



Faces of joblessness after the crisis

Averting scars, promoting the transition and recovery

After widespread job displacement and weak labour demand throughout the COVID pandemic, the recovery sees staff shortages and unfilled vacancies in a growing number of sectors. Across economies, volatile energy prices and the green and digital transitions add further momentum to job reallocation. When labour markets are in flux, understanding employment barriers is essential for designing interventions to overcome them, and for making good use of new job opportunities. The pandemic and ongoing labour-market transformations can add to pre-existing employment obstacles. These barriers can be complex, and include health problems, skills deficiencies, financial disincentives and care responsibilities. This Series adopts a broad view of these challenges and the policy levers to tackle them. It offers an in-depth mapping of the web of individual barriers that stand in the way of recovery and good-quality employment. Results facilitate a people-centred approach for designing, adapting and implementing employment support strategies. The objective is to assist policymakers in tailoring and targeting activation and support across institutions, to review strengths and weaknesses of existing programmes, and to make them more responsive, inclusive and cost-effective.

At a glance

- 1 As the recovery from the COVID crisis reverses steep employment losses, too little is known about the most pressing labour-market barriers facing the unemployed and of others without
- 2 Monitoring these barriers helps policymakers to determine spending priorities, to plan a timely response, and to co-ordinate across institutions and levels of government
- 3 This activity assesses whether the right policies are in place for different groups, and which reforms are needed to strengthen employment and prevent long-term joblessness

Major challenges – and opportunities for reform

Active labour market policies (ALMP) are essential for keeping labour markets functioning during downturns, for speeding up a recovery, and for minimising the social and economic costs of adjusting to a post-COVID labour market. But although there is much greater need for support, ALMP spending per unemployed did not keep up in all countries, making it difficult to serve jobseekers effectively.

Beyond capacity bottlenecks, rapidly transforming labour markets pose challenges for the structure and orientation of existing ALMPs, including training and work experience programmes. Established processes may also need to adapt. For instance, a fast-changing population of registered unemployed, with uncertain job prospects, implies that existing decision support systems may become quickly outdated (eg. profiling algorithms that were constructed using “pre-crisis” data on jobseekers).

A typology of employment barriers



Work-related capabilities

- Education / skills;
- Work experience
- Health problems
- Care responsibilities



Motivation / Incentives

- Out-of-work benefits
- Tax burdens on in-work earnings
- Non-labour incomes
- Earnings of other family members



Opportunities

- Cyclical labour-market weakness
- Limited hiring in relevant labour-market segment (eg. region, education)

A need to review and adapt existing employment-support and activation strategies may also result from crisis response measures in other policy areas, eg. as reinforced out-of-work benefits for non-standard workers have altered work incentives and, thus, the balance between rights and responsibilities.

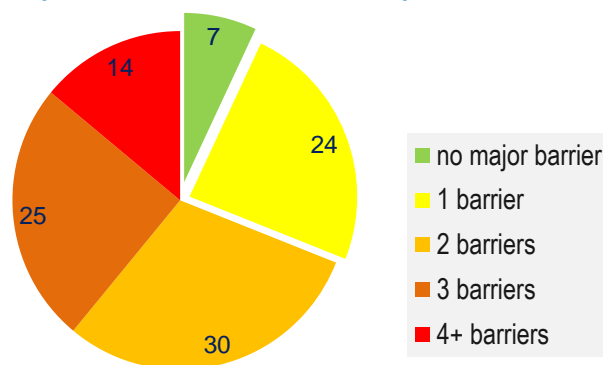
Untapped sources of employment growth

Not everybody with labour market problems is equally “on the radar” of existing activation approaches and labour-market integration measures. In addition to the unemployed, groups with labour-market difficulties include under-employed individuals, those in unstable employment, discouraged and incapacitated workers, and others who have been out of paid work for longer periods.

Although many of these groups are not the primary focus of ALMPs, they would benefit from targeted programmes to tackle their employment barriers. Achieving this requires *co-ordination and coherence across policy institutions and areas* -- beyond core ALMPs and unemployment benefits, including also other social transfers, and support programmes for those with care responsibilities or a disability.

Avoiding duplication of labour-market integration efforts, and ensuring that different parts and levels of government work in tandem, is especially urgent when government resources are tight.

Most face not one barrier, but many



Shares with different numbers of simultaneous barriers.
Source: [Faces of Jobless in Finland](#).

Responsive and well-targeted employment support: How can the OECD help?

This review series provides a menu of specific activities that help countries to strengthen their policies and to promote an inclusive labour-market recovery and promote matching people with emerging vacancies. It builds on the OECD's in-depth work on the [COVID crisis](#), the [Future of Social Protection](#), and on longstanding expertise on labour-market integration measures for **different groups** and in a **wide range of policy areas**, including the design of [out-of-work and in-work benefits](#), [activation](#), [family policies](#), [youth](#), [displaced workers](#), [older workers](#), [persons with disabilities](#) or [mental health problems](#), including after COVID.

The scope is flexible and can be tailored to country priorities. For instance, it can include a **comprehensive map** of the circumstances and barriers of people with no or little work attachment, or it can focus on **specific labour-market groups or programmes**. Activities can include:

- ❖ A **“bird’s eye view”** on individuals with labour-market difficulties, capturing the full diversity of policy clients (eg. long-term inactive vs recent job losers), and the resulting demands for tailored policy responses.
- ❖ A **concise map of policy challenges**, including how many people face which types of employment barrier, and in what combination.
- ❖ **Scenarios (“nowcasting”)** that facilitate anticipation of future challenges and of the required support capacities post COVID.
- ❖ **In-depth profiles of different labour-market groups**, to optimise the use of scarce resources by highlighting priority groups, and by identifying their most pressing employment barriers.
- ❖ Concrete information on the extent of **multiple barriers** (see Figure), informing and supporting efforts to **integrate support across institutions or levels of government**.
- ❖ Advice on **monitoring of outcomes** and **evaluating** the short-term and longer-term effects of existing policies.
- ❖ Comprehensive **policy assessments**, including an inventory of programmes, a gap analysis to examine the alignment between key labour-market obstacles

and existing policy measures, and identification of international best or good practice.

Data and statistical approach

The project can leverage detailed individual and family-level data to provide better evidence on the evolving circumstances of all individuals with labour-market difficulties. Drawing on the OECD's [Faces of Joblessness](#) approach, results provide novel views on the nature and incidence of employment problems, and a rich basis for people-centred policy interventions.

- ❖ **High-quality survey or administrative data** is used to identify individuals with labour-market difficulties and measure their employment barriers.
- ❖ **“Nowcasting” techniques** can utilise the most recent labour-market information and “big data” to account for major changes in the size and composition of jobless groups across different phases of an economic crisis.

How can countries participate in this activity?

Countries and policy institutions interested in participating in this activity are invited to contact the project coordinator (see below). Country studies can be undertaken by the **OECD independently, or jointly** with national experts and data providers.

This project is **financed through voluntary contributions** to cover the costs involved. The terms can be discussed with the OECD Secretariat and will depend on the scope of the work to be carried out.

Contact and further information

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