

Mapping the economically inactive population

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Eurofound

- Surveys:
 - European Quality of Life Survey
 - European Working Conditions Survey
 - European Company Survey
- Network of Correspondents
- In-depth studies (literature review, case studies, analysis of various data bases, expert meetings)
 - Access to **healthcare**: impacts of -and responses to- the crisis
 - https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1442en.pdf
 - Household **over-indebtedness**: debt advice services
 - https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1373en.pdf
 - https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1189en.pdf
 - **Ageing**: work preferences 50+, post-retirement work & partial retirement
 - https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1403en.pdf
 - https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1259en_0.pdf
 - https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1629en.pdf
 - Quality of life: **rural and urban** Europe, 2017-2020: local area
 - https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1451en.pdf
 - **Housing**: cost of poor housing and policy responses
 - https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1604en_0.pdf
 - Social **benefits**: non-receipt
 - https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1536en.pdf
- Events

Background

- Much focus on unemployment, but many 'inactive' may be able and willing to integrated in the labour market
- Important exceptions:
 - World Bank: Sundaram et al (2014) *Portraits of labor market exclusion*.
 - OECD/EC/WB: Fernandez et al (2016) *Faces of joblessness: characterising employment barriers to inform policy*.
 - EC (2016) *Employment and Social Developments in Europe*.
- But: with unemployed, not always EU28, and limited focus on living conditions
- Eurofound: inactive, mapping:
 - the inactive population (characteristics, living conditions, barriers);
 - what Member States are doing to (re-)activate groups of inactive.

Economic inactivity

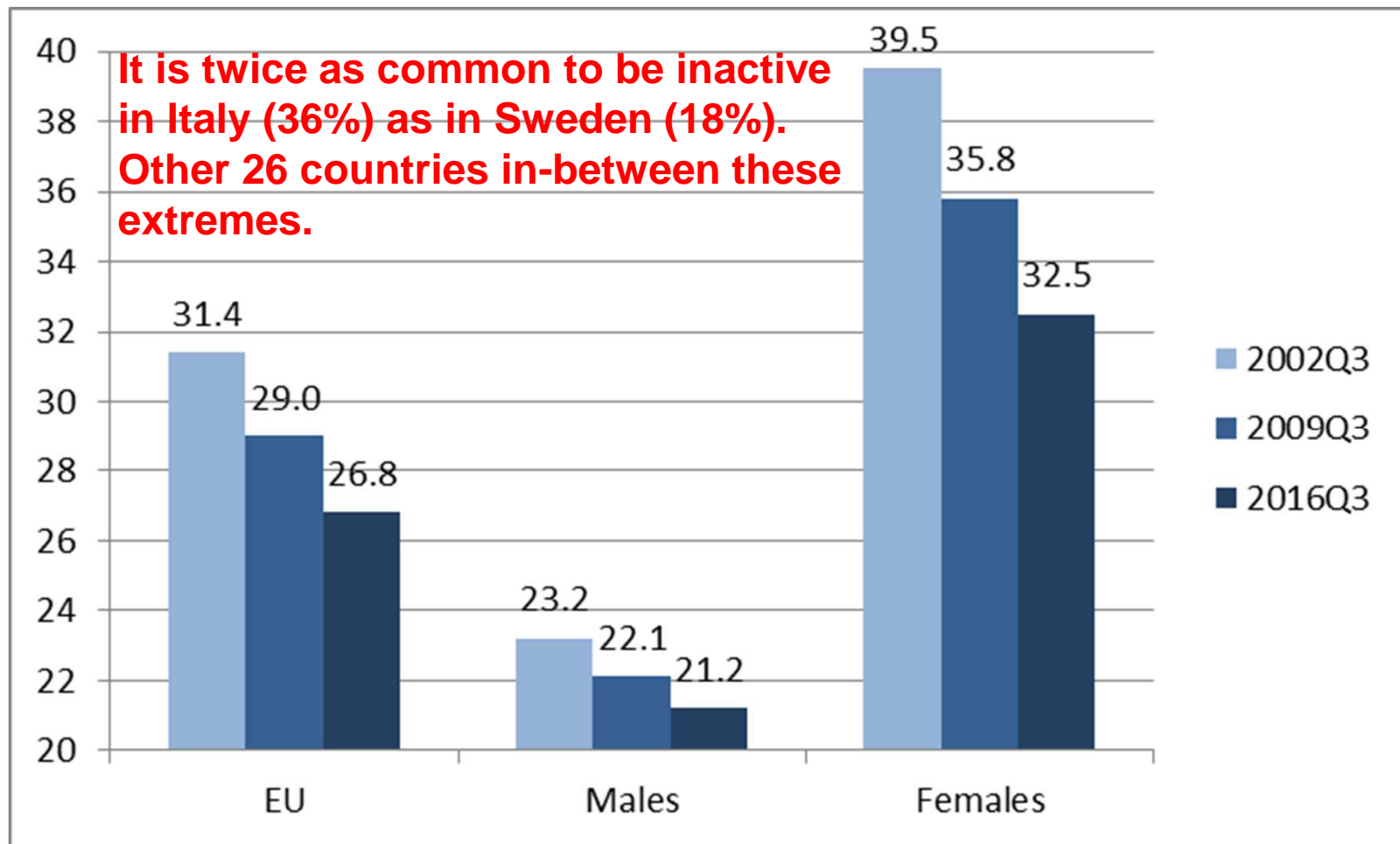
- ILO 2013* statistical definition (*specified by Eurostat, collected with LFS*):
 - not in employment (*worked <1 hour during week of interview*)
 - & (if of working age**) not seek employment (*during last 4 weeks*), OR (if of working age) seeking but unavailable (*within 2 weeks*)
- Employment policies often target those receiving unemployment benefits, which may not coincide with statistically unemployed
 - e.g. Spain: unemployment recipients were 57% of 'LFS unemployed' in 2015 Q4 (UaB, 2017)
- Here:
 - for SILC & EQLS: self-reported current status, which overlaps and sometimes may be more relevant
 - flexible but explicit

*http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/normativeinstrument/wcms_230304.pdf

** Eurostat applies 15-74 (and for UK, IT & ES 16-74) here

Inactivity: sharply & continuously declining (%, EU)

In particular female: age cohorts with higher rates for female (well-below male) moving to next



Who are they, what are their living conditions, and what labour market barriers do they face?

- Characteristics
 - Age and sex
 - Types of inactivity
 - Household composition
- Living conditions
 - Material deprivation
 - Household work intensity
 - Housing cost
 - Neighbourhoods
- Activation barriers
- Conclusions

Economically inactive aged 18-64, by self-declared status and whether actively looking for a job, EU, 2014

	Share of inactive	Actively looking for a job (<i>of which directly available</i>)
Pupil, student, further training, unpaid work experience	31%	9% (77%)
Fulfilling domestic tasks and care responsibilities	25%	9% (89%)
In retirement or in early retirement or has given up business	23%	1% (90%)
Permanently disabled or/and unfit to work	14%	2% (89%)
Other inactive person	7%	15% (91%)

Notes: weighted with variable 'PB040', age on date of interview. Being in 'compulsory military community or service' (included for some countries in SILC, not in LFS) is excluded from the table and analysis; the response category is small (410 counts in the entire EU sample) and inclusion has no impact on the proportions.

Source: Eurofound analysis of EU-SILC 2014 cross-sectional microdata, July 2016 release.

Economically inactive aged 18-64, by self-declared status and whether actively looking for a job, EU, 2014

Unemployed: 71% looked actively for a job

	Share of inactive	Actively looking for a job (of which directly available)
Pupil, student, further training, unpaid work experience	31%	9% (77%)
Fulfilling domestic tasks and care responsibilities	23%	1% (4%)
In retirement or in early retirement or has given up business	23%	1% (90%)
Permanently disabled or/and unfit to work	14%	2% (89%)
Other inactive person	7%	15% (91%)

2% (Poland), 3% (Hungary), 4% (Croatia), 9% (Austria) and 16% (Germany) of these self-defined inactive had worked 1 hour or more the week prior to the interview.

Notes: weighted with variable 'PB040', age on date of interview. Being in 'compulsory military community or service' (included for some countries in SILC, not in LFS) is excluded from the table and analysis; the response category is small (410 counts in the entire EU sample) and inclusion has no impact on the proportions.

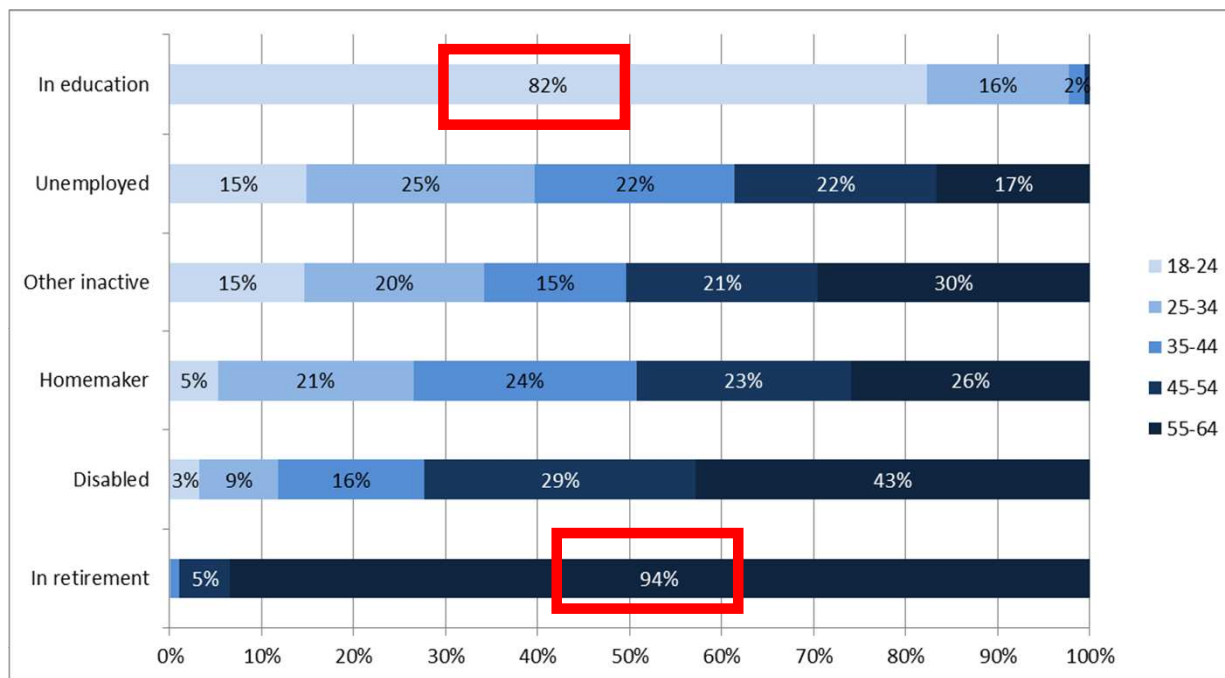
Source: Eurofound analysis of EU-SILC 2014 cross-sectional microdata, July 2016 release.

2014 Questionnaires with SILC questions: an illustration of differences in economic activity

Polish	Spanish
Pupil, student, on an unpaid traineeship	Student, pupil, or in training
Pensioner, including early retirement	Pensioner, retiree, early pensioner or business has closed
Pensioner (disability) , unable to work due to health	Permanently disabled from work
I run a household, caring for others	Dedicated to homework, care for children or other persons
Professionally inactive for other reasons	Other type of economic inactivity

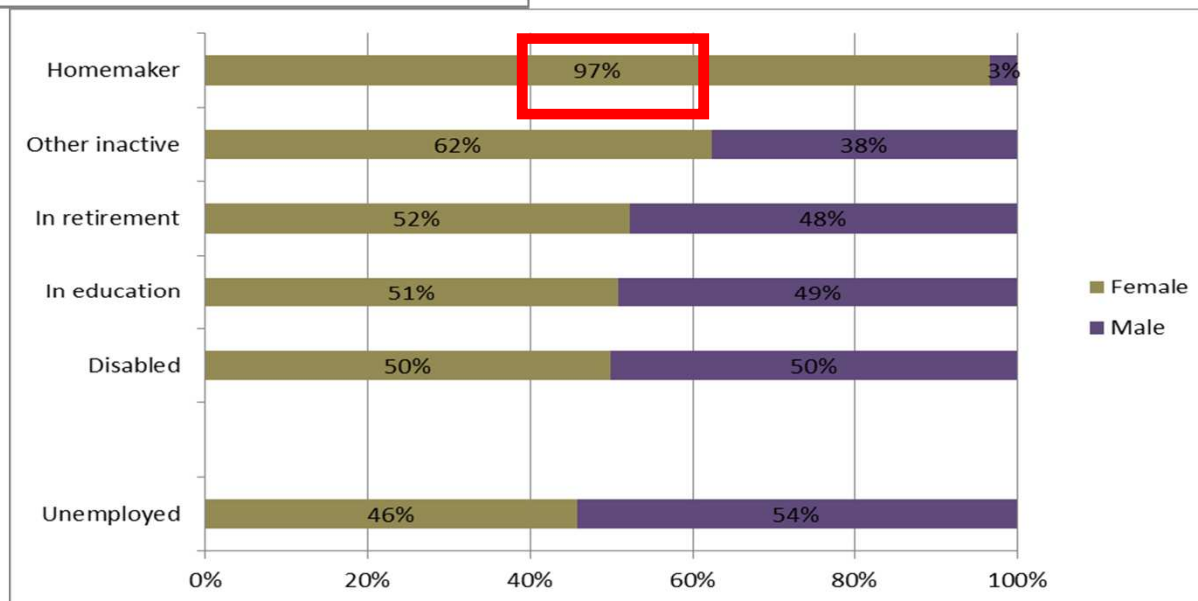
Country patterns

- Homemakers large group in
 - Ireland, Luxembourg, Greece, Austria, Romania, Malta, Italy, Spain, Cyprus
- Disabled large group also in Ireland but for the rest other countries:
 - Estonia, Latvia, Lithuania, UK, Czech Republic, Belgium, Finland, Hungary, Denmark, Netherlands, Poland
- Overall, 'non-education inactive' particularly large group in
 - Malta, Hungary, Romania, Italy



Age

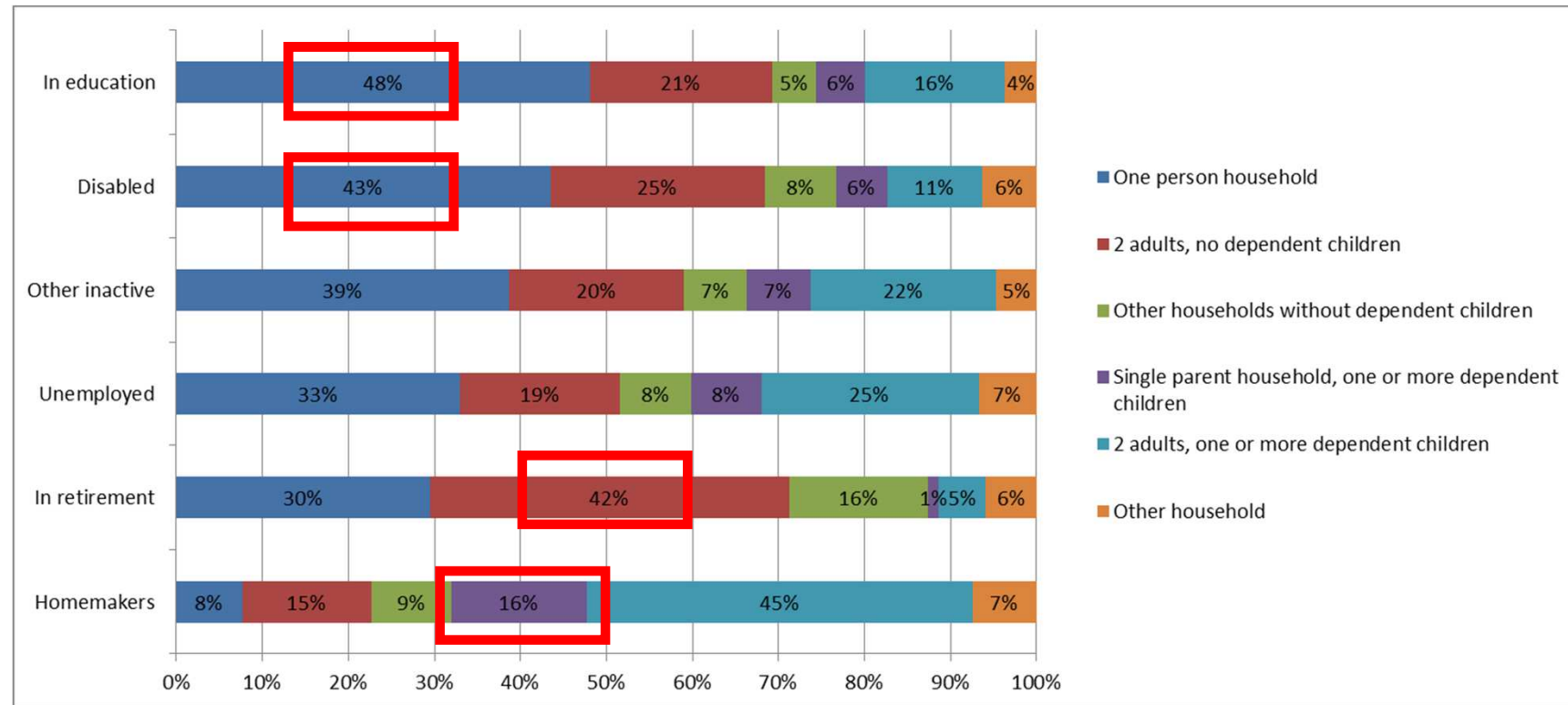
Sex



Notes: weighted with variable 'PB040', age on date of interview.

Source: Eurofound analysis of EU-SILC 2014 cross-sectional microdata, July 2016 release

Inactive groups by household composition, EU, 2014

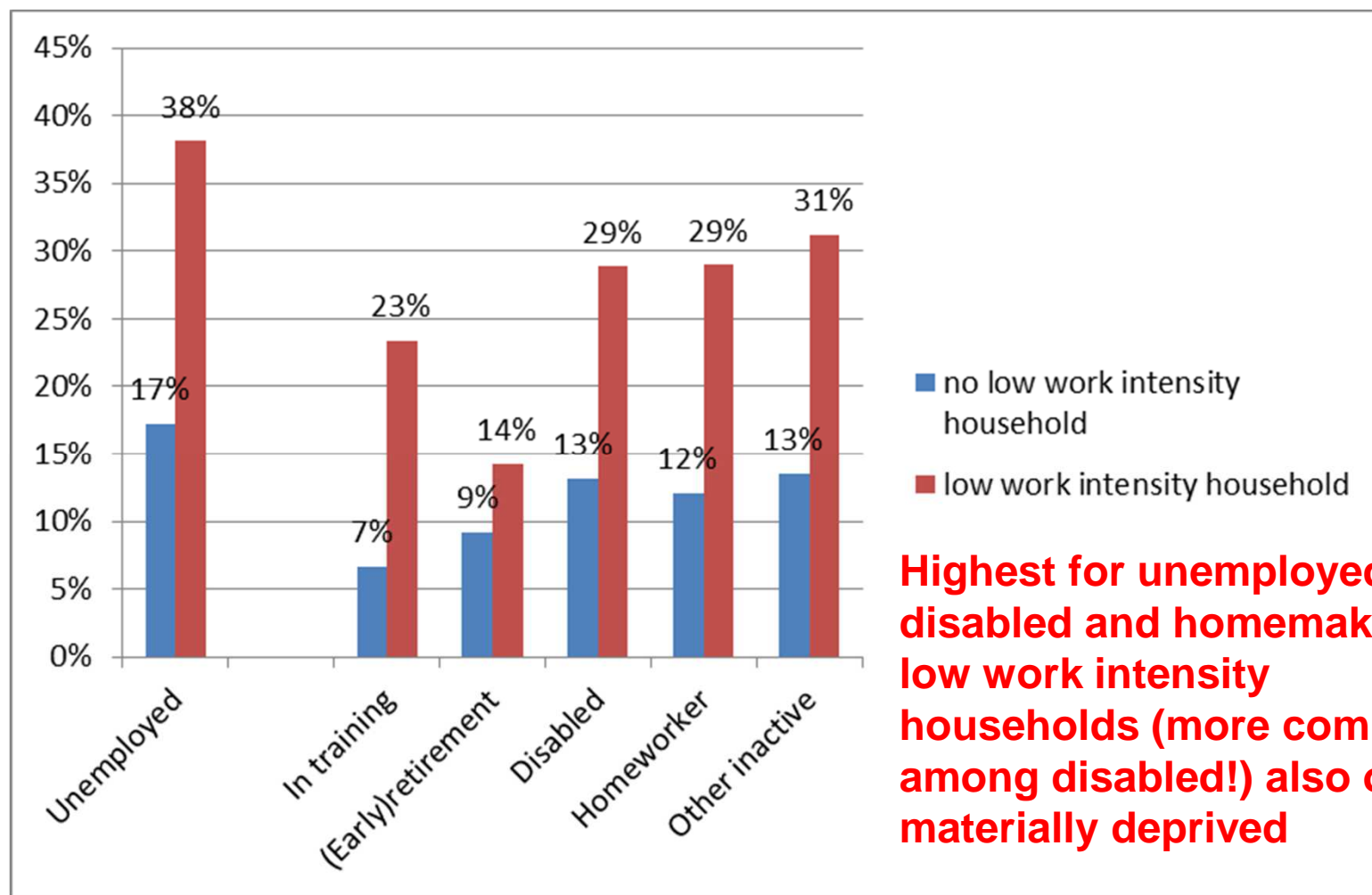


Notes: weighted with variable 'PB040', age on date of interview.

Source: Eurofound analysis of EU-SILC 2014 cross-sectional microdata, July 2016 release.

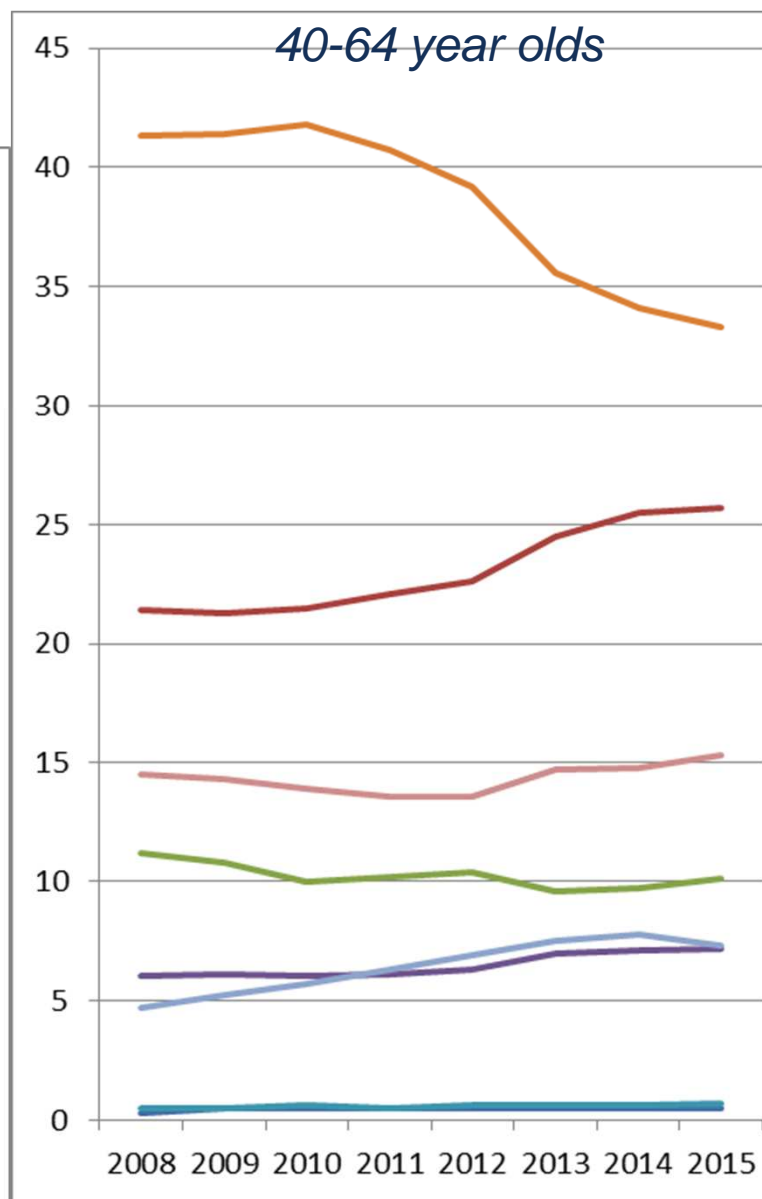
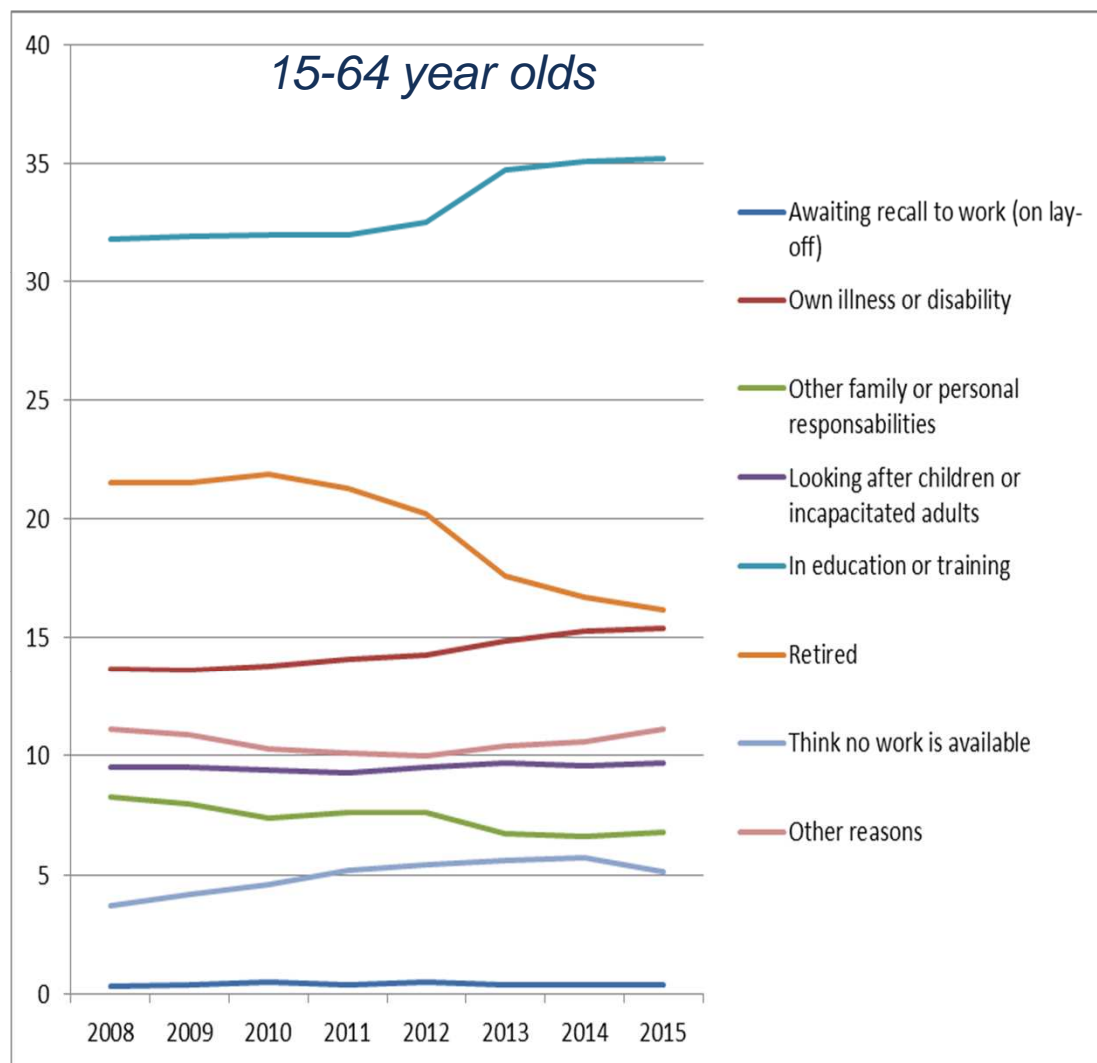
Proportion of single parents that's male (1/7 of all vs 1/10 inactive): homemakers (2%), but disabled (13%), 'other inactive' (19%), in education (23%) and in retirement (35%).

Severely materially deprived, % of 16-64 inactive and unemployed, in high and low work density households

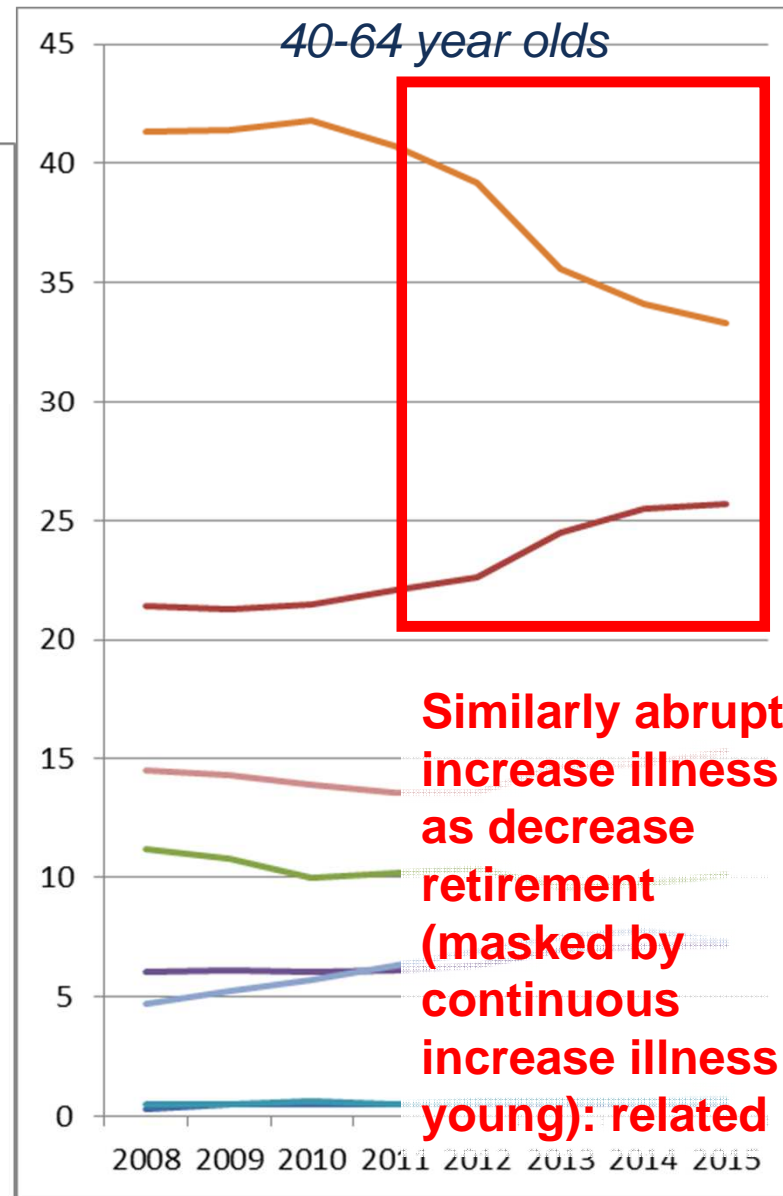
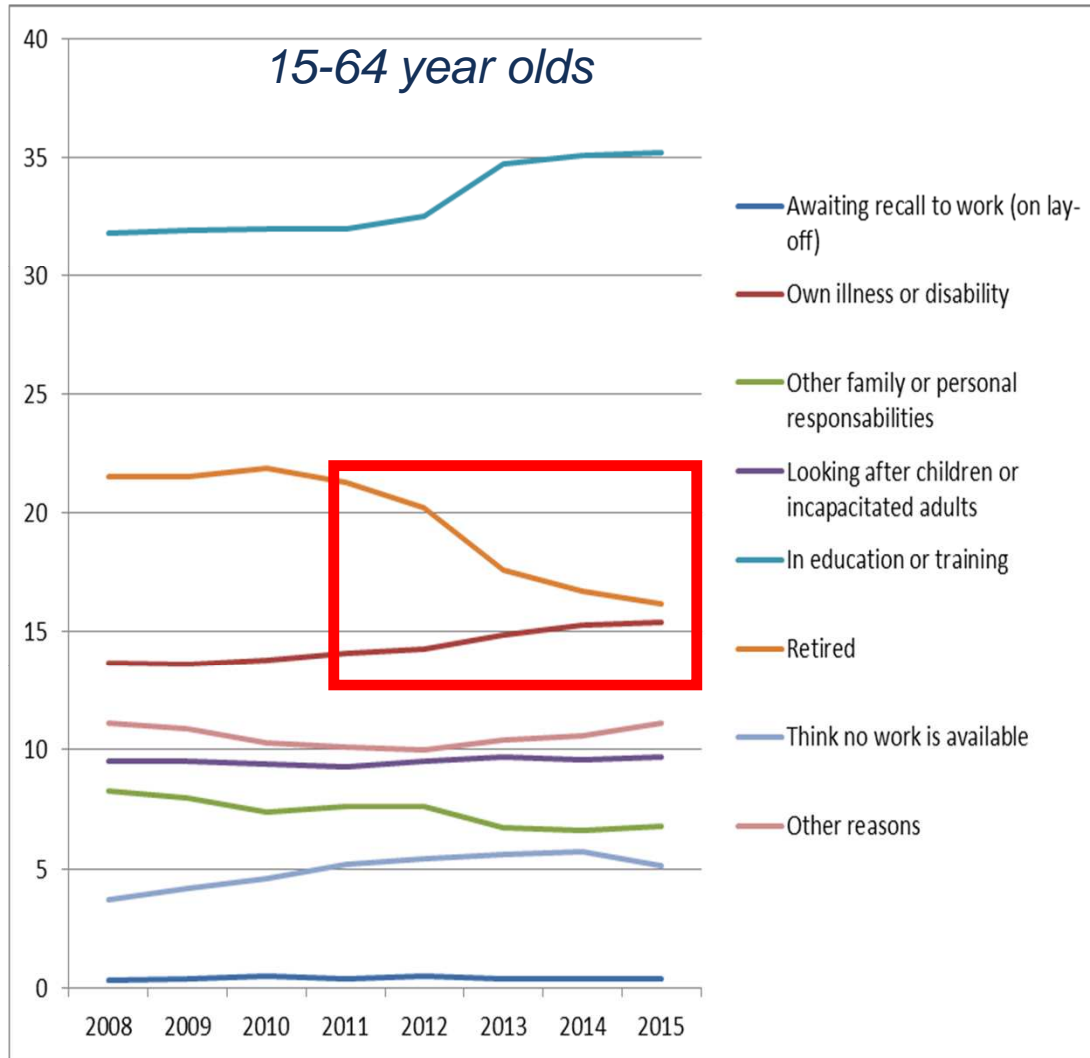


Notes: Weighted with PB060 for selected respondent countries and PB040 for others, age on date of interview.
Source: Eurofound analysis of EU-SILC 2014 cross-sectional microdata, July 2016 release.

Reasons for inactivity

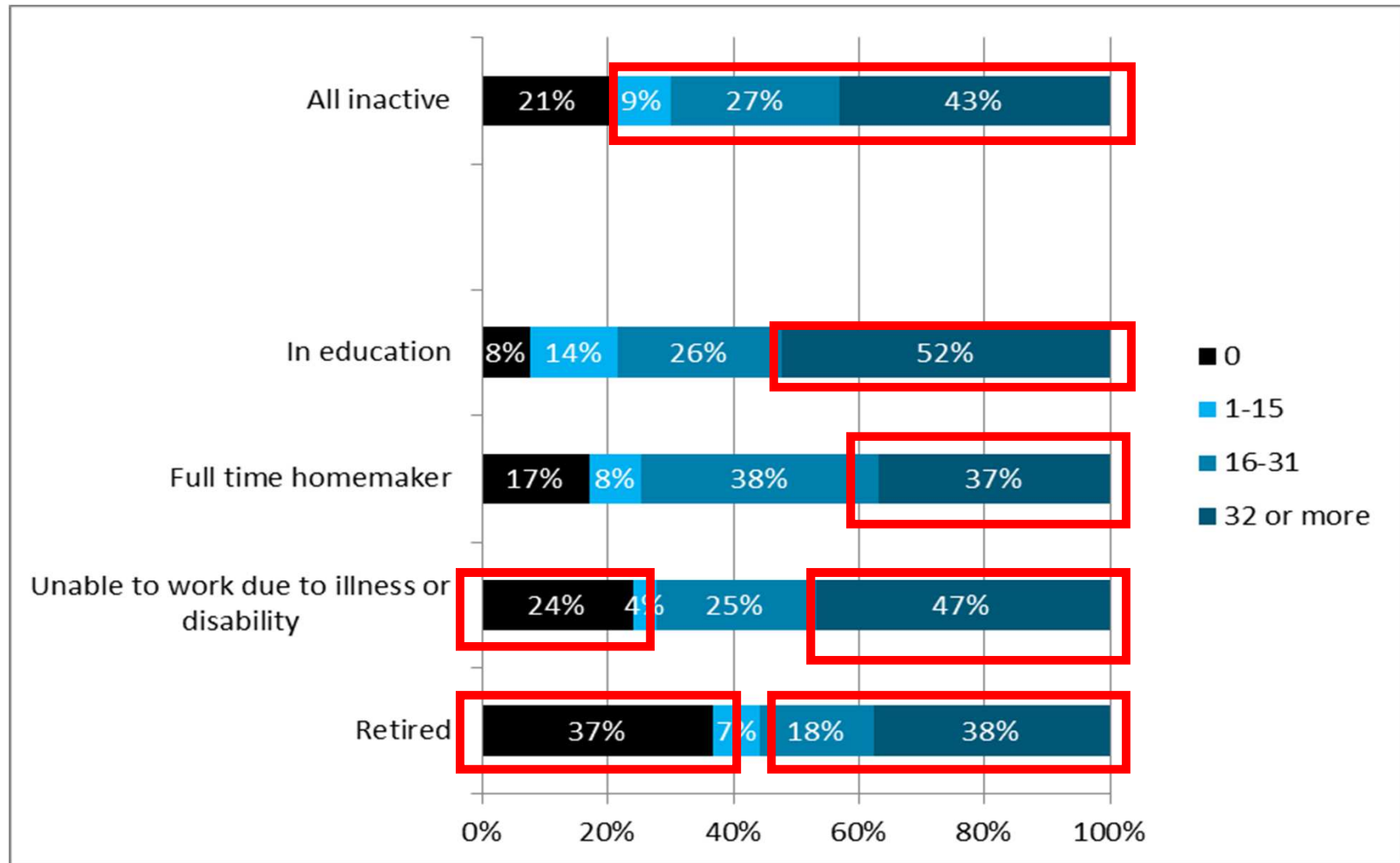


Reasons for inactivity



Activation barrier	Measure(s) in EQLS/SILC	Potentially required 'activation measure'
Low incentives <ul style="list-style-type: none"> - financial - overall 	<ul style="list-style-type: none"> - easy to make ends meet (EQLS) - no desire to work more than zero hours , taking into account financial need (EQLS) 	Particularly close attention to non-monetary benefits of work
Less work available for lower skills (low education or no work experience)	<ul style="list-style-type: none"> - primary education or less (EQLS) - never had a paid job (EQLS) 	Upskilling
Lack of work adaptation to specific needs and/or lack of facilitating measures in society	<ul style="list-style-type: none"> - limitations due to health problem or disability (EQLS) - care commitments (EQLS) 	Workplace or work arrangement adaptation and/or access to care services
Lack of material resources, facilitating <ul style="list-style-type: none"> - employability - job searches 	<ul style="list-style-type: none"> - mobility: owning a car or using public transport (SILC) - job searches: owning a computer (SILC) 	Improved services, such transport and access to computers, privately or publicly.
Lack of access to information through social networks, and lack of confidence to look for a job because 'feeling left out'	<ul style="list-style-type: none"> - social exclusion (EQLS) 	Stimulating local social activities
[Other: Limited job opportunities, skill mismatch]		Active job-matching, facilitating transportation, and job creation can help; but beyond the scope of this section.]

Inactive groups and their preferred working hours, 18-64 years old, EU, 2011/2



Note: Question 8: If you could freely choose the number of your working hours while taking into account the need to earn your living, how many hours per week would you prefer to work at present? If you would prefer not to work at all, indicate zero.
Source: Eurofound analysis of EQLS microdata.

National research confirms considerable groups of inactive willing to work

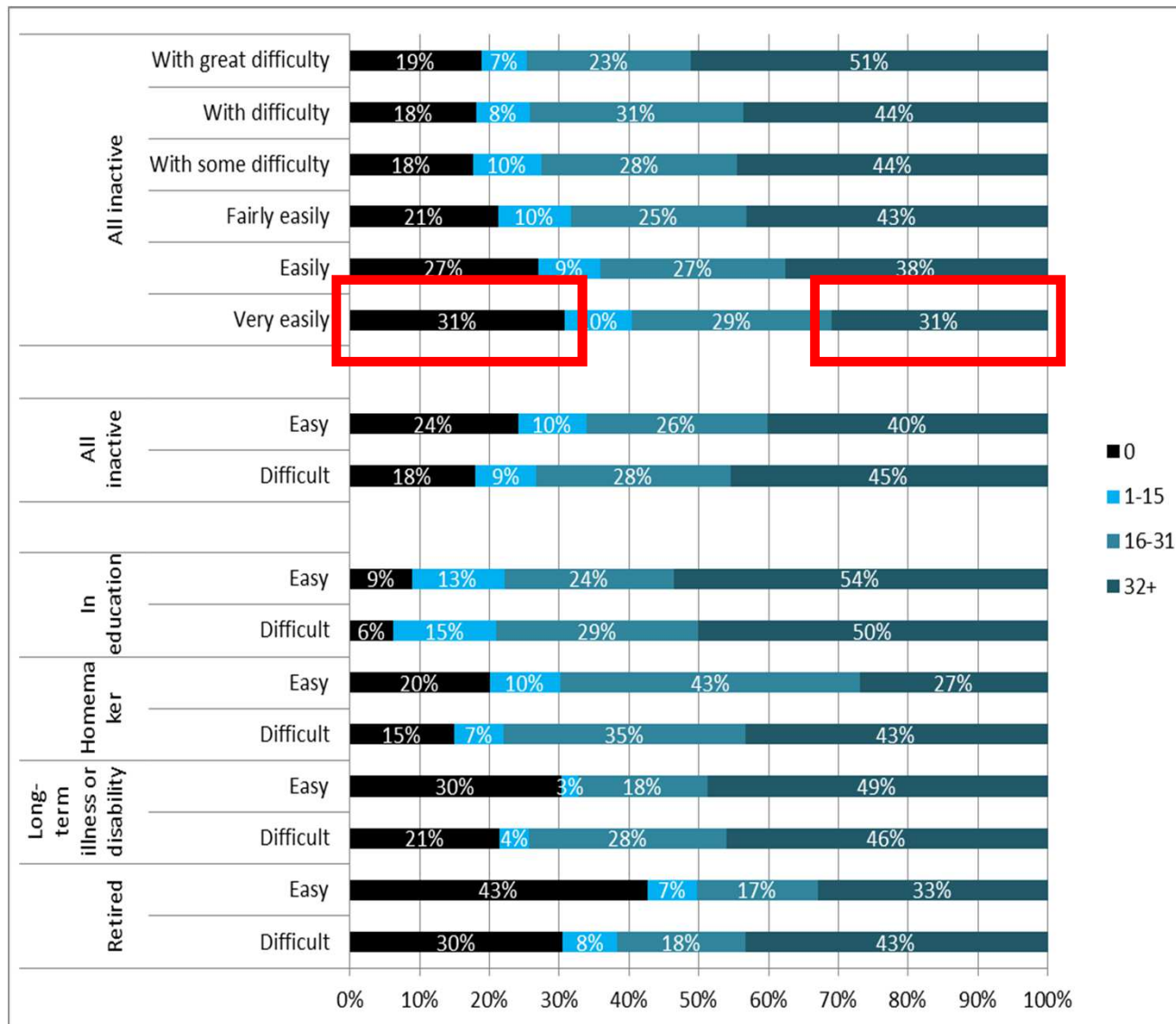
- Austria:
 - 51.8% of inactive people with health problems or disabilities as reason for inactivity say that they would like to work (Famira-Mühlberger u. a. 2010, 98)
 - 42% of all *inactive* NEETs (compared to 22.4% of all NEETs) saying that they are not looking for a job, but would like to have a job (Bacher u. a. 2014)
- Estonia:
 - 58% of non-working people aged 50 to retirement age would be ready to return to work (TNS and Praxis, 2015)
 - 63% of recipients of incapacity for work pension and not currently working stated they would like to work (Saar Poll OU, 2014)
- France: 64% of inactive women with at least one child under 3 would like to work. (with allowance 55% - but no evidence for causal relationship) (Maison, 2007; Guillemot et al. 2002),
- Finland: 1/5 would like to work at least occasionally (Finnish Centre for Pensions 2010). (65% is pessimistic about finding a job)
- UK: the number of economically inactive who 'want to work' has been estimated at 2,298,000 (TUC, 2015).
- Slovenia: 22.2% of participants in activation programme were motivated to return to labour market (Evaluation 2014)

Willingness ≠ a given

- Austria: 27.6% of non-employed inactive carers (said they would like to have a job if the necessary caring facilities were available (Famira-Mühlberger u. a. 2010, 98)
- Italy: 25% of inactive mothers in South would be immediately available for legal, regular employment. 21% would be available with cheaper and effective family support services (Statistical Observatory of Employment Specialists, 2016).
- Sweden: about 60% of ill reported that they would work, at least part of their normal working hours, if they could influence their working situation. 16% reported that they would work normal working hours if they could, e.g. influence their working hours or working pace (Social Insurance Agency, 2005)
- Malta: 90% of inactive women stated that they would be willing to receive training to become employable.
- Poland: 39.6% of inactive would be willing to work if certain of these measures were taken (17.1% among 55+) (Social Diagnosis, 2015): 11.8% part-time work (32% among 55+), 9.2% flexible working time (12.8% among 55+) & 6.9% possibility to do some of the work at home (24.2% among 55+)

Ability to make ends meet & Preferred working hours

Inactive, 18-64 years old, EU, 2011/2



Note: Question 8: If you could freely choose the number of your working hours while taking into account the need to earn your living, how many hours per week would you prefer to work at present? If you would prefer not to work at all, indicate zero.
Source: Eurofound analysis of EQLS microdata.

Observations regarding other barriers

- For homemakers in particular frequent child (75 vs 69%) or elderly (22 vs 17%) is more common for those who would prefer to be involved in paid employment
- Retirees and disabled more often report a health problem, but 'at risk of bad mental health' measure more equally spread (e.g. 28% of homemakers)
- Lacking work experience is most common for people in education & homemakers, least for disabled & retirees; low education for homemakers & retirees
- 47% of disabled have high social exclusion index (46% of long term unemployed), but also 28% of homemakers
- 15% of disabled and 11% of homemakers with no car do not regularly use public transport because of cost, distance, or bad access
- Lack of computer highest among disabled in low work intensity households (41%), rarer among other groups including retirees
- Some barriers often come together, in particular, inactive with :
 - low educated (47%) or those caring for elderly (56%) often also care for (grand)children.
 - high social exclusion index also often have no work experience (26%), health problems (47%), provide elderly care (16%) or are at risk of bad mental health (48%)

	Ever had paid job	Low education	Elderly care	Childcare	High social exclusion index	At risk of bad mental health
<i>Better than EU average on all 6 barriers</i>						
Finland	5%	10%	8%	15%	18%	19%
Austria	13%	1%	12%	22%	11%	21%
Denmark	15%	4%	3%	13%	17%	21%
Netherlands	20%	6%	9%	29%	14%	26%
Germany	23%	5%	8%	23%	15%	21%
<i>EU average</i>						
EU	26%	11%	13%	34%	25%	28%
<i>Worse than EU average on 1 barrier</i>						
Sweden	7%	3%	1%	14%	21%	33%
Latvia	21%	0%	12%	27%	23%	35%
Luxembourg	17%	8%	11%	40%	18%	21%
Hungary	28%	1%	13%	30%	20%	27%
Slovenia	34%	2%	6%	19%	16%	24%
Slovakia	39%	1%	12%	26%	14%	25%
<i>Worse than EU average on 2 barriers</i>						
Lithuania	21%	0%	16%	22%	20%	30%
Ireland	22%	10%	13%	45%	17%	22%
France	17%	14%	11%	28%	27%	25%
Czech Republic	30%	2%	8%	23%	28%	22%
<i>Worse than EU average on 3 barriers</i>						
Belgium	35%	11%	12%	32%	28%	24%
Estonia	20%	6%	13%	23%	33%	37%
Bulgaria	26%	1%	14%	22%	40%	30%
Italy	45%	10%	19%	53%	23%	20%
Portugal	40%	53%	14%	29%	17%	18%
<i>Worse than EU average on 4 barriers</i>						
UK	12%	5%	16%	39%	42%	46%
Romania	23%	7%	13%	40%	34%	40%
Poland	22%	16%	13%	29%	30%	33%
Croatia	33%	21%	16%	27%	27%	28%
Spain	38%	22%	16%	39%	11%	25%
<i>Worse than EU average on 5 barriers</i>						
Cyprus	43%	18%	7%	46%	59%	34%
<i>Worse than EU average on 6 barriers</i>						
Malta	35%	24%	15%	48%	25%	34%
Croatia	53%	21%	14%	40%	28%	28%

In conclusion

- There has been a large decrease in economic inactivity.
- However, many inactive still would prefer to work, often for reasons beyond financial need alone.
- Inactive have different activation needs, even within seemingly homogeneous groups.
- Willingness can be increased by measures such as care support or adjustment of work arrangements.
- Different countries seem to need different policy emphasis
- On many accounts inactive have better living conditions than unemployed. However, only 'on average', with worse situations in particular for inactive in low work intensity households.
- Be aware: much policy-emphasis on employment, but 'inactive' are actively involved in caring, volunteering...and even if not?



European Foundation
for the Improvement
of Living and Working
Conditions

The tripartite EU Agency providing knowledge
to assist in the development of better social,
employment and work-related policies

Thank you

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