



THE FUTURE OF LOCAL EMPLOYMENT SERVICES

LOCAL LABOUR MARKET CONTEXT WITH COVID-19

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The OECD LEED Programme: Building vibrant communities with more and better jobs for all

What we work on . . .

Matching local jobs and & skills



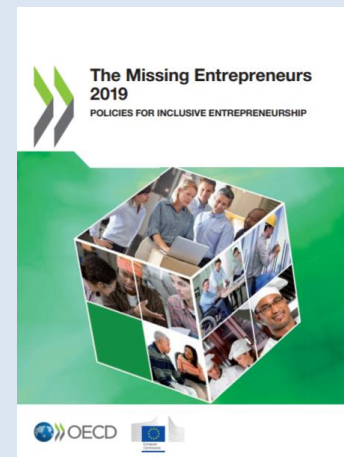
Social economy & innovation

OECD Global Action Promoting Social and Solidarity Economy Ecosystems

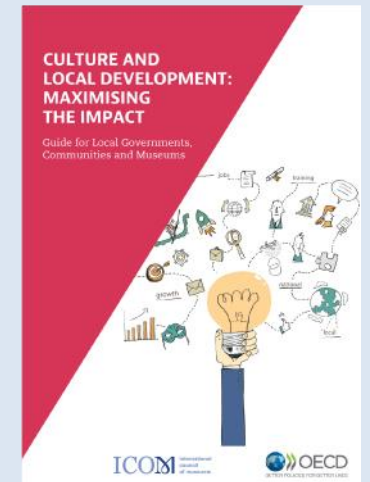
Funded by the EU



Inclusive entrepreneurship & local economic transitions



Integrated local development





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Bringing the
OECD to local
communities

And local voices
to the OECD

Helps keep the
OECD grounded
in local realities
and identify **policy
innovations**



Makes OECD
research **accessible
to wider local
audiences,**

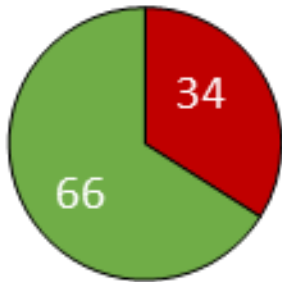


Local labour market health 10 years after the 2008 crisis... many places were still struggling

Record low OECD-wide unemployment rates but...

In one-third of regions, jobs still lagged behind 2008 levels

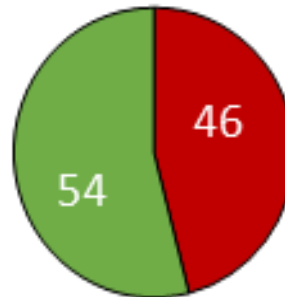
More people employed in 2018 than 2008



Fewer people employed in 2018 than 2008

Almost half of regions had not recovered to pre-crisis unemployment rates

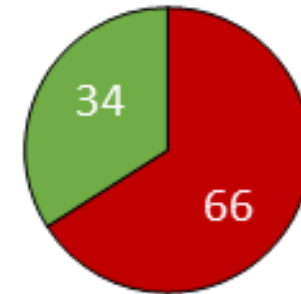
Unemployment rate higher in 2008



Unemployment rate higher in 2018

Two thirds of OECD regions had higher long-term unemployment rates in 2018 than in 2008

LTU rate higher in 2008



LTU rate higher in 2018



How is this crisis different?



Scale much deeper and countries hit around the same time



Place and sector dynamics of rebound not the same



People affected: usual suspects (youth, low skilled) but also new groups given sectoral hits (women)



Digitalisation and automation measures “supercharged” given social distancing element of this crisis



How is teleworking changing the game, in particular the geography of jobs?

- Regional gap in share of “teleworkable” jobs **between 10 to 20 percentage points**
 - Gap can be high in countries with both overall high and low shares of national jobs
- Urban-rural divide is about **13 percentage points** in Europe
 - Importance of quality IT infrastructure for firms and workers
- “Teleworkable” jobs” more accessible to the **higher skilled**
 - What does this mean for the divides in opportunities between high and low-skilled?
- Longer term, companies with partially or fully remote jobs will only increase



In addition to the COVID-19 tsunami, will some undercurrents also change course or intensity?



Automation and digitalisation	<ul style="list-style-type: none">↑ Automation-related job losses will come sooner↑ Expanded use of teleworking, e-commerce, and other digital tools
Globalisation	<ul style="list-style-type: none">↓ Managing supply chain risks could result in limited relocalisation
Green Transition	<ul style="list-style-type: none">↑ Shift in consumer preferences for greener products↑ Expanded public investment in green infrastructure? Tensions between preserving jobs and transitioning carbon-intensive sectors



Ageing	<ul style="list-style-type: none">➔ Broad demographic trends unlikely to change? More rural areas may be able to attract new and younger residents
Urbanisation	<ul style="list-style-type: none">? Large urban areas could see population decline? New opportunities to attract workers and jobs outside of large metros
Migration	<ul style="list-style-type: none">↓ International movement of workers and students slowed, at least short-term

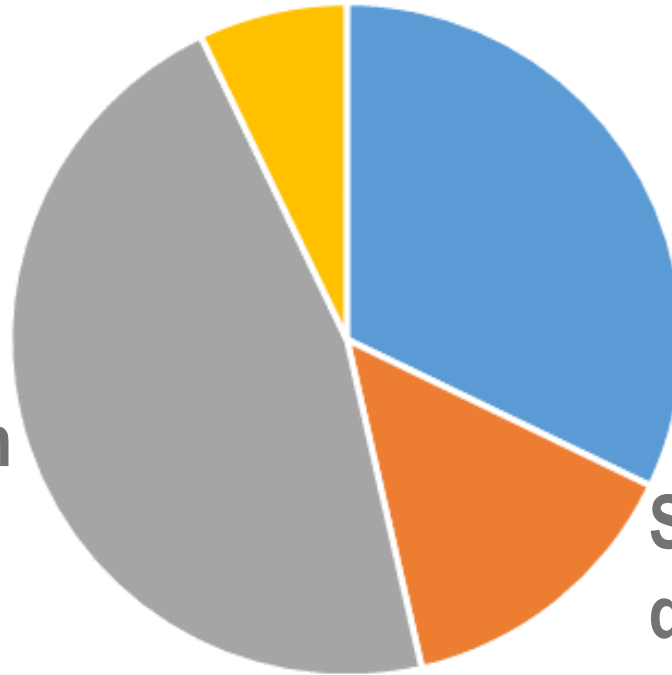


Role of local and regional governments in active labour market policies: how are they adapting to local needs?

Network of public, private, and/or non-profit providers
e.g. Australia, Colombia

Decentralised to subnational governments
e.g. Belgium, Denmark, United States

National ministry or agency with regional or local branch offices
e.g. Ireland, Finland, Japan



Shared competences, or different systems for different target groups
e.g. Germany, Netherlands