TAX WEDGE IN LABOUR MARKET

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Abstract

Labour and mostly wages are subject to taxes as any other economic activity, but labour taxes are primary source of government funding in developed economies. This research paper has aim to examine possible effects of taxation in labour market on employment and unemployment rate using tax wedge indicator. Overall tax burden is not the only concern, because focus is also set on tax progressivity. Dataset which contain 25 OECD member states over 17 years is used for econometric estimation using two-step GMM method. The main result is that higher taxation of labour is associated with lower employment rate while simultaneously related to higher unemployment rate.

Keywords

Employment, Labour Market, Taxation, Tax Wedge

I. Introduction

Taxes are the main source of income for every government, which rely on different aspects of economic activity to collect these revenues. One of this aspect is the taxation of labour. This, however, creates a burden for the taxpayer as part of his respective wage is transferred to government budget as mandatory payment. This burden can affect decisions of such taxpayer, which can influence his willingness to work, to spend, to use free time. As a consequence, these distortions can then have a significant impact on the whole economy as individual workers and employers face these distortions together.

Economists studied these consequences and tried to quantify the effects of taxation within the labour market. However, the multi-country comparative research of labour taxation can be challenging for anyone who studies this economic area. Each country uses a different system of taxation. These do not differ only in the form of parametric disparity but also in many characteristics such as tax deductions, tax exemptions, tax credit or tax progressivity. Employees (or employers) have to contribute to social security or health insurance.

Complexity and divergence of taxation system among countries make it difficult for economists to properly compare the negative effects of labour taxation. Indicator, which can provide an easy comparison among countries and which contains all the previous discrepancies, is needed to properly study the effects of labour taxation. Tax wedge indicator can be really helpful in this regard. The tax wedge is defined in OECD (2017) as:

"*…the ratio between the amount of taxes paid by an average single worker (a single person at 100% of average earnings) without children and the corresponding total labour cost for the employer."* Taxation of labour bends the wedge between financial means, which the employer has to pay and employee obtains.

Economists often study effects of taxation on economic activity, mainly GDP, through many channels. In the case of labour taxation, taxes may cause a distortionary effect on both sides of the labour market. This can be exhibited by a decrease in employment rate and possible by an increase in unemployment rate. Three measurements of employment rate are differentiated in this research to better capture these distortionary effects. The reason behind this division is to

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distinguish impact on the level of employment rate (extensive employment) and on average working period per worker (intensive employment).

Aim of this paper is then to examine possible effects of taxation in the labour market on employment and unemployment rate using tax wedge indicator. Focus is set not only on overall tax burden but also on the progressivity of labour taxation.

II. Literature Review

Scientific empirical literature offers a sample of previous studies, in which the main area of focus is the impact of labour taxation. Authors of this scientific literature tried to find and to quantify relationship between labour taxation and (un)employment rate. They used various econometric techniques but mostly regression models with employment or unemployment rate as the dependent variable, and independent variable in form of the tax indicator.

A theoretical model was presented in Alesina and Peroti (1997). These authors empirically estimated this theoretical model on a panel of 14 OECD countries. The main conclusion is that redistribution policy of government increases unit labour costs. Furthermore, the redistribution (welfare) policy rely heavily on labour taxes as a mean of funding. According to Alesina and Perotti (1997), this has a consequence in the form of loss of competitiveness and eventual fall of employment across multiple branches of the domestic economy.

Daveri and Tabellini (2000) presented a different panel study. They investigated 14 OECD countries also, but in their study, they used a longer period of 1965-1991. They augmented their estimation with labour market institutions as regressors. The outcome of this study is a strong negative correlation between employment and labour taxation. The negative correlation is higher in continental Europe against the rest of OECD countries. Daveri and Tabellini (2000) were even able to quantify this effect. Ten percentage point increase in labour taxes is associated with lower employment rate by 4 – 5.5 pp.

Following this study, Nickell (2003) expanded the previous dataset with 20 OECD countries over period 1961-1992. According to this new estimation, the negative effect of labour taxation is milder, only 1.1 pp. drop in the employment rate. Nickell (2003) explained this discrepancy that even though labour taxes contribute to difference in observed countries, labour market institutions have a much stronger effect on unemployment or employment rate.

Besides panel regression, another approach was chosen by Kugler and Kugler (2003), who focused only on one country in their research. They studied effects of increase of payroll taxes in Columbia. They deliberately chose this country as there was a rapid increase in taxation connected to labour in period 1980-1990. Their estimate showed 10 pp. increase in payroll taxes decreases real wages by 1.4 – 2.3 per cent and employment rate 4 – 5 pp with the highest drop in the production sector.

Some authors included tax wedge in their research as a proxy for labour taxation. Festa (2012) investigated effect of tax wedge in Italy in the period 1970-2004 with special focus on regional employment. He found out tax wedge to negatively influence private dependent employment in the short-term with lagged effect on real wages. This is more significant in north Italy with strong decentralized bargaining level, which can resist impact on real wages.

Another aspect of tax wedge is a capacity to measure tax progressivity, which was examined in Lehmann et al. (2016). Subject of their study was testing of prediction based on theoretical model of taxation in the labour market. Panel with 21 OECD Countries during period 1998-2008 was used for econometric estimation. Taxes are more progressive if low-income workers have proportionally less tax burden, which is passed on the highest wage earners.

Lehmann et al. (2016), inspired by Coefficient of residual income progression, used a new progressivity proxy based on the tax wedge indicator. Their findings were that progressive taxation of labour could improve employment with significant impact on the employment of low-skilled workers. It can have a reducing effect on unemployment rate, however the overall labour taxation has a more deepening effect on unemployment rate. Another finding was an adverse effect of progressivity of labour taxation on overall productivity per worker. So, there is dual effect of labour tax progressivity, according to Lehmann et al. (2016).

This paper has the ambition to contribute to this empirical literature and enriches it with the more recent dataset and unique approach using multiple forms of employment.

III. Data

Empirical estimation in this paper follows the previous empirical research with few modifications. The more recent dataset is used to obtain the latest results in this field. Annual data from period 2000-2016 are gathered for this dataset while the cross-section part includes 25 OECD member states.[2] Panel data provide a perfect opportunity to study data internationally and over a long-time horizon. My dataset contains 25 cross-section units with 17 time-observations in each.

One of the scientific benefits of this paper is to examine multiple dependant variables at the same time. I distinguish three types of employment statistics. **Extensive employment** is considered to be employment rate, which is the ratio of employed individuals to the working population. The second indicator of employment is **intensive employment**. These statistics show how many hours on average workers spend in their jobs. The third statistics is an artificial combination which I call **overall employment**. This can be calculated as the multiplication of extensive and intensive employment. The overall employment then shows how many hours annually person in working age spends in work on average.

The logic behind this division is to be able to better capture effects of taxation not only on choice of workers to work or not to work but also how much time they need to spend in their jobs. The last statistics connected to the labour market, which also figures as a dependent variable, is **unemployment rate**. A careful reader may have question why use unemployment rate when I already have employment rate in this research. I explain reason for this in detail in the next chapter, but important note is that decline in employment rate not necessarily means increase in unemployment rate and vice versa.

Countries are not homogenous regarding their employment statistics. We can find examples of nations with huge disproportions between extensive and intensive employment. Examples of these countries can be found in Table A in the Appendix. You can see that countries such as Greece or Turkey have smallest extensive employment while also belong to countries with the smallest intensive employment. Netherlands is the exact opposite with highest extensive employment from my sample. High overall employment is present in non-European countries such as Canada, Mexico, South Korea or USA. Lowest overall employment is in the most developed European countries, such as Belgium or France, which is also visible from this table.

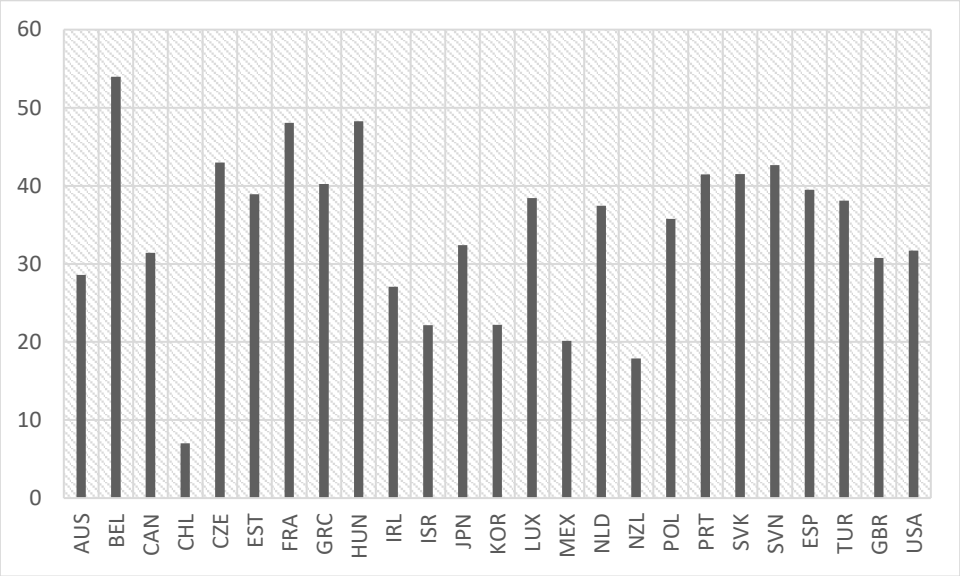
Following previous empirical research, I am aware importance of inclusion of control variables in any form of econometrical analysis. Therefore, two independent control variables are considered. Employment or unemployment statistics are connected to the economic performance in the whole economy. Annual **real economic growth rate** is added as a control variable for this exact reason together with the **inflation rate**.

[2] List of observed countries in alphabetical order: Australia, Belgium, Canada, Chile, Czech Republic, Estonia, France, Greece, Hungary, Ireland, Israel, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Poland, Portugal, Slovakia, Slovenia, Spain, Turkey, United Kingdom, USA.

Taxation in the labour market is recognized in this paper from two perspectives, overall tax burden and tax progressivity. Both can be measured using **tax wedge indicator**, which I presented in the introduction. Tax wedge offers an easy comparison among countries with different tax systems and labour market characteristics. It shows how big portion of wage is taken as taxes. This indicator also has the ability to illustrate intentional government policy regarding taxation of labour. Researches often use different indicators of tax burden, such as tax quote, which is influenced not only by the government fiscal policy, but also by the macroeconomic environment, such as business cycle of impact of inflation. These circumstances have zero effect on the tax wedge indicator.

Same as countries differ in employment statistics, they also differ in tax wedge indicator. Highest tax wedge, over 50 percent, is in Belgium, followed by France and Hungary. Tax wedge is lowest in Chile, only 7 percent, followed by other non-European countries New Zealand, South Korea or Israel. You can see international comparison of size of tax wedge indicator in figure 1.

Figure 1 Tax wedge in selected OECD countries (2016)



Source: OECD Statistics

Progressivity of labour taxation can be also measured with tax wedge indicator. In the introduction you can see that tax wedge being calculated for single person with 100% of average earnings. However, tax wedge can be also computed for person with various earning levels. OECD Statistics provides information on range from 67% up to 167% of average earning and I will use these statistics as proxy to quantify progressivity of labour taxation. This variable (**prog**) is determine base on the following equation:

$$prog_{i,t} = \frac{TW_{i,t}^{167}}{TW_{i,t}^{67}} \quad (1)$$

Where nominator is tax wedge for person with 167% of average earning for given country and period, while denominator is the same, only for person with 67% of average earning. Prog does not show labour tax progression between all wage levels but only between the two limits. Prog is denominated 1 if taxation is proportional and tax wedge has same percentage value for the

two limits. Taxation is regressive if prog < 1 and progressive if prog > 1. With higher prog, the taxation is more progressive for higher wages.[3]

Last set of independent variables are labour market characteristics. Countries have different formal and informal institutions. This is also applied for the labour market. Adding these characteristics helps filter effect of institutional setting of labour market in each economy. I use **minimum wage** and **union density** in this research. The former is centralized minimum wage amount, which can be paid to worker by law. The latter is ratio of all workers who are included in unions. This represents negotiation power of employees over wage levels, benefits and other work-related characteristics such as weekly working time.

These are all variables used in this paper. You can find descriptive statistics of my dataset in table 1. Source of all data is OECD Statistics. This chapter introduced and explained data used in this research. Subject of next chapter is how these data are used to estimate effects of labour taxation in labour market.

Table 1 Descriptive statistics of all variables

Variable	Mean	Min	Max	Label
Employment rate (%)	66.2	44.1 (TUR)	75.9 (NED)	Emp_ext
Average annual working hours	1805.3	1413.0 (NED)	2311.0 (MEX)	Emp_int
Overall employment	1155.4	832.5 (TUR)	1415.6 (KOR)	Emp_ovr
Unemployment rate (%)	8.2	1.8 (LUX)	27.7 (GRE)	U
Real GDP growth (%)	2.5	-14.2 (EST)	26.3(IRL)	GDP
CPI inflation (%)	3.0	-4.5 (IRL)	54.9 (TUR)	CPI
Tax Wedge (%)	34.2	7 (CHI)	57.1 (BEL)	TW
Tax progressivity (TW167/TW67)	1.3	0.9 (TUR)[4]	2.6 (MEX)	Prog
Union Density (%)	21.7	5.7 (EST)	56.4 (BEL)	UD
Real minimum wage (annual PPP´s $)	12706	1765.4 (MEX)	23401.0 (LUX)	Min

Source: Author

IV. Methodology

Properly processed input data are needed to analyze effects of labour taxation in this paper. Several approaches are available. A cross-section analysis can be chosen to observe vector of units, countries in this case, in one period. Another approach is time-series analysis, which focuses only on one unit (country) for a long period with many observations. There is a third option which I already foreshadowed.

Panel data combine a cross-section and a time-series analysis, which has many advantages compared to only one of these approaches. Individual countries in panel data are suggested to be heterogenous due to different formal and informal institutions. Panel data can control for this kind of heterogeneity which in case of a different approach results in a certain form of bias. This is the reason why I use panel dataset in this research. There are also many estimators which can process panel data.

Two-step GMM estimator was chosen to obtain estimation results in this research. It is an adequate alternative because it does not require assumptions for distributions and can allow for

[3] Kindly note that labour tax progressivity does not necessarily mean to have tax schedule with a progressive tax rate. Fixed tax deduction can also mean a slight progressive schedule even when tax rate is proportional. This is example of Czech Republic for example.

[4] Turkey had the progressivity index of 0.894 in 2000. It is the only event in this dataset for the case of a regressive tax schedule. Chile had the progressive index 1 in period 2002-2009 and Hungary has it since 2013. Apart from these exceptions, in all other cases, the progressivity index was greater than one, meaning a progressive tax schedule of the tax wedge.

heteroskedasticity. Moreover, the dynamic panel estimator is efficient for data, which has more individual units N than periods T.[5] The efficiency of selected econometric technique (using the two-step GMM estimator with lagged dependent variable as an instrument) can be judged by the J-statistics. It results of over-identification test also known as Sargan test. Sargan test has double null hypothesis according to Kennedy (2008). First, the over-identifying instrument is uncorrelated with error and the specification of an instrument is valid (instrument should not be included as an independent variable). Both these hypotheses are not rejected based on J-statistics in table 2.

Multiple dependent variables are utilized in this paper. The focus is set not only on employment rate, which can be described as extensive employment but also on intensive and overall employment. Unemployment rate is examined together with extensive employment for several reasons. It is interesting to study if exceed taxes may lower employment rate simply because net wage drops below reservation wage[6] or because the wage costs of employees exceed the bound and employer restricts demand for workforce and starts to fire employees.

In case of the former, the employment rate drops but unemployment does not change. The former employee would not be motivated to look for a job, if he expects his wage would be still below his reservation rate. He may find alternatives in form of social benefits or unemployment insurance. He may even start to work outside the official labour market without the necessity to pay taxes. This is a case of shadow economy as described in Buček (2017). If it is the latter, employment rate drops while unemployment rate rises. Former employees still looking for new jobs. Analysis of unemployment rate is included for that very reason to see any interactions with the extensive employment.

25 countries in dataset are not chosen randomly. Originally, this research should include 34 OECD member states. However, nine countries do not have centralized minimum wage established. Instead, the wage limits are set differently for various industry and services based on collective bargaining and negotiating power of unions. This practice applies in countries such as Denmark, Finland or Sweden. Subgroup of 25 countries which do have time-series data of the minimum wage development was earmarked and these are now present in my dataset.

Data needs to have proper qualities for researches to be able to be uses it in estimation. The intensive and overall employment dependent variables and real minimum wage have a high spread of values with higher order than other variables. This can be easily solved with logarithm transformation of these variables. Logarithm transformation was also performed on extensive employment, union density and the tax wedge. A frequent problem with panel data analysis is that it also contains a time-series component.

Several tests were performed to check presence of both common and individual unit-root processes in my dataset. Common unit-root process was tested by Levin, Lin and Chu (2002), while individual unit-root processes were tested with ADF and PP tests.[7] All dependent variables show a presence of individual unit-root processes while rejecting a null of common unit-root process. Tax wedge, progressivity, union density and minimum wage showed (or at least I could not reject hypothesis of) common and individual unit-root processes. Use of first differences of these variables to ensure data stationarity. Additional testing confirmed that this transformation provided stationary data for these variables.

[5] You can find detailed explanation regarding two step GMM estimator in Baltagi (2013).

[6] Reservation wage is the lowest possible wage to motivate individual to work. If the wage is below this threshold, the individual does not work but rather relies on alternative income.

[7] These tests were conducted with econometric software E-Views.

25 OECD member states, which have centralised minimum wage has following econometric equation:

$$ld(Y)_{i,t} = \gamma ld(Y)_{i,t-1} + \beta_1 GDP_{i,t} + \beta_2 CPI_{i,t} + \beta_3 ld(UD)_{i,t} + \beta_4 ld(Min)_{i,t} + \beta_5 ld(TW)_{i,t} + \beta_6 d(Prog)_{i,t} \quad (2)$$

Y is one of dependent variables, $\beta_1, \ldots \beta_6$ are coefficients of independent variables. Again, this form does not represent a single equation, but a vector of four equations with different dependent variables. Results of estimation are subject of next chapter.[8]

V. Empirical estimation

This chapter contains results of dynamic two-step GMM estimation, which is extension of research in Zimčík (2017). Table 2 offers results of regression for my sample of 25 OECD member states, which follow econometric equation from previous chapter. Kindly note that I used multiple dependent variable, so you can find estimation coefficients for each in columns 2 to 5.

I would like to present coefficient prediction based on theoretical knowledge from previous studies and the economic reality. GDP control variable should have a positive coefficient in the second and fourth column. A rise in economic activity should promote extensive employment and thus overall employment as well. We can also anticipate negative sign in the fifth column. The relationship between economic growth and unemployment rate is described by the Okun´s law.

The union density as one of labour market characteristics is anticipated to have a similar effect on extensive/overall employment and unemployment. More union´s power increases wage levels, which dampen labour demand and employment should drop. I did not find any theoretical or empirical studies to predict impacts of these labour market specifics on intensive employment. We can, however, anticipate the impact of these specifics on labour supply side because they increase nominal wages. It mainly depends on the prevailing effect of the wage increase. Either, the substitution effect will be dominate and workers would work more, because leisure becomes more expensive, or income effect will prevail, and workers restrict they work. This is just basic logic based on microeconomic theory. Based on the same logic, we could anticipate demand respond from employers, which could limit work hours for higher wages. Tax wedge increase should be negative for employment and positive for unemployment.

[8] Please note that form of difference of logarithm is used only for first three dependent variables. Unemployment is used in first difference form only.

Table 2 Coefficient estimation using two-step GMM estimator[9]

Dependent variable	*ld_emp_ext*	*ld_emp_int*	*ld_emp_ovr*	*d_U*
Lagged dv	0.1784**	-0.0940***	0.1324***	0.2278***
	(1.97)	(-3.03)	(4.51)	(4.76)
GDP	0.0036***	0.0013***	0.0047***	-0.3000***
	(8.46)	(9.16)	(15.47)	(-16.70)
CPI	0.0006	0.0003	0.0011**	-0.0657**
	(0.68)	(0.46)	(2.32)	(-2.39)
ld_UD	-0.1946***	-0.0528*	-0.1709***	10.4307***
	(-6.47)	(-1.83)	(-3.97)	(8.22)
ld_Min	0.0197	-0.0642	-0.1225***	2.9673**
	(0.47)	(-1.42)	(-3.84)	(2.36)
ld_TW	-0.1031**	-0.0374	-0.1816***	6.8652***
	(-2.35)	(-1.37)	(-4.28)	(4.03)
d_prog	-0.0269	-0.0116	-0.1044***	1.1007
	(-0.87)	(-0.41)	(-4.38)	(1.36)
Instruments	25	25	25	25
J-statistics	18.94 (0.39)	16.77 (0.54)	19.33 (0.37)	19.73 (0.35)
Observations	279	271	271	279

Source: Author´s calculations

Firstly, estimates suggest that control variables and union density "behave" in accordance with predictions. Economic growth has a positive significant relationship with all forms of employment and negative relationship with unemployment. Union density has a negative relationship with all forms of employment while having a positive relationship with unemployment rate.

Estimates of another independent variable which should characterise labour market – minimum wage – suggest a negative effect on overall employment. However, it can´t be distinguished between extensive and intensive employment. Result in the last column suggests rising minimum wage increases unemployment rate. Both labour market characteristics then have a similar effect on overall employment and unemployment rate.

Now we can finally interpret results for our tax indicators. Increase in tax wedge has a significant negative effect only on extensive and overall employment. Estimation result for unemployment rate is statistically significant and negative. This correspond to negative demand shock in response to higher tax burden for employers. People who lose their jobs afterwards stay as unemployed, which can be seen from the last column, where there is shown a strong positive relation with unemployment rate.

The second tax variable is the progressivity of labour taxation. This only affects overall employment without any impacts on unemployment rate, according to estimates in table 2. However, it can´t be distinguished between extensive and intensive employment. Tax progressivity shows a positive relationship with unemployment rate, just as tax wedge, but this relationship is not statistically significant. Hence, I cannot present any suggestion regarding

[9] Appropriate t-statistics for each variable are listed in parentheses. The number of stars next to each coefficient represents significance level: (*) 10%, (**) 5% and (***) 1%. All coefficients are round to four decimal points, while t-statistics are round up to two decimal points. Dependent variables are in following order – extensive employment, intensive employment, overall employment, unemployment rate. Lagged dv represents lagged dependent variable for each case.

this particular result but I rather present overall conclusion for estimates in table 2 in next chapter.

VI. Conclusion

The aim of this research paper was to examine effects of labour taxation on employment and unemployment rates. Panel dataset of 25 member states of OECD over 17 year period was considered for this research to capture possible effects of labour taxation. There are several scientific benefits of this study to enrich existing empirical literature. Multiple dependent variable model was estimated, where effect on employment is analysed for extensive, intensive and overall employment. Testing effect simultaneously on unemployment rate better shows impact on labour market.

Tax wedge indicator was used not only to simulate tax burden on labour, but also to distinguish and quantify progressivity of such taxation. This indicator has many benefits, but the ultimate one, which makes it the most suitable for this research is, that it provides relatively easy comparison across different countries. Tax wedge showed that Europe countries are more buried with labour taxation than non-European countries.

The main finding is that higher taxation of labour (measured with tax wedge indicator) is associated with lower employment rate while simultaneously related to higher unemployment rate. This situation corresponds to negative shock in labour demand, where employers limit demand for new workers. Employment then is decreased while unemployment rate increase, as unemployed workers are still motivated to look for job.

Second finding shows that more progressive labour tax schedule is associated with lower overall employment. Due to statistical insignificance of other coefficient, this effect cannot be decomposed to either extensive or intensive employment.

My empirical results also indicated similar effect of labour market characteristics. Both union density and minimum wage have a positive correlation with unemployment rate and a negative correlation with overall employment. Thus, having similar relationship as tax wedge. Moreover, coefficient for union density were statistically significant even for extensive and intensive employment, so we can see that a higher level of negotiation power has an adverse effect on all forms of employment.

This research paper not only serves as a contribution to the scientific empirical literature, but also serves as a baseline for future research. It will be extended with a theoretical model and cluster analysis based on tax wedge indicator to better capture effects of labour taxation.

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Appendix

Table 2 Employment statistics of 25 OECD member states (average 2000-2016)[10]

Country	*Extensive*	*Country*	*Intensive*	*Country*	*Overall*
Turkey (▼)	47.0	Netherlands (▲)	1430.9	Turkey (▼)	883.1
Greece (▼)	56.3	France	1494.9	France	952.4
Poland (▼)	57.3	Luxembourg	1544.3	Belgium	959.7
Hungary	57.8	Belgium	1567.5	Luxembourg	993.0
Chile (▼)	58.2	United Kingdom **(▲)**	1670.4	Hungary	1031.1
Slovakia	59.5	Slovenia	1685.9	Spain	1042.9
Mexico (▼)	60.2	Australia **(▲)**	1710.8	Netherlands (▲)	1053.6
Spain	60.6	Spain	1721.9	Slovakia	1054.7
Belgium	61.3	Canada	1730.3	Slovenia	1097.9
France	63.7	Japan	1761.4	Poland (▼)	1121.5
Korea	63.8	Slovakia	1772.4	OECD AVG (■)	1160.3
Ireland	64.1	New Zealand	1781.4	Greece (▼)	1169.9
Luxembourg	64.3	Hungary	1785.2	Ireland	1190.5
Israel	64.4	OECD AVG (■)	1787.3	Czech Republic	1194.5
Slovenia	65.1	United States	1792.3	United Kingdom **(▲)**	1204.9
Estonia	65.9	Czech Republic	1798.2	Australia **(▲)**	1222.4
Portugal	65.9	Ireland	1855.8	Chile (▼)	1226.9
OECD AVG (■)	66.4	Portugal	1881.5	Israel	1238.3
Czech Republic	66.4	Turkey (▼)	1905.9	Japan	1239.3
United States	70.0	Israel	1925.8	Portugal	1241.0
Japan	70.4	Estonia	1929.6	Canada	1248.3
Australia (▲)	71.5	Poland (▼)	1959.9	United States	1254.4
United Kingdom (▲)	72.1	Greece (▼)	2076.3	Estonia	1270.3
Canada	72.1	Chile (▼)	2114.6	New Zealand	1303.7
New Zealand	73.2	Korea	2124.9	Mexico (▼)	1363.3
Netherlands (▲)	73.6	Mexico (▼)	2264.2	Korea	1368.3

Source: OECD Statistics

[10] There are three special symbols in table A to better distinguish examples of countries, which concurrently have the highest extensive employment and the lowest intensive employment **(▲)**. Second type of symbol (▼) is for countries with exactly opposite situation – a high intensive employment and low extensive employment. OECD average is added as benchmark **(■)**.