



Job Creation and Local Economic Development 2020: Rebuilding Better examines the impacts of COVID-19 on different types of local labour markets. It also considers their performance prior to the pandemic, and how COVID-19 could impact other ongoing local labour market transitions such as digitalisation, automation, and the polarisation of jobs. Finally, it discusses the role local actors will play in rebuilding better. Consult the full publication [here](#).

Netherlands¹

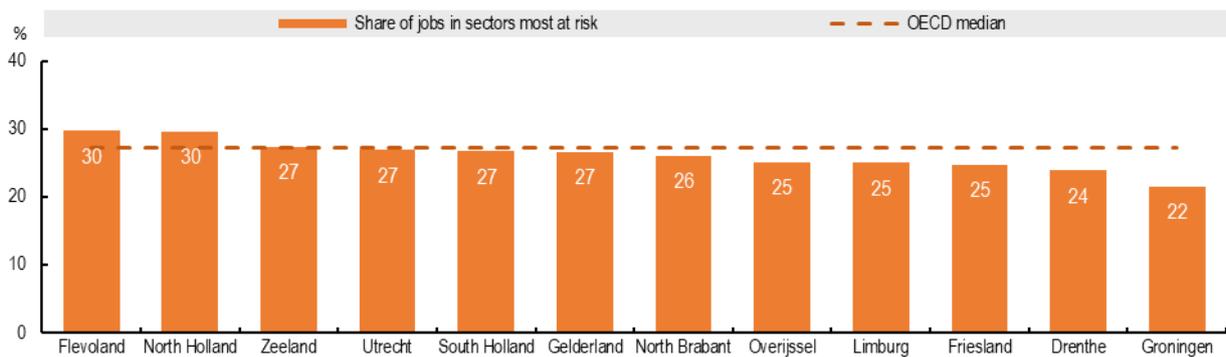
The share of jobs in sectors most at risk due to COVID-19 varied from 22% in Gronigen to 30% in Flevoland and North Holland, at 30%.

In the decade following the crisis, unemployment rates remained above 2008 levels in all but three regions.

North Holland, the capital region, was responsible for roughly one-third of net employment growth between 2008 and 2018.

The potential impacts of COVID-19 on local labour markets

Jobs in sectors most at risk and amenable to teleworking



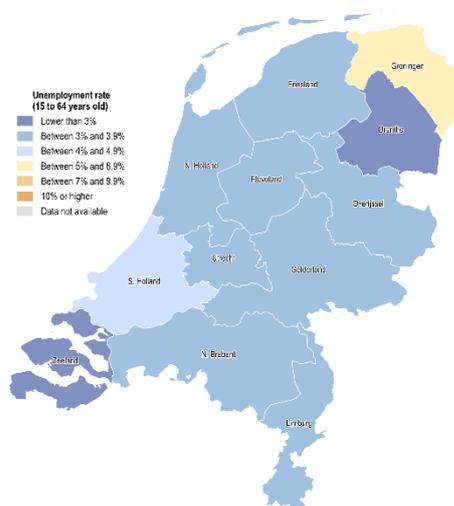
Note: Share of jobs at risk is based on estimates of sectors most impacted by strict containment measures, such as those that involve travelling and direct contact between consumers and service providers. The sectoral composition of the regional economy is based on data from 2017 or latest available year. The OECD median presented here is the median of OECD regions with available data.

Source: OECD calculations on OECD (2020), "Regional economy", *OECD Regional Statistics (database)*, <https://doi.org/10.1787/6b288ab8-en>.

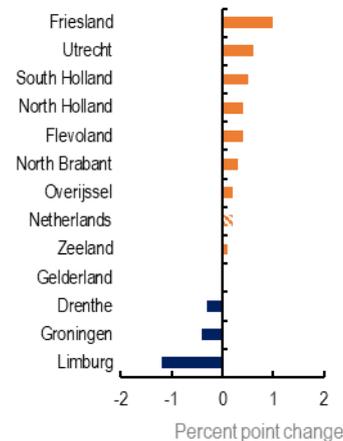
COVID-19 has put unprecedented pressure on local labour markets and economies. The share of jobs in the sectors most at risk from containment measures (e.g. accommodation and food services, and wholesale and retail trade) varies from less than 15% to more than 35% across OECD regions. In the Netherlands, disparities between regions are relatively small: the share of jobs in sectors most at risk ranges from 22% in Gronigen to 30% in Flevoland and North Holland. The share of jobs at risk in most regions was close to or lower than the OECD median region.

Local labour market performance prior to COVID-19

Unemployment rate, 2019



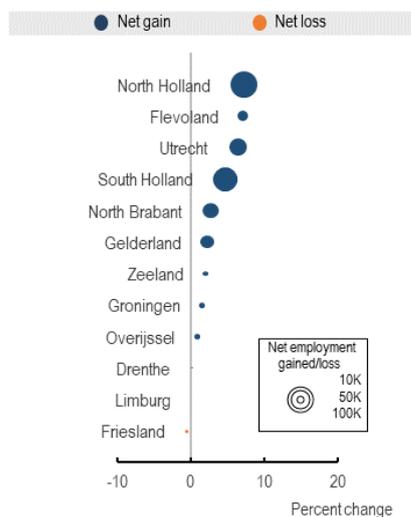
Change in unemployment rate, 2008-2018



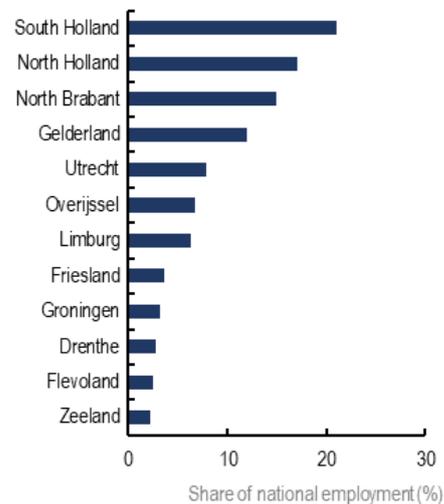
Note: The unemployment rate is computed as the share of unemployed people over the labour force, for the age group 15-64.
Source: OECD (2020), "Regional labour markets", *OECD Regional Statistics (database)*, <https://doi.org/10.1787/f7445d96-en>.

Prior to the COVID-19 pandemic, unemployment rates in the Netherlands were generally low, but varied two-fold across regions, from a low of 2.6% in Zeeland to a high of 5.2% in Groningen. In the decade following the crisis, unemployment rates remained above 2008 levels in all but three regions.² Regional gaps in unemployment shrank slightly over this period.

Change in net employment, 2008-2018



Employment by region, 2018



Source: OECD (2020), "Regional labour markets", *OECD Regional Statistics (database)*, <https://doi.org/10.1787/f7445d96-en>.

In all most regions, the number of people employed stayed relatively stable or grew between 2008 and 2018. North Holland, the capital region, was responsible for roughly one-third of net employment growth over this period. In 2018, South Holland accounted for the largest share of national employment (21%). Looking at a longer time period (2000-2018), the geographic concentration of jobs (as measured by the number of people employed) did not change significantly in the Netherlands.

Active labour market policies: institutional arrangements

Active labour market policies will be of growing importance as the COVID-19 response moves from emergency supports to facilitating labour market transitions. The institutional arrangements for these policies, and the role of subnational governments, varies significantly across countries.

	<i>Centralised, including branch offices of national ministry / agency</i>	In the Netherlands, two different types of institutions are responsible for reintegration into the labour market. The public employment service, UWV, is a special part of the central Dutch government and has deconcentrated units in the country. Besides income support for unemployed (WW) and (partially) occupationally disabled people (WIA and Wajong), UWV helps recipients of WW, WIA and Wajong to reintegrate and find a (new) job. Municipalities, however, are responsible for activation and reintegration to work for people on unemployment assistance (Social welfare: Participation Act) and jobseekers without income support.
	<i>Decentralised to subnational governments</i>	
	<i>Fully outsourced or delivered through network of public, private, and/or non-profit providers</i>	
X	Combined system with shared competences, or different systems for different target groups	

Source: OECD (forthcoming), "Local and regional variations in labour market and skills policies: A cross-country comparison", *OECD Local Economic and Employment Development (LEED) Papers*.

Notes

¹ Data is presented at the TL2 level, which typically corresponds to the first administrative tier of subnational government. See Reader's Guide of the full report for more information on the methodologies behind the calculations.

² Unemployment rates started to decrease comparatively late in Netherlands after the financial crisis, and by 2019 most regions had recovered to below 2008 levels.