

### EMPLOYMENT QUALITY IN SEGMENTED LABOUR MARKETS

Research Workshop, 25-26 April 2013, Château de Penthes, Geneva area

Within the framework of its research programme, the Office is organising a Second Workshop on Employment Quality in Segmented Labour Markets.

One of the key features of the labour market developments throughout the world observed during recent years is the phenomenon of labour market segmentation: the division of the labour market into separate submarkets or segments, distinguished by different characteristics and behavioural rules. Segmentation may arise from particularities of labour market institutions, such as governing contractual arrangements (regular versus atypical employment), lack of enforcement (and resulting informality), as well as types of workers concerned (such as migrant, domestic, or dispatch workers).

The goal of this second workshop is for participants to discuss the lessons of recent research for policy that aims to alleviate labour market segmentation or its effects. As part of this research programme, a first workshop was held on 10-11 December 2012, where studies on labour market segmentation for 12 countries were presented and discussed.

The current workshop will prepare and discuss technical notes drawing the lessons of research for policy around three key themes. The focus will be on identifying the state of our knowledge on labour market segmentation, on consequences of its different forms in terms of both equity and efficiency of labour market outcomes, on viability of innovative policies, and also on recent and current reforms aimed at alleviating the labour market segmentation. Participants will discuss policy proposals in a manner that also incorporates implementation and enforcement matters.

Rather than presenting individual papers, participants will be invited to intervene by providing structured inputs drawn from their research to specific thematic discussions. These inputs will be used to produce collective technical notes to inform policy advice on the issue of segmentation.



### 25 APRIL 2013

Session One – Characterization and Implications of Segmentation  This session will discuss the consequences of the different forms of labour market segmentation in terms of both equity and efficiency of labour market outcomes.  • How is segmentation identified, are there labour markets that are more segmented than others?  • Why is the segmentation debate an important issue? What are the consequences of segmentation?  • What groups find themselves in "secondary" market segments?		
Introduction to the Workshop by Sandrine Cazes (ILO)		
General Debate		
Arnab Basu (Professor of Economics, Cornell University)		
General Debate		
Maria Jepsen (Director of Research Department, ETUI)		
General Debate		
Invited Speakers and Inputs from the Authors of Country Studies		

15:30 – 17:00 Discussion and consolidation of inputs into Technical Notes that inform policy

advice



#### **Parallel Sessions**

#### 13:30 – 17:00 Session Two A – Proposals to Alleviate Contractual Segmentation

**Venue: Pavillon Fontana (Soldati)** 

Moderator: Sandrine Cazes (ILO)
Rapporteur: Mariya Aleksynska (ILO)

Proposals such as those of single contracts aim at reducing disparities between different contractual forms so as to alleviate some negative consequences of segmentation in labour markets.

- What do the implementation of such proposals entail?
- What are the expected results? What factors would limit the effectiveness of such reforms?
- What other labour market and social protection policies need to be changed and how?
- **13:30 14:00** Speaker: Eckhard Voss (Researcher, Wilke, Maack and Partner)
- 14:00 14:15 Presentation of the Draft Technical Note to inform policy advice Mariya Aleksynska (ILO)

#### 14:15 – 15:00 Inputs from Authors of Case Studies

- Pietro Garibaldi (Professor of Economics, University of Turin; Director of Collegio Carlo Alberto)
- Miguel Malo (Associate Professor of Economics, University of Salamanca)
- Thomas Le Barbanchon (Researcher, CREST)
- Byung-Jin Ha (Consultant, ILO)

15:00 – 15:30 Coffee Break

**15:30 – 15:50** *Policy Perspective Robert Strauss (EC)* 

15:50 – 17:00 Discussion and consolidation of inputs into a Technical Note



#### **Parallel Sessions**

13:30 – 17:00 <u>Session Two B – Incentives and Sanctions to Reduce Informality and Segmentation</u>

**Venue: Pavillon Gallatin** 

Moderator: Maria-Luz Vega (ILO)
Rapporteur: Juan de Laiglesia (ILO)

Reforms of labour market regulation beg the question of implementation and enforcement. Across the papers presented, there are cases where provisions are not fully enforced, such as limits on length or repetition of fixed term contracts.

- What is the relative role of regulations in hiring and declaration decisions (separation, recurrent wage and non-wage labour costs) in encouraging or discouraging compliance?
- Would better enforcement lower or increase the severity of segmentation between formal and informal labour markets? Where are the weak spots in enforcement mechanisms? How do they differ across countries?

13:30 – 14:00 Speaker: Colin Williams (Professor of Public Policy, University of Sheffield)

**14:00 –14:15** Presentation of the Draft Technical Note to inform policy advice Juan de Laiglesia (ILO)

#### 14:15 – 15:00 Inputs from Authors of Case Studies

- Miguel Jaramillo (Senior Researcher, Professor of Economics, Group for the Analysis for Development (GRADE), Lima)
- Fabio Bertranou (ILO Office for Argentina, Expert in Labour Market and Social Protection)
- Li Shi (Professor of Economics, Beijing Normal University)
- Trilok Papola (ICSSR National Fellow and Honorary Professor, Institute for Studies in Industrial Development, New Delhi)

15:00 – 15:30 Coffee Break

15:30 – 15:50 Policy Perspective

Johannes Koettl (World Bank)

15:50 – 17:00 Discussion and Consolidation of Inputs into a Technical Note



#### **Parallel Sessions**

#### 13:30 – 17:00 Session Two C – Proposals Going beyond Statutory Regulation

Venue: Salle d'Affry (Musée)

Moderator: Corinne Vargha (ILO) Rapporteur: Susan Hayter (ILO)

This session will focus on the role of non-statutory sources of labour market regulation. It will discuss in particular collective bargaining, as well as the role of the judiciary in interpreting and applying the law:

- How influential are the other sources of law formation in the area of employment protection?
- What role do collective bargaining arrangements play?
- To what extent do court decisions modify the effect of statutory employment protection?
- 13:30 14:00 Speaker: Simon Deakin (Professor of Law, Cambridge University)
- **14:00 14:15** Presentation of the Draft Technical Note to inform policy advice Susan Hayter (ILO)
- 14:15 15:00 Inputs from Authors of Case Studies
  - Filippo Taddei (Assistant Professor, Johns Hopkins University and Collegio Carlo Alberto)
  - Verena Tobsch (ExAKT Economic Research)
  - Shoshana Neuman (Professor of Economics, Bar-Ilan University)
  - Gonzalo Durán (Director, Inequality and Wages department, SOL Foundation)
  - Saad Belghazi (Consultant)

15:00 – 15:30 Coffee Break

**15:30 – 15:50 Policy Perspective** Maria Jepsen (*ETUI*)

15:50 – 17:00 Discussion and Consolidation of Inputs into a Technical Note



### 26 APRIL 2013

Venue:	Tente	Gal	latin

9:30 – 11:00	Session Three - Presenting Key Findings and Suggestions from Parallel Sessions
	Chair: Sandra Polaski (ILO)
9:30 - 9:45	Mariya Aleksynska (ILO)
9:45 –10:00	Juan de Laiglesia (ILO)
10:00 –10:15	Susan Hayter (ILO)
10:15 –10:45	General Debate
10:45 – 11:15	Coffee break

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#### 11:15 – 12:30 <u>Session Four - Policy Perspective</u>

Chair: Sandra Polaski (ILO)

This session will address the issue of labour market segmentation from the policy point of view.

- Is a certain degree of segmentation inevitable?
- Is the key policy objective to eliminate (certain forms of) segmentation or to alleviate its negative consequences?
- What are the proposals for reforms?

#### **Panellists**

- Stefano Scarpetta (OECD)
- Johannes Koettl (World Bank)
- Robert Strauss (EC)

**Concluding Remarks** 

<i>12:30 – 13:00</i>	General Debate

13:00 - 13:10

Sandrine Cazes (ILO) and Corinne Vargha (ILO)

13:10 – 14:30 Buffet Lunch