

OECD Employment Outlook 2022

Building Back More Inclusive Labour Markets

Oliver Denk

Senior Economist
Directorate for Employment,
Labour and Social Affairs

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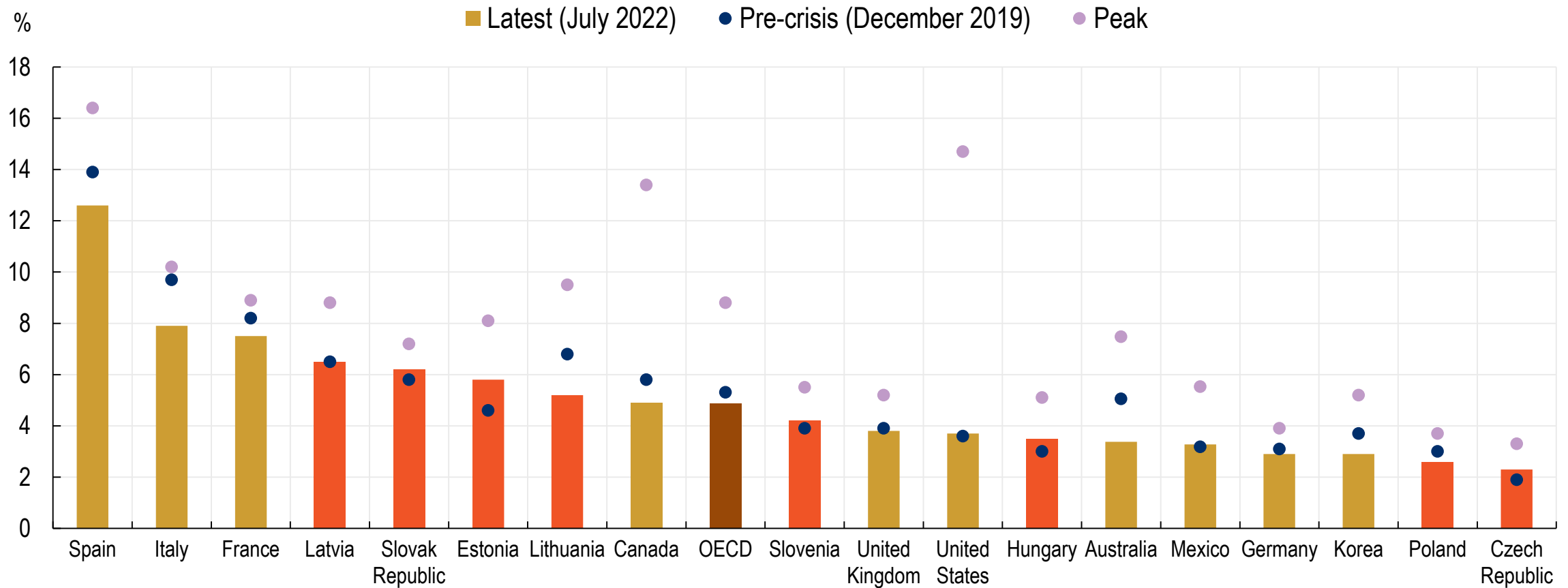


<http://oe.cd/employment-outlook>



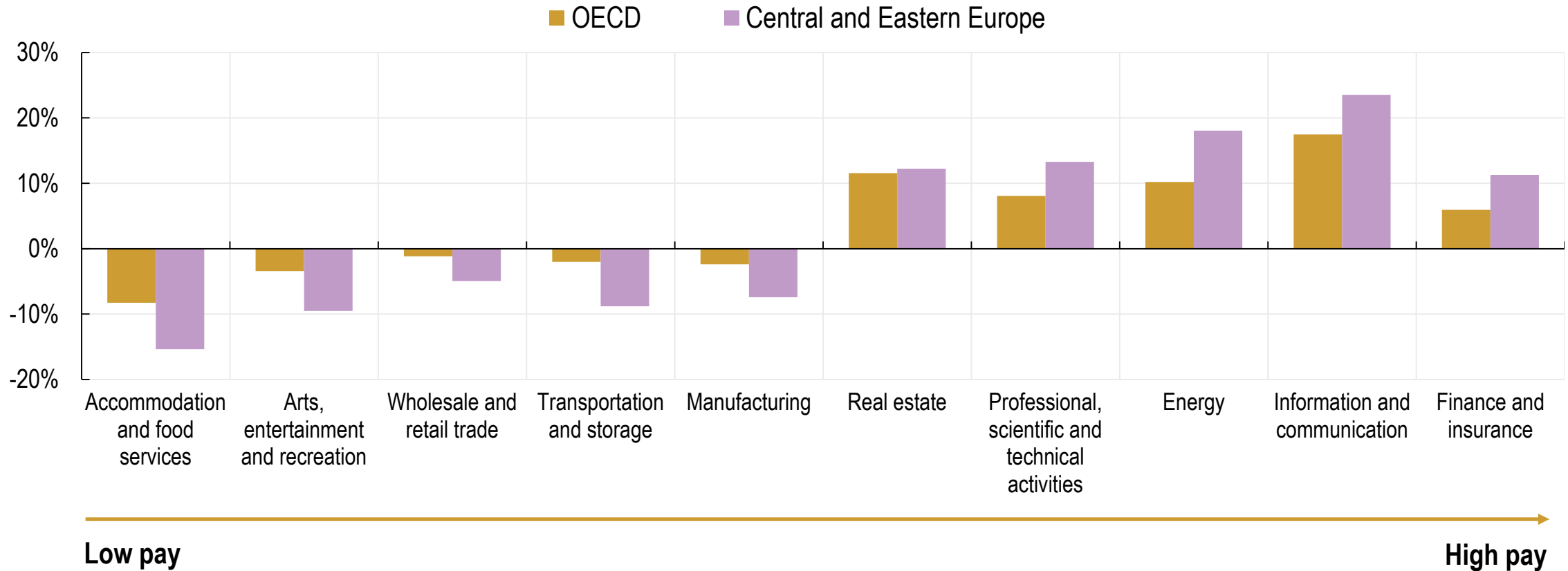
Labour markets have continued to improve in 2022

Unemployment rate (% of total labour force)



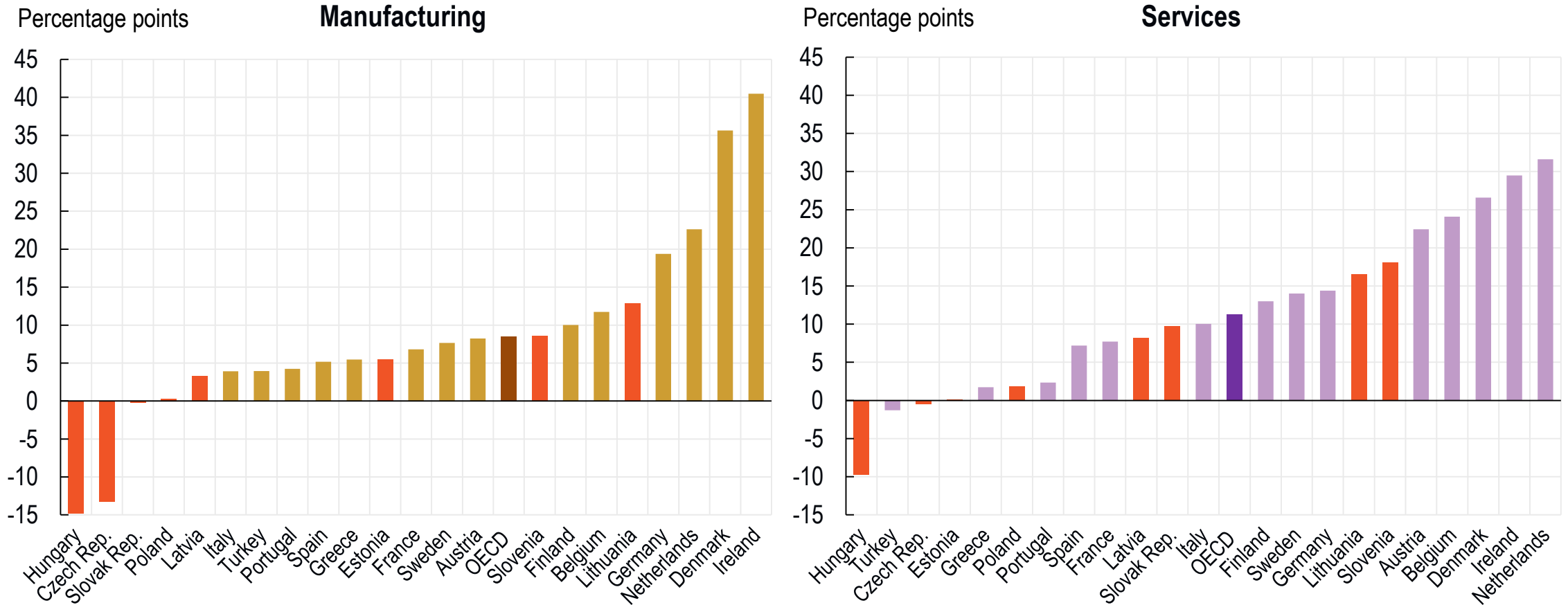
Employment dynamics are still heavily influenced by the COVID-19 crisis

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



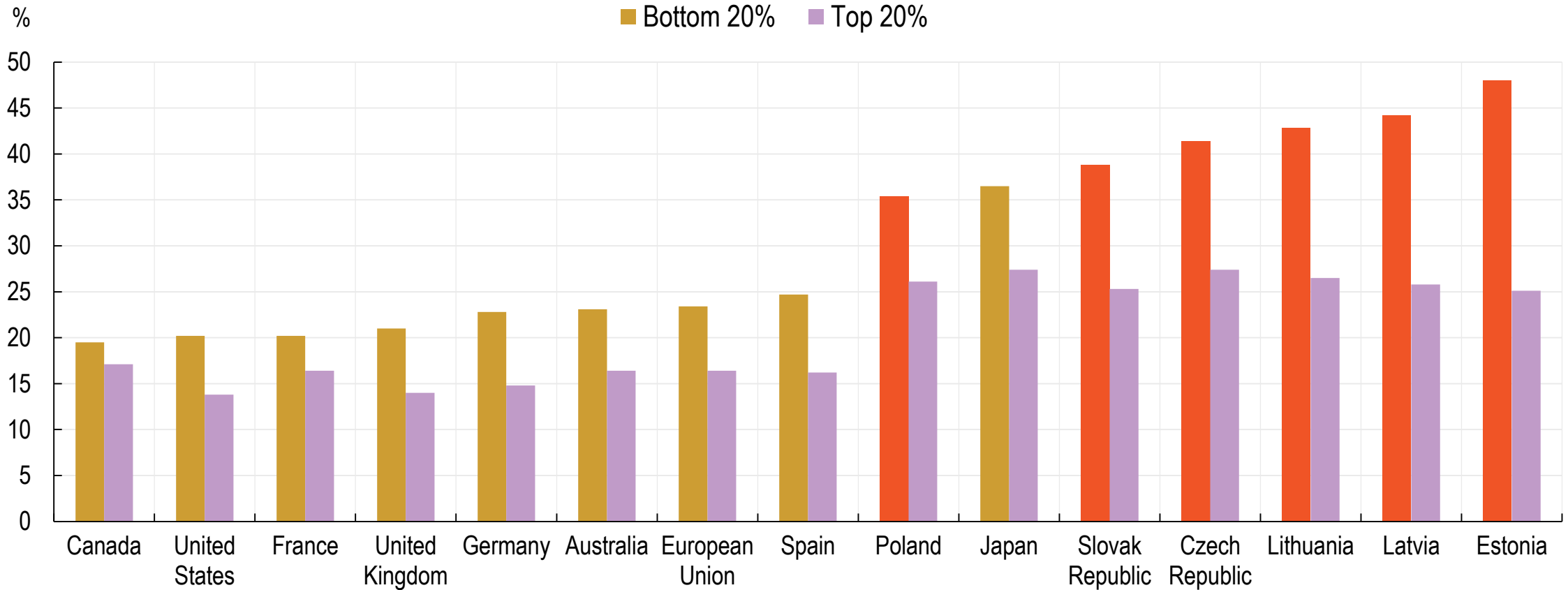
Reports of labour shortages have increased in many countries

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



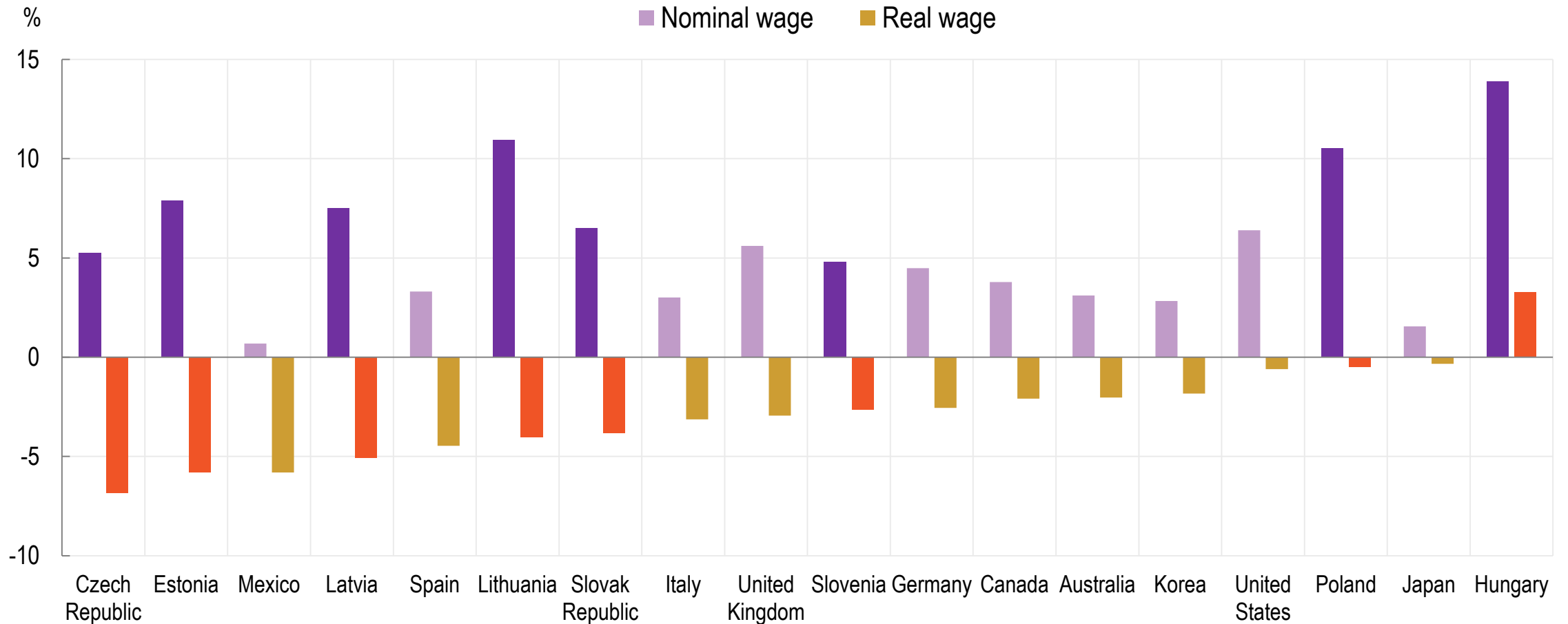
A cost-of-living crisis is now unfolding, affecting low-income households the most

Share of consumption expenditure on energy and food by income quintile



Despite tight labour markets, real wages are falling

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

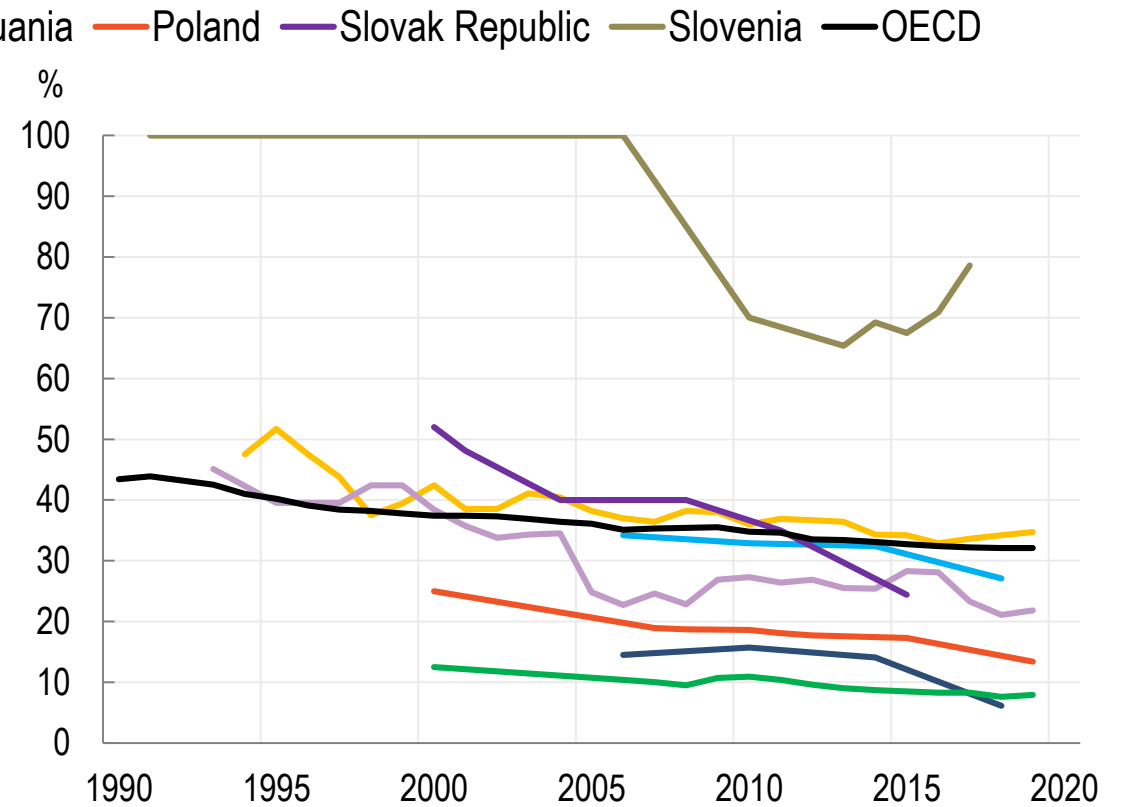
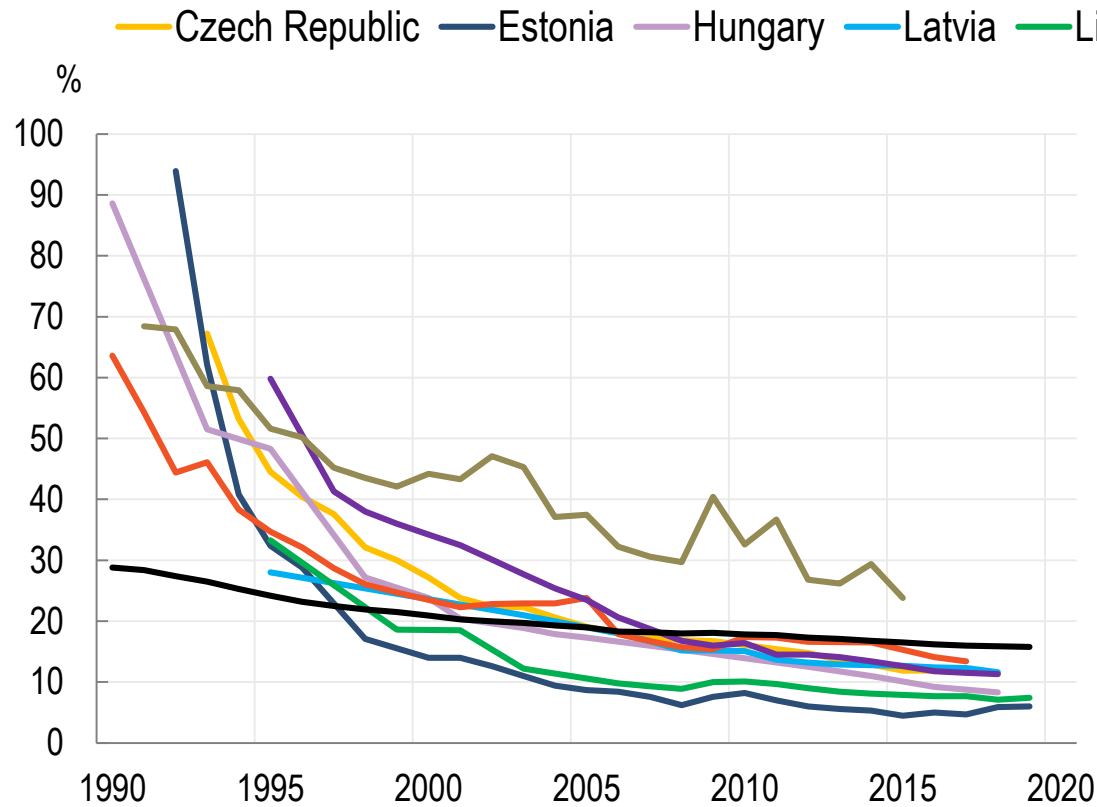


The policy response

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

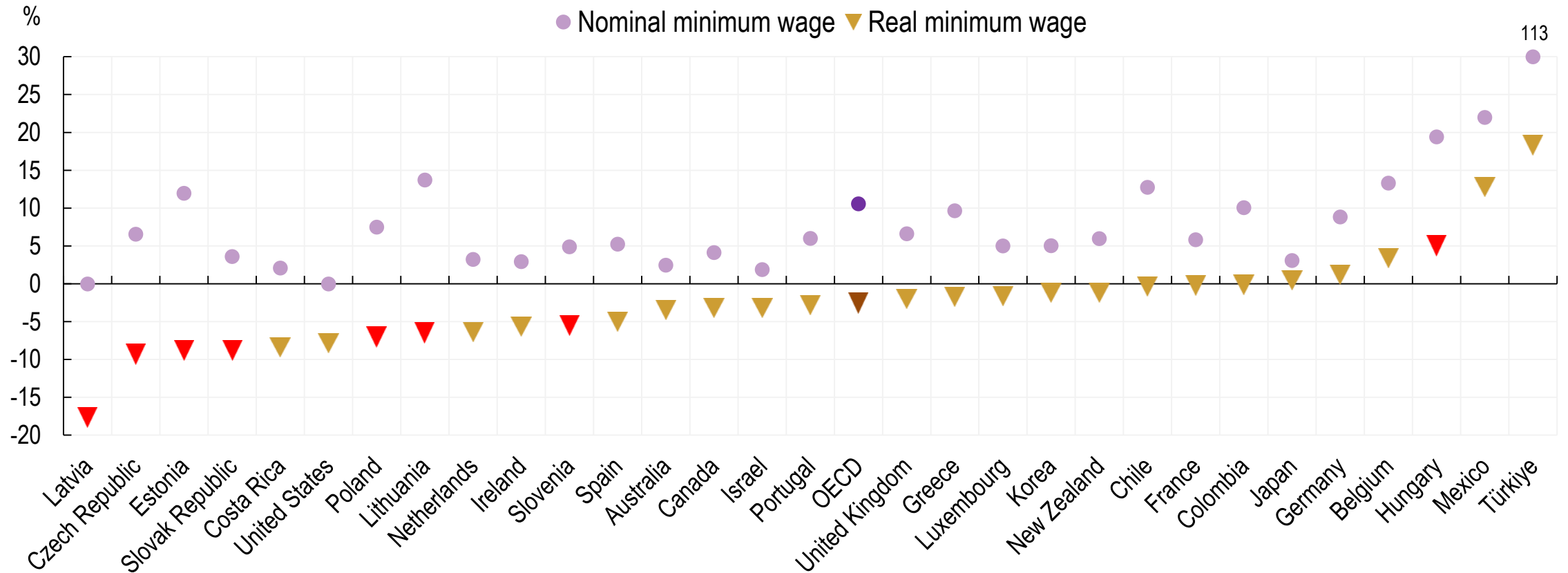
Trade union density
% of employees

Collective bargaining coverage rate
% of employees with the right to bargain



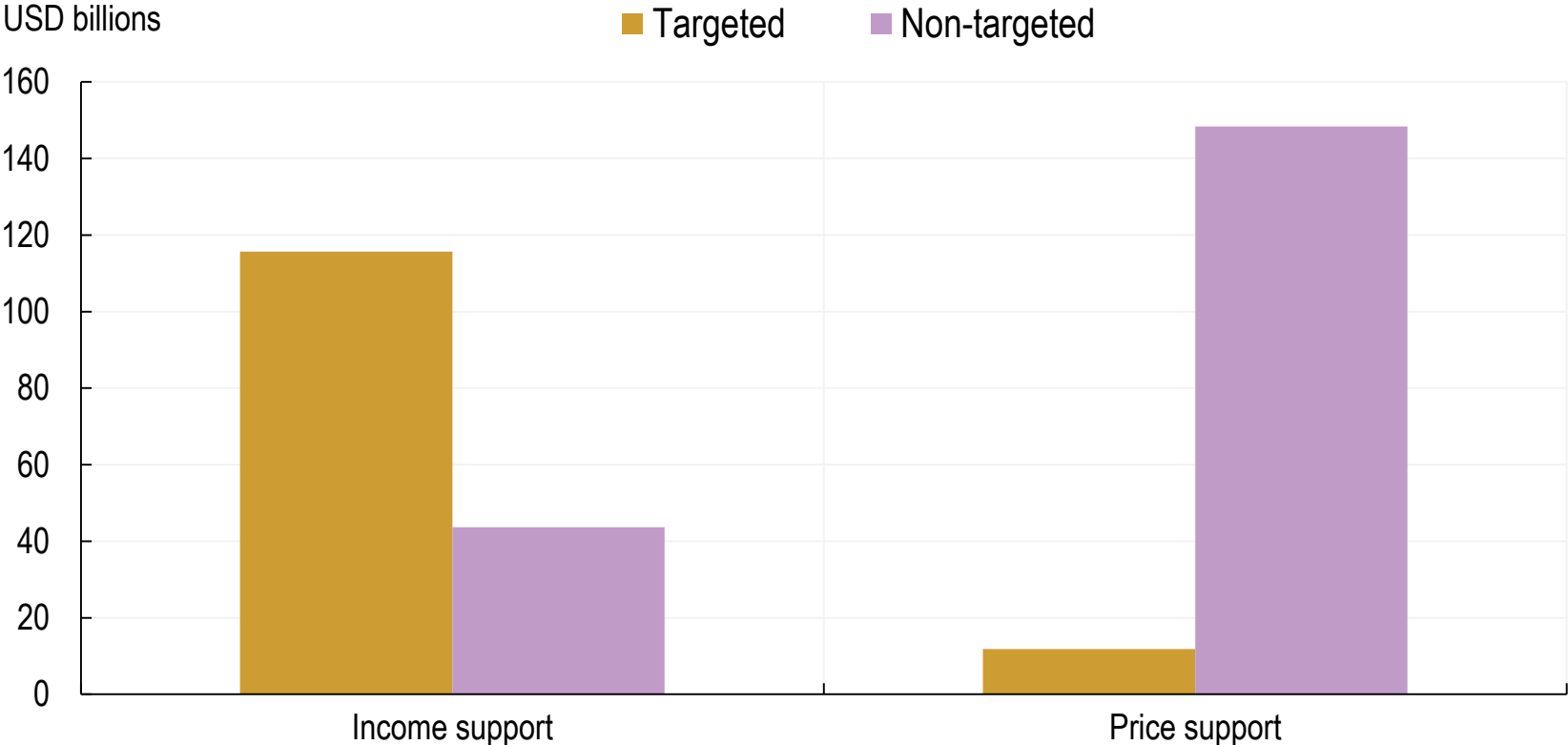
Adjusting *minimum wages* to inflation to help the lowest paid with the higher costs of living

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



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

Expenditure by 32 OECD countries + Bulgaria, India and South Africa, October 2021 to December 2022

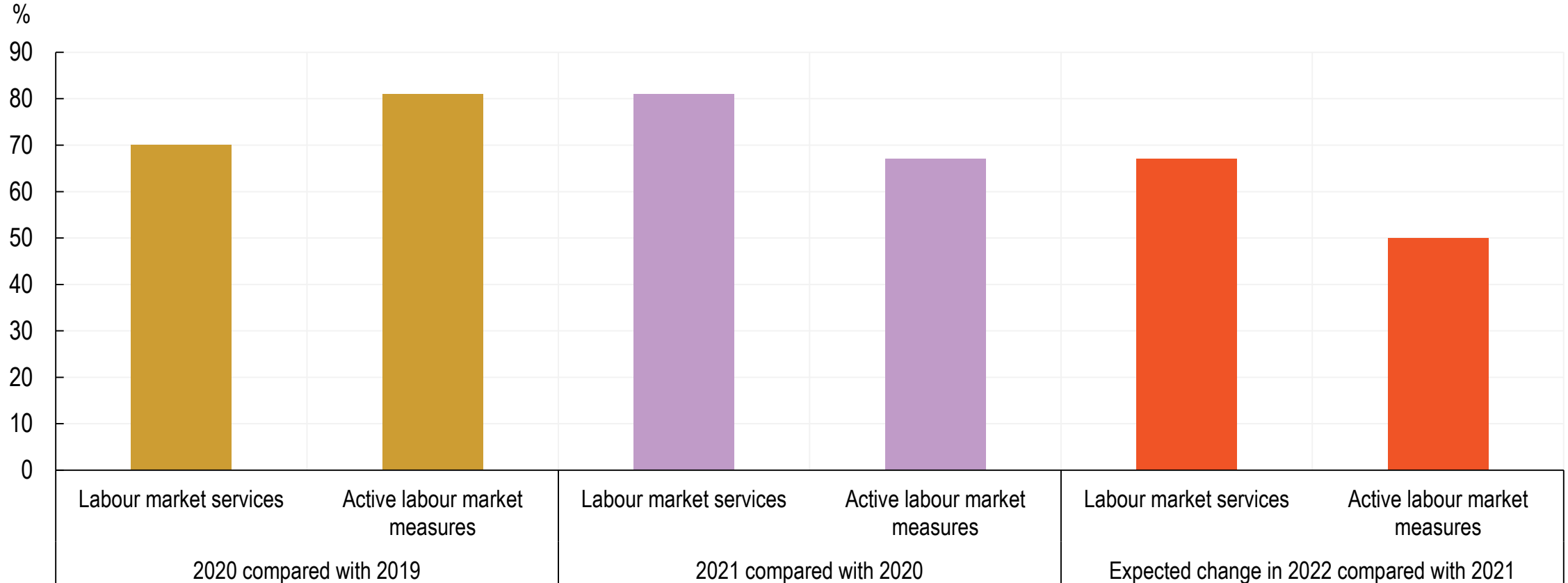


Note: Targeted measures are means-tested or benefit only certain categories of consumers based on their energy consumption or other criteria. Non-targeted measures apply to all consumers with no eligibility conditions.



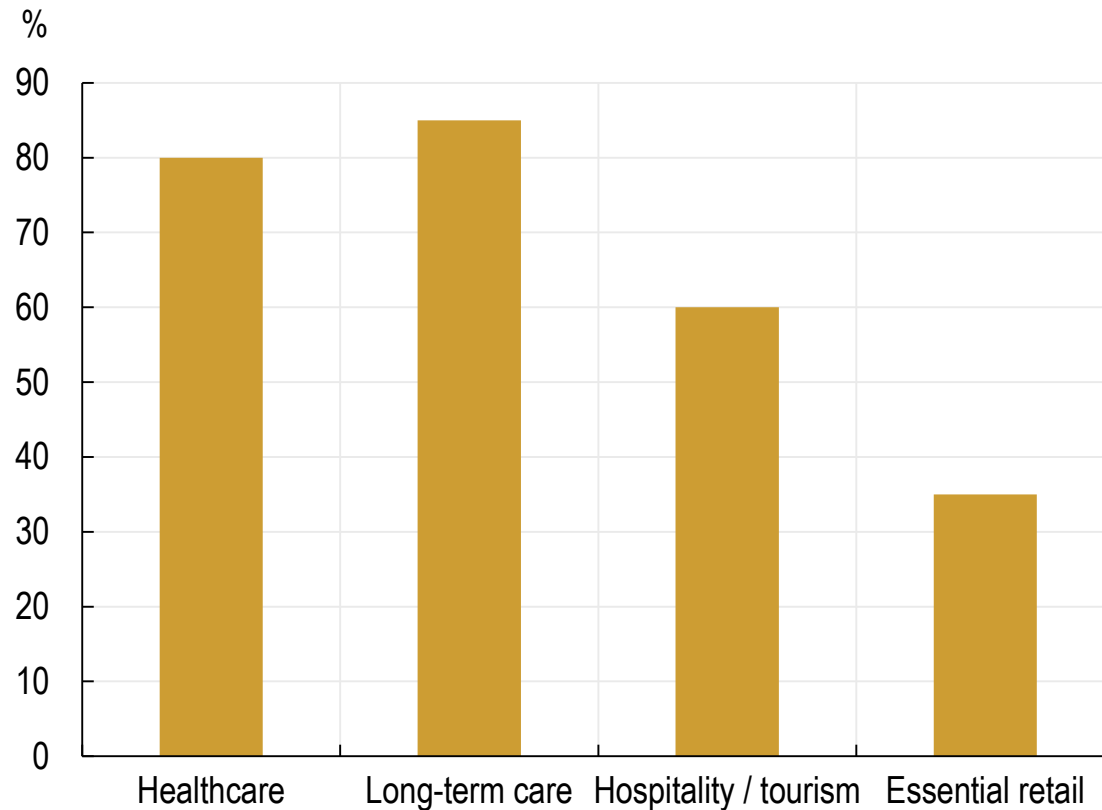
Increasing the budget of *active labour market policies* to support the low skilled and worker reallocation post-COVID

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

