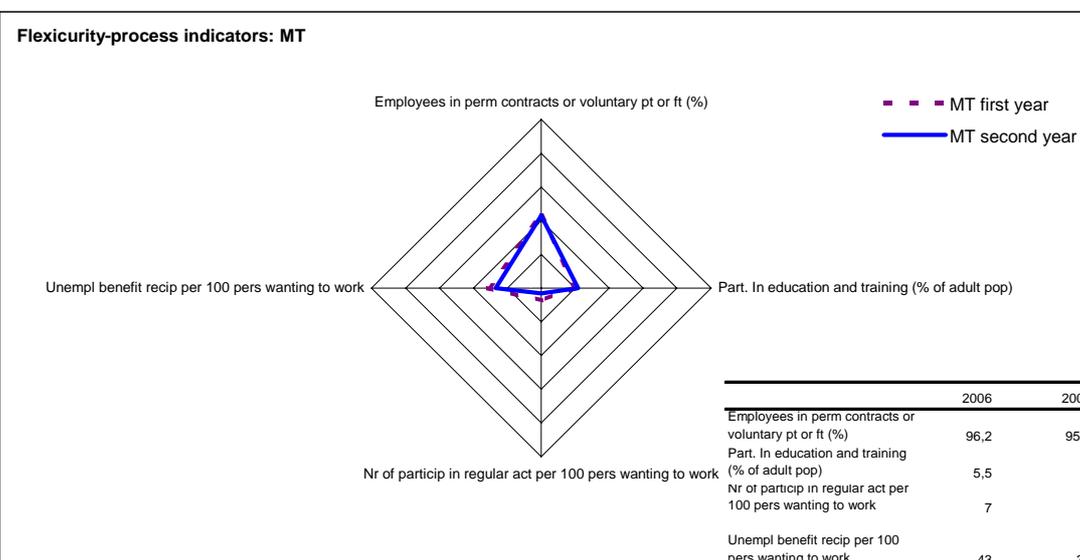
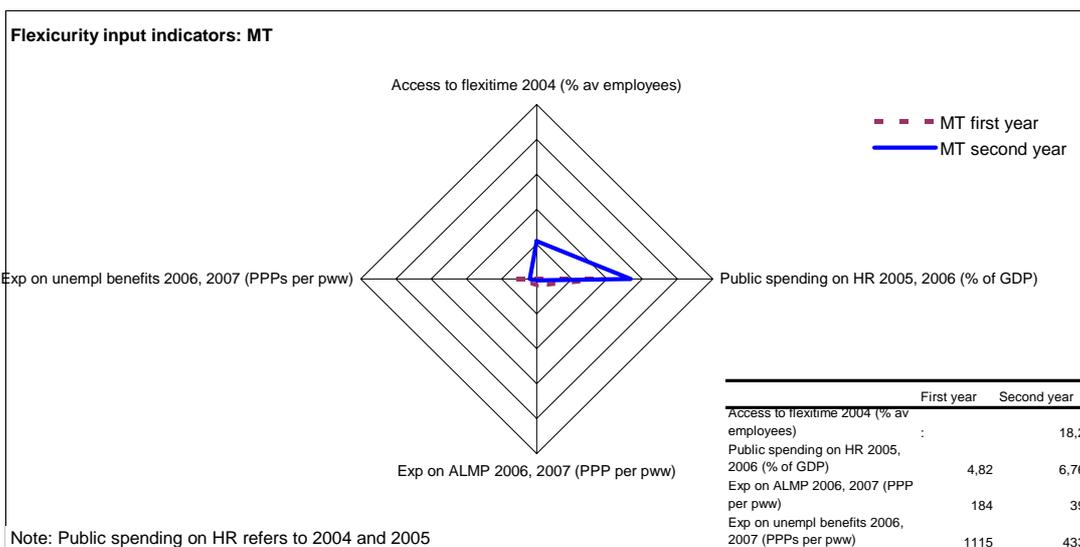
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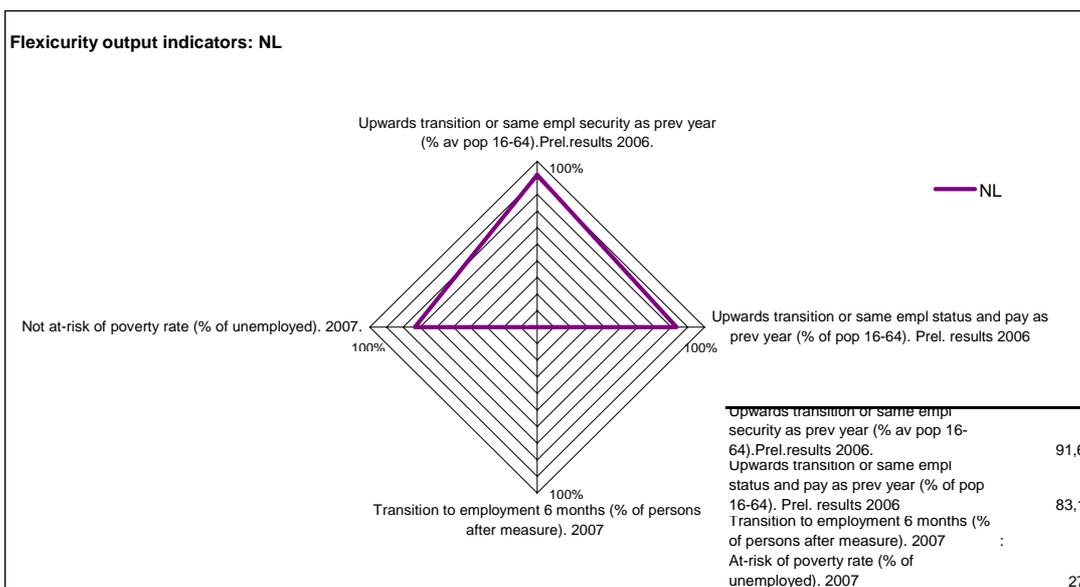
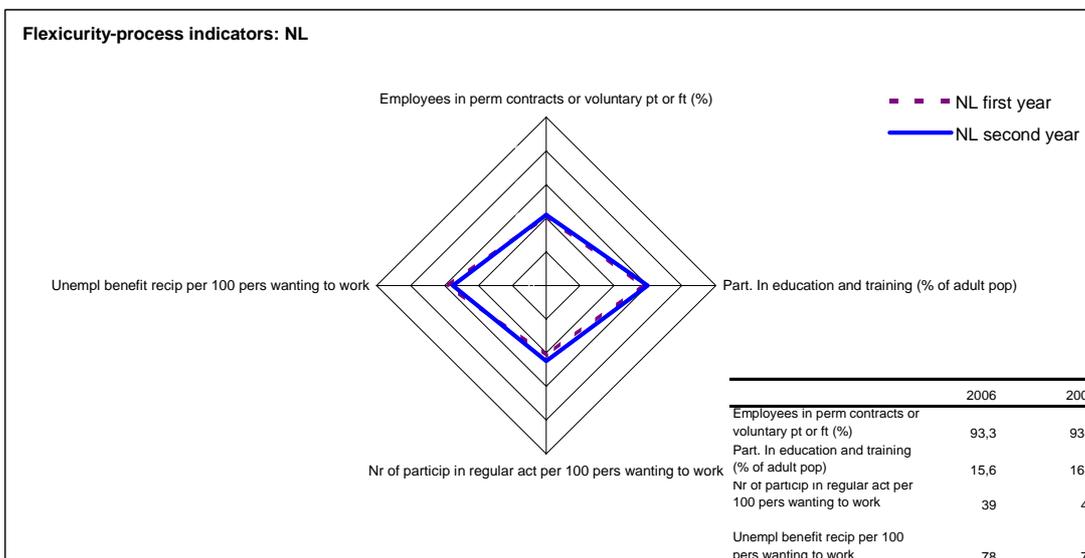
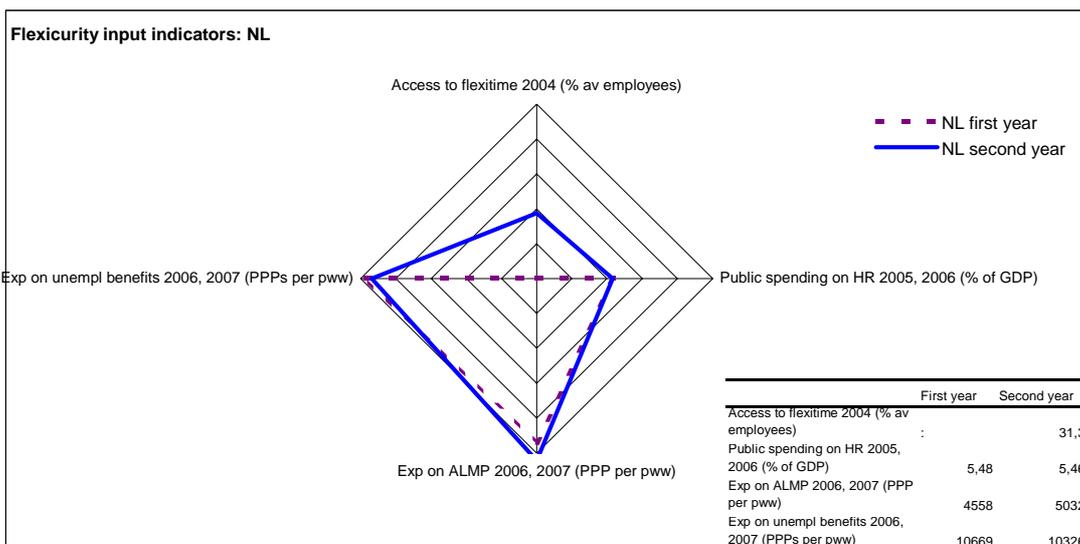
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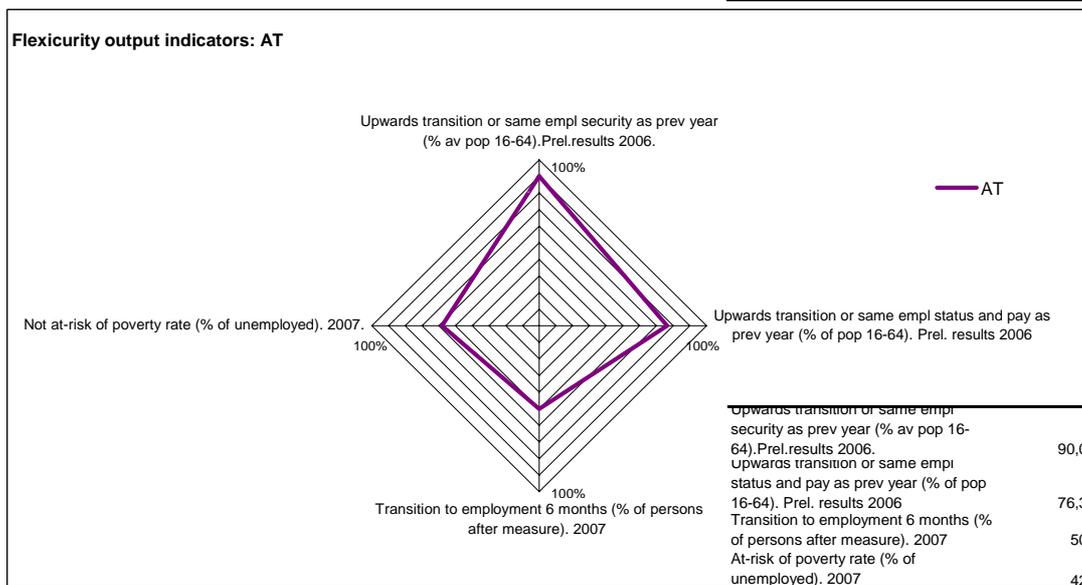
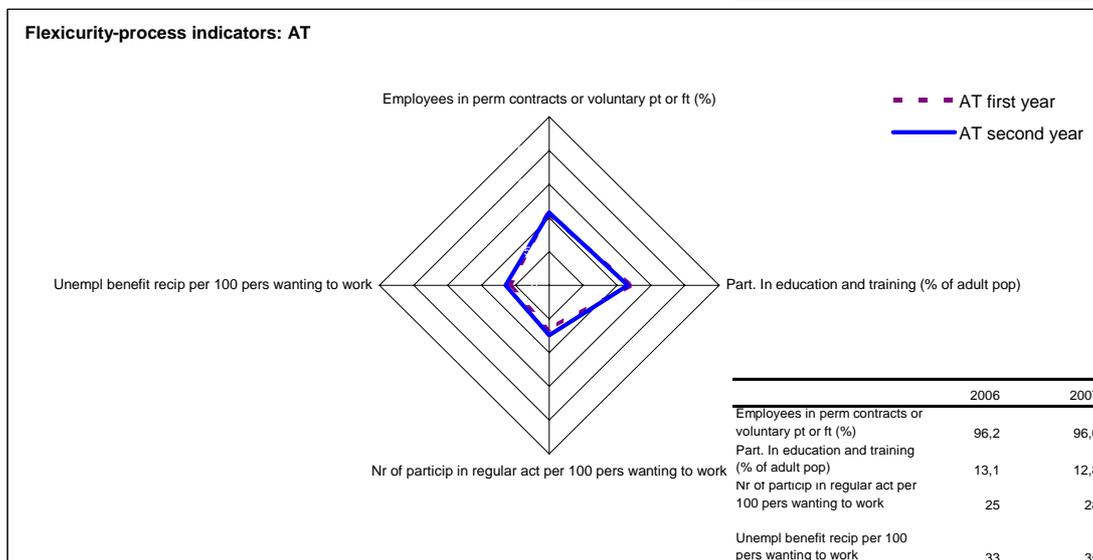
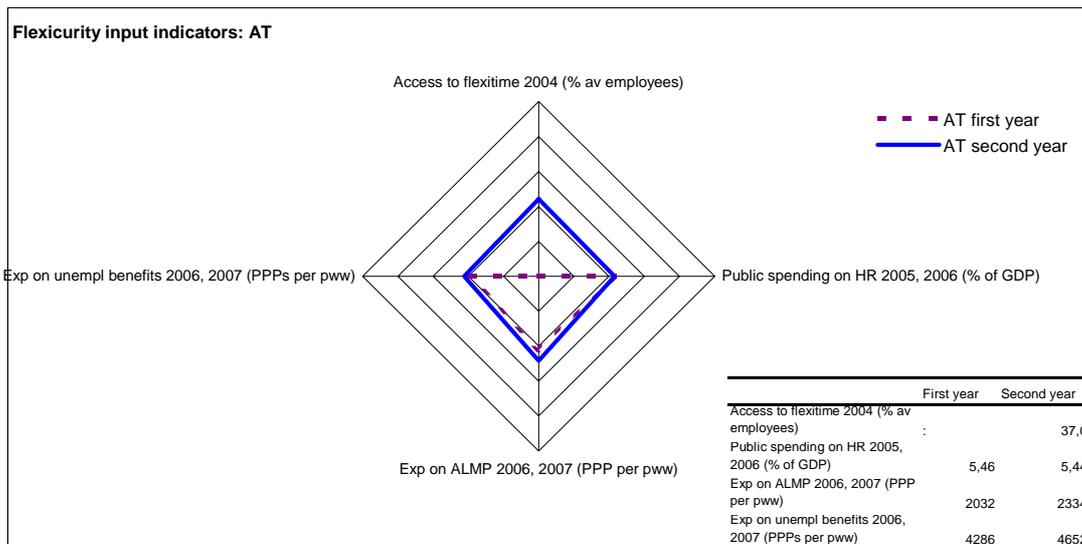
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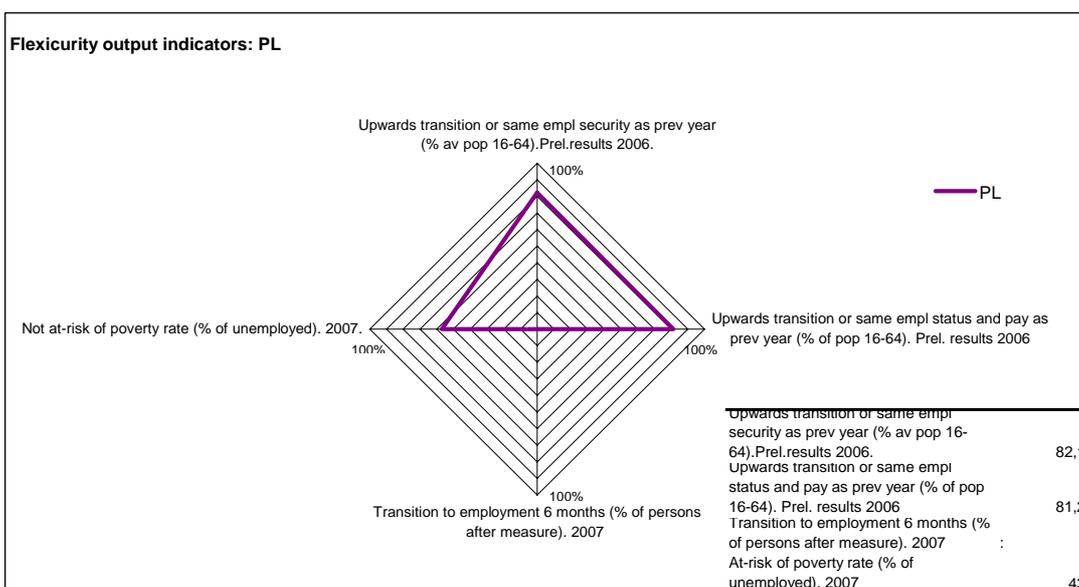
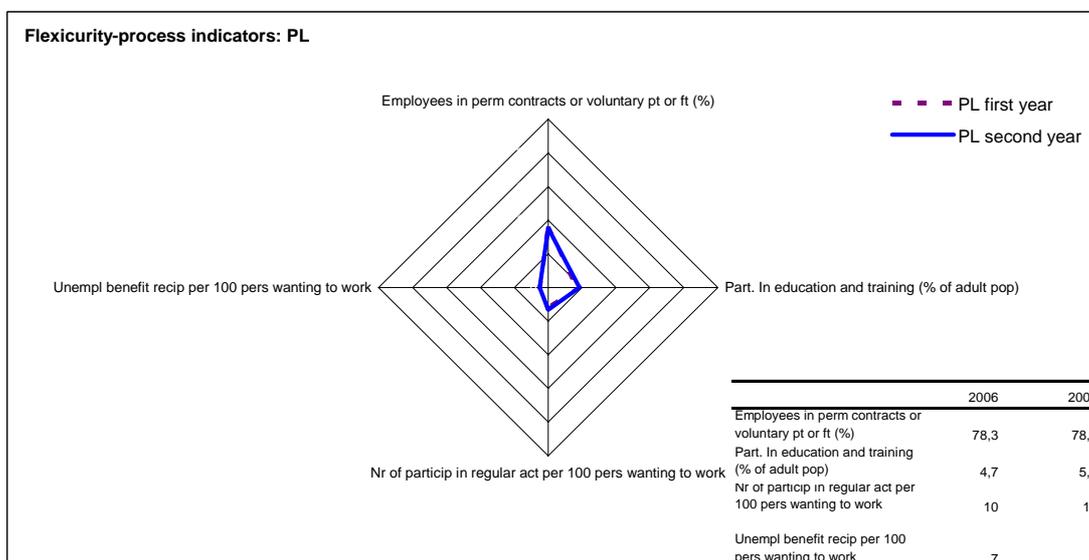
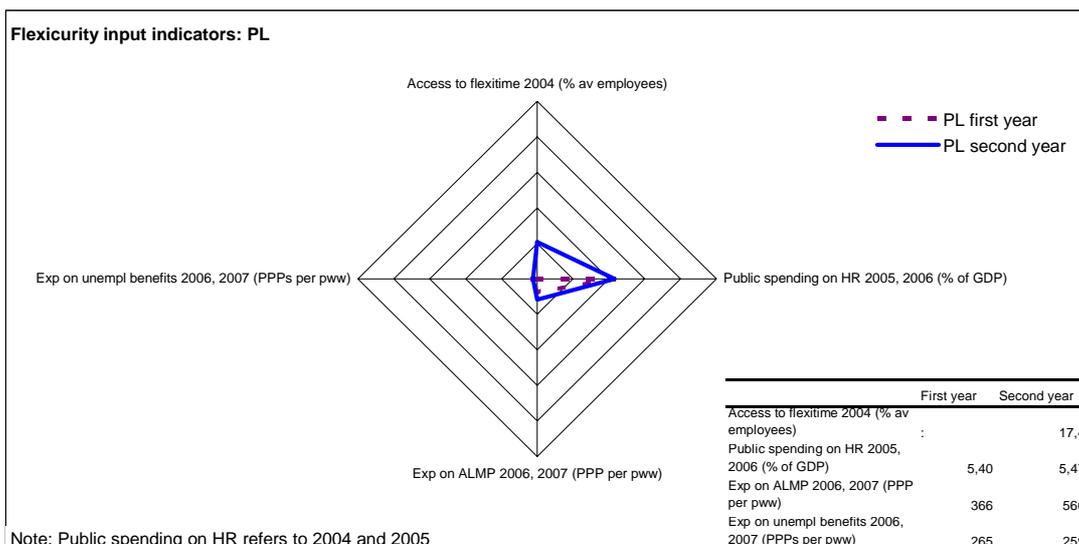
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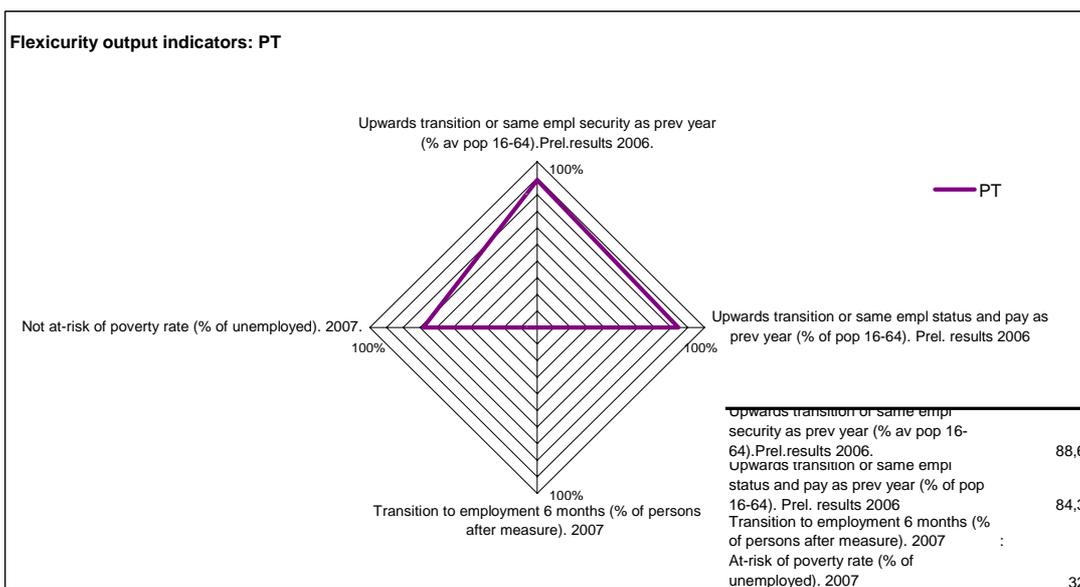
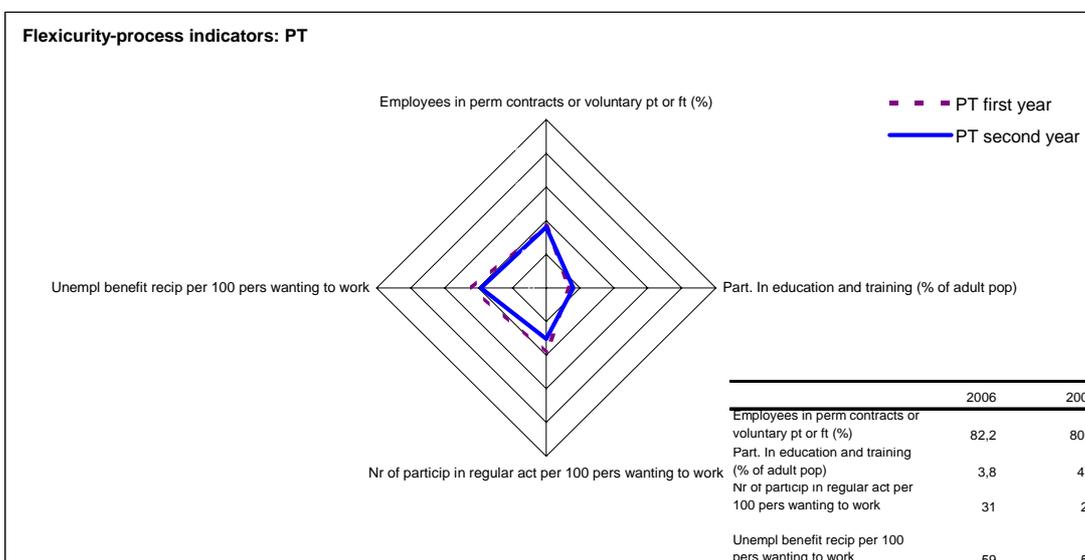
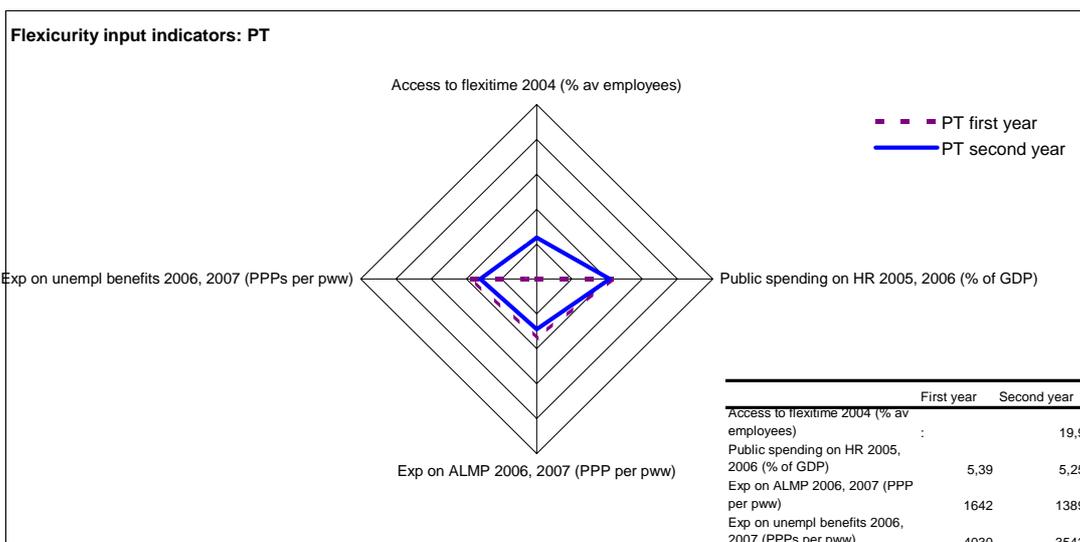
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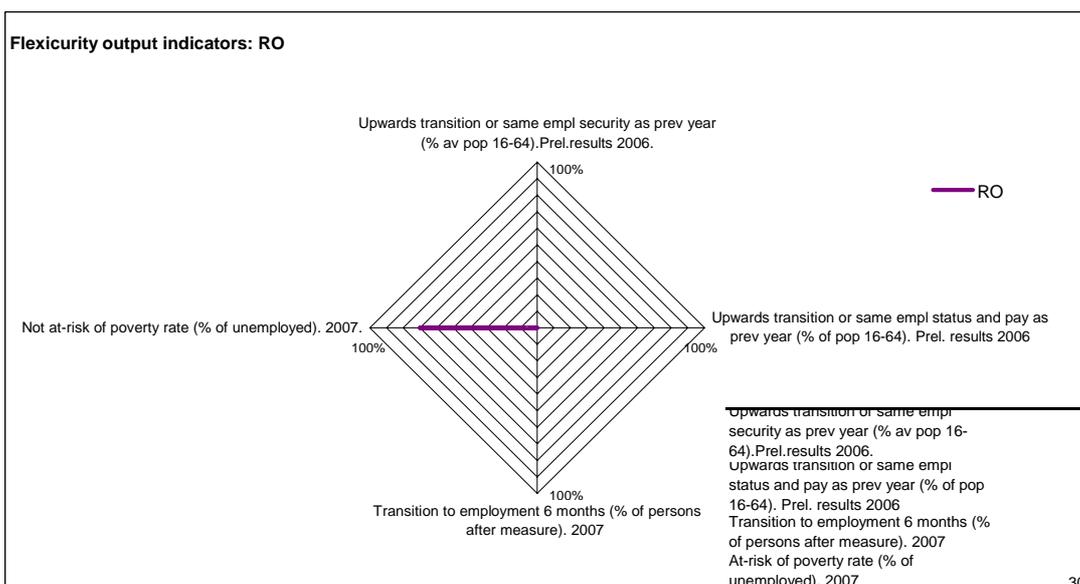
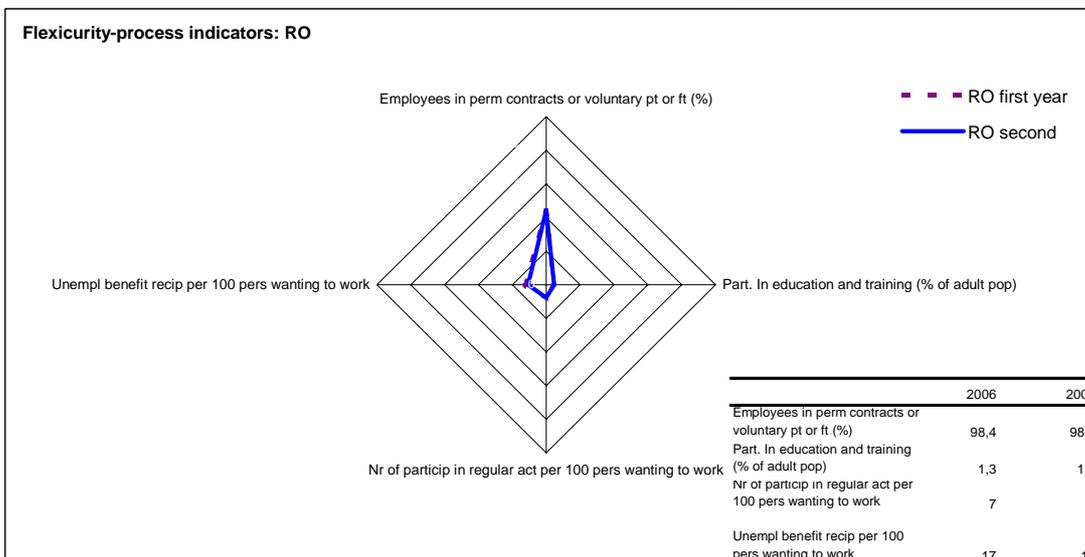
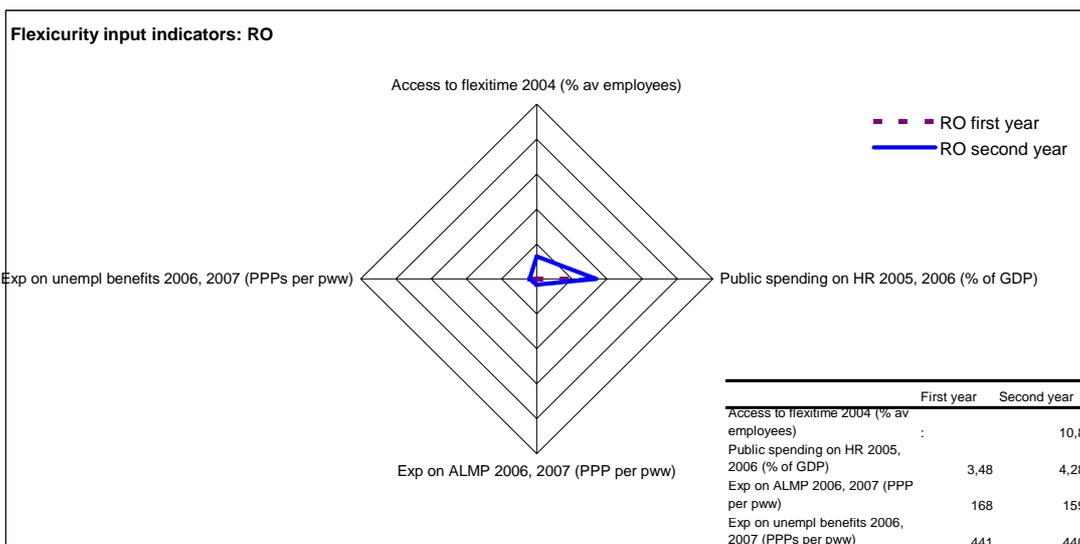
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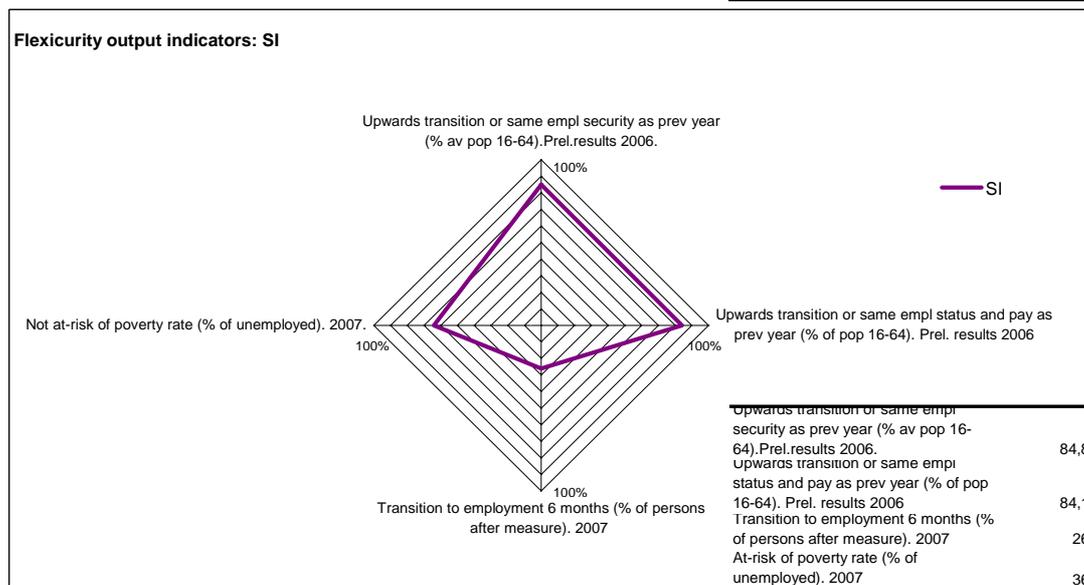
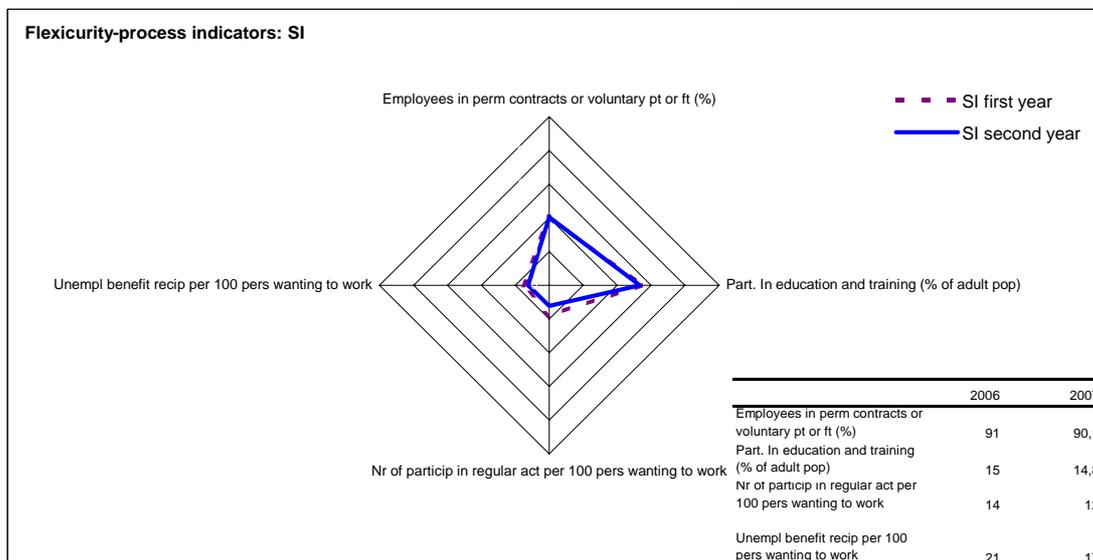
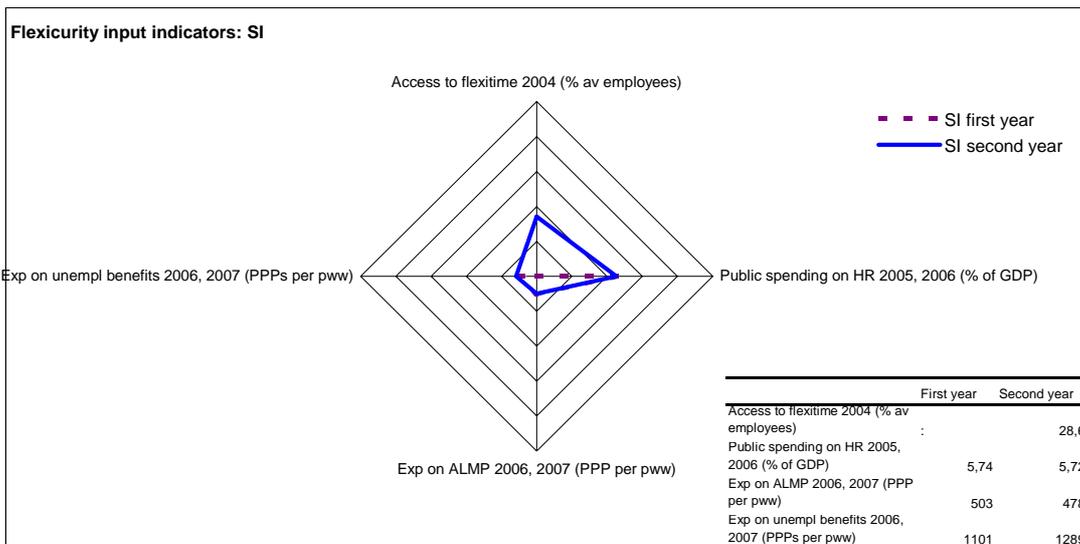
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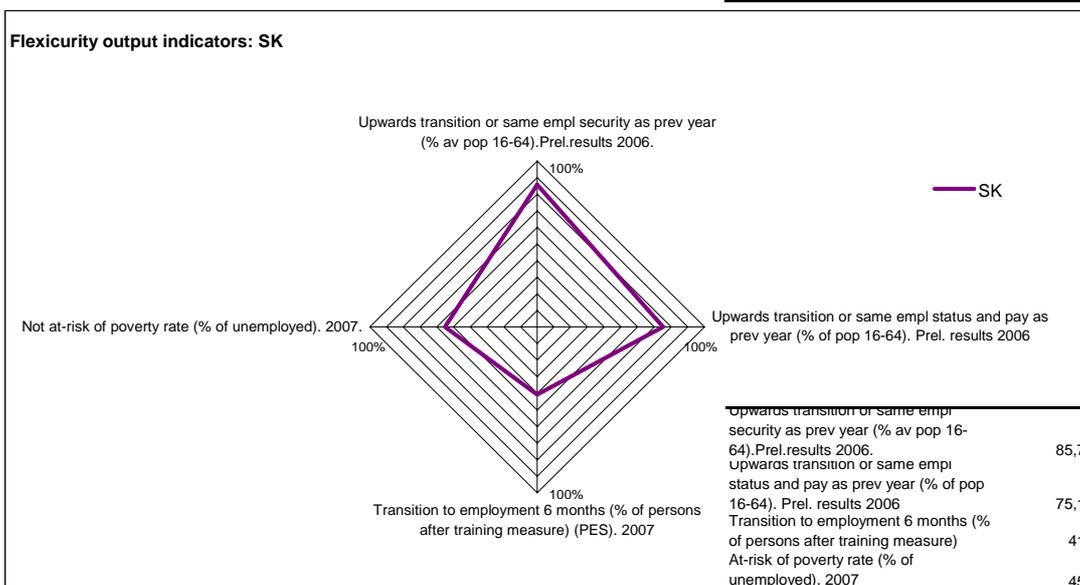
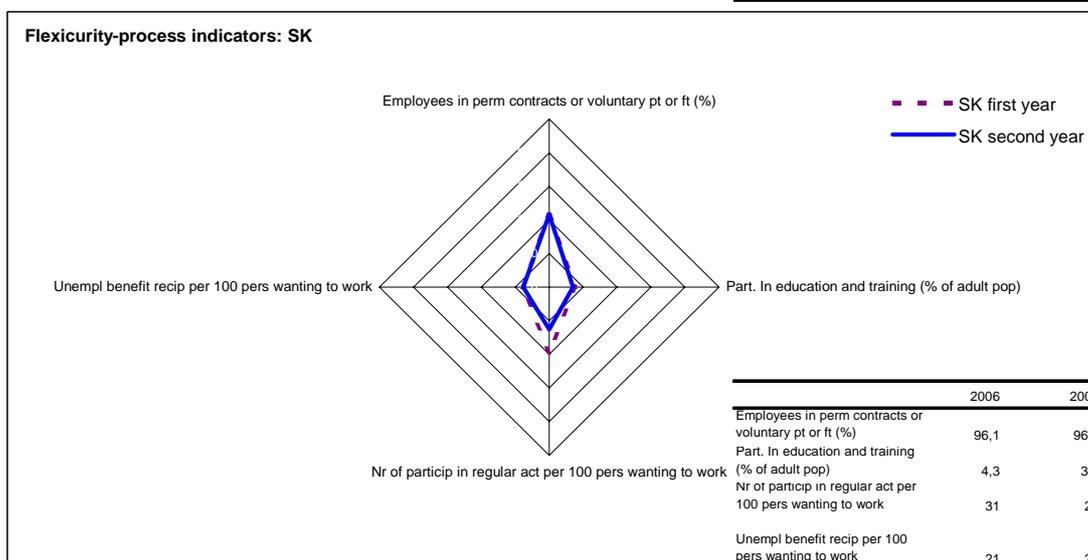
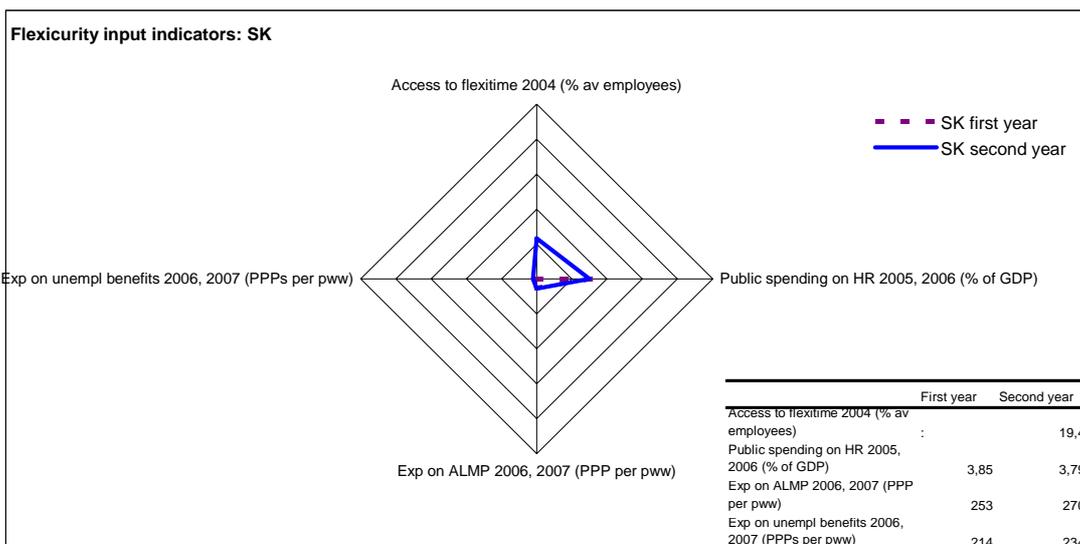
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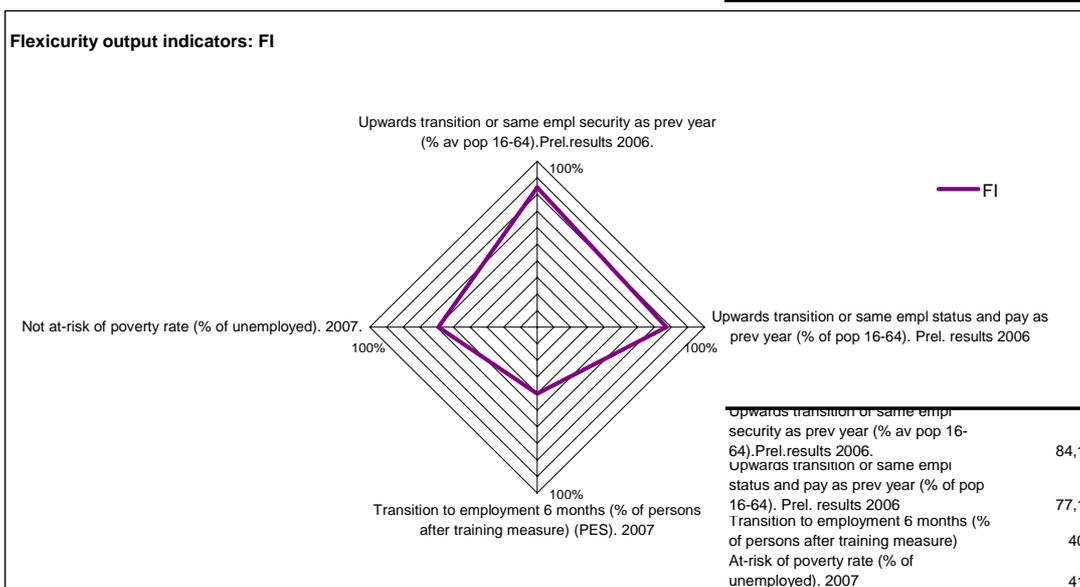
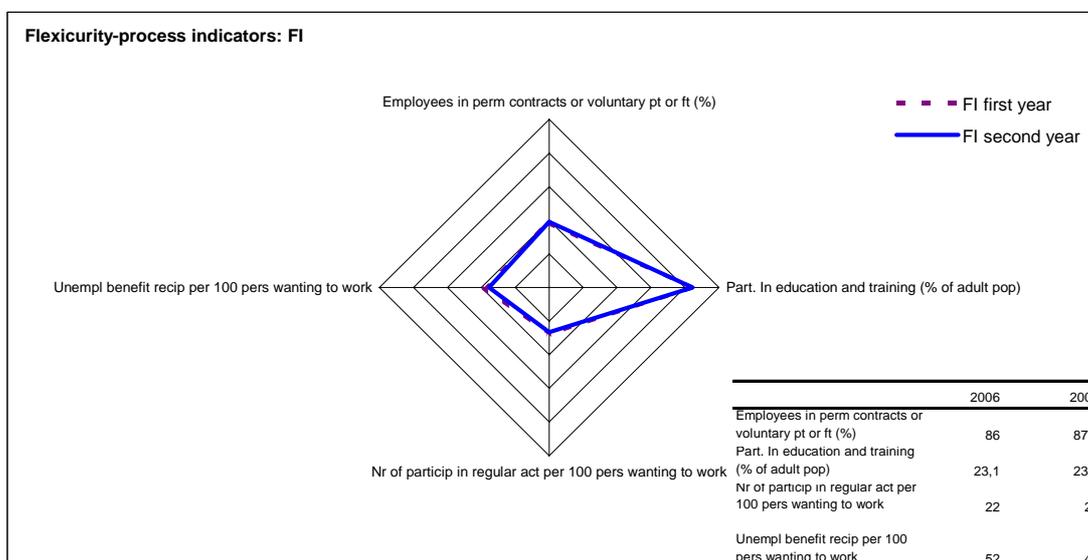
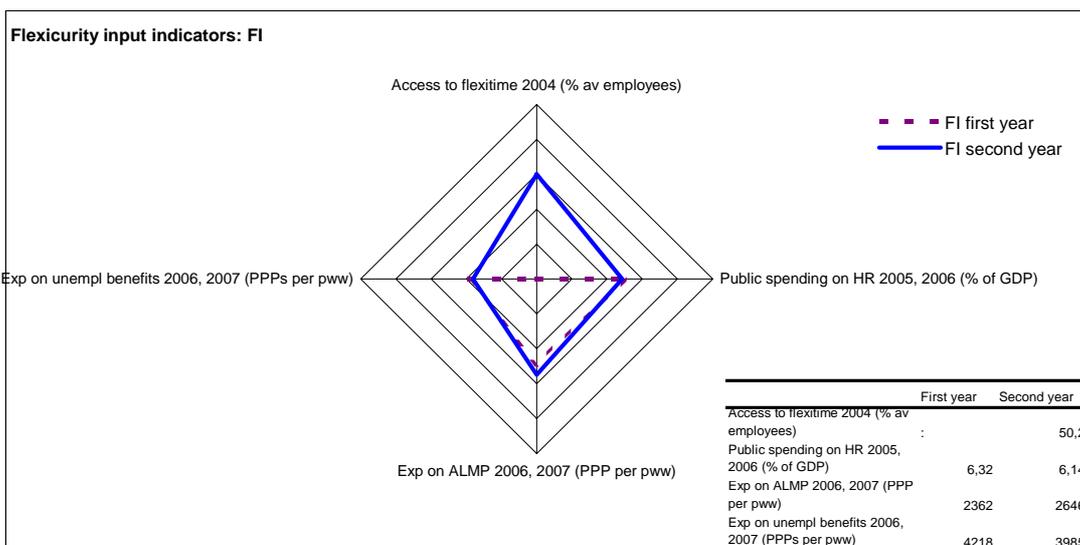
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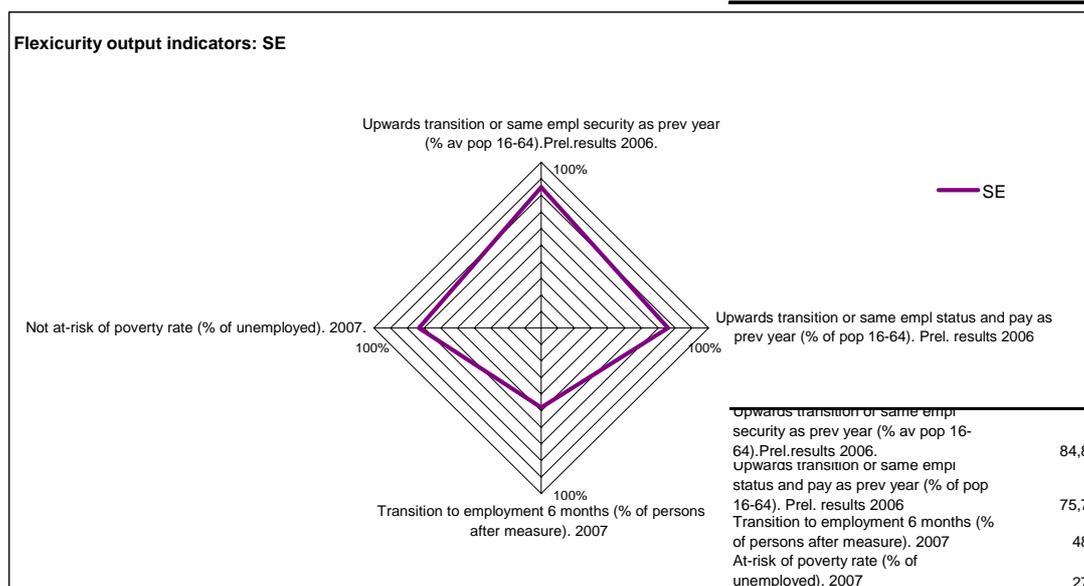
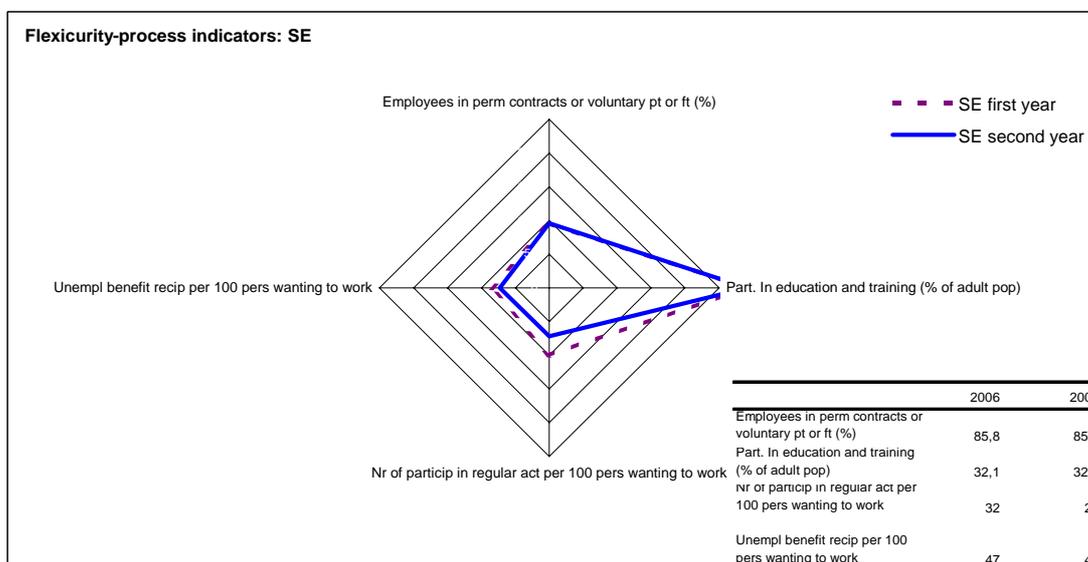
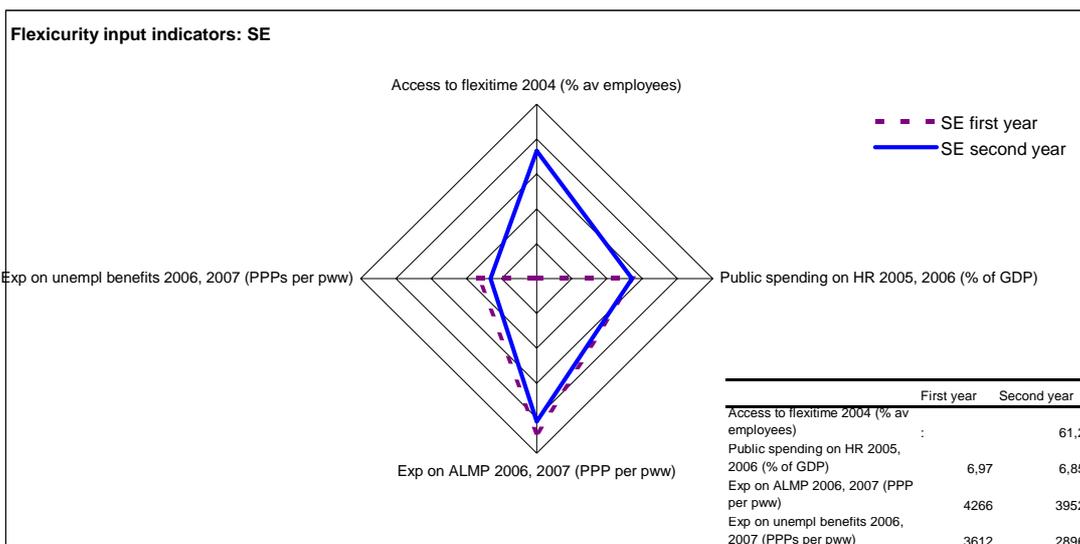
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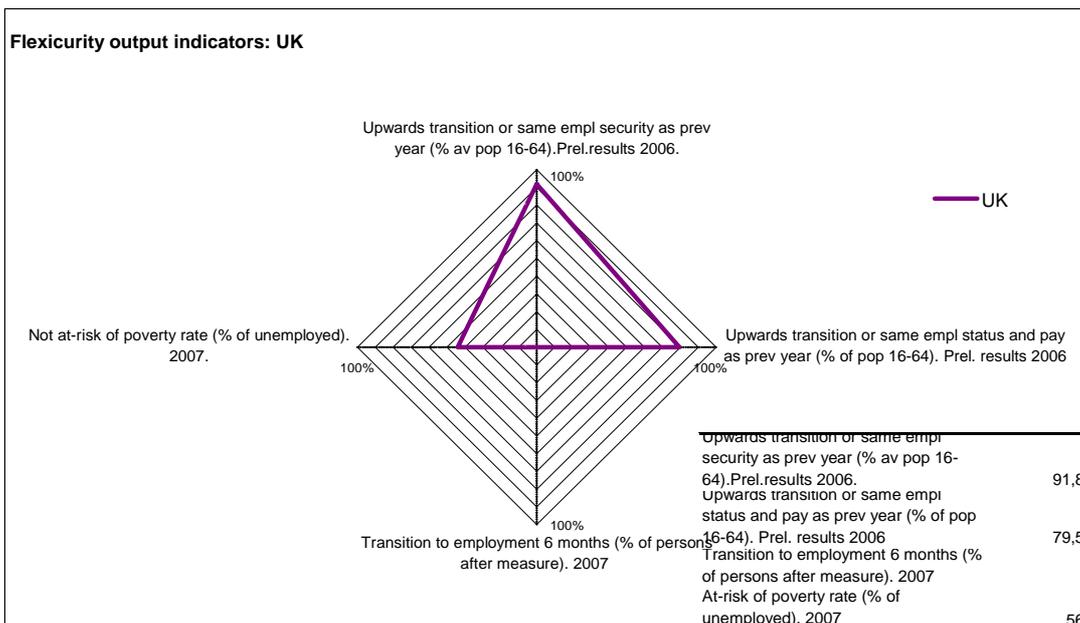
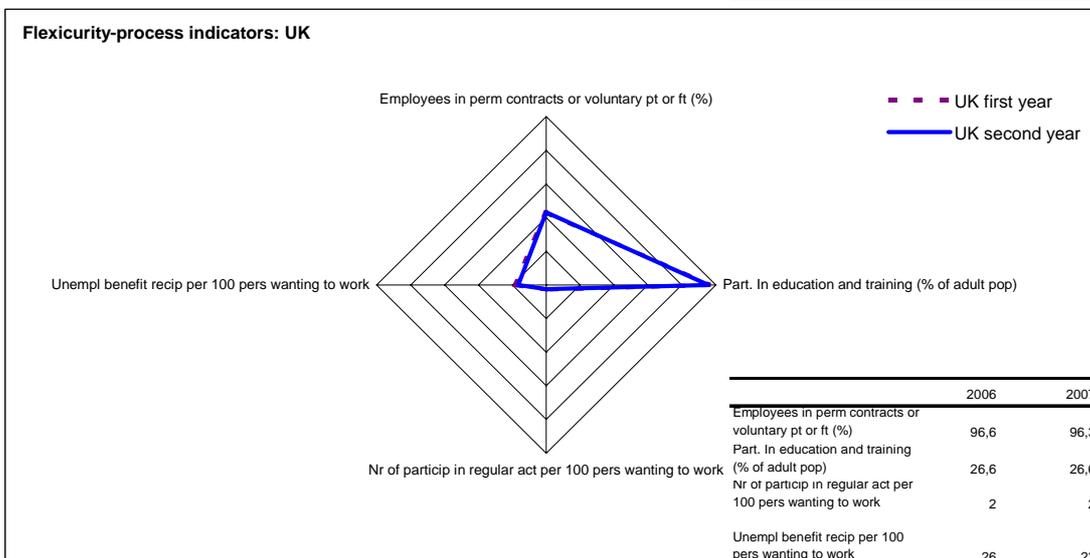
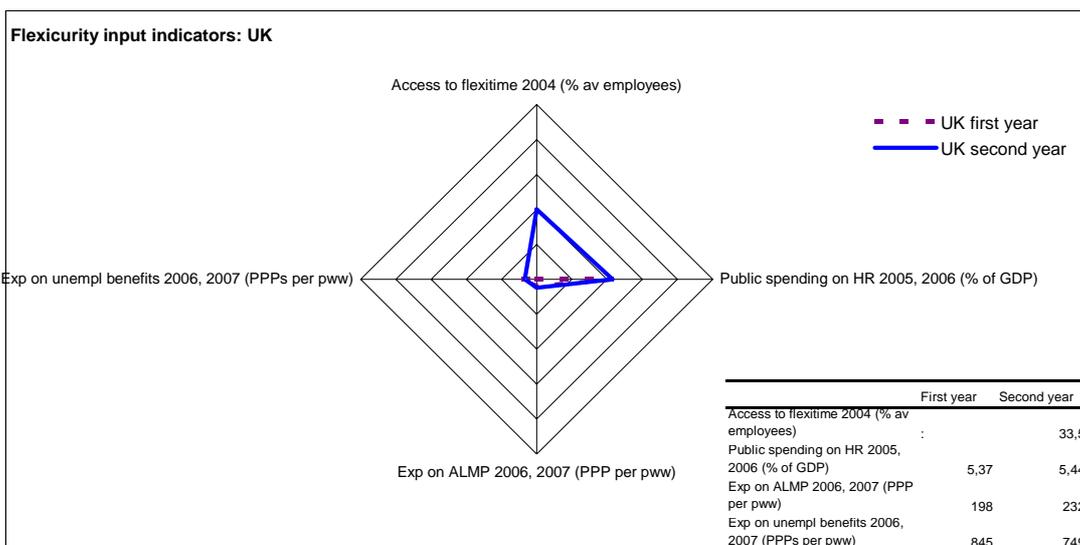
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