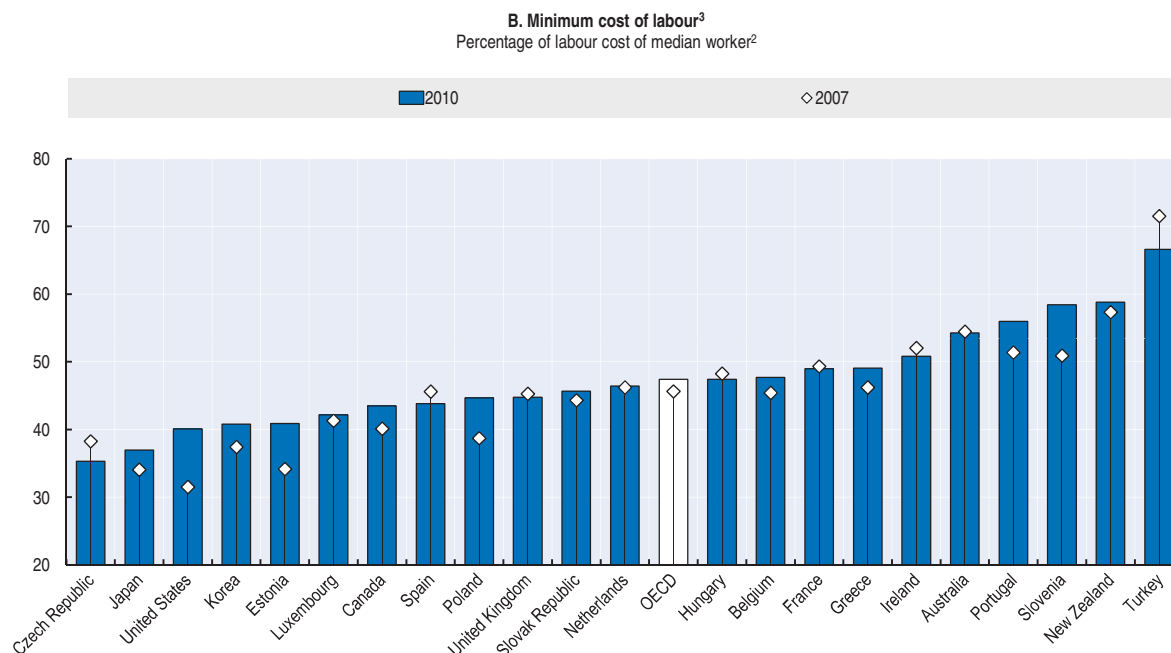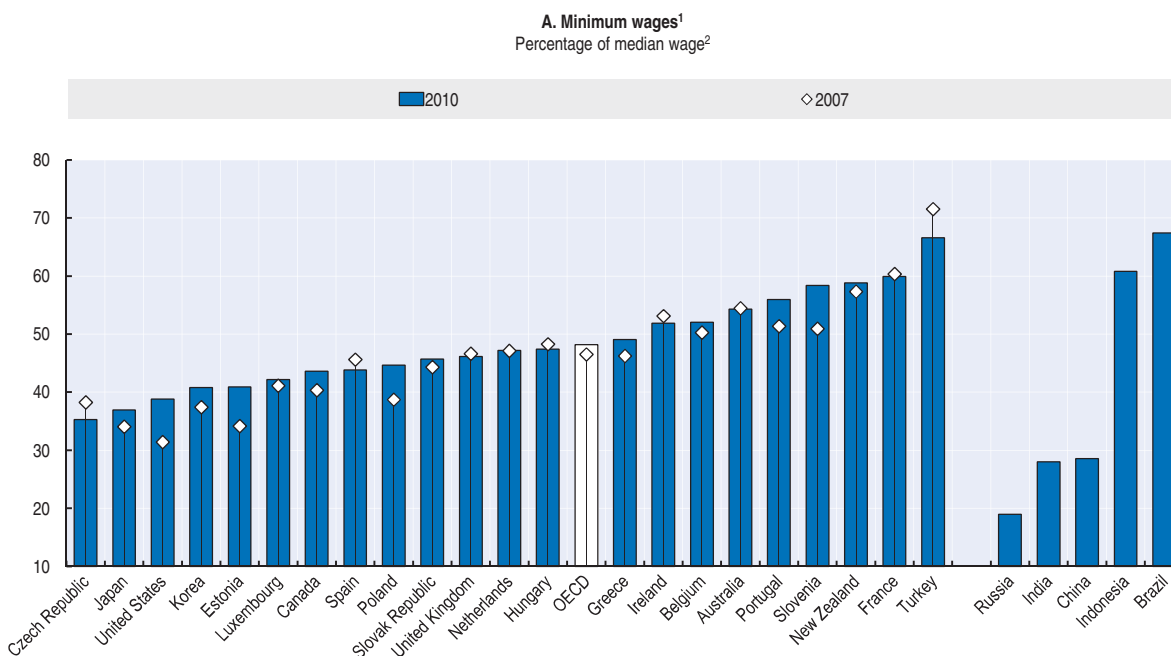PART I

Chapter 3

Structural policy indicators

Note: Users of the data must be aware that they may not longer fully reflect the current situation in fast reforming countries.

Figure 3.1. **Cost of labour**

A. Minimum wages[1]
Percentage of median wage[2]

■ 2010   ◇ 2007

B. Minimum cost of labour[3]
Percentage of labour cost of median worker[2]

■ 2010   ◇ 2007

Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.

1. Missing countries do not have a national statutory minimum wage except for Mexico, Chile and Israel for which data are not available.
2. Exactly half of all workers have wages either below or above the median wage for the OECD countries. For the non-OECD countries: percentage of minimum to average wage for Brazil (2010), China (2010), Indonesia (2011) and the Russian Federation (2011); of minimum to average manufacturing sector wage for India (2004).
3. The cost of labour is the sum of the wage level and the corresponding social security contribution paid by employers.

Source: Chart A: OECD (2011), *OECD Employment Outlook Database*; China Ministry of Human Resources and Social Security; *Instituto Brasileiro de Geografia e Estatística (Censo Demográfico)*; *International Labour Organization (ILO) Database*; Statistics Indonesia; Russia Federal State Statistics Service and OECD (2007), *OECD Employment Outlook 2007* (Box 1.3); Chart B; OECD (2011), *OECD Employment Outlook and Taxing Wages Databases*.
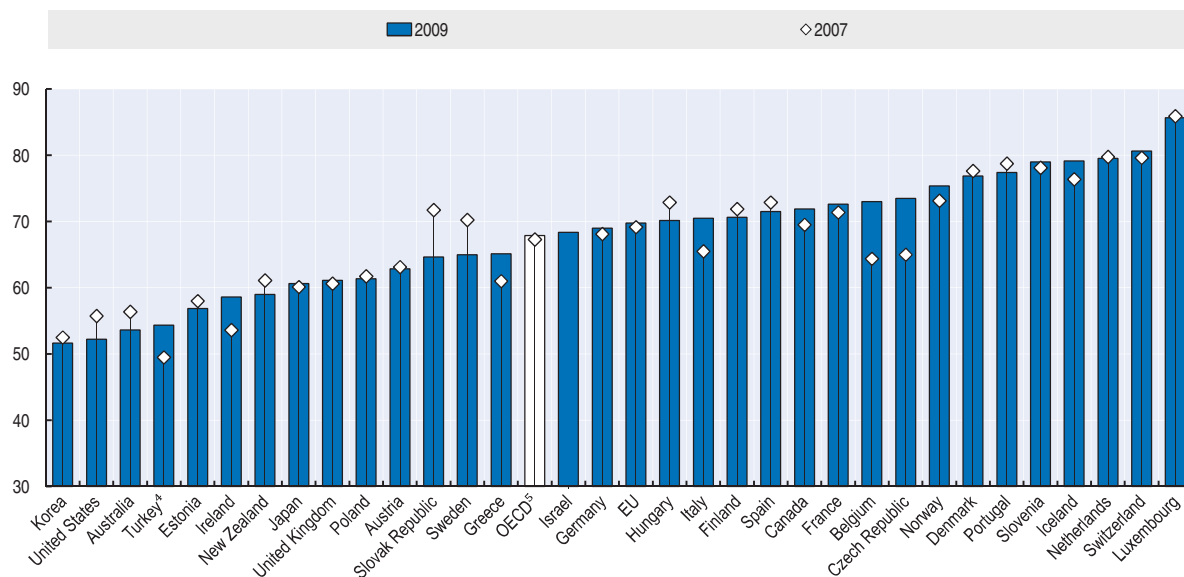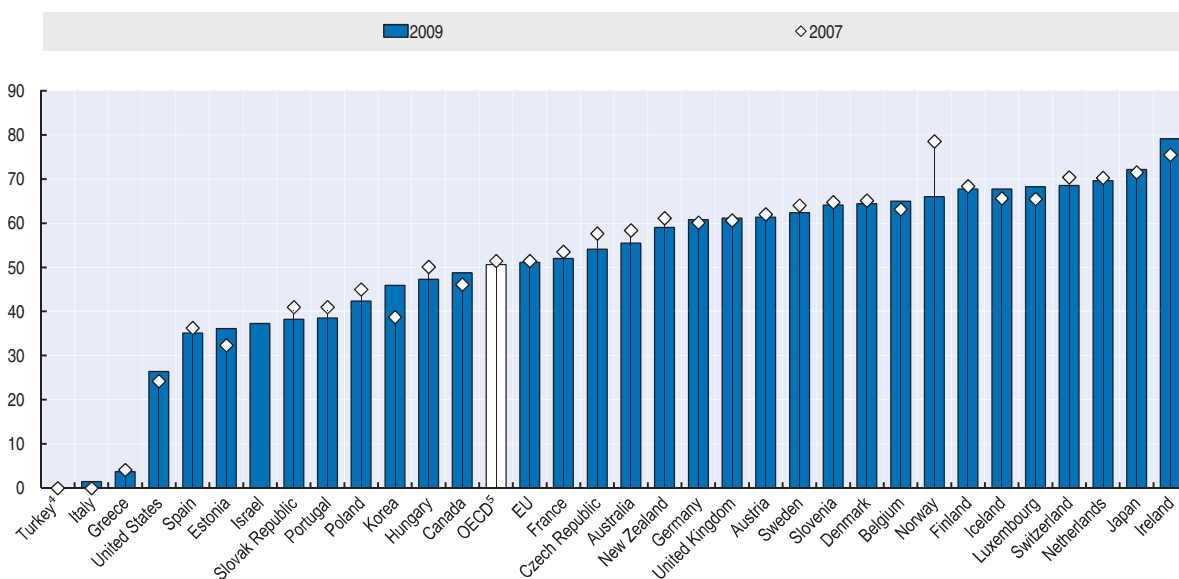
StatLink ⫘⊡ *http://dx.doi.org/10.1787/888932565813*

Figure 3.2. **Net income replacement rates for unemployment**[1]

Percentage of earnings

A. Short-term (first year)[2]

B. Long-term (after 5 years)[3]

Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.

1. Average of replacement rates for unemployed persons who earned 67% and 100% of average worker earnings.
2. Initial phase of unemployment but following any waiting period. No social assistance "top-ups" are assumed to be available in either the in-work or out-of-work situation. Any income taxes payable on unemployment benefits are determined in relation to annualised benefit values (*i.e.* monthly values multiplied by 12) even if the maximum benefit duration is shorter than 12 months.
3. After tax and including unemployment benefits, social assistance, family and housing benefits in the 60th month of benefit receipt. Values for Turkey are equal to zero in 2007 and 2009 and for Italy in 2007.
4. For Turkey, the average worker earnings (AW) value is not available. Calculations are based on average production worker earnings (APW).
5. The OECD average excludes Chile and Mexico.

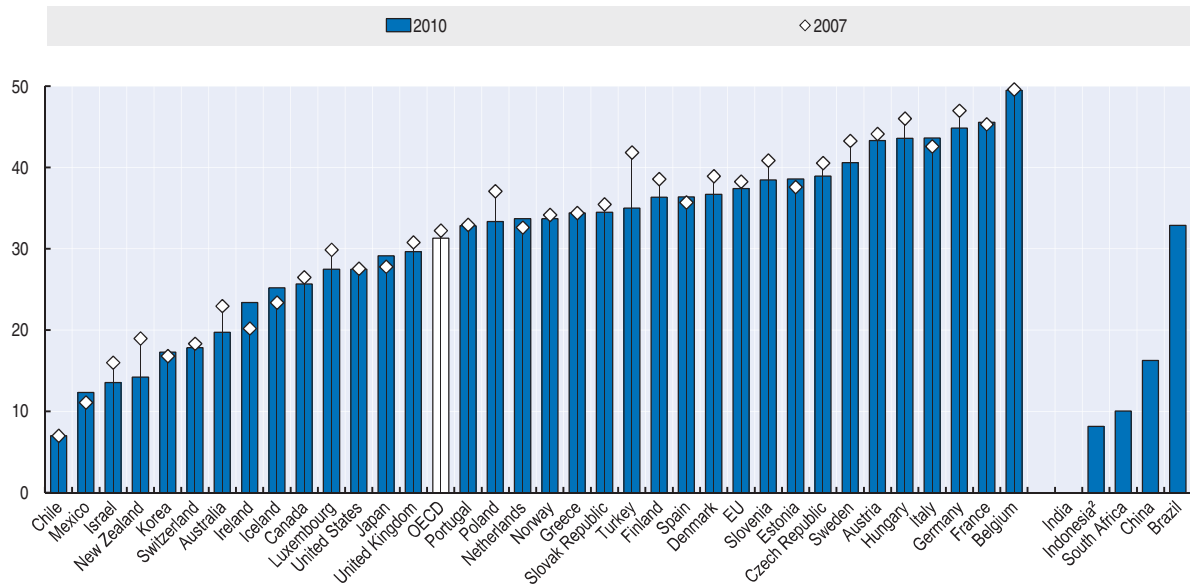*Source:* OECD (2011), *Benefits and Wages Database.*

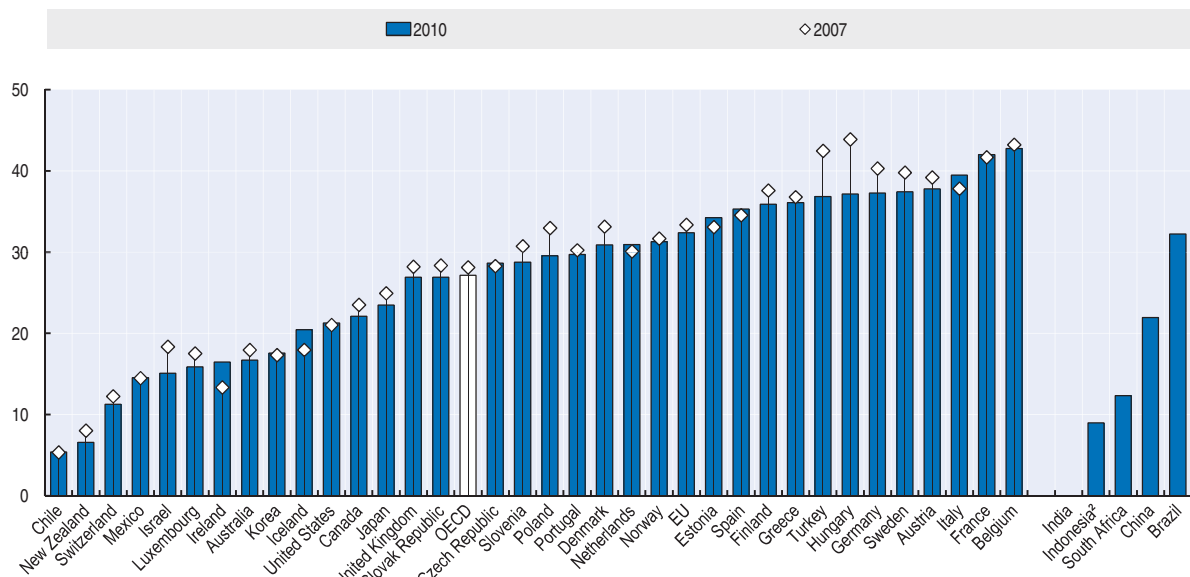*StatLink* ⏴🖇⏴ *http://dx.doi.org/10.1787/888932565832*

Figure 3.3. **Average tax wedge on labour**[1]

Percentage of total labour compensation

A. At 67% of average worker earnings, single person without children

B. At 100% of average worker earnings, couple with two children[3]

Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.

1. Measured as the difference between total labour compensation paid by the employer and the net take-home pay of employees, as a ratio of total labour compensation. It therefore includes both employer and employee social security contributions. The value for India is equal to zero in 2010. For India, the data refer to employees in the 95% of companies in the manufacturing sector with less than ten employees. In firms with over 10 employees, the tax wedge would be no more than 5%. In China, a significant portion of the labour force are not covered by the social security system and their tax wedge would be significantly lower than the figure report here.

2. Data refer to 2009 for Indonesia.

3. Couple with two children, at 100% of average worker earnings for the first earner. Average of three situations regarding the wage of the second earner (0%, 33% and 67% of average worker earnings)

Source: OECD (2011), *Taxing Wages Database*; Gandullia, L., N. Iacobone and A. Thomas (2012), "Modelling the Tax Burden on Labour Income in Brazil, China, India, Indonesia and South Africa", *OECD Economics Department Working Papers*, OECD Publishing, forthcoming.
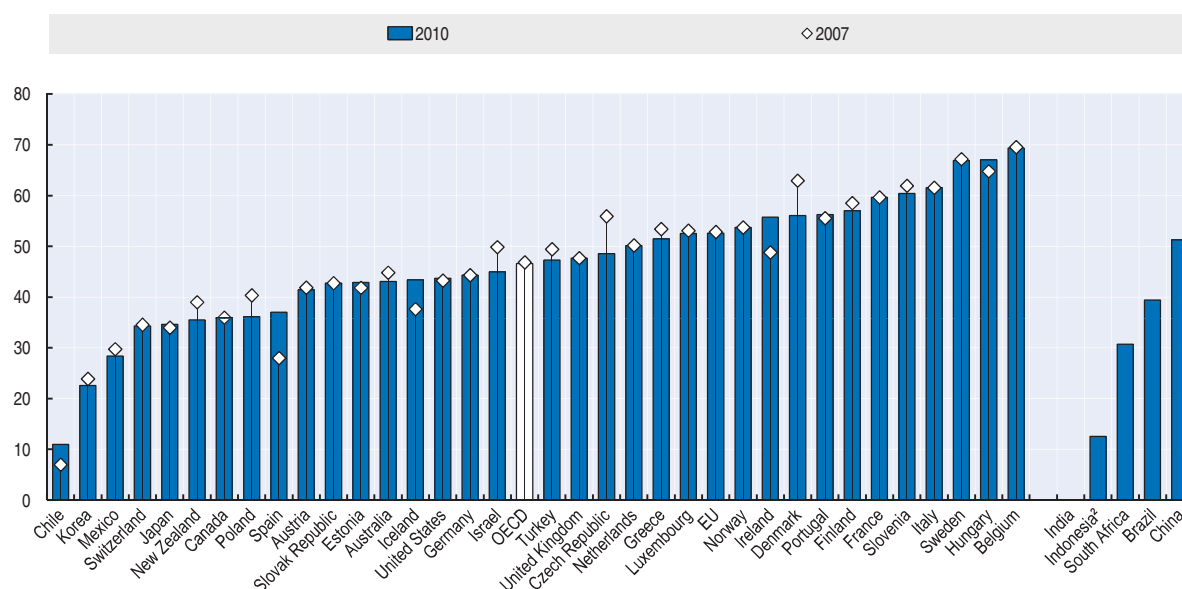
StatLink 🔗 *http://dx.doi.org/10.1787/888932565851*

Figure 3.4. **Marginal tax wedge on labour**[1]

Percentage of total labour compensation

A. At 100% of average worker earnings, single person without children
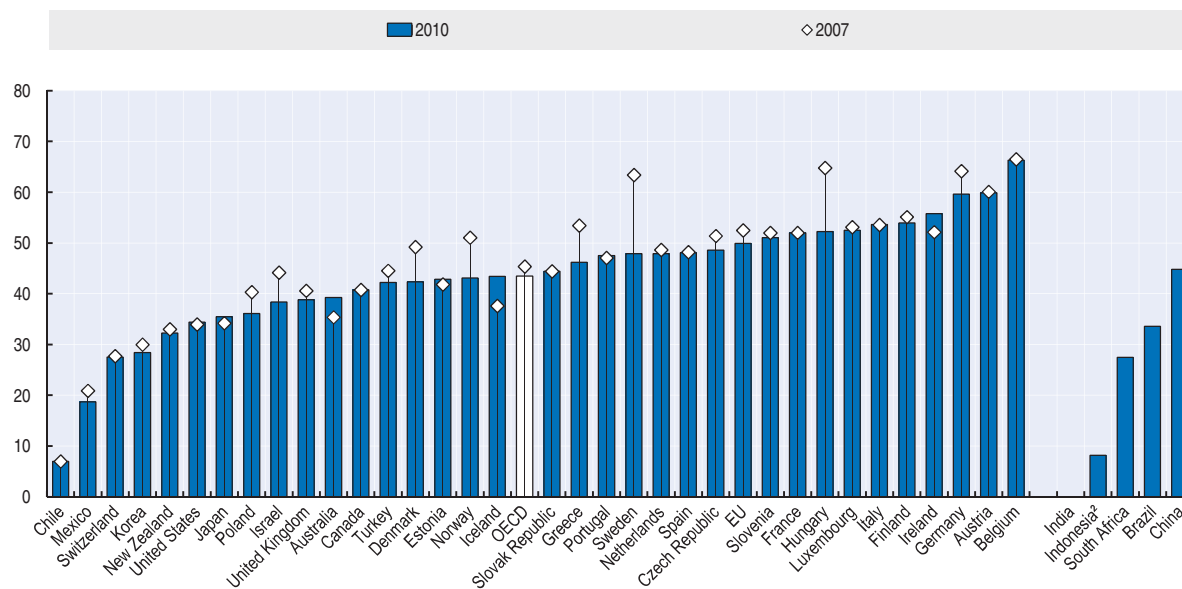
B. At 167% of average worker earnings, single person without children

Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.

1. Measured as the difference between the change in total labour compensation paid by employers and the change in the net take-home pay of employees, as a result of an extra unit of national currency of labour income. The difference is expressed as a percentage of the change in total labour compensation. The value for India is equal to zero in 2010. For India, the data refer to employees in the 95% of companies in the manufacturing sector with less than ten employees. In firms with over 10 employees, the tax wedge would be no more than 5%. In China, a significant portion of the labour force are not covered by the social security system and their tax wedge would be significantly lower than the figure report here.

2. Data refer to 2009 for Indonesia.

Source: OECD (2011), *Taxing Wages Database*; Gandullia, L., N. Iacobone and A. Thomas (2012), "Modelling the Tax Burden on Labour Income in Brazil, China, India, Indonesia and South Africa", *OECD Economics Department Working Papers*, OECD Publishing, forthcoming.
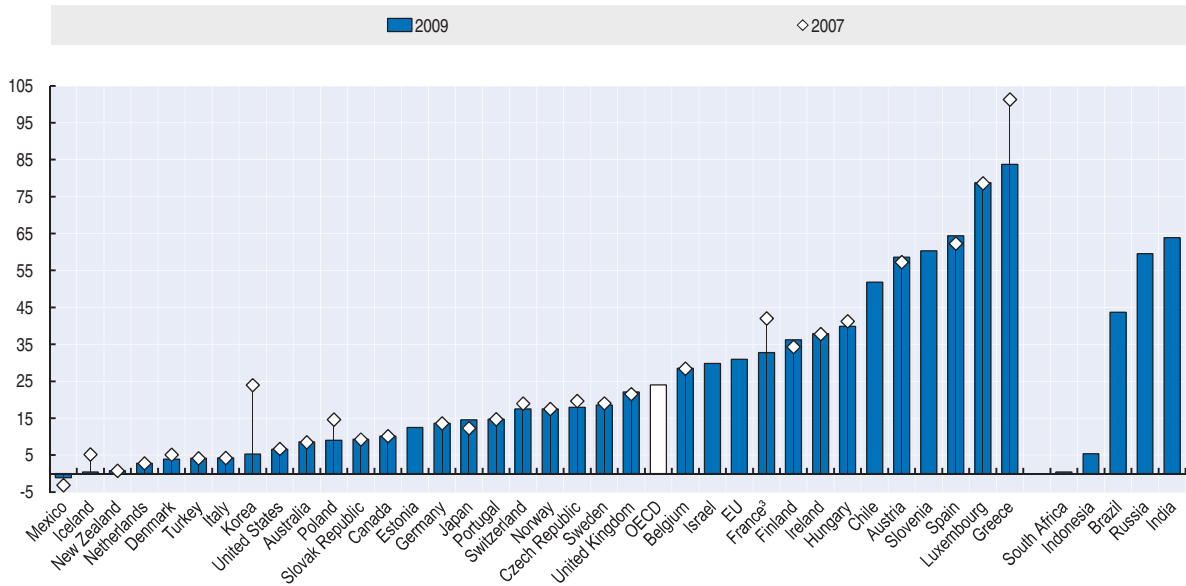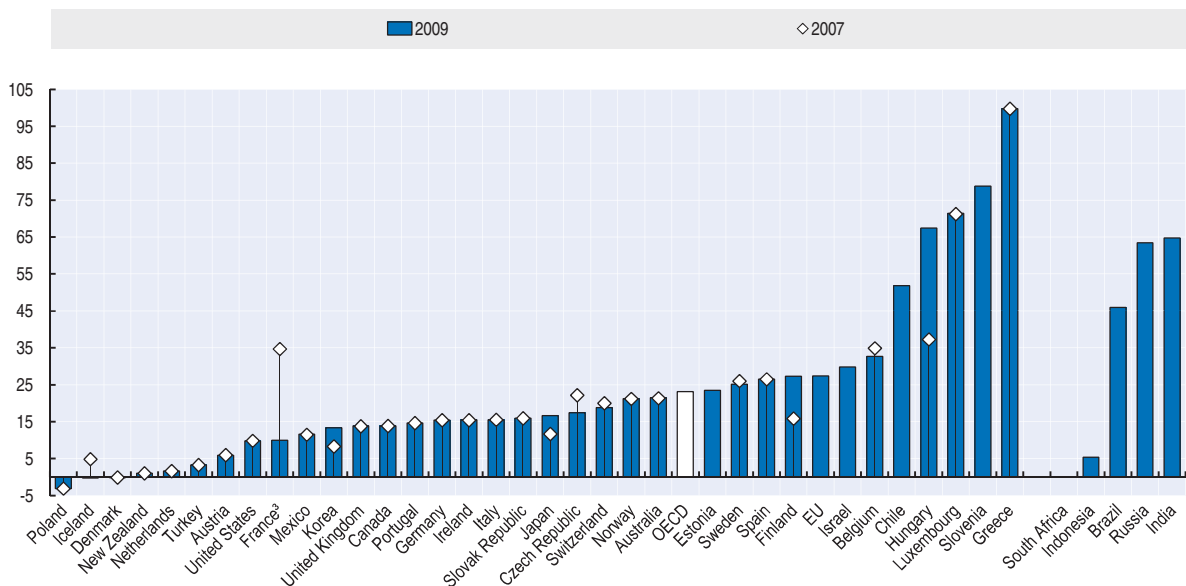
StatLink ⟡ᐧᘻ *http://dx.doi.org/10.1787/888932565870*

Figure 3.5. **Implicit taxes on continued work at older ages**

Percentage of average worker earnings

A. Implicit tax on continued work: early retirement[1]

B. Implicit tax on continued work: old-age pensions[2]
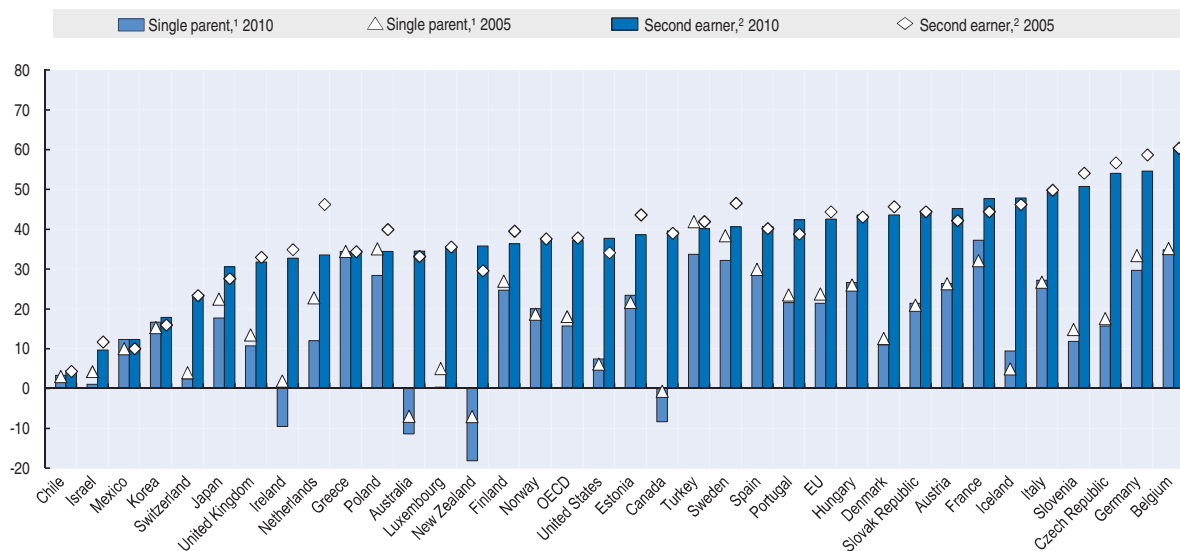

Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.

1. Average for 55 and 60 year-olds workers of implicit tax on continued work for five more years in "early retirement route", as defined in Duval (2003).

2. Implicit tax on continued work in regular old-age pension system, for 60 year olds. The value for South Africa is equal to zero in 2009.

3. For France, year 2010.

Source: Duval, R. (2003), "The Retirement Effects of Old-Age Pension and Early Retirement Schemes in OECD Countries", *OECD Economics Department Working Papers*, No. 370, OECD Publishing and OECD calculations.

StatLink ⟲ *http://dx.doi.org/10.1787/888932565889*

Figure 3.6. **Average tax wedge – single parent *versus* second earner**

Percentage

Legend: Single parent,[1] 2010 △ Single parent,[1] 2005 Second earner,[2] 2010 ◇ Second earner,[2] 2005
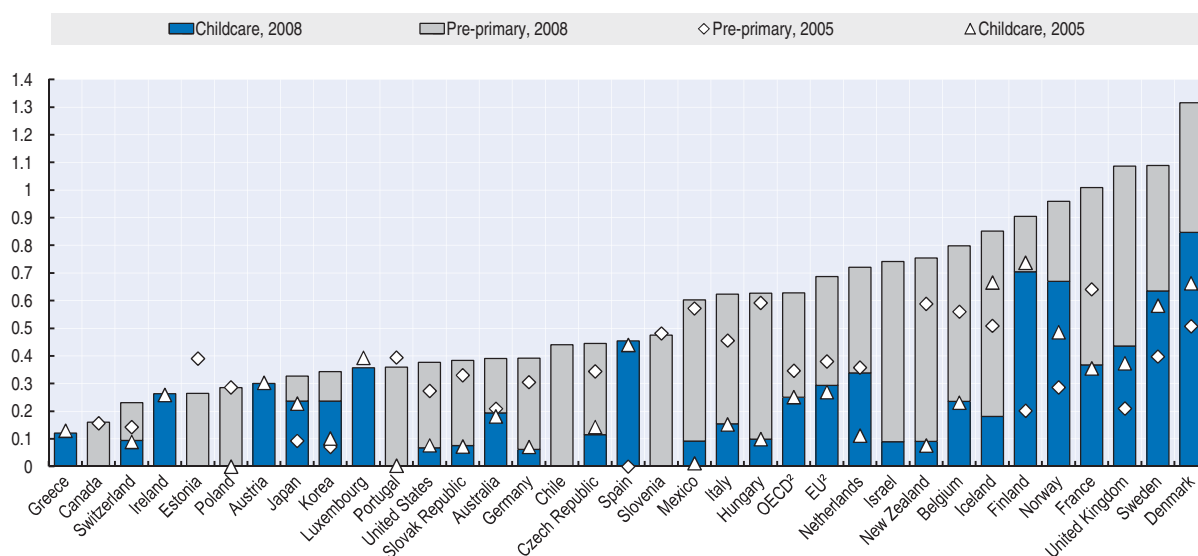
Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.

1. Single parent earning 67% of the average wage.

2. Family with two children where the primary earner earns 100% of the average wage and the secondary earner earns 67% of the average wage.

Source: OECD (2011), *Taxing Wages* models.

StatLink ᵃˢᵖ *http://dx.doi.org/10.1787/888932565908*

Figure 3.7. **Public expenditure on childcare services**[1]

Percentage of GDP

Legend: Childcare, 2008 Pre-primary, 2008 ◇ Pre-primary, 2005 △ Childcare, 2005
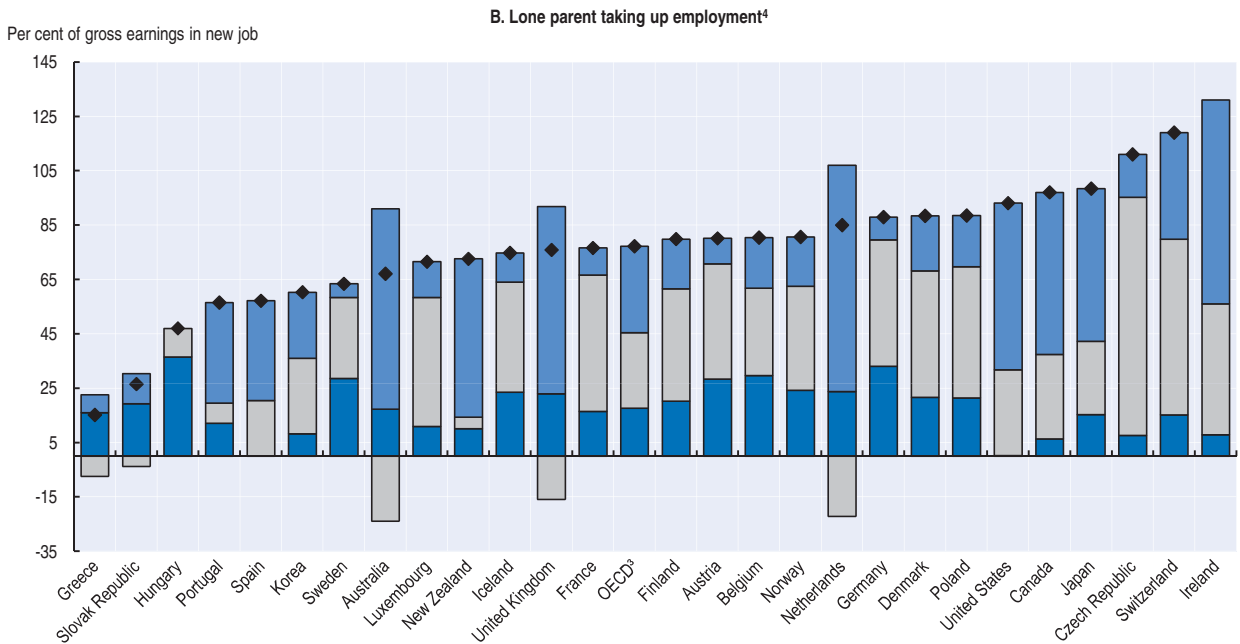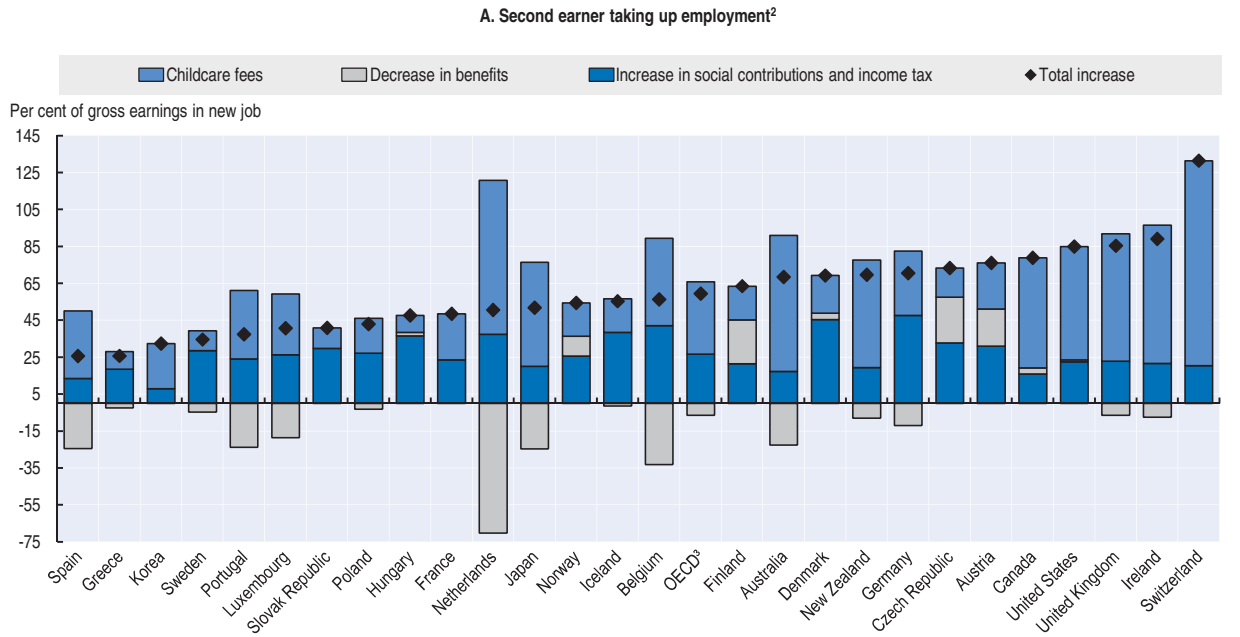
Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.

1. Childcare expenditure cover children under 3 years-old enrolled in childcare and children between 3 and 5 years-old enrolled in pre-school. Childcare refers to formal day-care services, such as day care centres and family day care. Pre-school includes kindergartens and day-care centres which usually provide an educational content as well as traditional care for children (ISCED 0 under UNESCO's classification system).

2. EU is the average of European countries in the OECD. OECD and EU averages exclude Turkey. Data are missing for Chile and Israel in 2005; Greece, Ireland and Austria for pre-primary in 2005 and 2008; Luxembourg for pre-primary in 2005 and Spain for pre-primary in 2008; Canada and Slovenia for childcare in 2005 and 2008; Poland for childcare in 2008. Corresponding OECD and EU averages (where relevant) do not include these countries.

Source: OECD (2011), *Social Expenditure Database*, *www.oecd.org/els/social/expenditure*.

StatLink ᵃˢᵖ *http://dx.doi.org/10.1787/888932565927*

Figure 3.8. **Implicit tax on returning to work**[1]

Net transfers and childcare fees for households with two children aged 2 and 3, 2008

A. Second earner taking up employment[2]

B. Lone parent taking up employment[4]

Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.

1. Taking into account childcare fees and changes of taxes and benefits in case of a transition to a job paying two-thirds of average worker earnings.
2. Second earner taking up employment at 67% of average wage and the first earner earns 100% of average wage.
3. The OECD average excludes Chile, Estonia, Israel, Italy, Mexico, Turkey and Slovenia.
4. Lone parent taking up employment at 67% of average wage.

Source: OECD (2011), *Benefits and Wages Database*.

StatLink ⬛⬛⬛ *http://dx.doi.org/10.1787/888932565946*

Figure 3.9. **Net costs of childcare**

Percentage of average wage, 2008
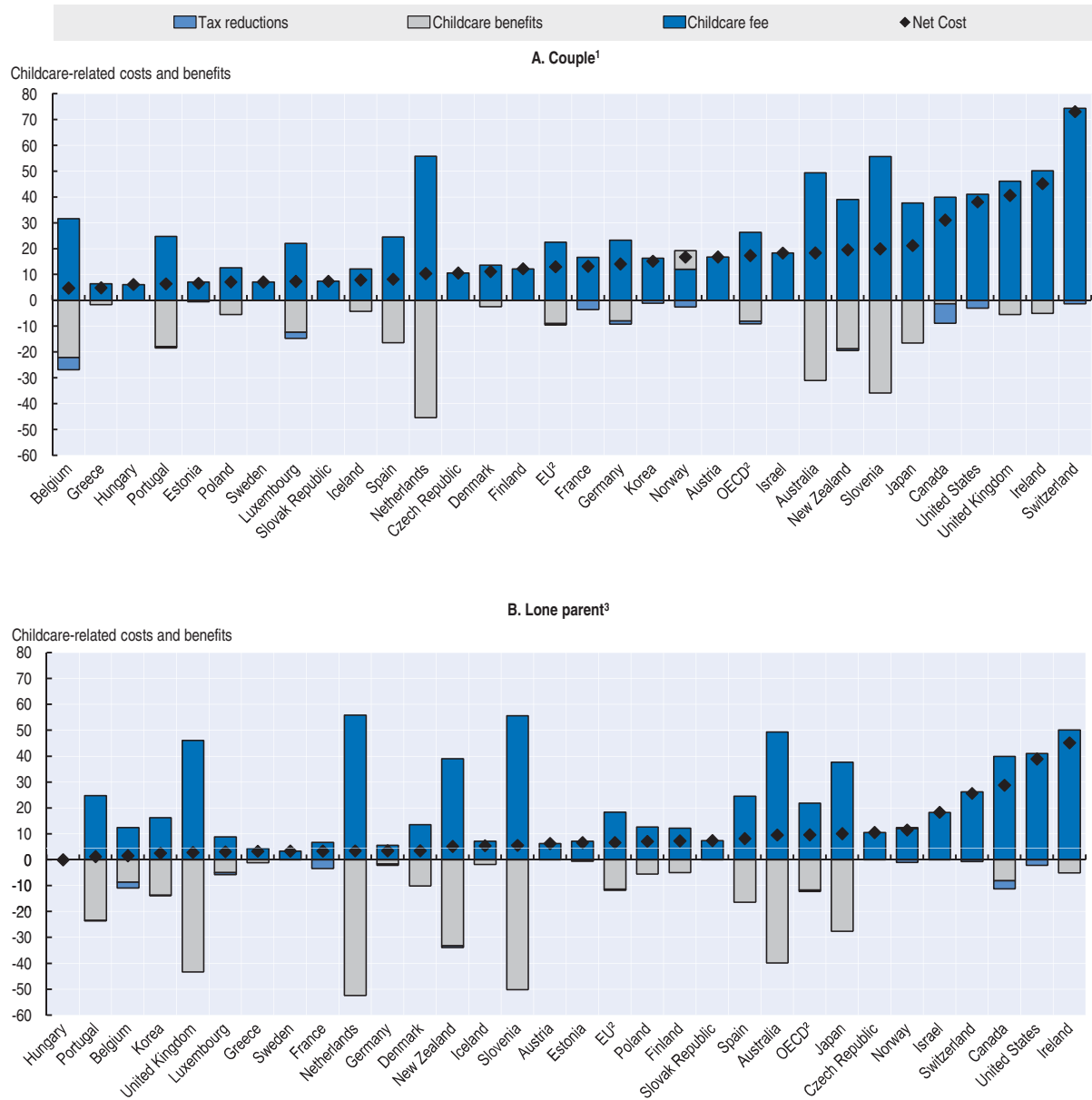
■ Tax reductions   ■ Childcare benefits   ■ Childcare fee   ◆ Net Cost

A. Couple[1]

B. Lone parent[3]

Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.

1. Couple where the first earner earns 100% of the average wage and the second earns 67% of the average wage. For Canada and the United Kingdom, childcare benefits refer to childcare benefits and other benefits.

2. EU and OECD averages exclude Chile, Italy, Mexico and Turkey.

3. Lone parent earning 67% of the average wage. For Canada and the United Kingdom, childcare benefits refer to childcare benefits and other benefits.

Source: OECD, Tax-benefit models, *www.oecd.org/els/social/workincentives*.
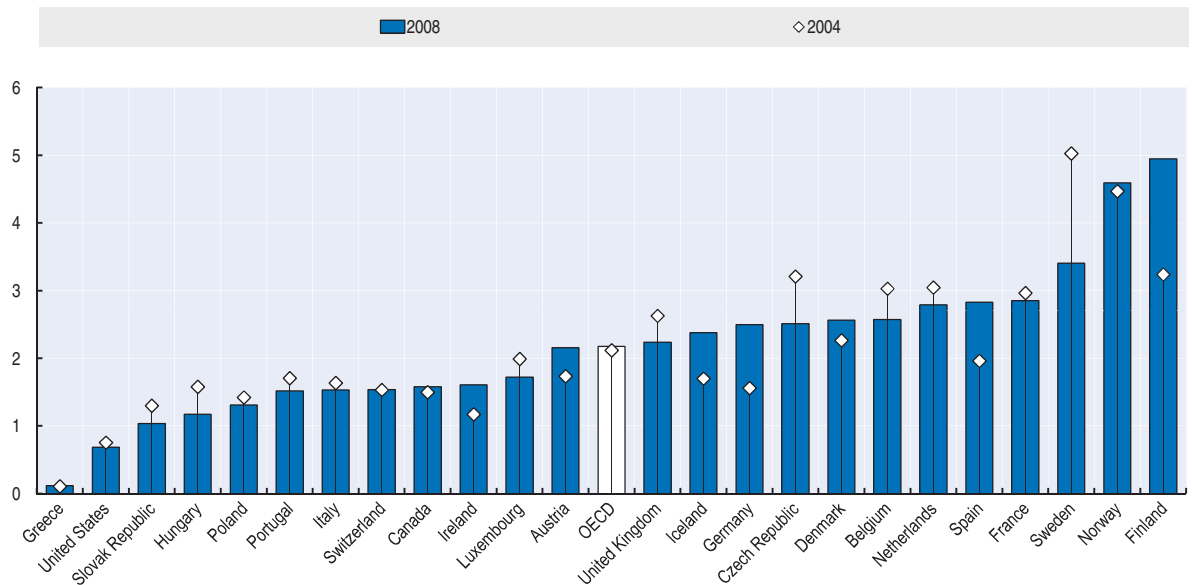
StatLink ⟨⟨⟨⟨ *http://dx.doi.org/10.1787/888932565965*

Figure 3.10. **Income support for disability and sickness**

A. Per cent of population aged 20-64 years-old receiving disability benefits[1]
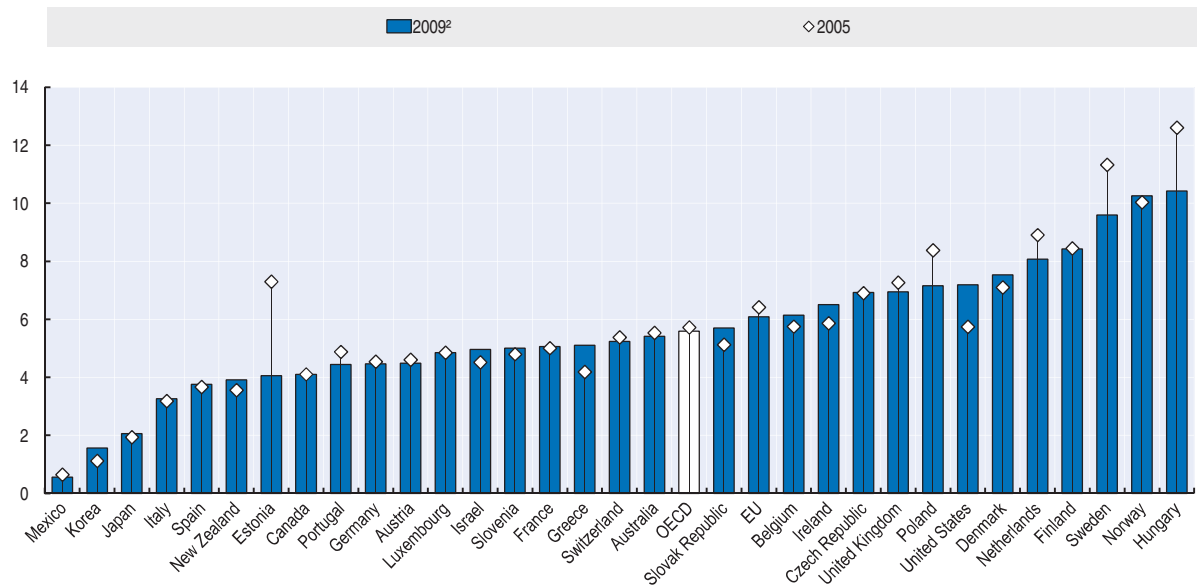
B. Number of weeks lost due to sickness leave

Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.

1. Disability benefits include benefits received from schemes to which beneficiaries have paid contributions (contributory), programmes financed by general taxation (non-contributory) and work injury schemes.

2. The last available year is 2005 for Luxembourg; 2007 for Canada, France, Italy, Spain and Poland; 2008 for Australia, Austria, Belgium, the United Kingdom, Greece, Ireland, Japan, Korea, Slovenia; 2010 for Denmark, Estonia, Hungary, Israel and Portugal.

Source: OECD (2010), *Sickness, Disability and Work: Breaking the Barriers – A Synthesis of Findings across OECD Countries*; estimates of the percentage of population aged 20-64 years-old receiving disability benefits have been updated (unpublished data).
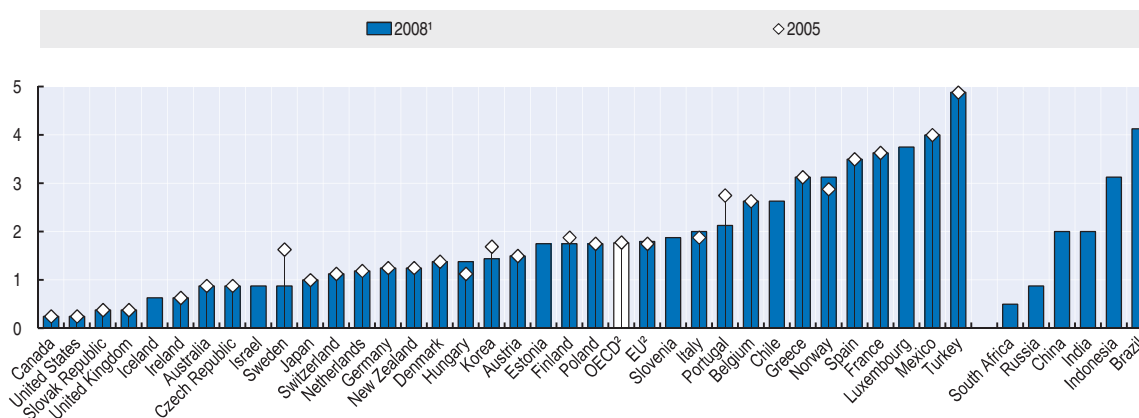
StatLink 🔗 *http://dx.doi.org/10.1787/888932565984*

Figure 3.11. **Employment Protection Legislation (EPL)**

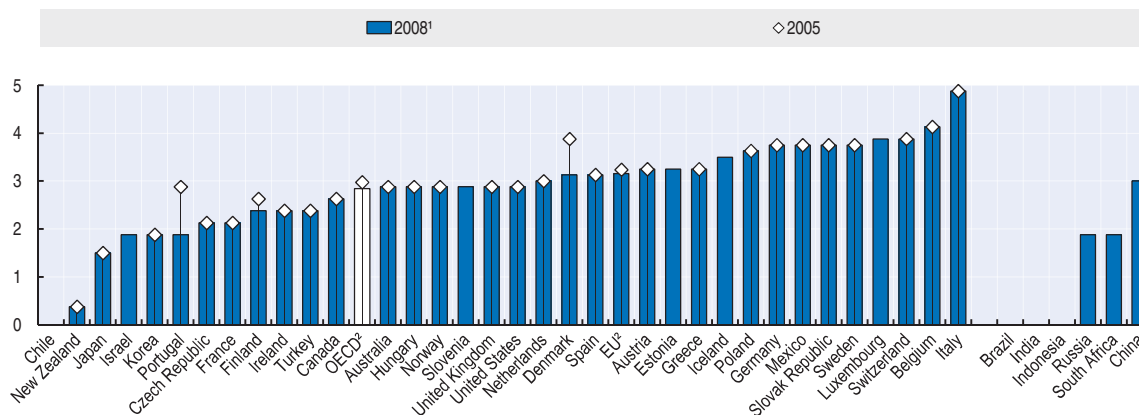Index scale of 0-6 from least to most restrictive

A. Protection for regular employment
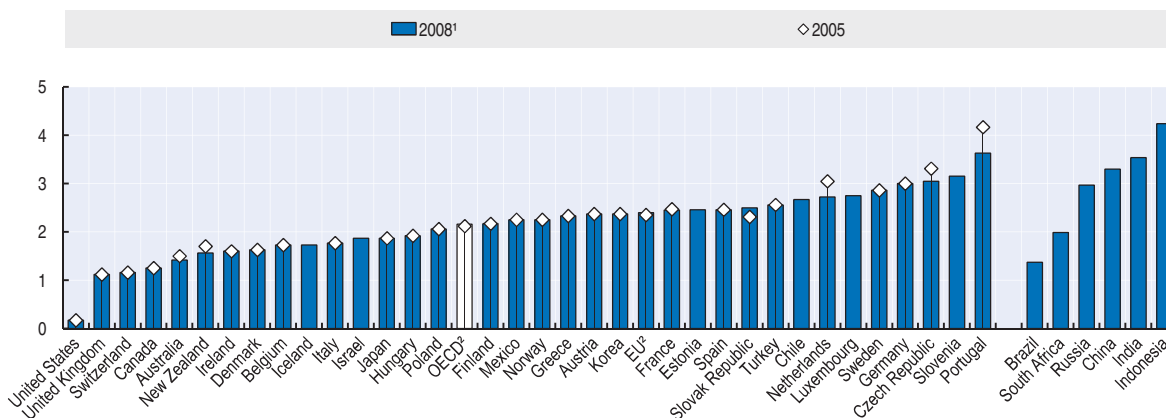
B. Protection for temporary employment

C. Additional protection on collective dismissals

Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.
1. 2009 for France and Portugal. In Panel C, values for Brazil, India and Indonesia are equal to zero in 2008.
2. In 2005, OECD and EU averages exclude Chile, Estonia, Iceland, Israel, Luxembourg and Slovenia.
Source: OECD (2011), *OECD Employment Database.*

StatLink ☞ *http://dx.doi.org/10.1787/888932566003*

Figure 3.12. **Coverage rates of collective bargaining agreements and trade union density rates**[1]
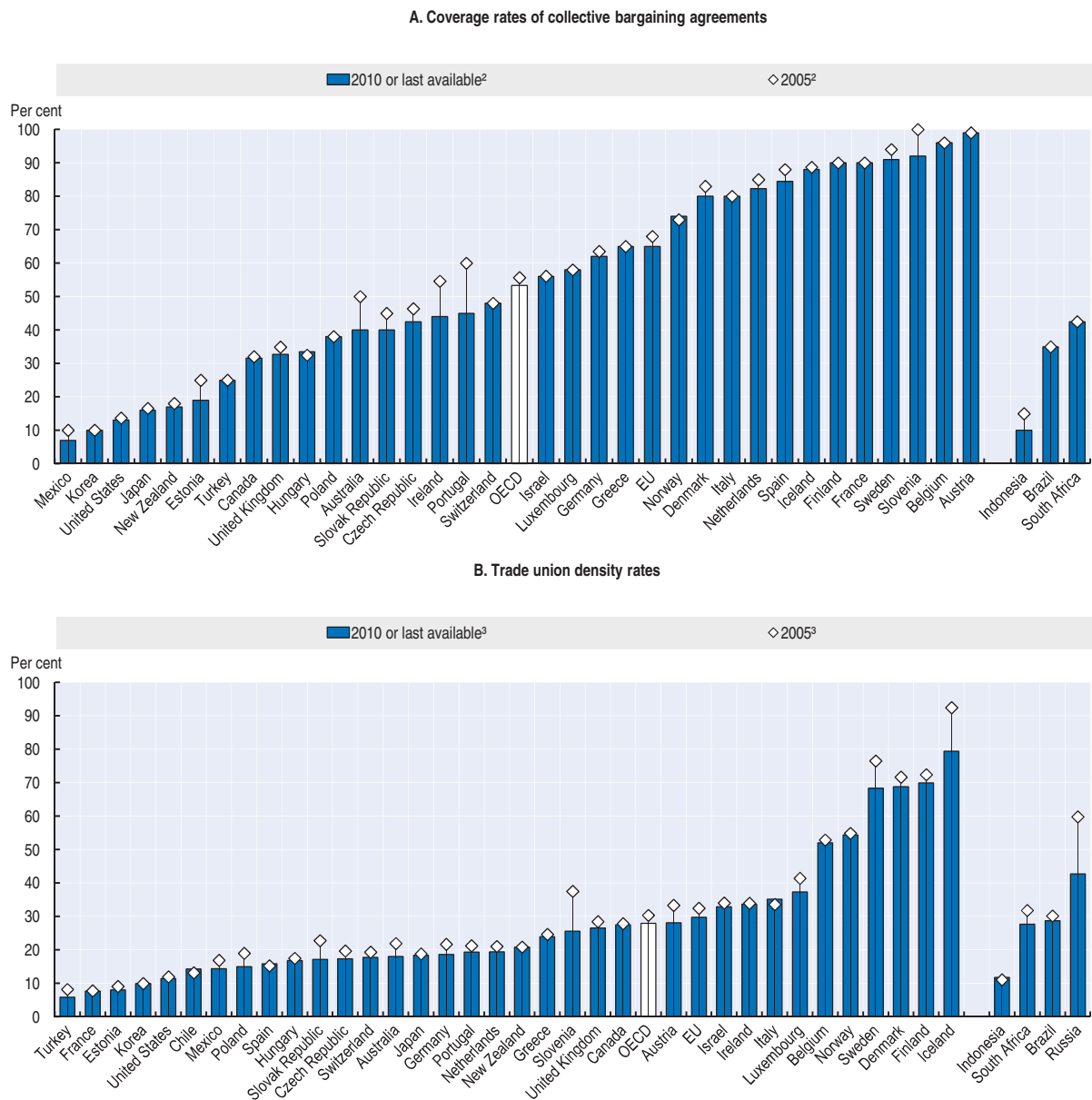
A. Coverage rates of collective bargaining agreements

B. Trade union density rates

Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.

1. The coverage rate is measured as the percentage of workers who are covered by collective bargaining agreements, regardless of whether or not they belong to a trade union. The union density rate is the percentage of workers belonging to a trade union. The rates refer to wage and salary workers.

2. For 2010, the last available year is 2009 for Canada, the Czech Republic, Estonia, Germany, Hungary, Italy, Portugal, the Slovak Republic, Slovenia and the United Kingdom; 2008 for Belgium, Brazil, France, Greece, Iceland, Indonesia, Ireland, Japan, Korea, Luxembourg, Mexico, the Netherlands, Norway, Poland, South Africa, Spain, Sweden and Switzerland; 2007 for Australia, Denmark, Finland and New Zealand; 2006 for Israel and Turkey. For 2005, data refer to 2006 for Korea, Switzerland and the Slovak Republic; 2004 for Spain; 2003 for Brazil, Indonesia, Luxembourg and New-Zealand; 2002 for Austria, Belgium, Denmark, France, Iceland, Ireland, Mexico and Turkey; 2001 for Australia and Chile; 2000 for Israel.

3. For 2010, the last available year is 2009 for Belgium, Chile, the Czech Republic, Denmark, Ireland, Korea, the Netherlands, Norway, Slovenia, Spain, Switzerland and Turkey; 2008 for Brazil, France, Greece, Hungary, Iceland, Luxembourg, the Russian Federation, the Slovak Republic and South Africa; 2007 for Indonesia and Israel. For 2005, data refer to 2006 for Israel; 2003 for Slovenia; 2002 for Iceland and 2001 for the Russian Federation.

Source: OECD estimates and J. Visser, Amsterdam Institute for Advanced Labour Studies (2011), *ICTWSS Database on Institutions, Coordination, Trade Unions, Wage Setting and Social Pacts (version 3.0)*.

StatLink 🔗 *http://dx.doi.org/10.1787/888932566022*

Figure 3.13. **Product market regulation**

Index scale of 0-6 from least to most restrictive

A. Restrictiveness of economy-wide product market regulation
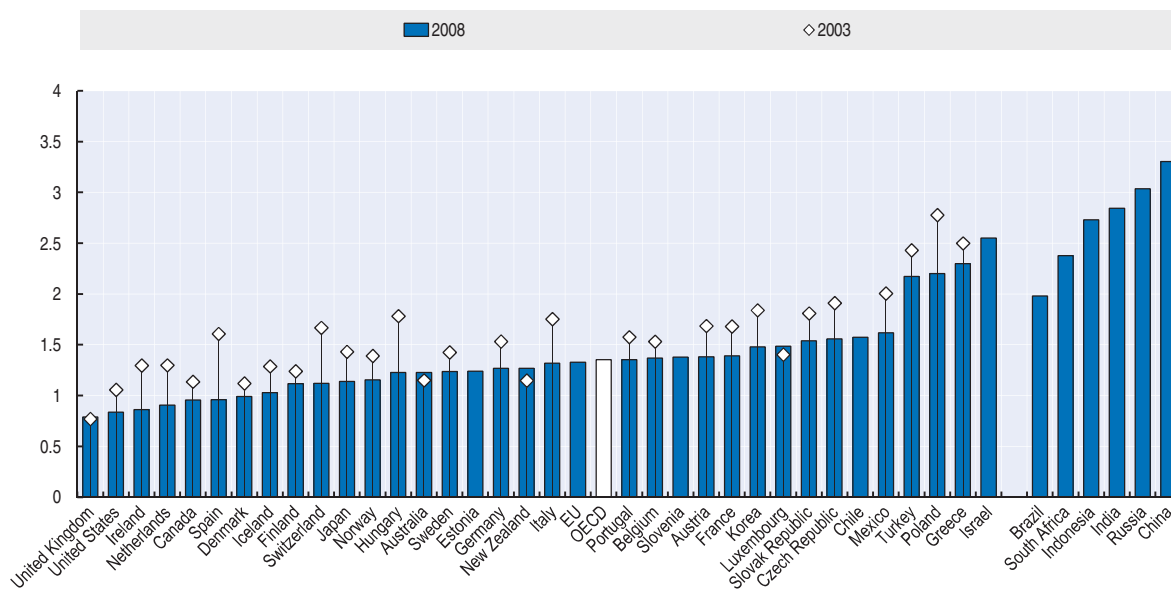
B. Restrictiveness of overall administrative regulation[1]
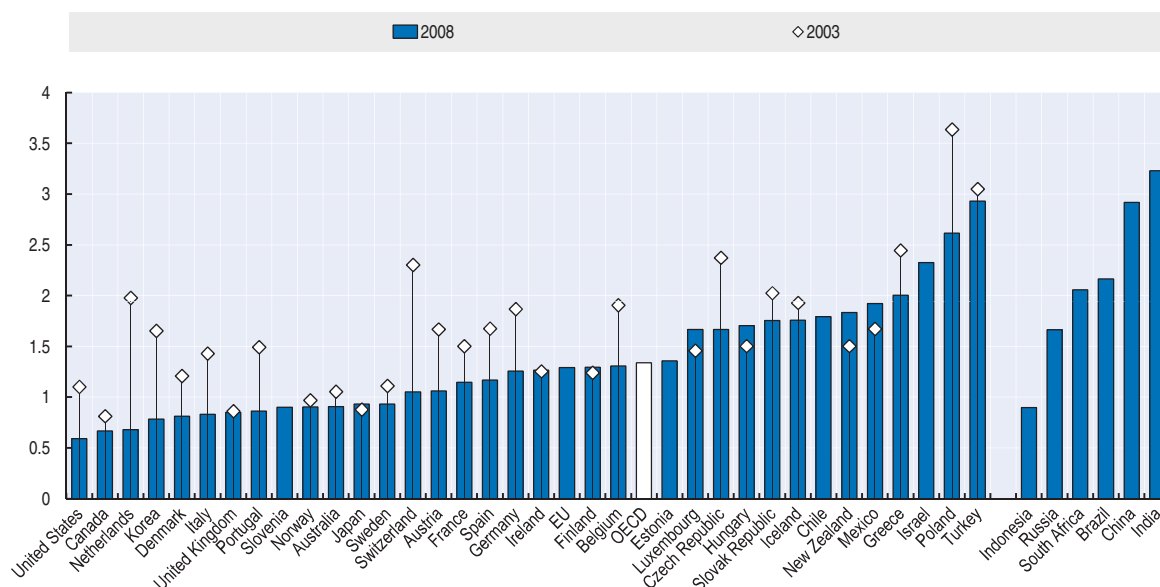
Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.

1. Simple average of regulatory and administrative opacity and administrative burdens on start-ups under the product market regulation domain "barriers to entrepreneurship".

Source: OECD (2011), *Product Market Regulation Database*; Woefl, A. *et al.* (2010), "Product Market Regulation: Extending the Analysis Beyond OECD Countries", *OECD Economics Department Working Papers*, No. 799, OECD Publishing.

StatLink ⟨⟨⟨ *http://dx.doi.org/10.1787/888932566041*

Figure 3.14. **State control of business operations**

Index scale of 0-6 from least to most restrictive

A. Extent of public ownership[1]
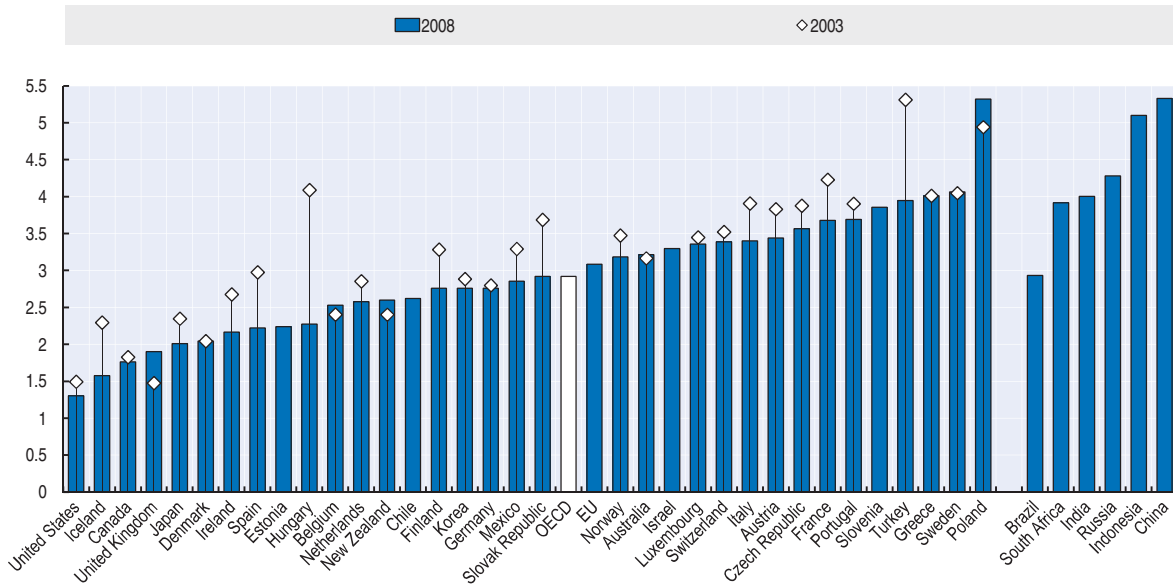
B. State involvement in business operations[2]
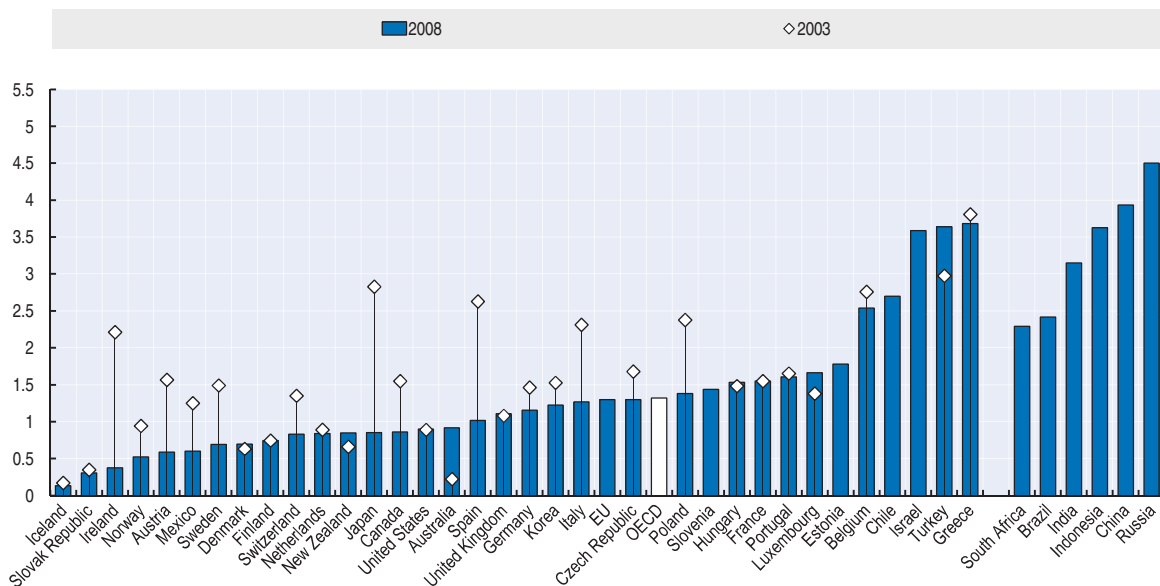
Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.

1. Covers scope of public enterprise and government's involvement in network sectors as well as the direct state control over business enterprises (via voting rights or legislative bodies).

2. Concerns the involvement of the state in business operations via price controls and the use of command-and-control regulation.

Source: OECD (2011), *Product Market Regulation Database*; Woefl, A. *et al.* (2010), "Product Market Regulation: Extending the Analysis Beyond OECD Countries", *OECD Economics Department Working Papers*, No. 799, OECD Publishing.

StatLink ⟨⟩ *http://dx.doi.org/10.1787/888932566060*

Figure 3.15. **Administrative burdens on start-ups**

Index scale of 0-6 from least to most restrictive

A. Administrative burdens for corporations and sole proprietor firms[1]
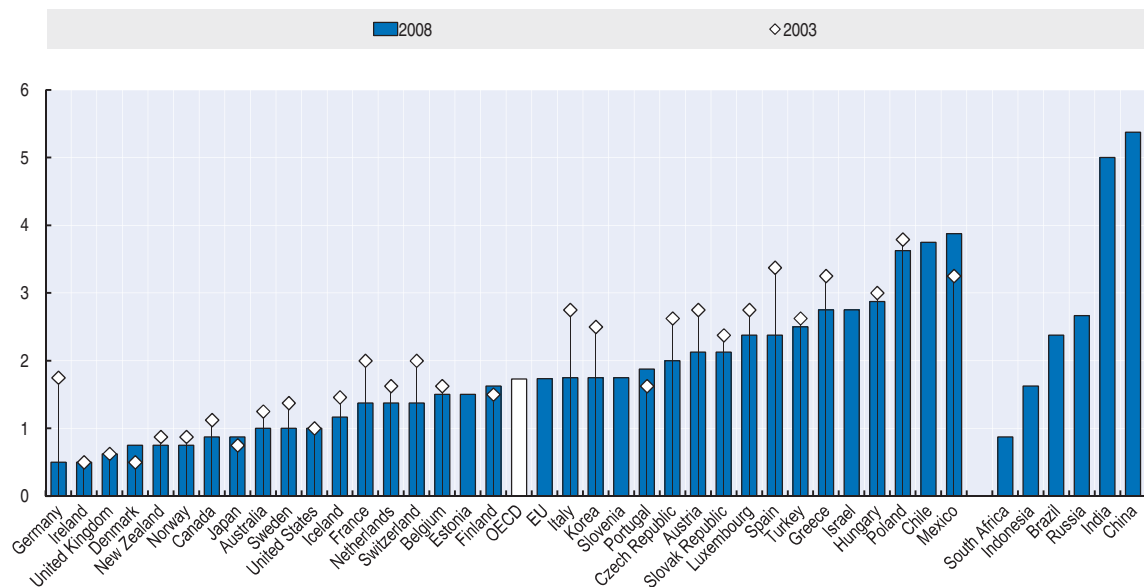
B. Sector-specific administrative burdens[2]
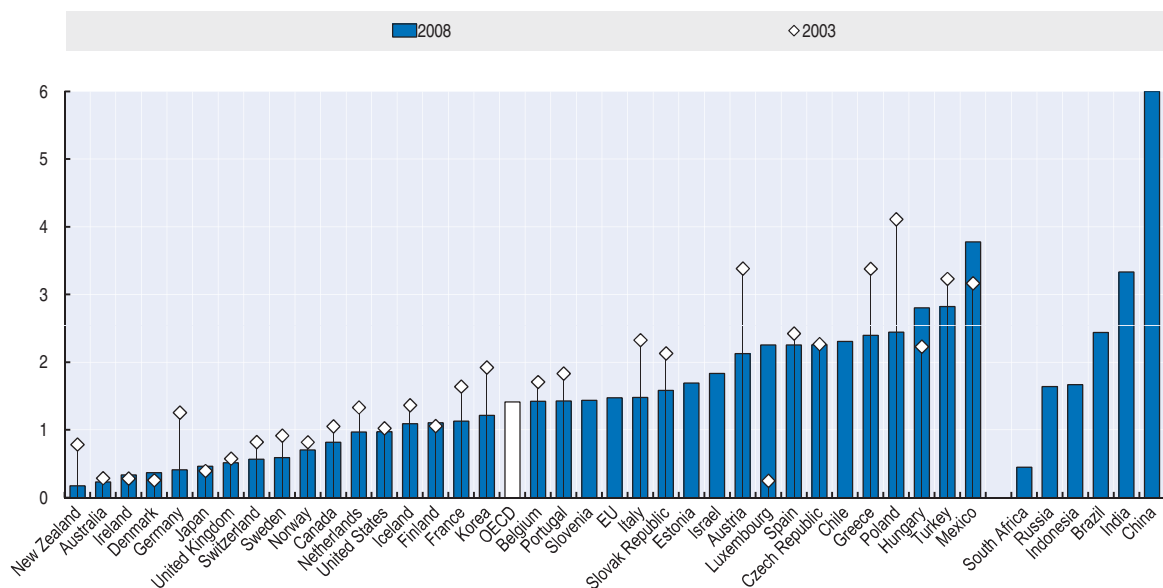
Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.

1. Simple average of administrative burdens for corporations and for sole proprietor firms under the product market regulation sub-domain "administrative burdens on start-ups".
2. This index refers to administrative burdens in the road transport and retail distribution sectors.

Source: OECD (2011), *Product Market Regulation Database*; Woefl, A. *et al.* (2010), "Product Market Regulation: Extending the Analysis Beyond OECD Countries", *OECD Economics Department Working Papers*, No. 799, OECD Publishing.

StatLink ⟨⟨⟩⟩ *http://dx.doi.org/10.1787/888932566079*

Figure 3.16. **Barriers to entry**

Index scale of 0-6 from least to most restrictive

A. Legal barriers to entry in industries
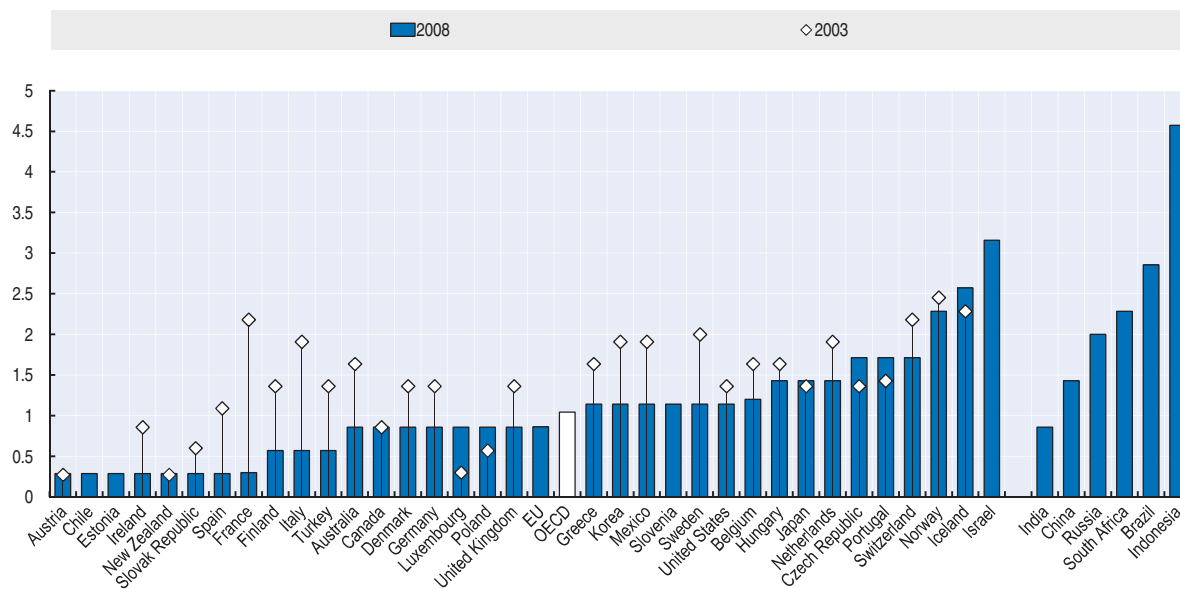
B. Complexity of regulatory procedures[1]
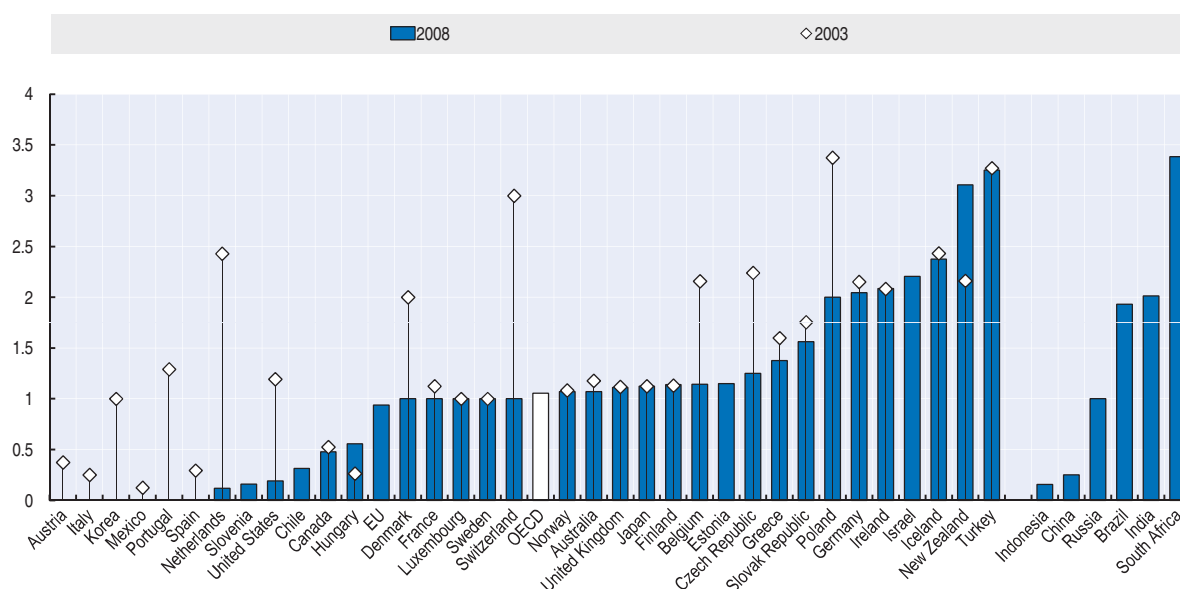
Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.

1. Concerns complexity of government communication and simplification of rules and procedures as well as of licences and permits system. Values for Austria, Italy, Korea, Mexico, Portugal and Spain are equal to zero in 2008.

Source: OECD (2011), *Product Market Regulation Database*; Woefl, A. *et al.* (2010), "Product Market Regulation: Extending the Analysis Beyond OECD Countries", *OECD Economics Department Working Papers*, No. 799, OECD Publishing.

StatLink ᔕᔕ *http://dx.doi.org/10.1787/888932566098*

Figure 3.17. **Barriers to foreign direct investment**[1]

Index scale of 0-6 from least to most restrictive
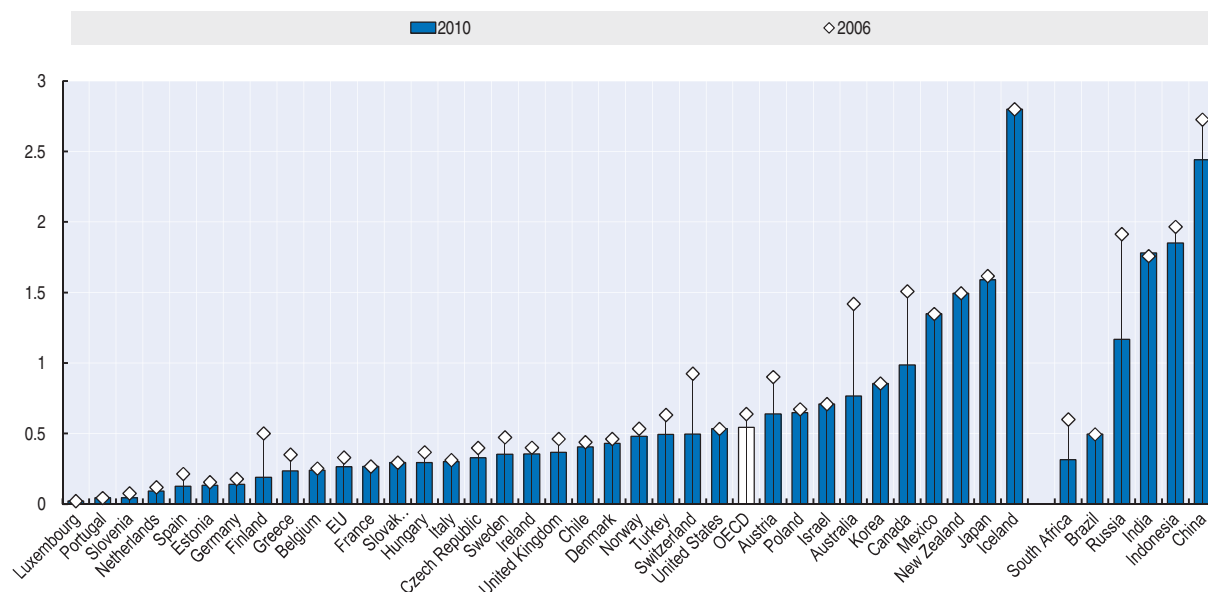
Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.

1. The OECD FDI regulatory restrictiveness index looks only at statutory restrictions and does not assess the manner in which they are implemented.

Source: OECD, the OECD FDI Regulatory Restrictiveness Index (FDI Index), *www.oecd.org/investment/index.*

StatLink http://dx.doi.org/10.1787/888932566117

Figure 3.18. **Restrictiveness of external trade tariffs**[1]

Index scale of 0-6 from least to most restrictive
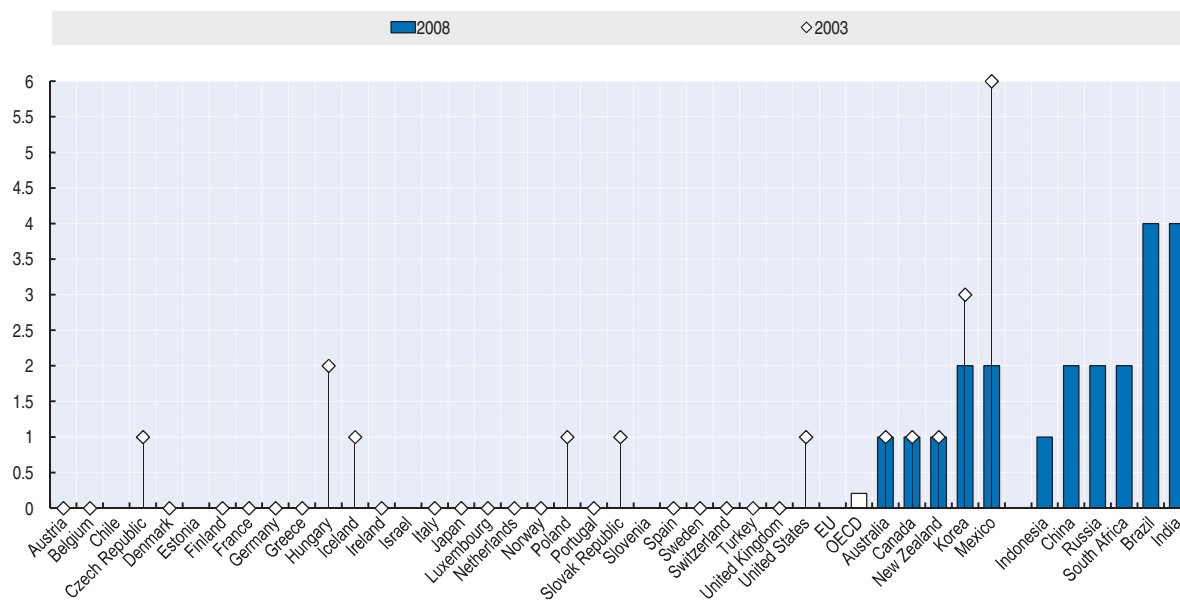
Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.

1. Values are equal to zero in 2008 for the EU average and for all OECD countries except Australia, Canada, Korea, Mexico and New Zealand.

Source: OECD (2011), *Product Market Regulation Database*; for methodology see Woefl, A. *et al.* (2010), "Product Market Regulation: Extending the Analysis Beyond OECD Countries", *OECD Economics Department Working Papers*, No. 799, OECD Publishing. Tariffs reflect the simple average of effectively applied tariffs. See World Trade Organization's (WTO), *Integrated Database (IDB)*.
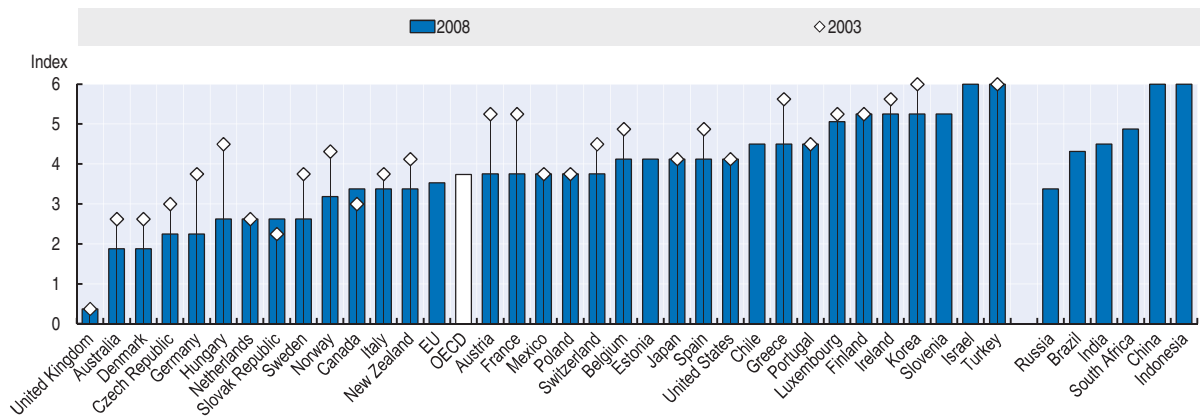
StatLink http://dx.doi.org/10.1787/888932566136

Figure 3.19. **Sectoral regulation in the transport sector**

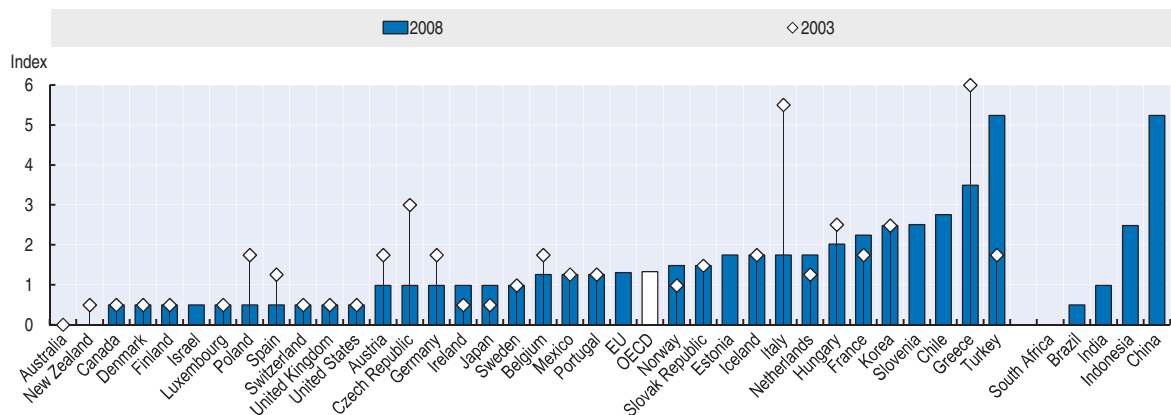Index scale of 0-6 from least to most restrictive

A. Airlines sector[1]
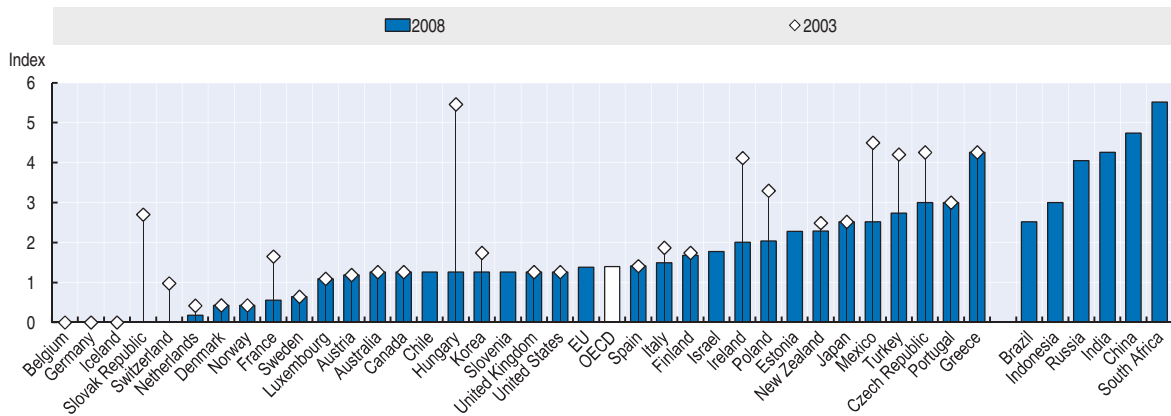
B. Rail sector

C. Road sector[2]

Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.

1. Values for Belgium, Germany, Iceland, Switzerland and the Slovak Republic are equal to zero in 2008.
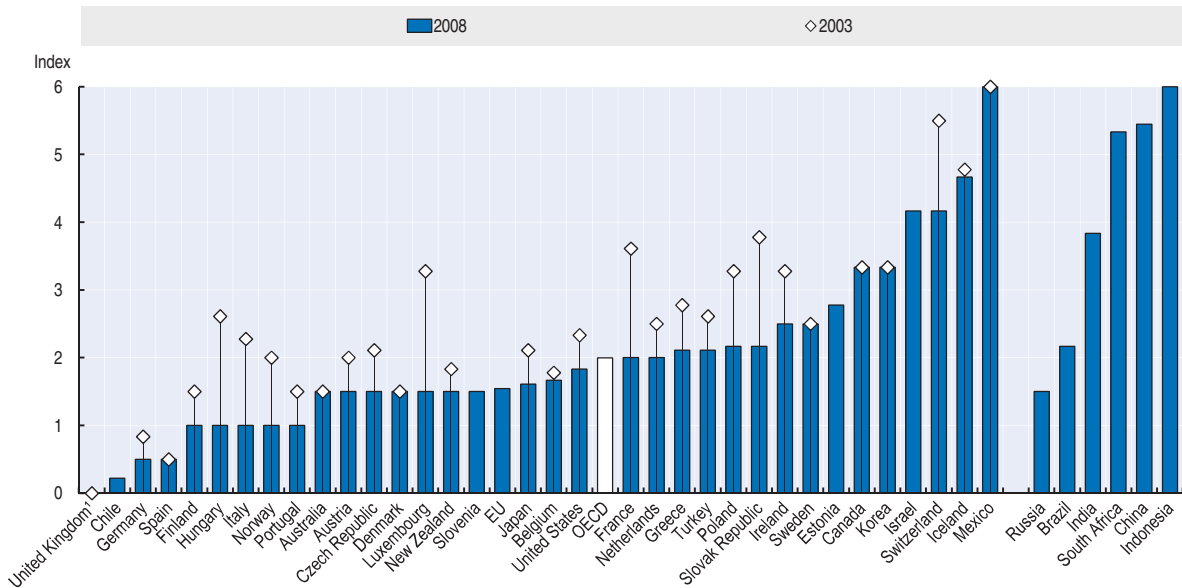
2. Values for Australia, New Zealand and South Africa are equal to zero in 2008.

Source: OECD (2011), *Product Market Regulation Database.*

StatLink 📊📈 *http://dx.doi.org/10.1787/888932566155*

Figure 3.20. **Sectoral regulation in the energy sector**

Index scale of 0-6 from least to most restrictive

A. Electricity sector

B. Gas sector
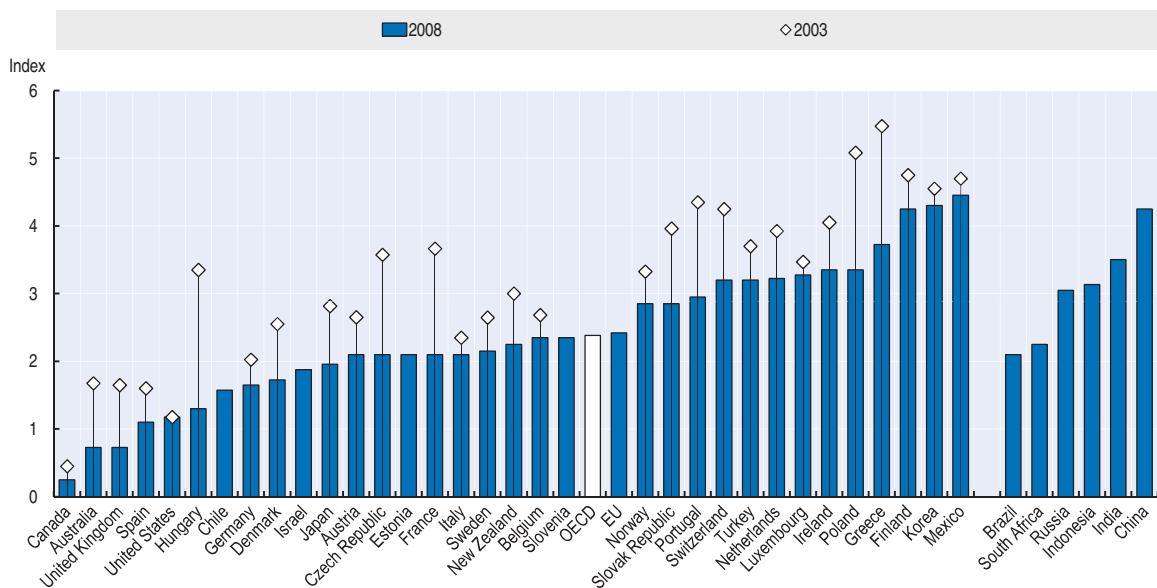
Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.

1. The value for the United Kingdom is equal to zero in 2008.

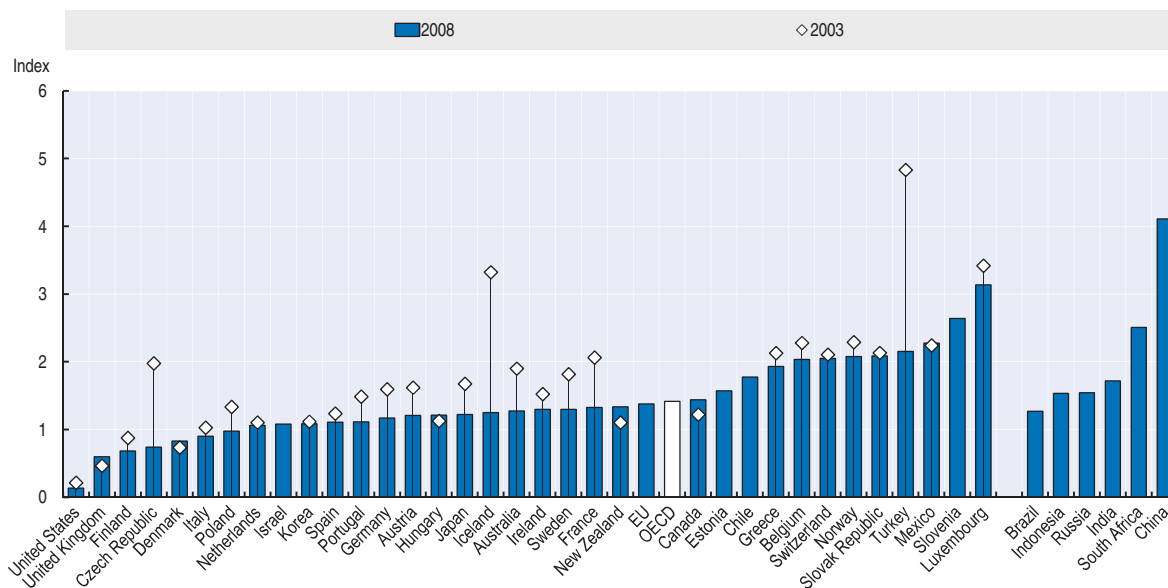*Source:* OECD (2011), *Product Market Regulation Database.*
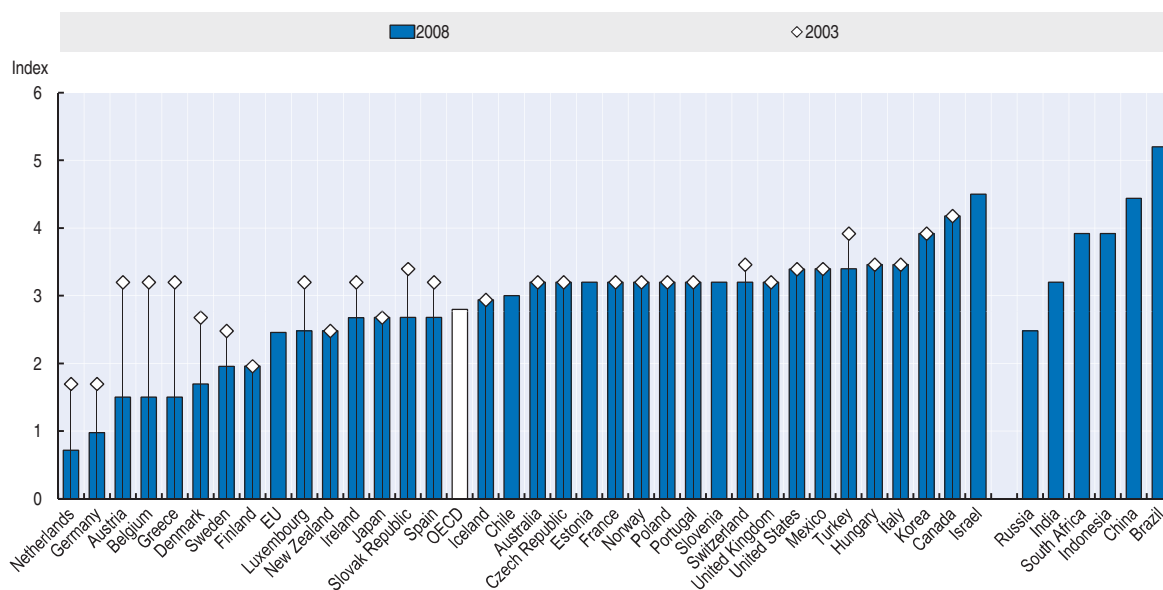
StatLink ⏴⏵ *http://dx.doi.org/10.1787/888932566174*

Figure 3.21. **Sectoral regulation in the post and telecommunications sector**

Index scale of 0-6 from least to most restrictive

A. Telecommunications sector
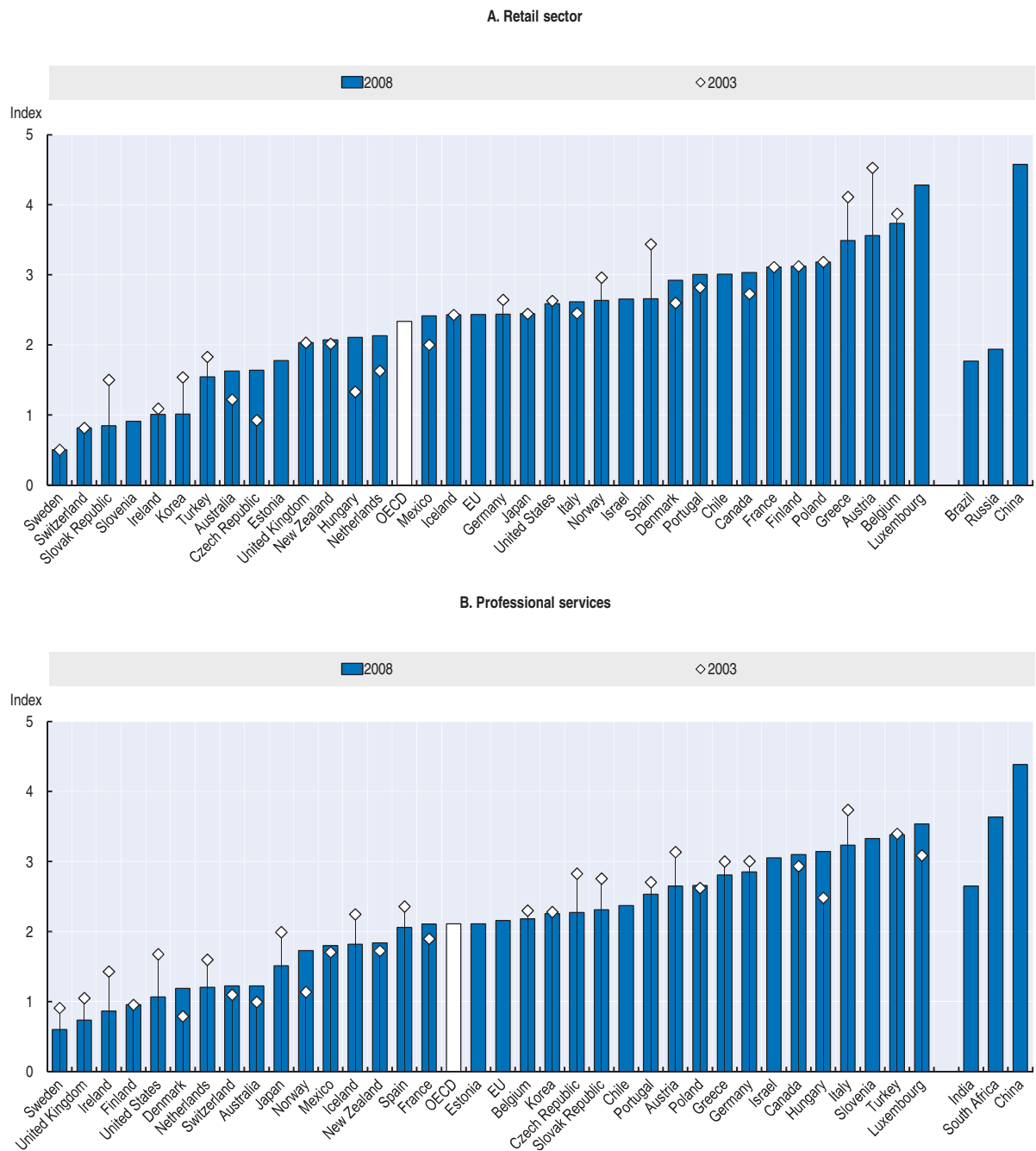

B. Post sector

Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.

*Source:* OECD (2011), *Product Market Regulation Database.*

StatLink ⚋⚊⚋ *http://dx.doi.org/10.1787/888932566193*

Figure 3.22. **Sectoral regulation in retail and professional services**

Index scale of 0-6 from least to most restrictive

A. Retail sector

B. Professional services

Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.

Source: OECD (2011), *Product Market Regulation Database.*

StatLink http://dx.doi.org/10.1787/888932566212

Figure 3.23. **Educational attainment, 2009**

Percentage of population aged 25-34 and 45-54

A. Upper secondary education
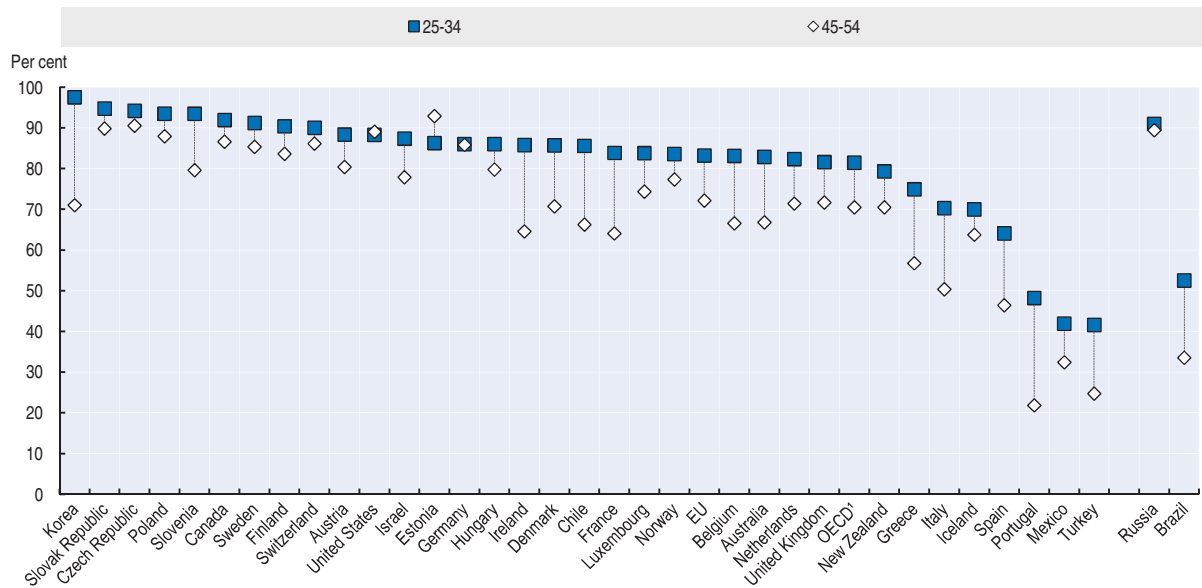
B. Tertiary education[2]
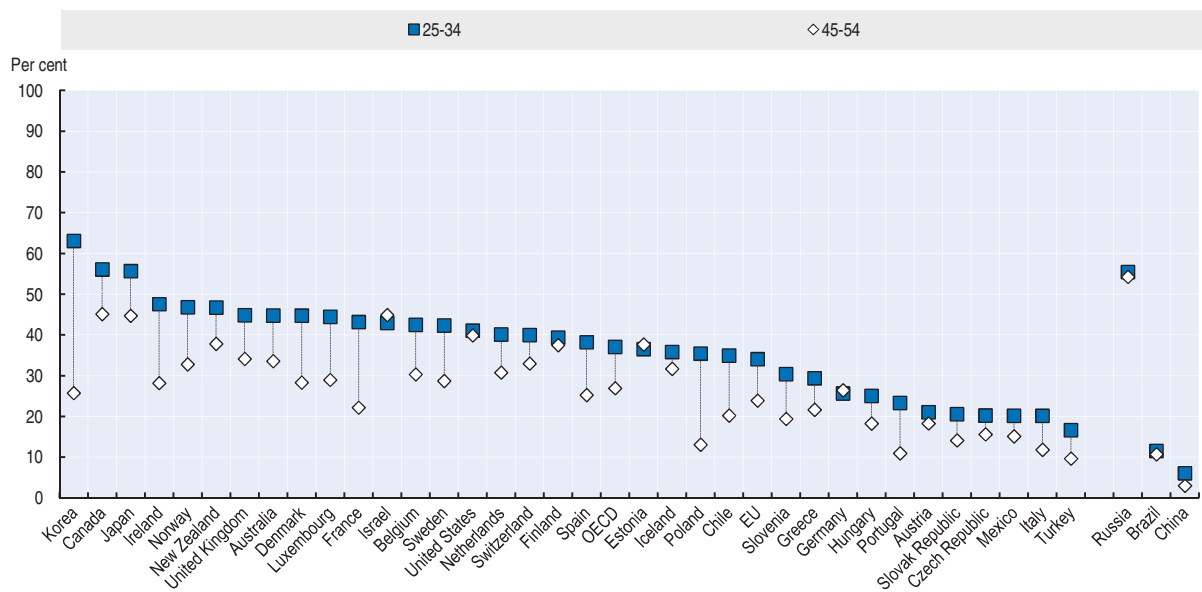
Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.

1. Data are missing for Japan.

2. The reference year is 2000 for China and 2002 for the Russian Federation.

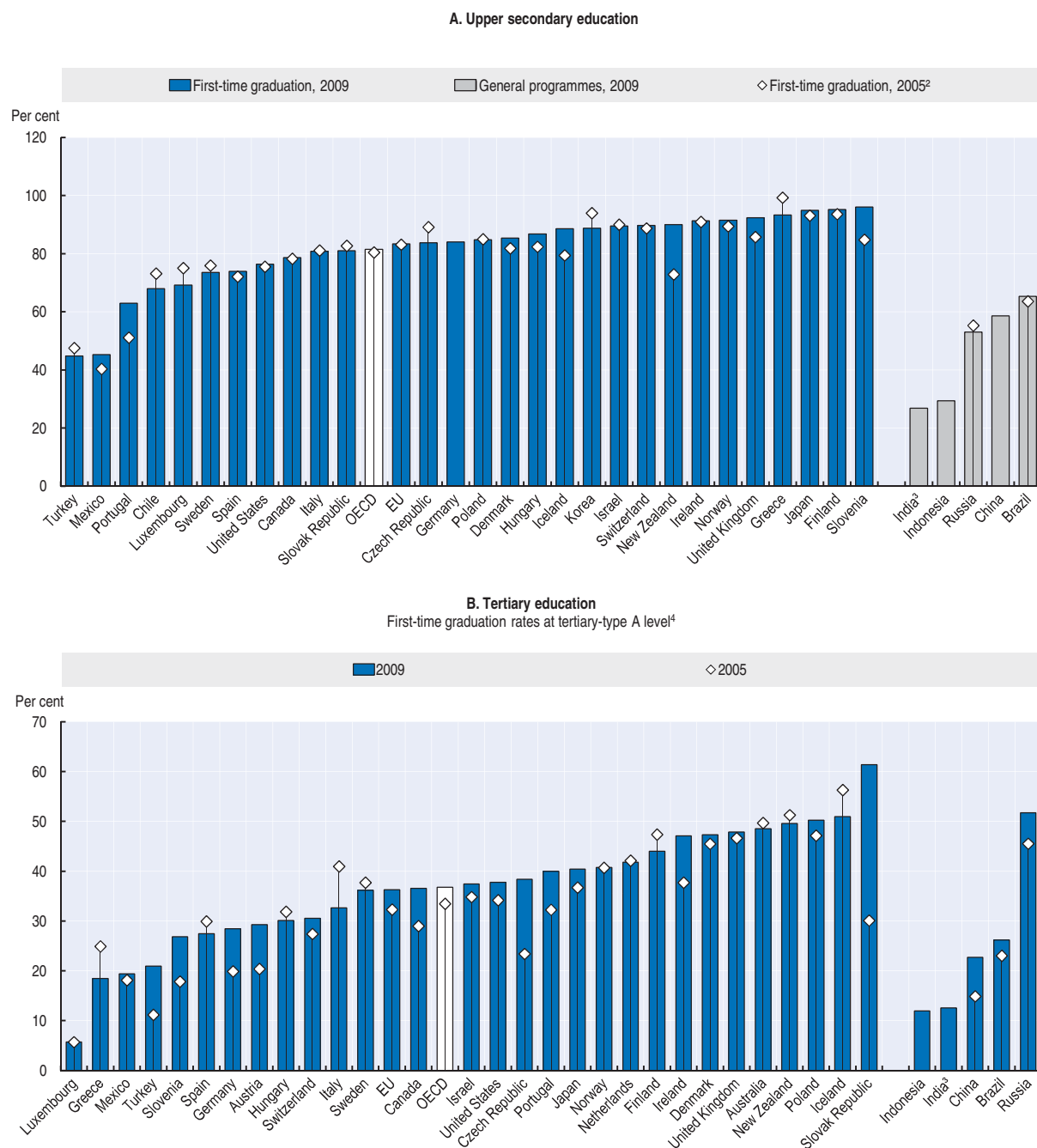*Source:* OECD (2011), *Education at a Glance 2011: OECD Indicators.*

StatLink ⊠⊟ *http://dx.doi.org/10.1787/888932566231*

Figure 3.24. **Graduation rates in upper secondary and tertiary education**[1]

A. Upper secondary education

B. Tertiary education
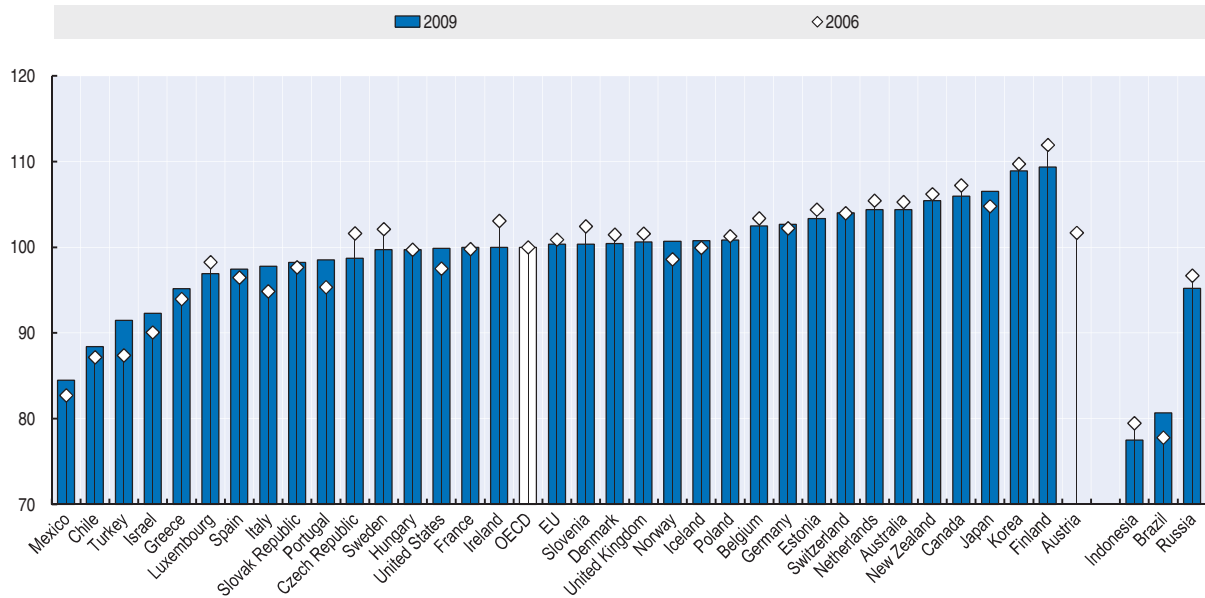First-time graduation rates at tertiary-type A level[4]

Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.
1. Data refer to 2010 for China; 2008 for Canada, Greece, India, Portugal and Switzerland in Panel A and data refer to 2008 for Australia, Canada, Greece and Luxembourg in Panel B.
2. For Brazil and the Russian Federation, data for 2005 refer to general programmes.
3. Data for upper secondary education in India are defined as 19 year olds who completed upper secondary education; data for tertiary education refer to 24 year olds and over who graduated.
4. Tertiary graduates are those who obtain a tertiary-type A qualification (ISCED 5A). For Brazil, Indonesia and the Russian Federation, data refer to first degree graduation in years 2006 and 2009.

Source: OECD (2011), *Education at a Glance 2011: OECD Indicators*; China Statistical Yearbook and India National Sample Survey (2007/8).

StatLink ⌐ *http://dx.doi.org/10.1787/888932566250*

Figure 3.25. **Educational achievement**

Average of PISA scores in reading, mathematics and science[1,2]

Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.
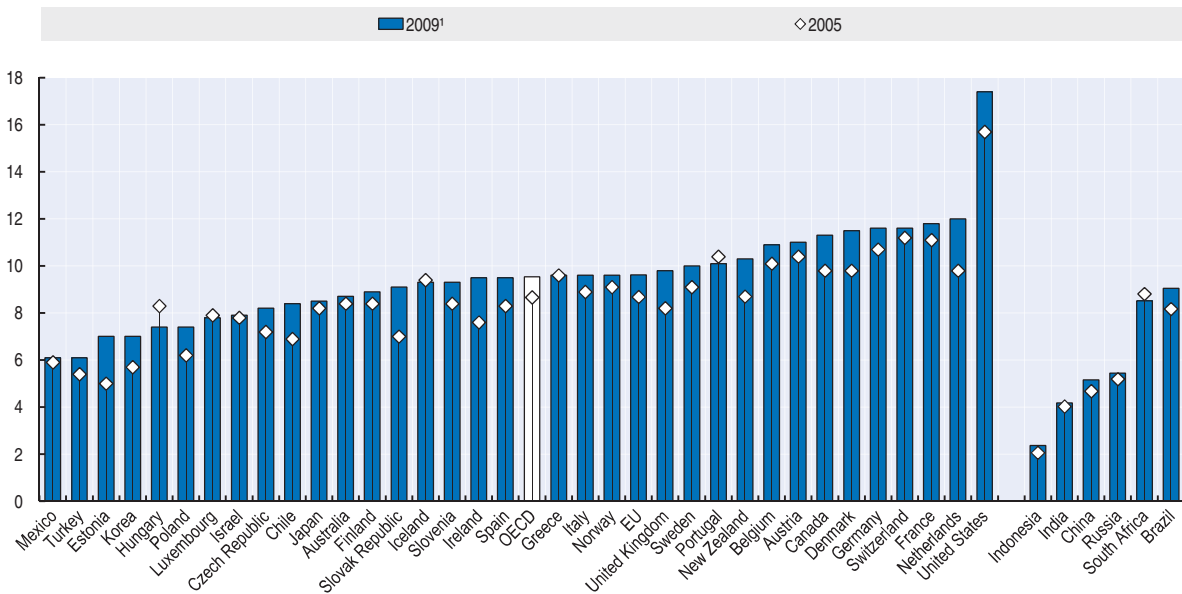1. PISA is the Programme for International Student Assessment. OECD = 100.
2. For the United States, average of PISA scores in mathematics and science in 2006. Data for Austria is not available in 2009.

Source: OECD (2010), *PISA 2009 Database*.

StatLink 🔗 *http://dx.doi.org/10.1787/888932566269*

Figure 3.26. **Health expenditure**

Percentage of GDP

Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.
1. The last available year is 2007 for Greece; 2008 for Australia, Portugal and Turkey; 2010 for Canada, Finland, Iceland, Italy, Korea, Mexico and Switzerland.

Source: OECD (2011), *Health Database*; World Bank (2011), *World Development Indicators Database* and China Statistical Yearbook 2011.

StatLink 🔗 *http://dx.doi.org/10.1787/888932566288*

Figure 3.27. **Producer support estimate to agriculture**
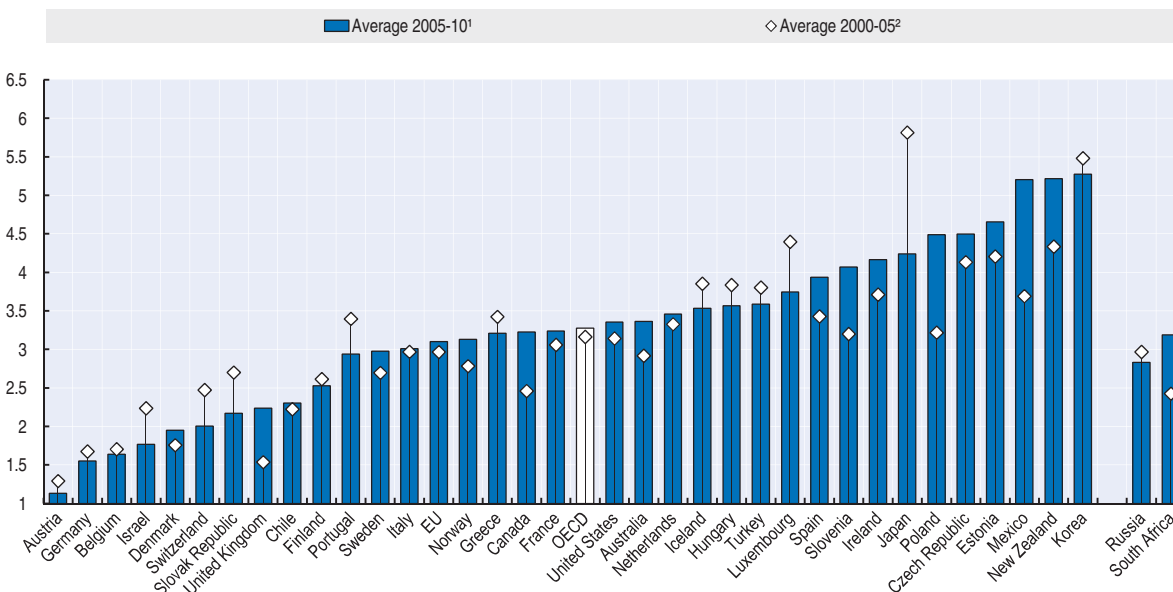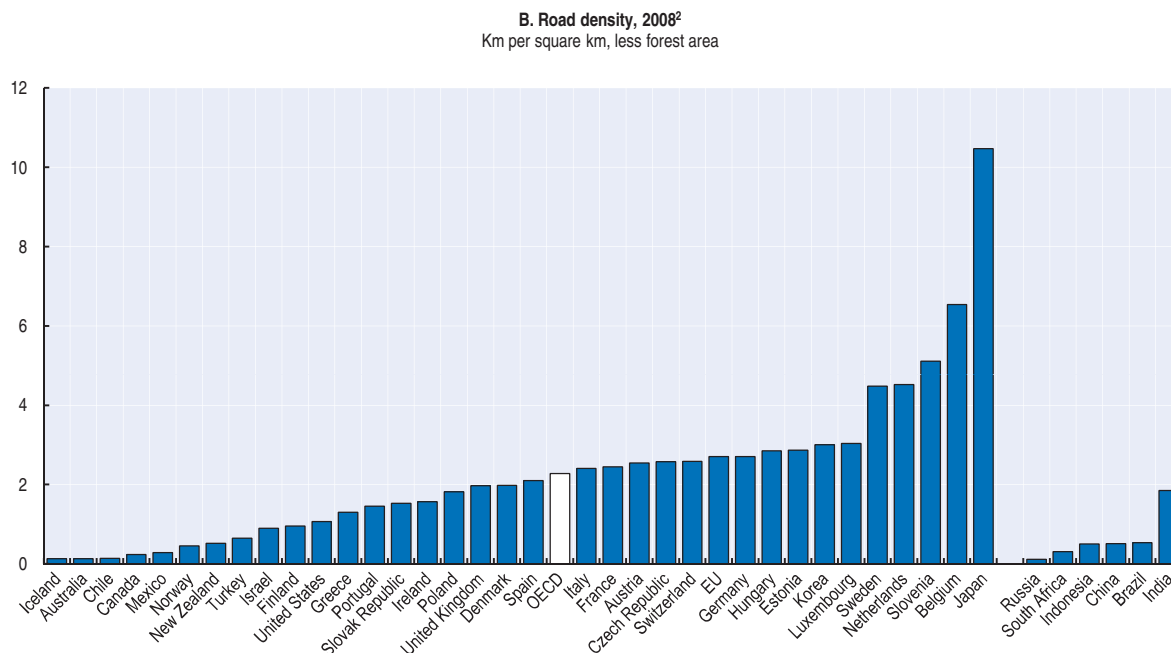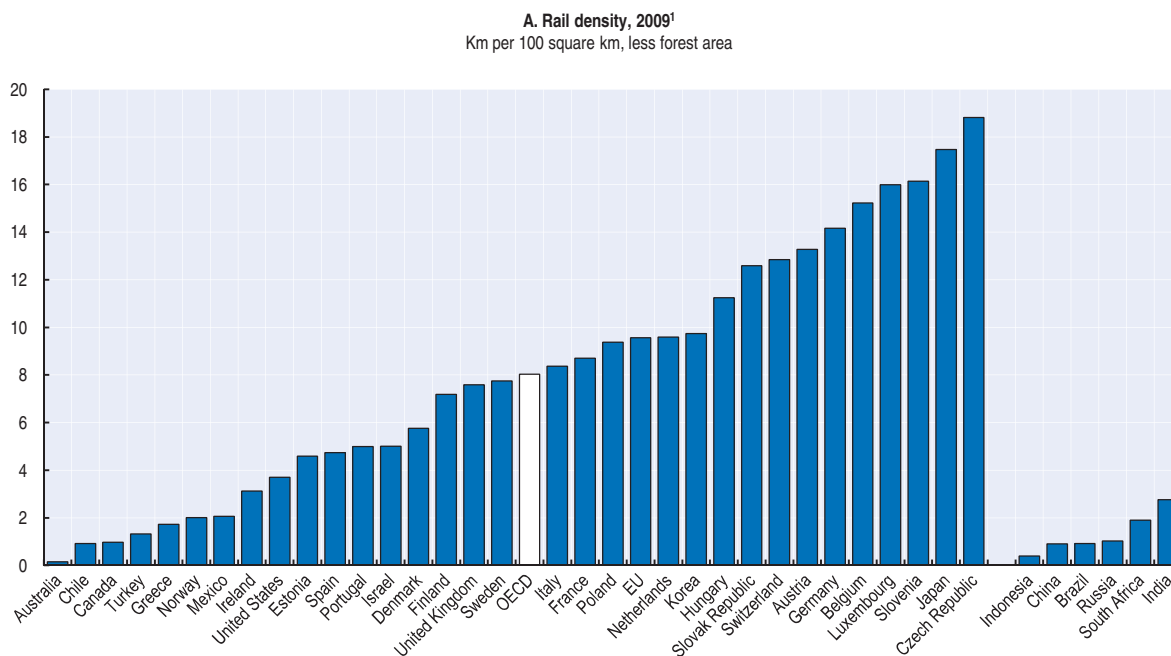
Percentage of farm receipts
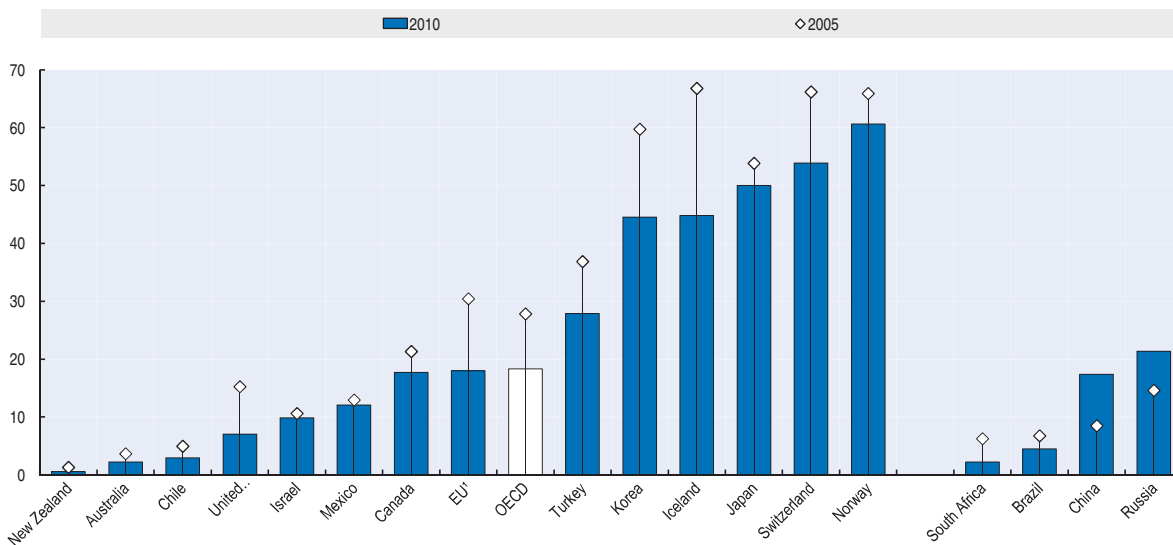
Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.

1.   EU is the aggregate of European countries in the OECD.

Source: OECD (2011), *Producer and Consumer Support Estimates Database*.

StatLink ⌨🔗 *http://dx.doi.org/10.1787/888932566307*

Figure 3.28. **Public investment**

Percentage of GDP

Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.

1.   Average 2005-09 for Chile and the Russian Federation.

2.   Average 2002-05 for the Russian Federation.

Source: OECD (2011), *OECD Economic Outlook*, Vol. 2011/2.

StatLink ⌨🔗 *http://dx.doi.org/10.1787/888932566326*

Figure 3.29. **Infrastructure**

A. Rail density, 2009[1]
Km per 100 square km, less forest area

B. Road density, 2008[2]
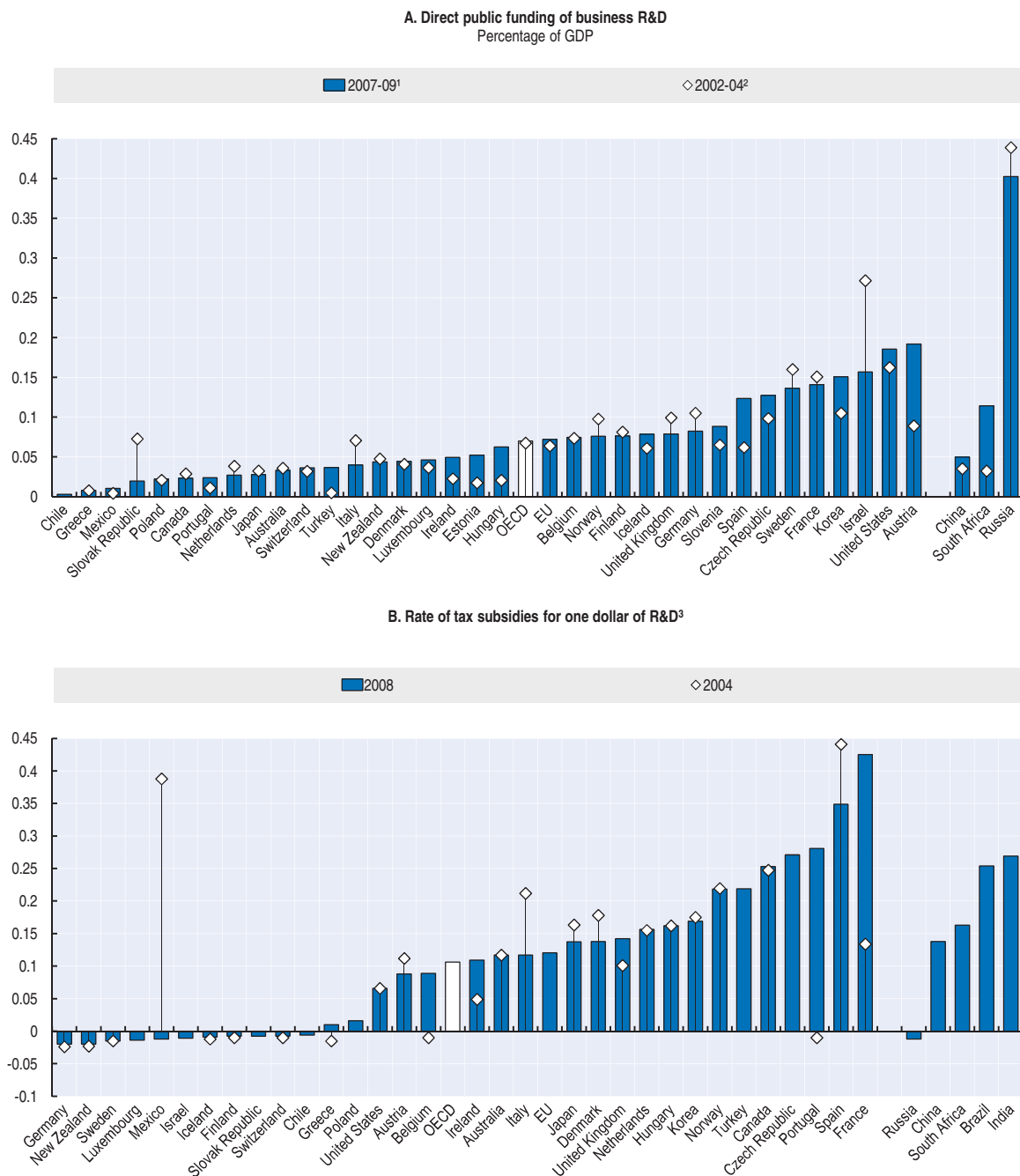Km per square km, less forest area

Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.
1. 2008 for Indonesia. The OECD average excludes Iceland and New Zealand.
2. 2000 for Chile and Spain; 2004 for Brazil and Luxembourg; 2005 for Italy and Portugal; 2006 for Turkey; 2007 for Japan, the Russian Federation and Spain.

Source: World Bank (2011), *World Development Indicators (WDI)*.

StatLink ⫘ *http://dx.doi.org/10.1787/888932566345*

Figure 3.30. **Financial support for private R&D investment**

A. Direct public funding of business R&D
Percentage of GDP

B. Rate of tax subsidies for one dollar of R&D[3]

Note: Users of the data must be aware that they may no longer fully reflect the current situation in fast reforming countries.
1. 2007 for Greece, Mexico and New Zealand; 2008 for Switzerland.
2. 2003 for New Zealand; 2004 for Switzerland.
3. Measures the generosity of tax incentives to invest in R&D, on the basis of the pre-tax income necessary to cover the initial cost of one dollar R&D spending and pay corporate taxes on one dollar of profit (B-index). A value of zero on the chart would mean that the tax concession for R&D spending is just sufficient to offset the impact of the corporate tax rate. Average over small and medium enterprises and large firms.

Source: OECD (2011), *Science, Technology and R&D Statistics Database*; OECD (2009), *OECD Science, Technology and Industry Scoreboard*.

StatLink ⬛⬛ *http://dx.doi.org/10.1787/888932566364*

PART II

Thematic studies

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