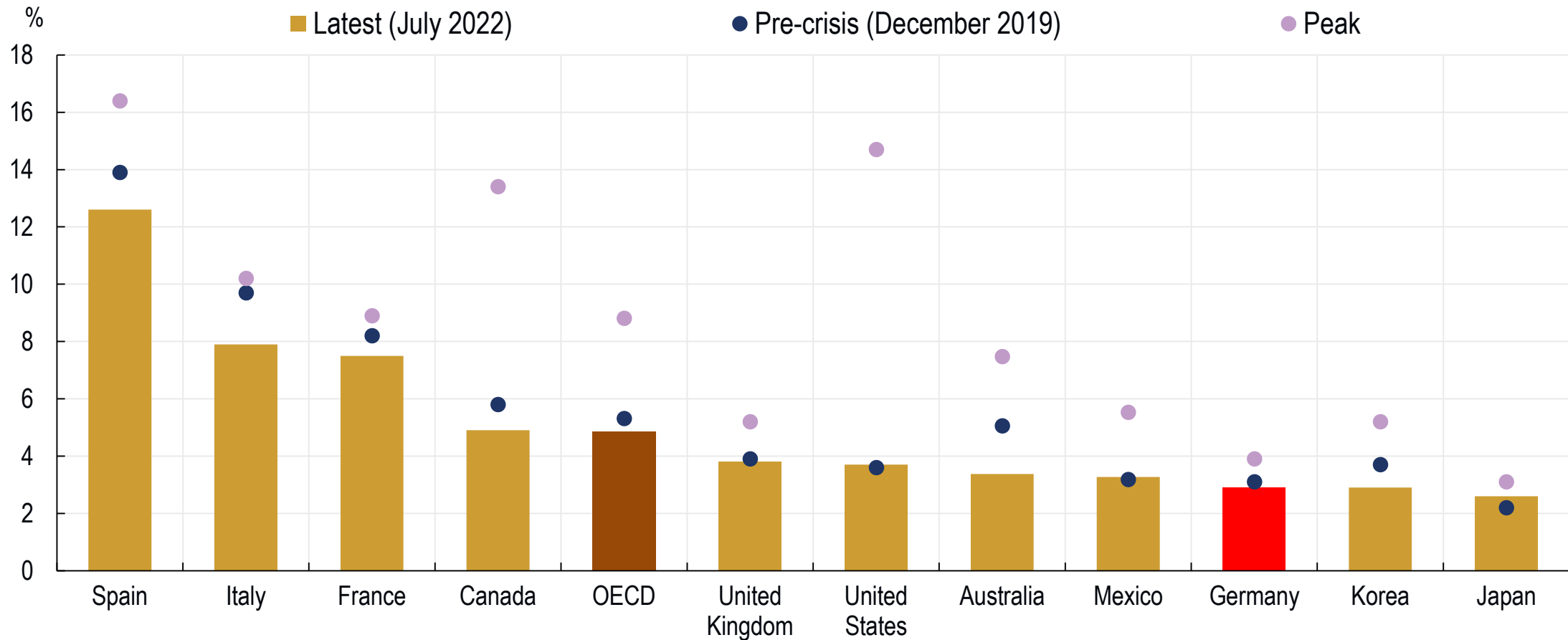


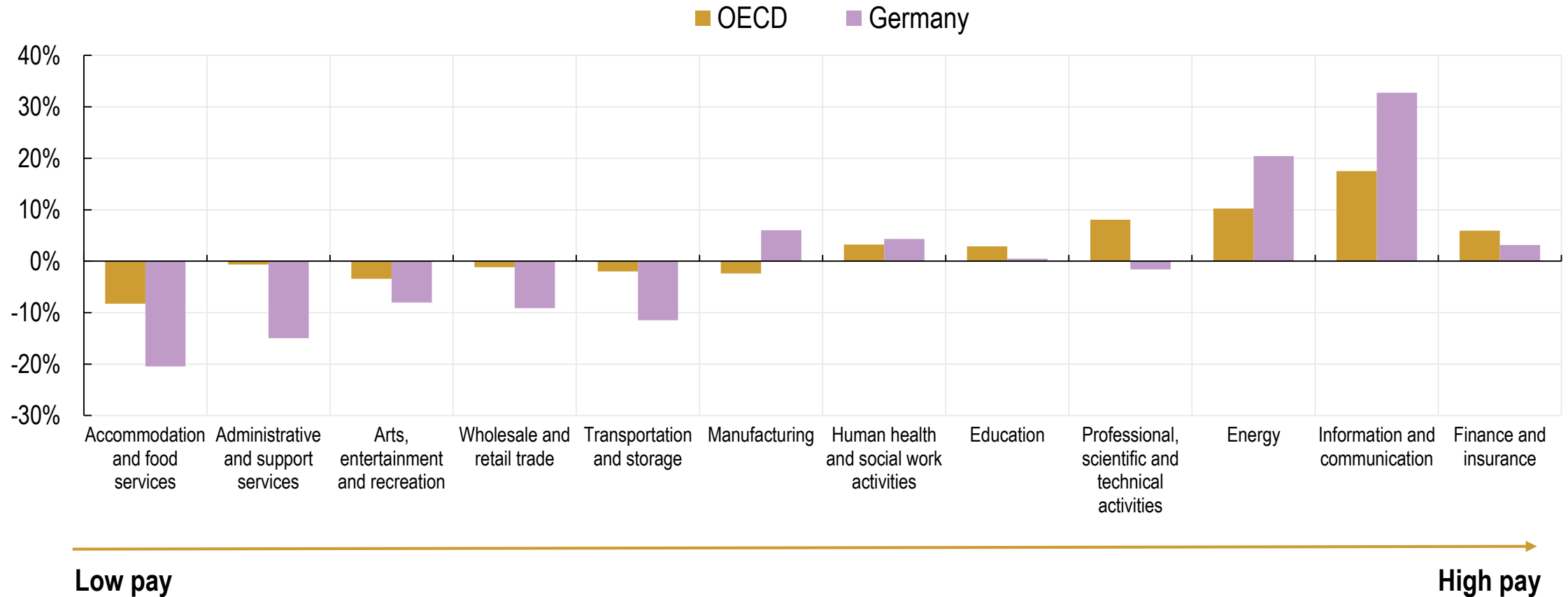
Labour markets have continued to improve in 2022

Unemployment rate (% of total labour force)



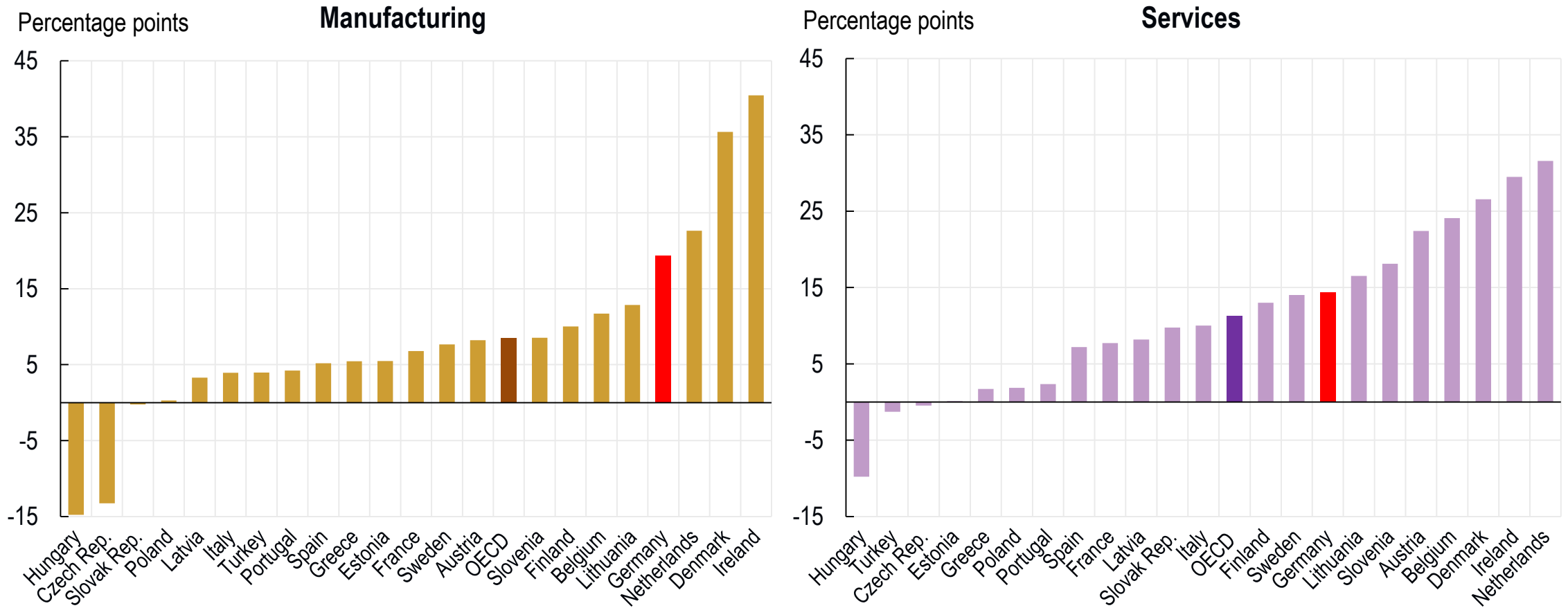
Employment dynamics are still heavily influenced by the COVID-19 crisis

% change in employment by industry, Q1 2022 relative to Q1 2019



Reports of labour shortages have increased in many countries

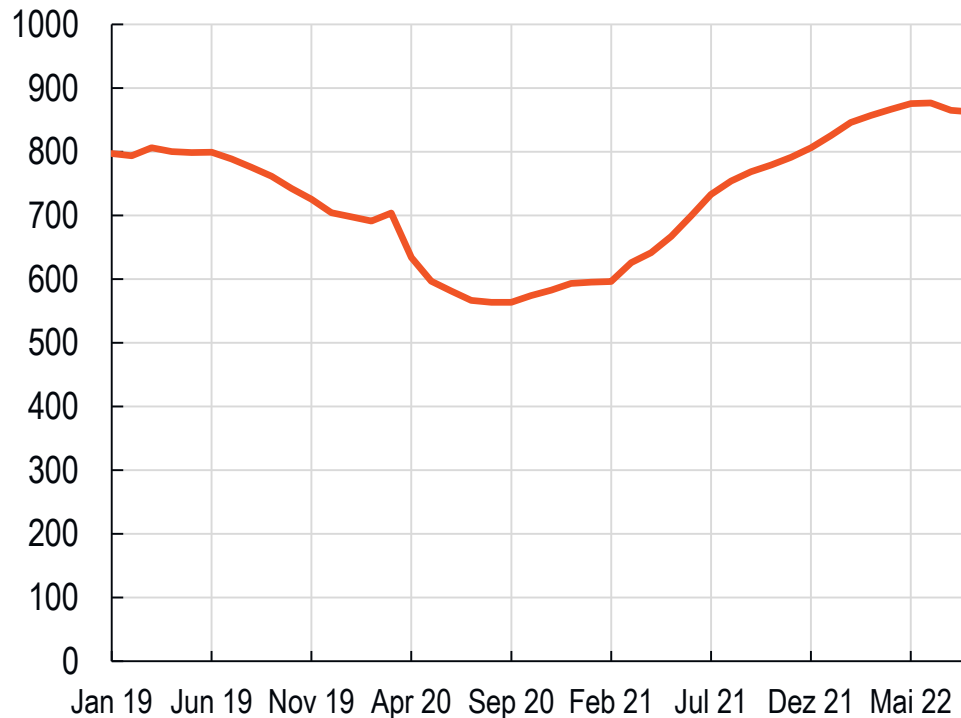
Difference in the share of firms reporting labour shortages between Q2 2022 and the 2nd quarters of 2016-19, Europe



Indicators up to August suggest that the labour market in Germany is still going strong

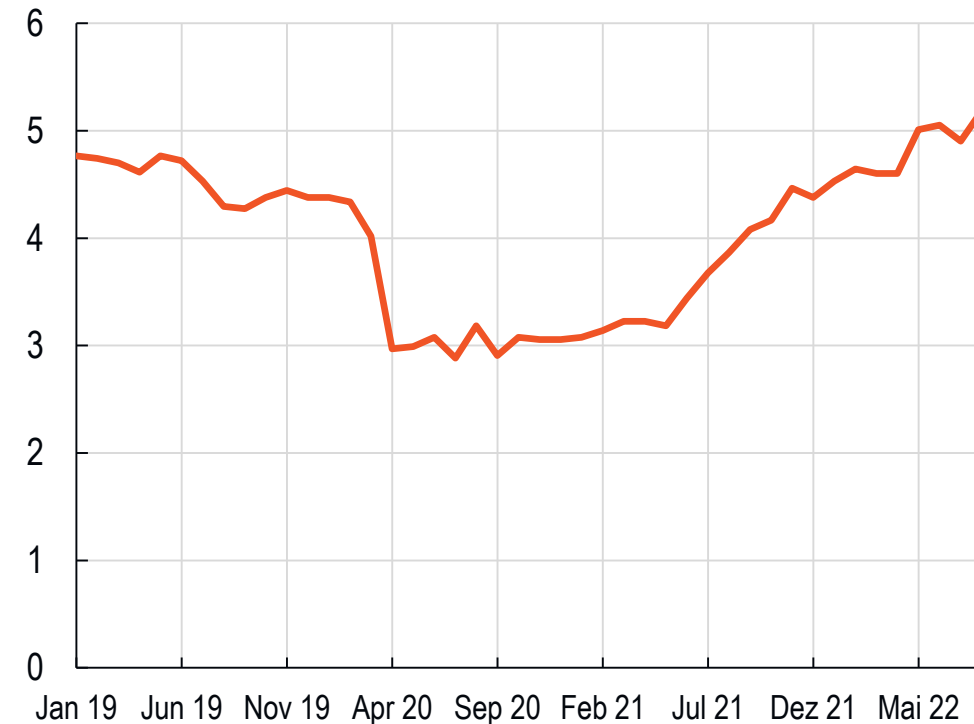
Notified vacancies to the Federal Employment Agency

In 1000 and seasonally adjusted



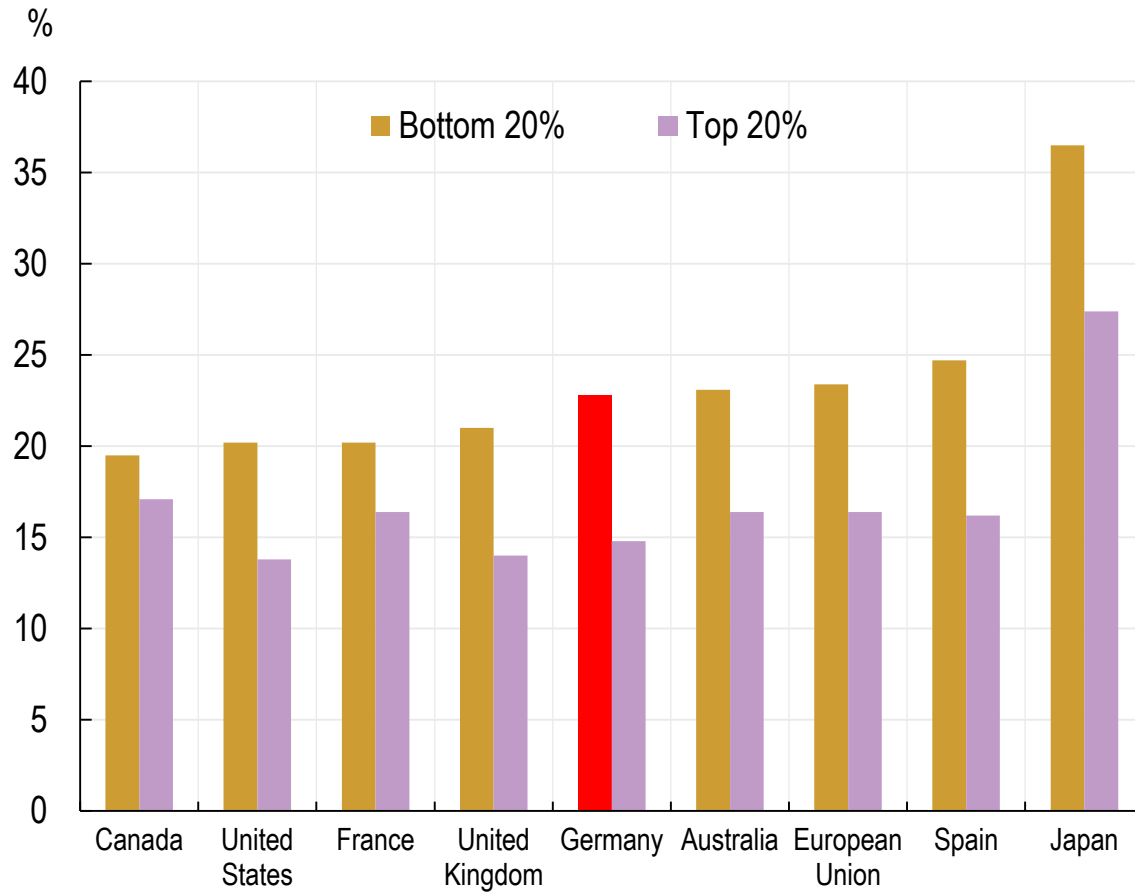
Labour Shortage Index of the IAB

Scale: 0-10

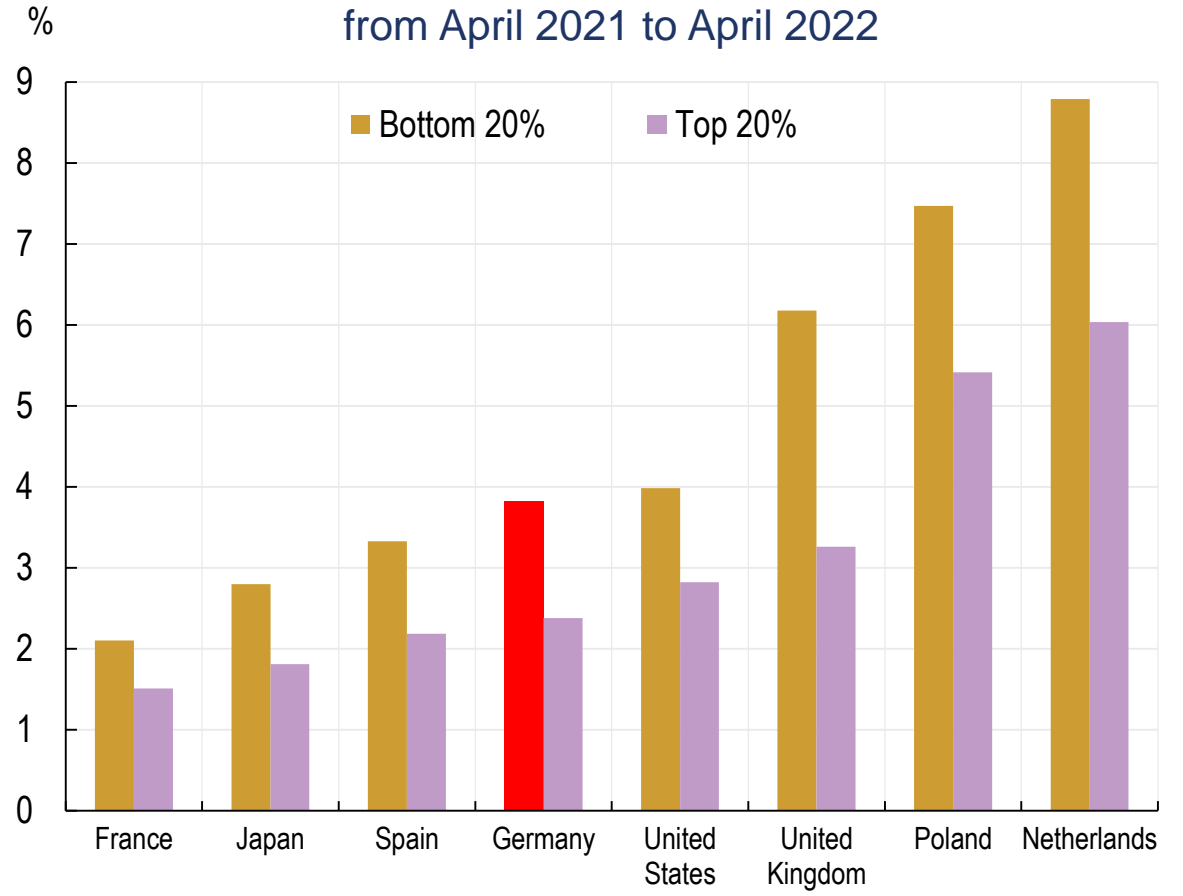


A cost-of-living crisis is now unfolding, affecting low-income households the most

Share of consumption expenditure on food and energy by income quintile



Percentage increase in household expenditure due to the increase in energy and food prices from April 2021 to April 2022



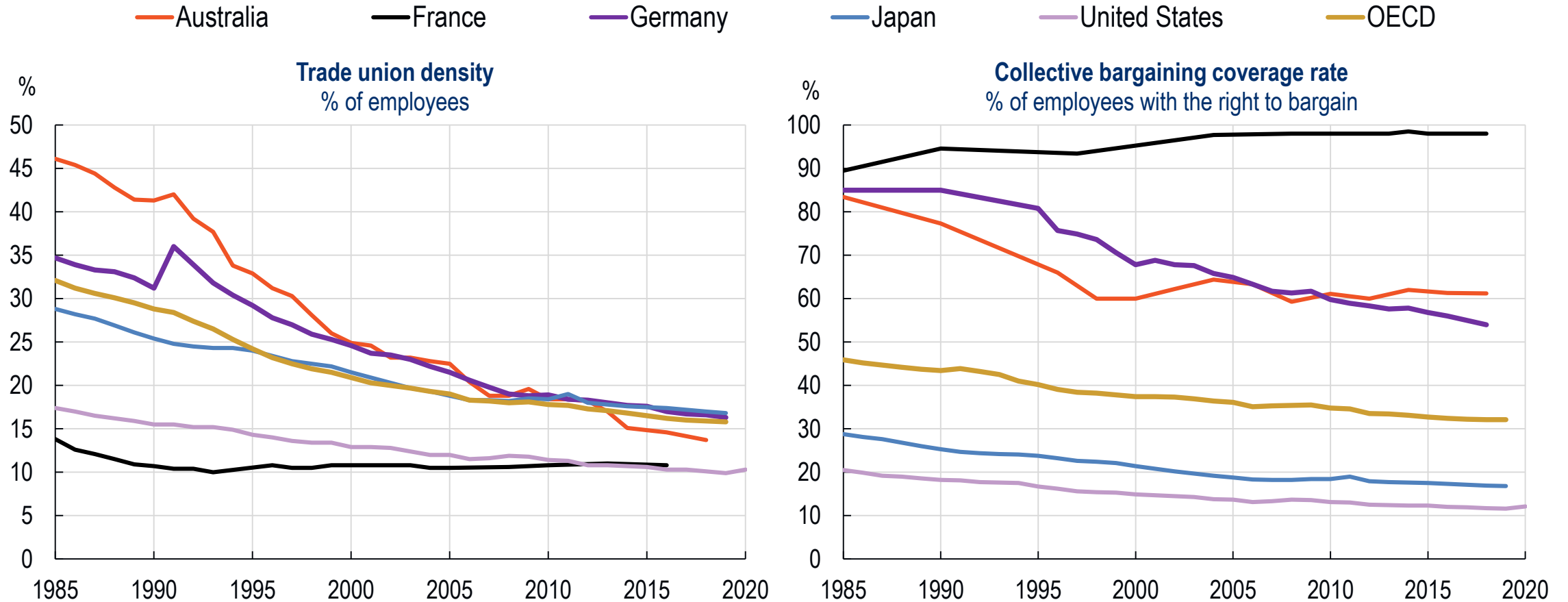
Despite tight labour markets, real wages are falling

Nominal and real wages, projected year-over-year percentage change, 2022



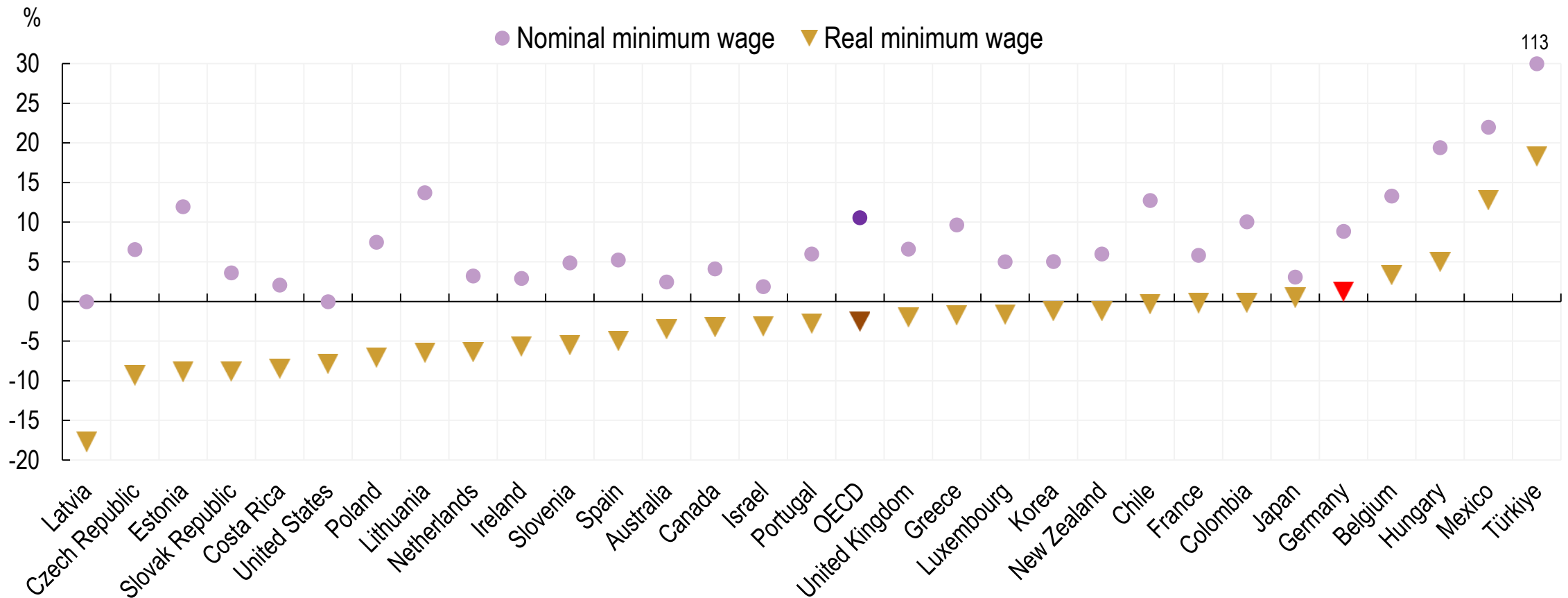
The policy response

Fostering *collective bargaining* to ensure adequate wage increases, while avoiding a wage-price spiral



Adjusting *minimum wages* to inflation to help the lowest paid with the higher costs of living

% change in nominal and real minimum wage rates between July 2021 and July 2022



Note: June 2021 to June 2022 for Australia and New Zealand. For the United States, data refer to the minimum wage at the federal level. For Mexico, figures do not include minimum wage rates in the Zona Libre de la Frontera Norte. Figures do not reflect minimum wage revision in July 2022 for Australia and in August 2022 for Chile and France. OECD is the unweighted average of countries shown.



Targeting *energy support* measures to soften the rise in energy costs for those in need

Share of countries adopting each type of support measure, May 2022

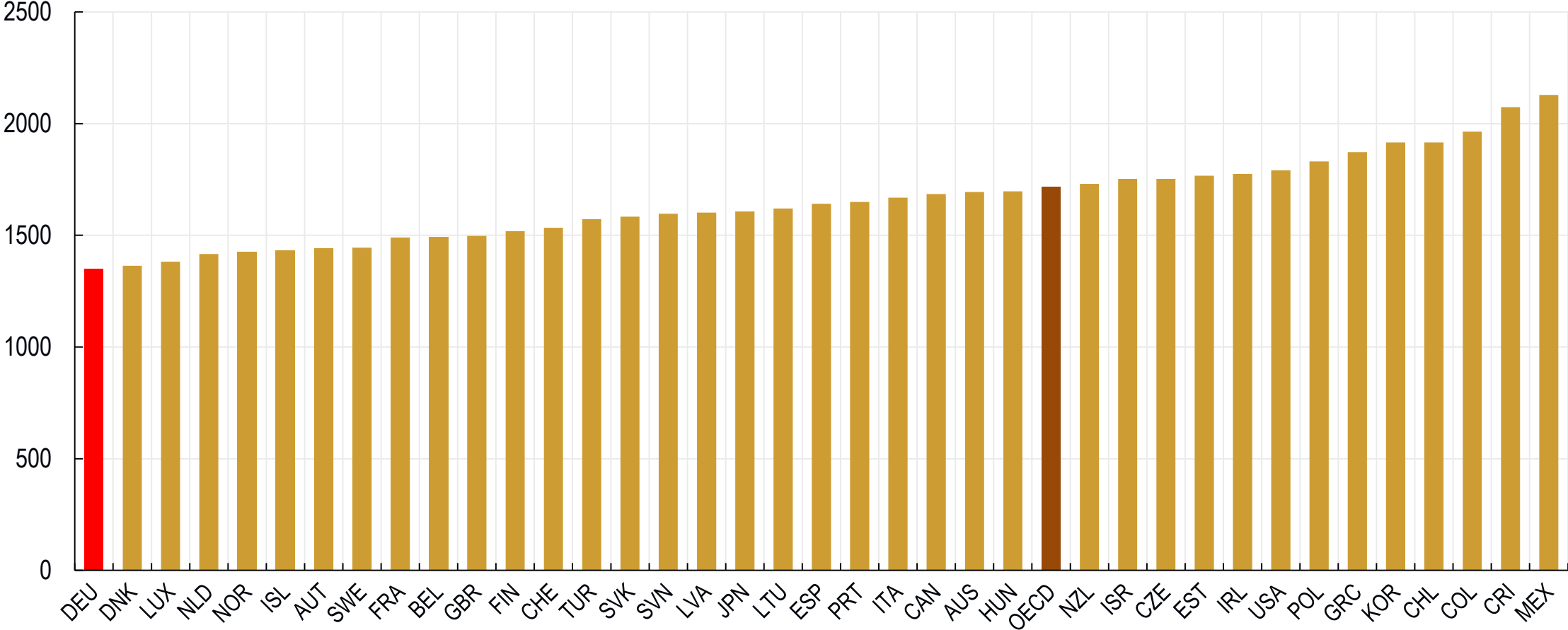


Note: The figure is based on data collected for 35 OECD countries plus Bulgaria, China, India and Romania. Targeted measures are means-tested or benefit only certain categories of consumers based on their energy consumption or other criteria. Non-targeted measures apply to all consumers with no eligibility conditions.



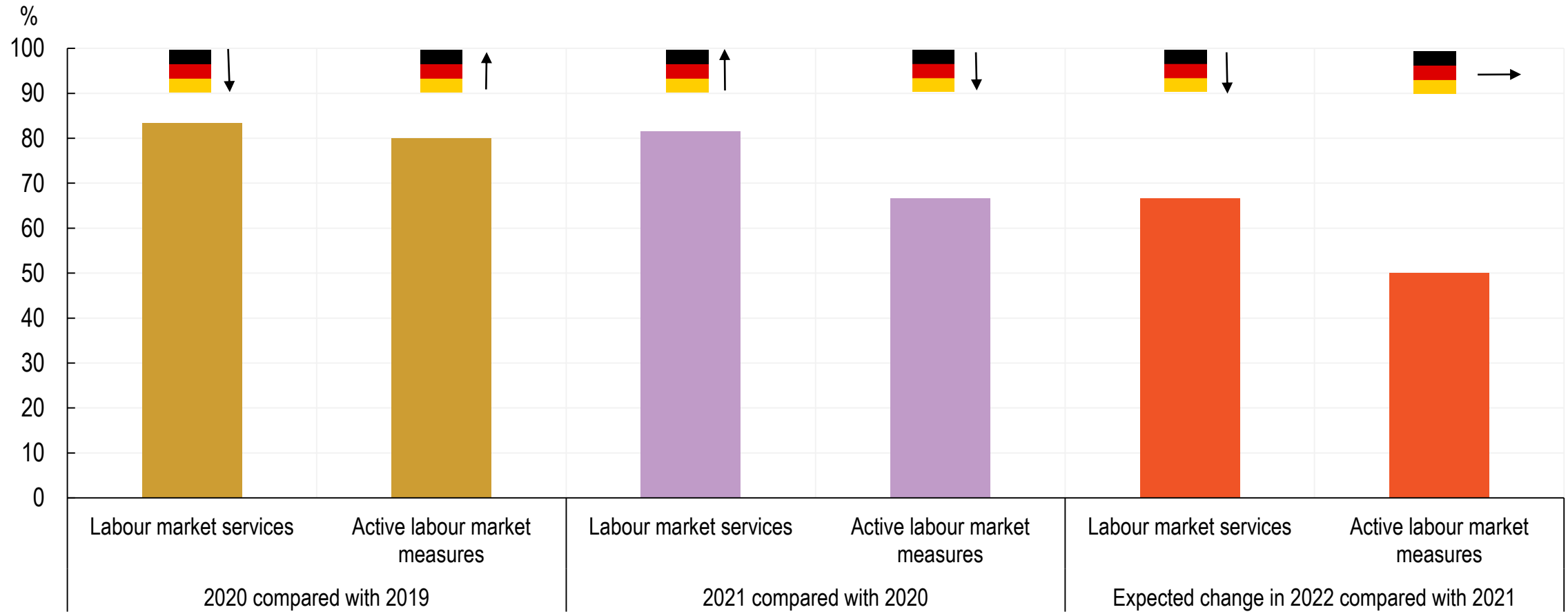
One of Germany's labour market challenges is that workers work short hours

Average annual hours worked per worker, 2021



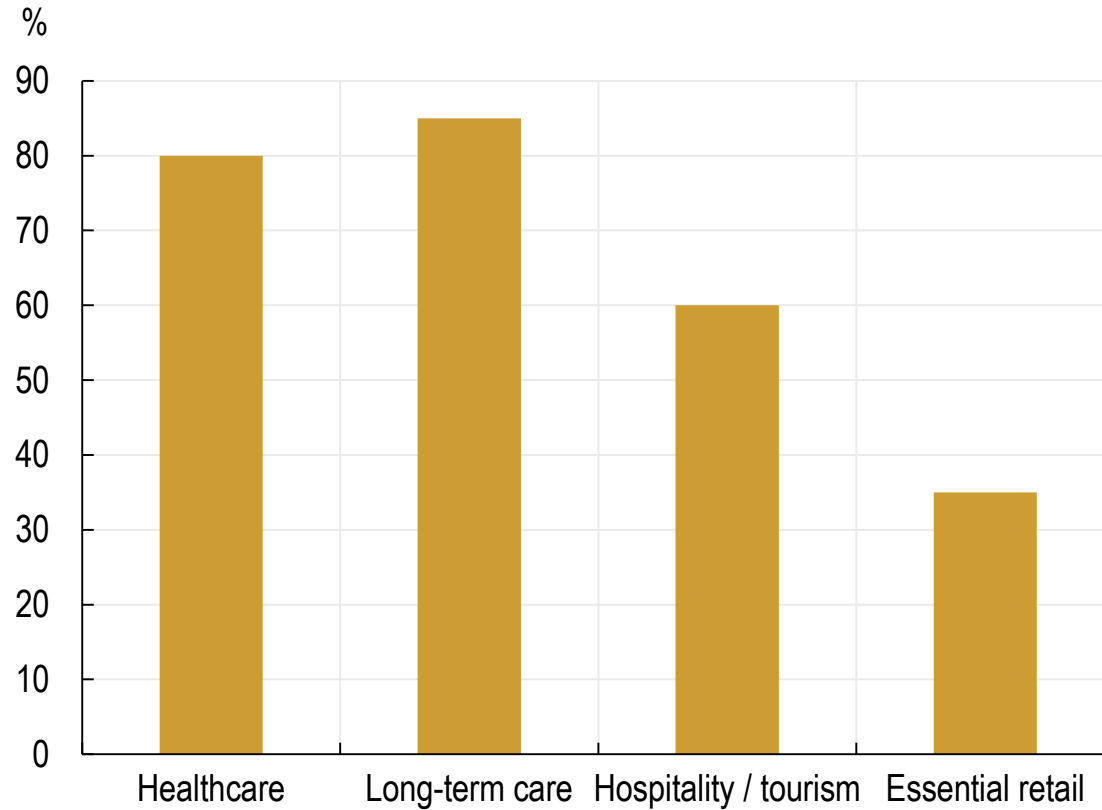
Increasing the budget of *active labour market policies* to support the low skilled and worker reallocation post-COVID

Share of OECD countries that have been increasing their budget for active labour market policies



Improving the *job quality* of frontline workers in low-pay, contact-intensive service occupations

Share of OECD countries that report an increased shortage of workers for jobs in frontline occupations since COVID-19



Share of OECD countries that have taken policy action to promote pay for frontline workers

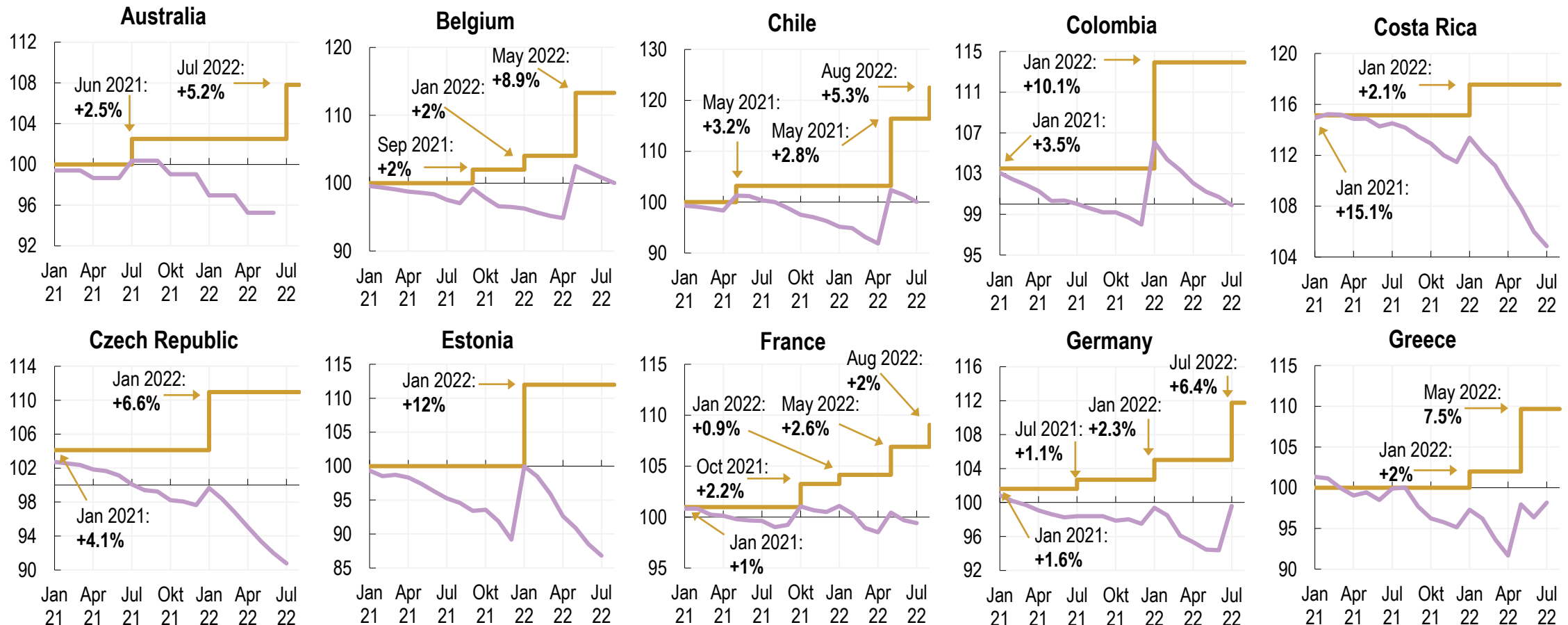


Annex

Recent revisions and nominal and real MW growth

Nominal and real minimum wage, base 100 in December 2020, Jan 2021-Aug 2022

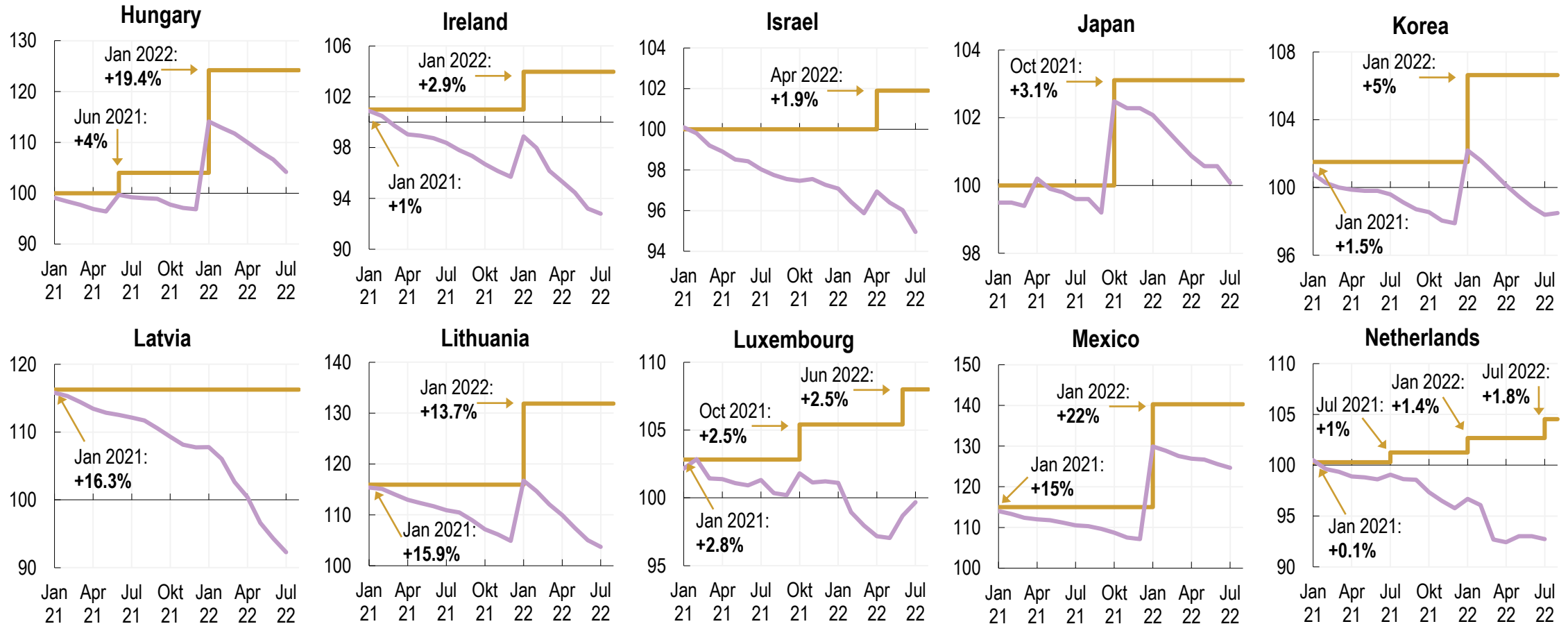
— Nominal Minimum wage — Real Minimum wage



Recent revisions and nominal and real MW growth

Nominal and real minimum wage, base 100 in December 2020, Jan 2021-Aug 2022

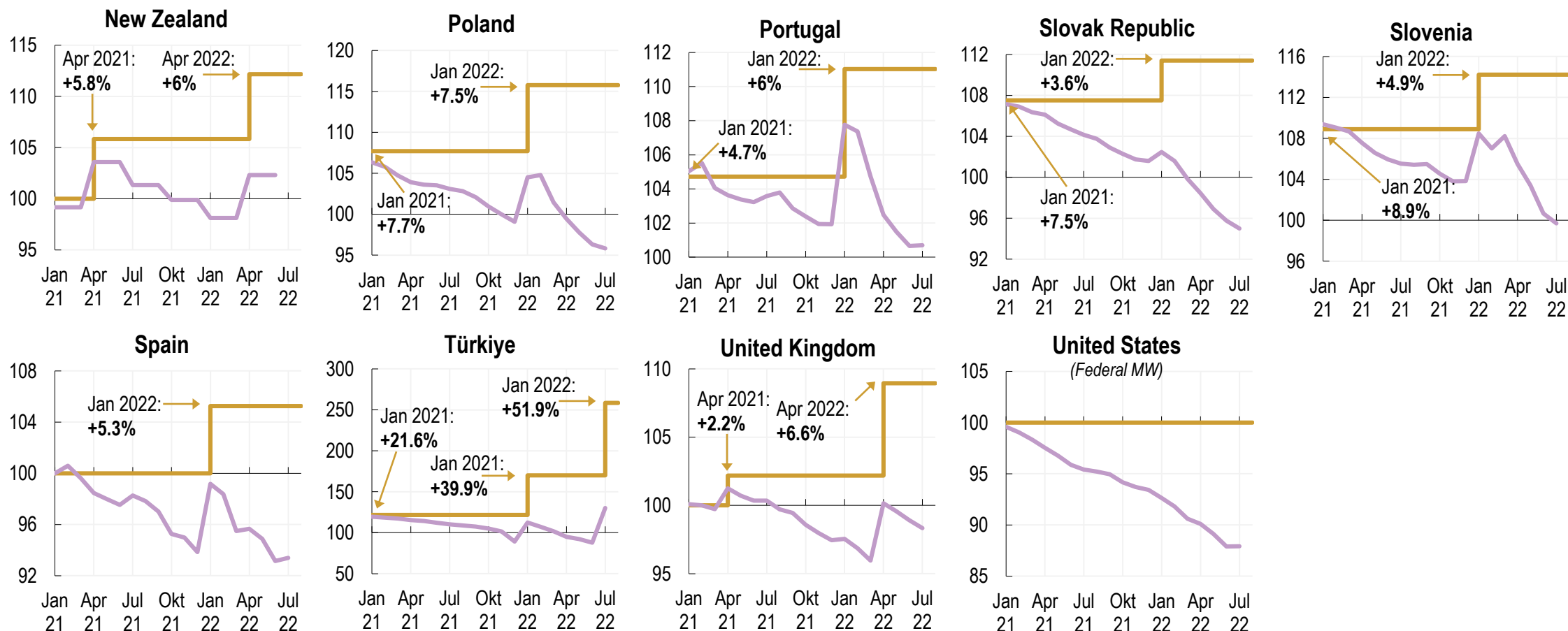
— Nominal Minimum wage — Real Minimum wage



Recent revisions and nominal and real MW growth

Nominal and real minimum wage, base 100 in December 2020, Jan 2021-Aug 2022

— Nominal Minimum wage — Real Minimum wage



Note: For the United States, data refer to the minimum wage at the federal level. For Mexico, figures do not include minimum wage rates in the Zona Libre de la Frontera Norte. Minimum wages in Portugal and Spain include bonuses for the 13th and 14th months.

