



SESSION 3: *PROMOTING MORE RESILIENT LABOUR MARKETS*

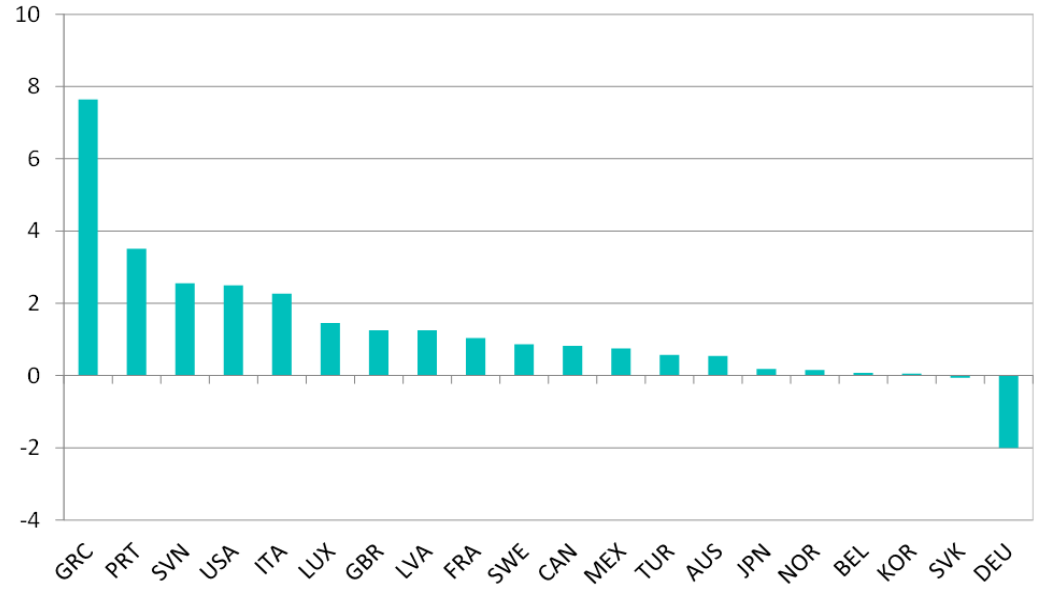
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Large cross-country differences in the unemployment cost of the crisis



Annualised deviation of the unemployment rate from the pre-crisis NAIRU, 2008-2016



Source: OECD Employment Outlook 2017.





Lessons from the crisis: Which policies promote labour market resilience?



Counter-cyclical macroeconomic policies

- In downturns, support aggregate demand through monetary and fiscal policies

Adequate income support and activation

- Limit the social cost of downturns and promote a rapid return to work

Expansion of short-time work schemes during downturns

- Promote adjustments in working time rather than employment or participation

Modest levels of EPL

- Preserve viable job matches while limiting labour market segmentation

Strong collective bargaining

- Promote adjustment in wages and working time
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Looking ahead: How should governments prepare for the next crisis?



Make policies more responsive to the business cycle

- Enhance the responsiveness of fiscal policy to the business cycle (e.g. fiscal rules, automatic stabilisers) while maintaining long-term fiscal sustainability
- Make unemployment benefits, activation support and short-term work schemes contingent on economic conditions

Strengthen policies that promote both long-term performance and resilience

- Reduce labour market segmentation by reducing regulatory and tax gaps between different forms of work
 - Strengthen the capacity of collective bargaining systems to adjust to economic circumstances through effective coordination or providing flexibility to firms
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OECD JOBS STRATEGY

<https://www.oecd.org/employment/jobs-strategy/>