

Labor Market Reforms in the Last Decades : What have we learned and where are we heading ?

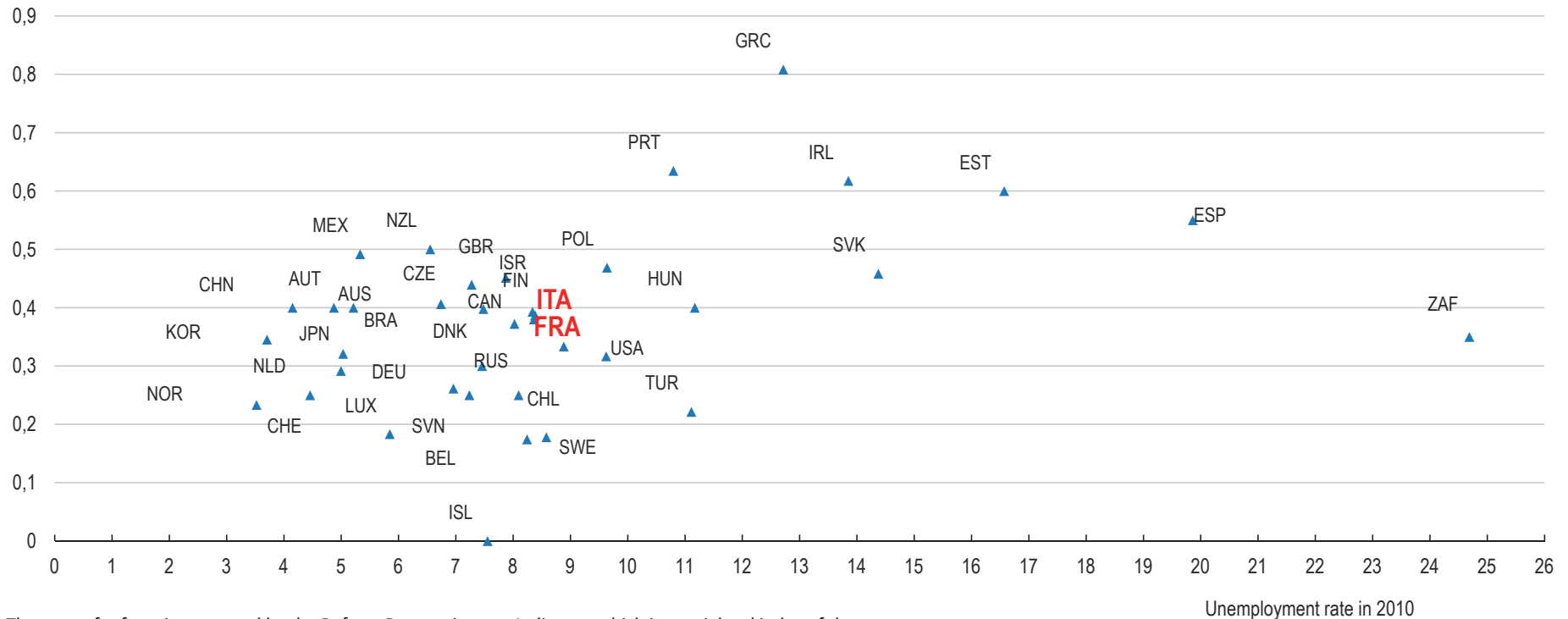
Andrea GARNERO

“We all know what to do. We just do not know how to get re-elected after we have done it”.

Jean-Claude Juncker
The Economist, 2007

Crisis: a Catalyst of Reforms?

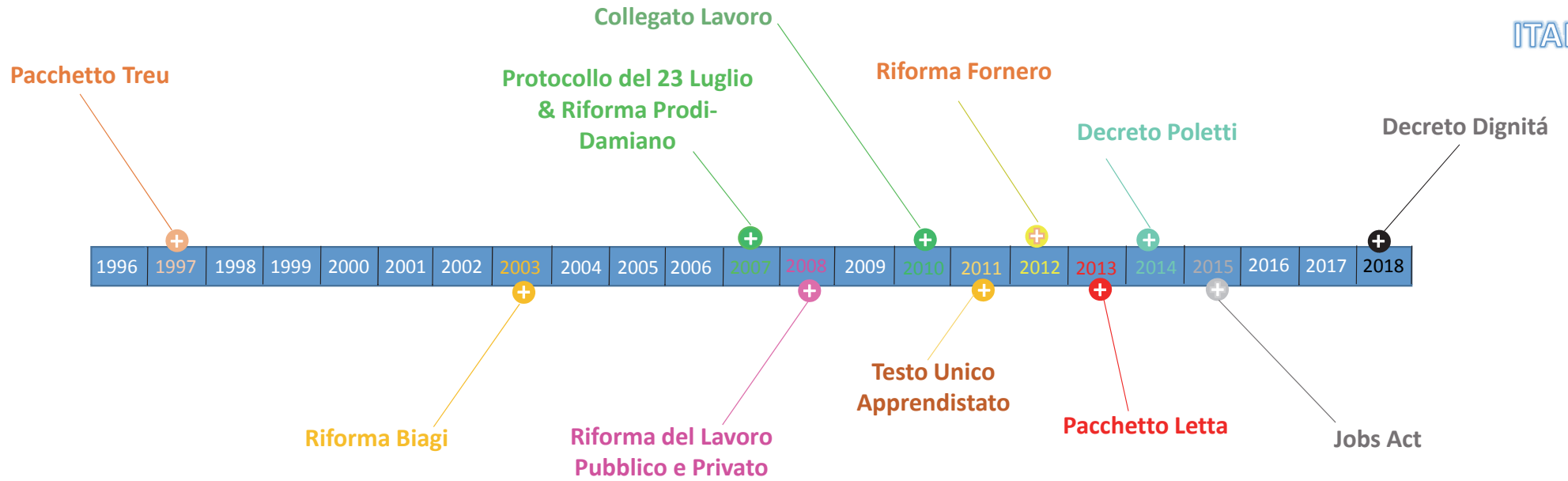
Reform Responsiveness Indicator averaged over 2011-14



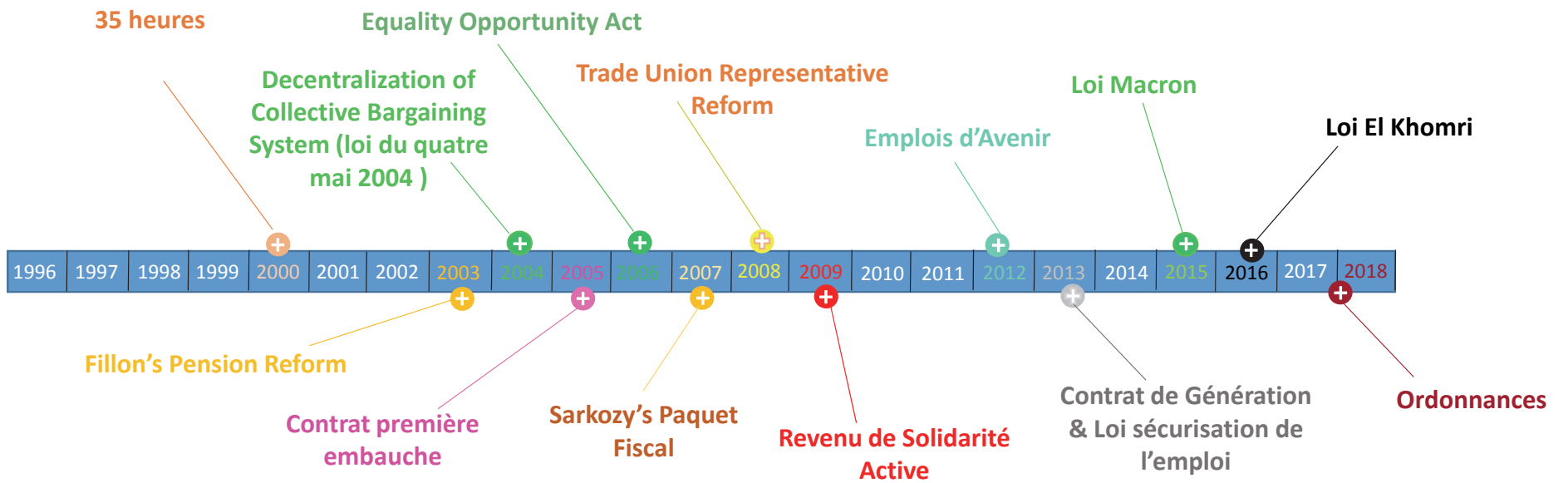
The pace of reform is measured by the Reform Responsiveness Indicator, which is a weighted index of the extent to which policy measures have been put in place in line with *Going for Growth* recommendations. A higher value indicates that greater policy action has taken place in response to the recommendations.

Source: OECD, *Going for Growth* 2016.

ITALY



FRANCE



Italy vs France

Italy

- High and persistent unemployment
 - (Virulent) debate on « labour market insecurity» (*precariato*)
- Symbol: Article 18
- Horizon: 2/3 years at the very best
- Vocal unions
- Pervasive role of judges
- Vivid public debate (lavoce.info, Alesina/Giavazzi, etc.)

France

- High and persistent unemployment
 - Debate on unemployment itself (« *inverser la courbe* »).
- Symbol: Thickness of the labour code
- Horizon: 5 years
- Vocal unions
- Pervasive role of judges
- Some forms of ex ante and ex post evaluations + DARES + many groups of experts

Ingredients of a successful reform

- Electoral mandate
- Leadership
- Effective communication
- Reform commitment
- Solid evidence base
- Packaging
- Sequencing
- Time
- Winner and losers

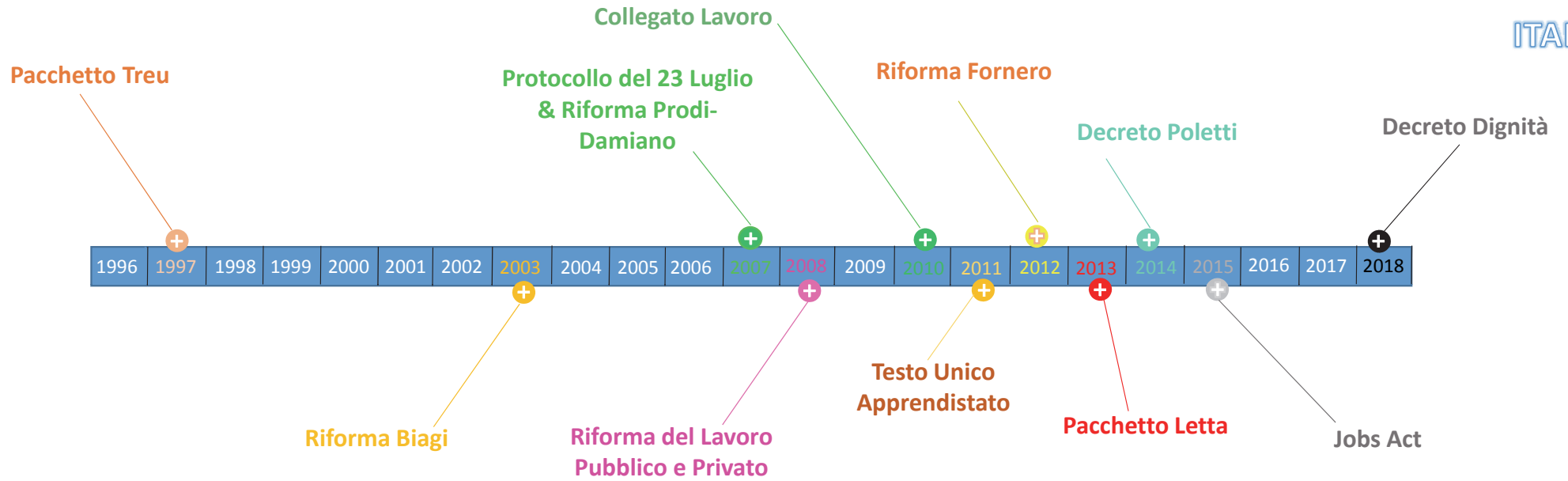
Thank you!

@AGarnero

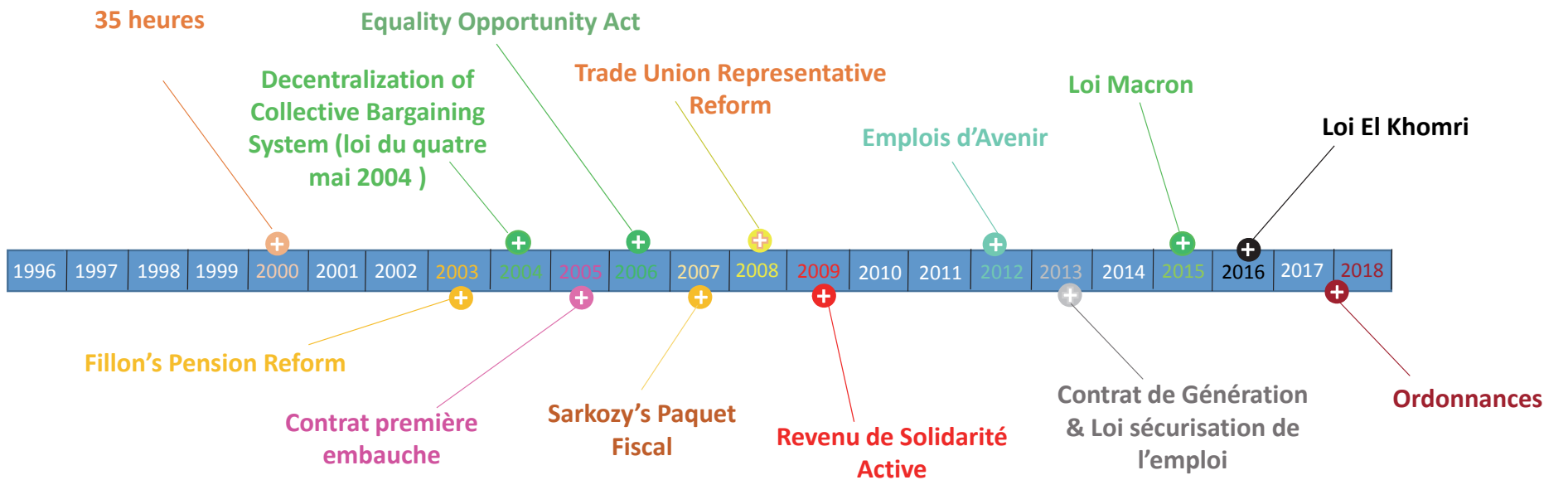
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(but here only personal opinions)

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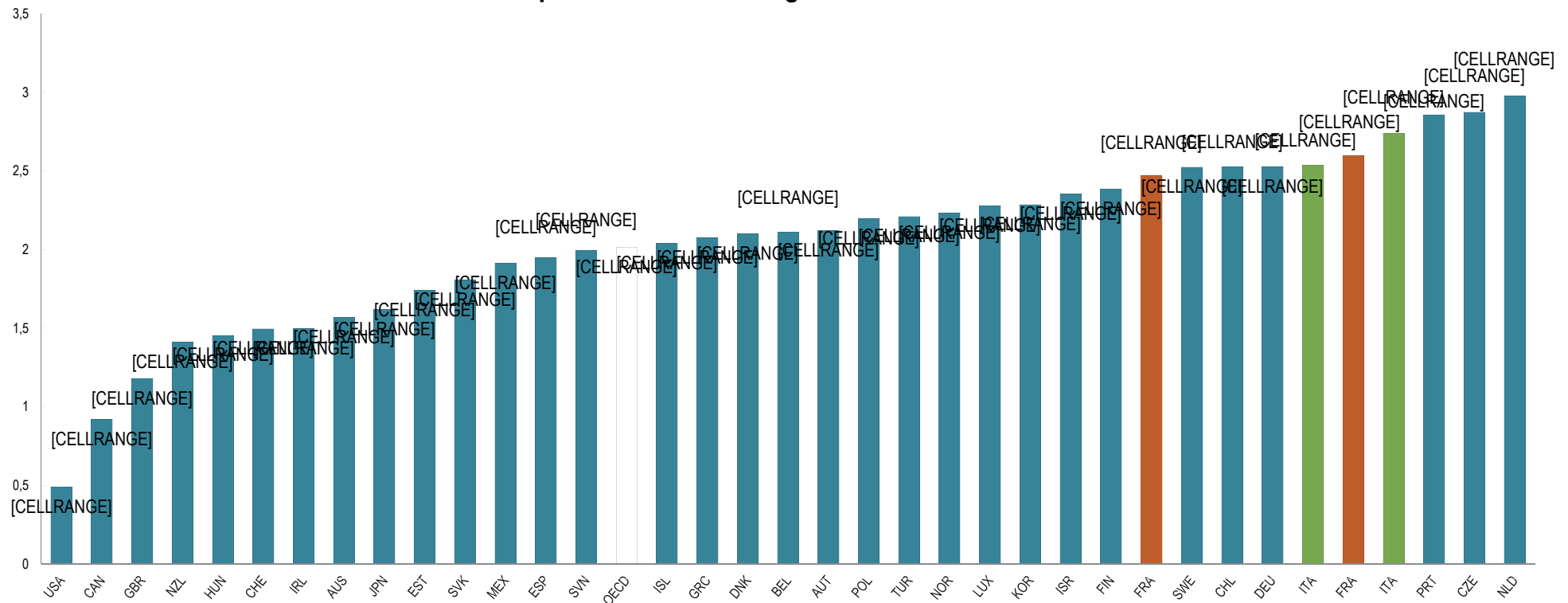
FRANCE



EPL reforms

Scale 0-6

Protection of permanent workers against individual dismissals



Source: Carcillo, S., et al. (2019), « Assessing recent reforms and policy directions in France : Implementing the OECD Jobs Strategy », Documents de travail de l'OCDE sur les questions sociales, l'emploi et les migrations, n° 227, Éditions OCDE, Paris, <https://doi.org/10.1787/657a0b54-en>.