

Flexible but segmented labour markets: the case of student mini-jobs in Slovenia

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Increasing Labour Market Flexibility – Boon or Bane?

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STUDENT WORK IN SLOVENIA

- Occasional and temporary jobs
- Under 26 years
- Student employment agencies
- Regulatory and fiscal allowances
 - Non-taxable income: 3,390 EUR
 - Concession fee: 12 % + 2 %
 - Health & pension insurance contributions:
4.27 EUR/m & 8.79 EUR/y

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STUDENT WORK IN SLOVENIA

- Excessive student work?
 - Academic success
 - Labour market
- Research:
 - Statistical register of working active population
 - Ministry of labour, family and social affairs
 - Individual-student data (agency)

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COMPARISON WITH THE LABOUR MARKET

- Earnings: 340 million EUR in 2008
- Work: 30,000 FTE
- Student work in total work:
 - EUR: 2 %
 - FTE: 4 %



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COMPARISON WITH THE LABOUR MARKET

- Student work in youth

Year	Share of student work in active population	Share of student work in youth active population	Youth unemployment rate
2005	3.0	13.6	17.2
2006	3.3	15.6	15.3
2007	3.3	15.8	11.0
2008	3.8	18.5	8.7
2009	3.1	-	-

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COMPARISON WITH THE LABOUR MARKET

- Competitiveness?

	Comparing average hourly gross wages	
Year	Student work / employed	Student work / minimum wage
2005	53.1	128.1
2006	51.0	123.4
2007	54.4	135.4
2008	57.2	141.1

– Flexibility?

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IMPACT ON THE LABOUR MARKET

- Crowding out?
 - Unskilled
 - First-job seekers
- Model:
 - Monthly data, 2005-2008
 - Seasonal component
 - Non-stationarity
 - 2 SLS



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IMPACT ON THE LABOUR MARKET

$$rU = \alpha + \beta * STUD(t) + \gamma * IPI(t) + \delta * AGW(t) + \zeta * CI(t) + \lambda * PPI(t) + \eta * t + \varepsilon(t) \quad (I)$$

$$STUD(t) = \mu + \kappa * IPI(t) + \theta * rU + \varphi * ITA + \chi * t + v(t), \quad (II)$$

- rU – selected unemployment indicator;
- $STUD$ – share of student FTE in selected active population;
- IPI – industrial production index;
- CI – construction output index;
- AGW – average gross nominal wage in Slovenia;
- PPI – producer price index;
- ITA – income tax allowance for student work – IV;
- t – time dummy.

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IMPACT ON THE LABOUR MARKET

	Explanatory variables	STUD_de*	AGW_de	CI_de	IPI_de	PPI	t	_cons
1	rUyouth	0.447717 (0.079)	0.000057 (0.42)	-0.000420 (0.005)	-0.000225 (0.281)	-0.002006 (0.107)	-0.001900 (0.001)	0.326002 (0.005)
		N=48, R2= 0.9416 (0.000)						
2	rUyouthUN	0.206122 (0.045)	0.000441 (0.096)	-0.001269 (0.014)	-0.001629 (0.039)	0.009792 (0.095)	-0.013213 (0.000)	-0.871683 (0.187)
		N=48, R2=0.9352 (0.000)						
3	rUyouthG_de	-0.015851 (0.544)	-0.000049 (0.291)	-0.000035 (0.700)	0.000010 (0.945)	-0.005472 (0.000)	0.001623 (0.000)	0.712040 (0.000)
		N=48, R2=0.8626 (0,000)						
4	rUunskilled	0.004281 (0.938)	0.000004 (0.809)	0.000004 (0.899)	-0.000116 (0.028)	-0.001100 (0.000)	0.000163 (0.234)	0.337581 (0.000)
		N=48, R2=0.7767 (0.000)						
5	rU	0.982884 (0.012)	0.000023 (0.294)	-0.000147 (0.001)	-0.000144 (0.032)	-0.001112 (0.005)	-0.000599 (0.000)	0.190957 (0.000)
		N=48, R2=0.9613 (0.000)						

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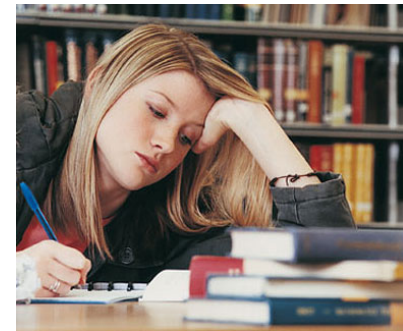
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CONCLUDING REMARKS

- Not insignificant
- Competition only to certain segments (i.e. youth, unskilled)
- Not crowding out graduates



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THANK YOU FOR YOUR ATTENTION.