Chapter 3

Structural policy indicators

This chapter contains a comprehensive set of quantitative indicators that allow for a comparison of policy settings across countries. The indicators cover areas of taxation and income support systems and how they affect work incentives, as well as product and labour market regulations, education and training, trade and investment rules and innovation policies. The indicators are represented by figures showing for all countries the most recently available observation and the change relative to a previous observation. Nonetheless, they may no longer fully reflect the current situation in fast-reforming countries.

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.
1. Missing countries do not have a national statutory minimum wage except for Mexico. Data refer to 2004-05 and 2009-10 for India and to 2006 and 2011 for Chile.

2. Exactly half of all workers have wages either below or above the median wage for the OECD countries. For non-OECD countries: percentage of minimum to average wage for China, Indonesia, the Russian Federation and India.

3. The cost of labour is the sum of the wage level and the corresponding social security contribution paid by employers. 2006 and 2011 data for Chile.


StatLink: http://dx.doi.org/10.1787/888932984231
Figure 3.2. **Net income replacement rates for unemployment**

Net income when unemployed as a percentage of net income when working

A. Initial

1. Simple average of the net replacement rates for the following households situations: single with no child and with two children at 67% and 100% AW, one-earner married couple with no child and with two children at 67% AW and 100% AW. After tax and including unemployment and family benefits. Social assistance and other means-tested benefits are assumed to be available subject to relevant income conditions. Housing costs are assumed equal to 20% of AW.

2. Initial phase of unemployment but following any waiting period. 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 Italy and Turkey are equal to zero in 2006 and 2011.

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, Israel and Mexico for 2006 and Mexico only for 2011.

Figure 3.3. **Average tax wedge on labour**

Percentage of total labour compensation

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

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. For India, the data cover manufacturing companies with less than ten employees (which represent 95% of all companies in the sector); liability to health insurance and Employee Provident Fund contributions in India are restricted to employees in firms that have 20 or more employees.

In China, a significant portion of workers are not covered by the social security system; hence their tax wedge is significantly lower than the figure reported here, which reflects the situation of workers covered.

2. 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)


StatLink: [http://dx.doi.org/10.1787/888932984269](http://dx.doi.org/10.1787/888932984269)
Figure 3.4. **Marginal tax wedge on labour**

Percentage of total labour compensation for single persons without children

A. At 67% of average worker earnings

B. At 100% of average worker earnings

C. At 167% of average worker earnings

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. For India, the data cover manufacturing companies with less than ten employees (which represent 95% of all companies in the sector); liability to health insurance and Employee Provident Fund contributions in India are restricted to employees in firms that have 20 or more employees. In China, a significant portion of workers are not covered by the social security system; hence their tax wedge is significantly lower than the figure reported here, which reflects the situation of workers covered.


[StatLink](http://dx.doi.org/10.1787/888932984288)
Figure 3.5. Implicit taxes on continued work at older ages
Percentage of average worker earnings

A. Implicit tax on continued work: early retirement¹

1. Average for 55 and 60 year-old 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.


StatLink: http://dx.doi.org/10.1787/888932984307
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Figure 3.6. **Average tax wedge: single parent versus second earner**

Percentage

1. Single parent with two children earning 67% of the average wage.
2. Average tax wedge faced by the second earner when earning 67% of the average wage in a family with two children, where the first earner receives a full average wage.


StatLink: [http://dx.doi.org/10.1787/888932984326](http://dx.doi.org/10.1787/888932984326)

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Figure 3.7. **Public expenditure on childcare services¹**

2009, percentage of GDP

1. Childcare expenditure cover children under three years old enrolled in childcare and children between three and five 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). Local government spending may not be properly captured in the data for federal countries.
2. The OECD average excludes Turkey.

Source: OECD (2013), provisional data from the OECD Family Database.

StatLink: [http://dx.doi.org/10.1787/888932984345](http://dx.doi.org/10.1787/888932984345)
Figure 3.8. Implicit tax on returning to work
Net transfers and childcare fees for households with two children aged 2 and 3, 2008

A. Second earner taking up employment

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 (2013), Benefits and Wages Database.
Figure 3.9. **Net costs of childcare**
Percentage of average wage, 2008

A. Couple

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


### A. Couple

<table>
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<tr>
<th>Tax reductions</th>
<th>Childcare benefits</th>
<th>Childcare fee</th>
<th>Net Cost</th>
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### B. Lone parent

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<th>Tax reductions</th>
<th>Childcare benefits</th>
<th>Childcare fee</th>
<th>Net Cost</th>
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1. Couple where the first earner earns 100% of the average wage and the second earns 67% of the average wage. For Canada, Finland, Norway, Slovak Republic and the United Kingdom, childcare benefits refer to childcare 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, Czech Republic, Finland, Norway, Slovak Republic and the United Kingdom, childcare benefits refer to childcare and other benefits.

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

**A. Per cent of population aged 20-64 years old receiving disability benefits**

<table>
<thead>
<tr>
<th>Country</th>
<th>2010 or last available year</th>
<th>2005</th>
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<tbody>
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<td>MEX</td>
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**B. Number of weeks lost due to sickness leave**

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<thead>
<tr>
<th>Country</th>
<th>2012</th>
<th>2007</th>
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<tr>
<td>HUN</td>
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</tbody>
</table>

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 and Poland; 2008 for Austria, Greece, Japan, Korea and Slovenia; 2009 for Germany, Mexico, the Netherlands, Norway, New Zealand, the Slovak Republic and the United States; 2011 for Switzerland, Australia and Estonia; 2012 for the United Kingdom.

3. The OECD average excludes Chile, Iceland and Turkey in Panel A and excludes Australia, Chile, Israel, Japan, Korea, Mexico and New Zealand in Panel B.


http://dx.doi.org/10.1787/888932984402
Figure 3.11. **Employment Protection Legislation**
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

1. The last available data refer to 2012 for BRIICS countries. In Panel C, values for 2008 and 2013 are equal to zero for Chile, Indonesia and New Zealand, and for 2008 only for Brazil.

Source: OECD (2013), Employment Protection Database.
Figure 3.12. **Public expenditure on active labour market policies per unemployed**

Percentage of GDP per capita

1. The last available year is 2010 for Ireland and Mexico; 2009 for the United Kingdom and 2007 for Norway. For 2006, data refer to 2008 for Chile.
2. OECD and EU averages exclude Greece, Iceland and Turkey.

Source: OECD (2013), *Public expenditure and participant stocks on LMP and Economic Outlook Databases*. 

[StatLink](http://dx.doi.org/10.1787/888932984440)
Figure 3.13. **Coverage rates of collective bargaining agreements and trade union density rates**

A. Coverage rates of collective bargaining agreements

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. The last available year is 2011 for Canada, Czech Republic, Slovak Republic, Sweden, the United Kingdom and the United States; 2010 for Austria, Belgium, Germany, Ireland, Italy, the Netherlands, Poland, Spain and Switzerland; 2009 for Estonia, Finland, Hungary and Slovenia; 2008 for France, Greece, Iceland, Japan, Korea, Luxembourg, Mexico, Norway, Portugal, Brazil, Indonesia and South Africa; 2007 for Australia, Chile, Denmark and New Zealand; 2006 for Israel and Turkey. For 2006, data refer to 2007 for Portugal; 2005 for Estonia, Greece, Hungary, Ireland, Italy, the Netherlands, Norway, Switzerland and South Africa; 2004 for Denmark and Finland; 2003 for France, Luxembourg, New Zealand, Brazil and Indonesia; 2002 for Austria, Belgium, Iceland and Mexico; 2001 for Australia and Turkey; 2000 for Israel.

B. Trade union density rates

3. The last available year is 2012 for Australia, Chile, Ireland, Japan, Mexico, New Zealand, Norway, Sweden, the United Kingdom and the United States; 2011 for Austria, Belgium, Canada, Finland, Germany, Greece, Italy, Korea, the Netherlands, Slovak Republic, Slovenia and Turkey; 2010 for Denmark, Estonia, France, Poland, Portugal, Spain and Switzerland; 2009 for Czech Republic; 2008 for Brazil, Hungary, Iceland, Luxembourg, South Africa and the Russian Federation; 2007 for Indonesia and Israel. For 2006, data refer to 2008 for Slovenia; 2007 for the Russian Federation; 2005 for Indonesia and 2000 for Israel.

Figure 3.14. **Product market regulation and State control of business operation**

Index scale of 0-6 from least to most restrictive

A. Restrictiveness of economy-wide product market regulation

B. State control: Public ownership

C. State control: Involvement in business operation

Note: For more details on the structure and construction of the PMR indicators, see Chapter 2, Annex 2.A1. The reported indicators for Brazil, China, India, Mexico, Poland, the Russian Federation and Turkey are based on preliminary estimates as some of the underlying data has not been validated with national authorities. Subsequent data validation may lead to revisions to the indicators for these countries.

Figure 3.15. **Barriers to entrepreneurship**  
Index scale of 0-6 from least to most restrictive

A. Complexity of regulatory procedures

B. Administrative burdens on startups

C. Regulatory protection of incumbents

Note: For more details on the structure and construction of the PMR indicators, see Chapter 2, Annex 2.A1. The reported indicators for Brazil, China, India, Mexico, Poland, the Russian Federation and Turkey are based on preliminary estimates as some of the underlying data has not been validated with national authorities. Subsequent data validation may lead to revisions to the indicators for these countries.


StatLink: [http://dx.doi.org/10.1787/888932984497](http://dx.doi.org/10.1787/888932984497)
Figure 3.16. **Barriers to trade and investment**
Index scale of 0-6 from least to most restrictive

A. Barriers to FDI

B. Tariff barriers

C. Other barriers to trade and investment

Note: For more details on the structure and construction of the PMR indicators, see Chapter 2, Annex 2.A1. The reported indicators for Brazil, China, India, Mexico, Poland, the Russian Federation and Turkey are based on preliminary estimates as some of the underlying data has not been validated with national authorities. Subsequent data validation may lead to revisions to the indicators for these countries.


http://dx.doi.org/10.1787/888932984516
Figure 3.17. **Sectoral regulation in the transport sector**

Index scale of 0-6 from least to most restrictive

### A. Airlines sector

![Graph showing sectoral regulation in the airlines sector](image)

### B. Rail sector

![Graph showing sectoral regulation in the rail sector](image)

### C. Road sector

![Graph showing sectoral regulation in the road sector](image)

**Note:** For more details on the structure and construction of the PMR indicators, see Chapter 2, Annex 2.A1. The reported indicators for Brazil, China, India, Mexico, Poland, the Russian Federation and Turkey are based on preliminary estimates as some of the underlying data has not been validated with national authorities. Subsequent data validation may lead to revisions to the indicators for these countries.


[StatLink](http://dx.doi.org/10.1787/888932984535)
Figure 3.18. **Sectoral regulation in the energy sector**

Index scale of 0-6 from least to most restrictive

A. Electricity sector

B. Gas sector

Note: For more details on the structure and construction of the PMR indicators, see Chapter 2, Annex 2.A1. The reported indicators for Brazil, China, India, Mexico, Poland, the Russian Federation and Turkey are based on preliminary estimates as some of the underlying data has not been validated with national authorities. Subsequent data validation may lead to revisions to the indicators for these countries.

Figure 3.19. **Sectoral regulation in the post and telecommunications sectors**

Index scale of 0-6 from least to most restrictive

A. Telecommunication sector

B. Post sector

Note: For more details on the structure and construction of the PMR indicators, see Chapter 2, Annex 2.A1. The reported indicators for Brazil, China, India, Mexico, Poland, the Russian Federation and Turkey are based on preliminary estimates as some of the underlying data has not been validated with national authorities. Subsequent data validation may lead to revisions to the indicators for these countries.


[Stati.ink: http://dx.doi.org/10.1787/888932984573]
Figure 3.20. **Sectoral regulation in retail and professional services**

Index scale of 0-6 from least to most restrictive

**A. Retail sector**

**B. Professional services**

Note: For more details on the structure and construction of the PMR indicators, see Chapter 2, Annex 2.A1. The reported indicators for Brazil, China, India, Mexico, Poland, the Russian Federation and Turkey are based on preliminary estimates as some of the underlying data has not been validated with national authorities. Subsequent data validation may lead to revisions to the indicators for these countries.

Figure 3.21. **Educational attainment, 2011**
Percentage of population aged 25-34 and 45-54

A. Upper secondary education

1. Data are missing for Japan.


StatLink: [http://dx.doi.org/10.1787/888932984611](http://dx.doi.org/10.1787/888932984611)
Figure 3.22. **Graduation rates in upper secondary and tertiary education**

**A. Upper secondary education**

1. First-time graduation rates for typical age at upper secondary level. Data refer to 2007 and 2012 for China and India. Due to a statistical feature generated by the “New Opportunities” programme in Portugal, for this country 2011 data refer to graduation rates for students under 25 years old. The last available year is 2008 for Greece; 2010 for Iceland and Switzerland; for the BRICS, data refer to graduation rate at upper secondary level for typical age from the general programmes except for India for which upper secondary education is defined as persons aged 19 year olds who completed upper secondary education.


3. First-time graduation rates for typical age at the tertiary-type A level. Data refer to 2007 and 2012 for China and India. The last available year is 2010 for Australia, Canada and Iceland; 2007 for Greece; for the BRICS, data refer to graduation rate for typical age from tertiary-type A programmes (first degree) except for India for which tertiary education refer to the 24-year-olds and over who have graduated.

Source: OECD (2013), *Education at a Glance 2013: OECD Indicators*; CEIC for China data; India National Sample Survey (64th and 68th Rounds). [http://dx.doi.org/10.1787/888932984630](http://dx.doi.org/10.1787/888932984630)
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Figure 3.23. **Educational achievement**
Average of PISA scores in reading, mathematics and science\(^1,2\)

\[\text{Average}_\text{PISA} = \frac{\sum \text{Scores}}{n}\]

1. PISA is the Programme for International Student Assessment.
2. Data for India is the average for 2010 of the states of Tamil Nadu and Himachal Pradesh and therefore may not be representative of nationwide outcomes.

Source: OECD (2013), PISA 2012 Results: What Students Know and Can Do (Volume I): Student Performance in Mathematics, Reading and Science, PISA.

Figure 3.24. **Variance of educational achievement**
Total variance in PISA scores in reading, mathematics and science\(^1,2\)

\[\text{Variance}_\text{PISA} = \sigma^2 = \left(\text{Average}_\text{PISA} - \mu\right)^2\]

1. PISA is the Programme for International Student Assessment. OECD = 100. Average of PISA scores in mathematics and science only in 2009 for France.
2. The variance components in mathematics, sciences and reading were estimated for all students in participating countries with data on socio-economic background and study programmes. The variance in student performance is calculated as the square of the standard deviation of PISA scores in reading, mathematics and science for the students used in the analysis.

Source: OECD (2013), PISA 2012 Results: Excellence through Equity (Volume II): Preliminary version – Giving Every Student the Chance to Succeed, PISA.

\(\text{StatLink } \rightarrow \text{ http://dx.doi.org/10.1787/888932984649}\)

\(\text{StatLink } \rightarrow \text{ http://dx.doi.org/10.1787/888932984668}\)
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Figure 3.25. **Influence of socio-economic and cultural background on student reading performance**

Strength of the link between the reading score and the socio-economic index

1. Defined as the estimated coefficient from the country specific regression of PISA reading performance on corresponding index of economic, social and cultural status (ESCS).


1 2 http://dx.doi.org/10.1787/888932984687

Figure 3.26. **Share of direct taxes**

Percentage of total tax revenue

1. Direct taxes aggregate taxes on income, profits and capital gains, social security contributions and taxes on payroll and workforce.

2. The last available year is 2011 for Australia, Japan, the Netherlands, Mexico and Poland.

Source: OECD (2013), Revenue Statistics Database.

1 2 http://dx.doi.org/10.1787/888932984706
Figure 3.27. **Health expenditure**
Percentage of GDP


http://dx.doi.org/10.1787/888932984725

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Figure 3.28. **Producer support estimate to agriculture**
Percentage of farm receipts

Source: OECD (2013), Producer and Consumer Support Estimates Database.

http://dx.doi.org/10.1787/888932984744
Figure 3.29. **Public investment**  
Percentage of GDP

1. Average 2007-11 for the Russian Federation and Turkey; average 2007-10 for Chile.  
2. Average 2006-07 for Turkey.  
Source: OECD (2013), OECD Economic Outlook 94 Database.  

[StaLink](http://dx.doi.org/10.1787/888932984763)
Figure 3.30. **Infrastructure**

A. Rail density, 2011

Km per 100 square km

B. Road density, 2010

Km per square km

2. 2000 for South Africa; 2005 for Italy; 2007 for Spain; 2008 for Ireland and India; 2009 for Korea, the Russian Federation and Indonesia.

StatLink: [http://dx.doi.org/10.1787/888932984782](http://dx.doi.org/10.1787/888932984782)
Figure 3.31. **Financial support for private R&D investment**

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


2. Average of years 2005 and 2006 for Iceland and Norway. Average of years 2004 and 2006 for Austria. 2007 for Chile; 2005 for Denmark, Greece, Luxembourg, the Netherlands, New Zealand and Sweden; 2004 for Switzerland.

3. The last available year is 2010 for Australia, Belgium, Brazil, Chile, Ireland and Spain; 2009 for South Africa. Instead of 2006, data refer to 2007 for Belgium, Denmark, Korea, Luxembourg, Mexico, Slovenia and Sweden; 2008 for Italy, New Zealand and Turkey.


[http://dx.doi.org/10.1787/888932984801](http://dx.doi.org/10.1787/888932984801)
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AND DEVELOPMENT

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