

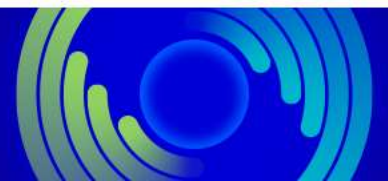
TACKLING CORONAVIRUS (COVID-19)
CONTRIBUTING TO A GLOBAL EFFORT

Activation Policies for Recovery

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Government action has been bold, but must refocus

- **By May 2020:** about 50 million jobs across OECD economies supported by retention schemes (around 10x compared to GFC).
- **Now:** need to restructure measures to adapt to economic recovery.
- **Restructuring:** make measures more sector-specific
 - Which sectors will be permanently smaller after the crisis?
 - Which ones will grow?
 - Failure to support restructuring could trap resources in non-productive “zombie” firms and jobs and reduce opportunities for people switching to more productive and higher-paid jobs.



Vulnerable workers most affected by crisis

Job retention schemes have been/are cushioning the impact on open unemployment in a number of OECD countries

Job postings and hirings were frozen

More vulnerable workers are bearing the immediate labour market impacts of C19 crisis

Youth

Non-standard workers

Low-wage earners

Women

Help people find new jobs. Target those most in need.



What activation policies for recovery?

What works for whom?



Public & private employment services in the frontline for jobseekers, workers and employers

- More digital services; when and how to offer F-2-F services; prioritise vulnerable jobseekers;
- Support geographical mobility of jobseekers (re-location incentives).



Moving from preserving jobs to supporting (re-)hiring of workers

- Employment incentives to support rehiring of jobseekers;
- Requires careful design to reduce the risk of subsidising (re-)hires that would have occurred even without incentives.



Vocational education & training to support re-allocation to expanding sectors

- New opportunities for displaced workers, lower-skilled workers, youth; what role for e-learning?



Re-thinking job retention schemes through introducing “active” element?

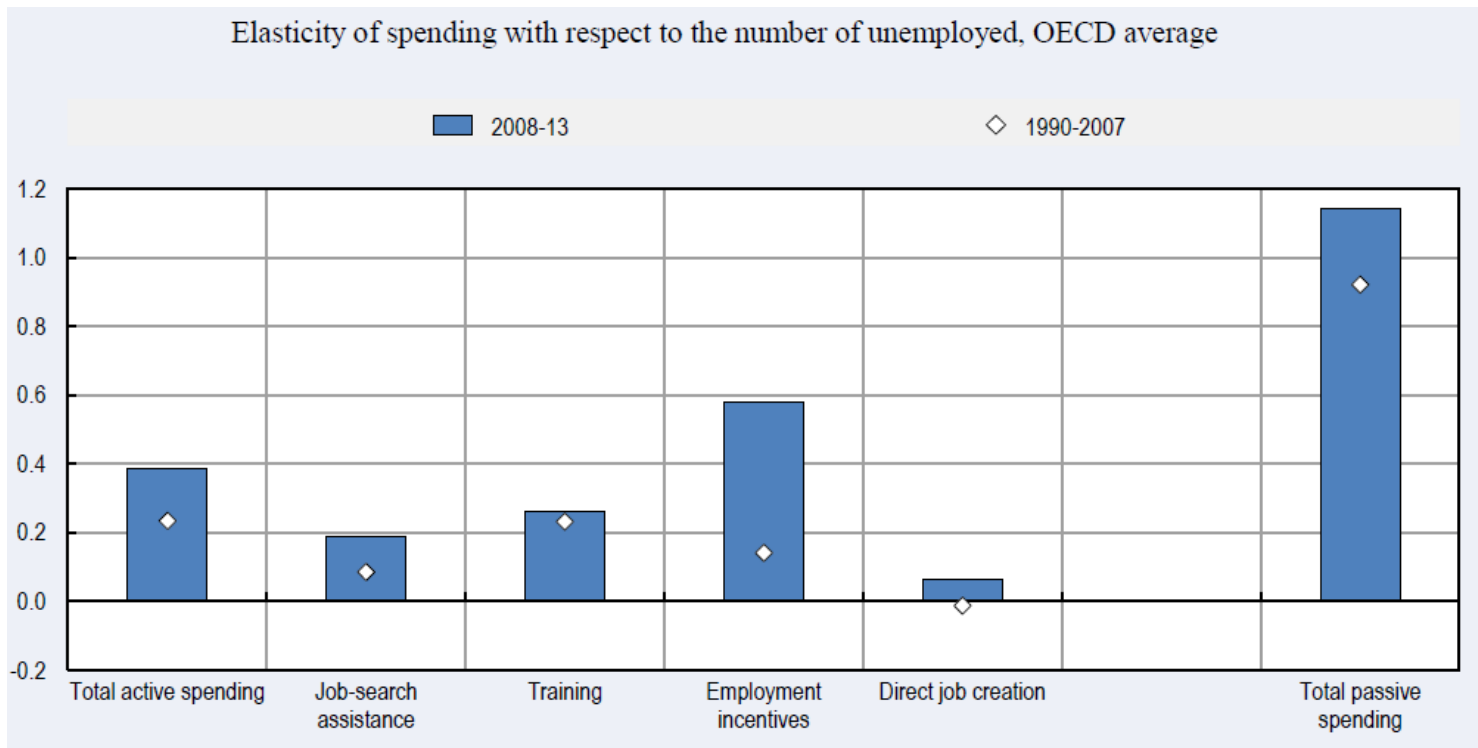
- E.g. participation in training a requirement for receiving short-time work subsidies;
- Challenge: Training must be compatible with part-time work and irregular work schedules.

Monitoring & evaluation



Requires substantial additional investments in active labour market programmes

Spending on active labour market programmes (ALMPs) responded only weakly to the rise in unemployment following the Great Recession



Source: OECD (2017), OECD Employment Outlook 2017, https://doi.org/10.1787/empl_outlook-2017-6-en.

Will this time be different?

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Visit the OECD dedicated
COVID-19 digital platform:
<https://oecd.org/coronavirus>

Policy brief on public and private
employment services:
<http://oe.cd/il/covid19briefPES>

OECD Employment Outlook 2020:
<http://www.oecd.org/employment-outlook/2020/>

OECD Interim Economic Outlook:
<http://www.oecd.org/economic-outlook/>

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📄 <https://www.oecd.org/employment/activation.htm>

