

The restated OECD Jobs Strategy

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A. Set appropriate macroeconomic policy

- Price stability and sustainable public finances ensure that the benefits of structural reforms are brought forward early
- But reactions to cyclical fluctuations should be symmetric to reduce the risk that temporary increases in unemployment become permanent

B. Remove impediments to labour market participation as well as job-search

- Need for a coherent activation policy within a mutual obligation framework (*not necessarily more spending on programmes*)
- More careful evaluation and monitoring of policies and employment services is required
- Extend mutual obligations to recipients of non-employment benefits

C. Tackle labour- and product-market obstacles to labour demand

- Severance costs and dismissal procedures should be made more predictable
- What is the adequate level of payments? (BIAC and TUAC disagreement)
- Need for combining flexibility with security:
 - Danish flexicurity model (transferability?)
 - Austrian individual severance accounts

D. Facilitate the development of labour force skills and competencies

- Early interventions are better (early childhood but also immigrants)
- Need for a life-cycle approach (key in light of of ageing population) – allows to deal also with the current cohorts of unskilled adults
- But still much to be learnt on human resource development policies: more evaluations needed

No single road to Rome but not every road leads to it

- Two approaches have worked:
 - Market-reliant (US)
 - Coordinated (Denmark, the Netherlands)
- Measurement is an issue but the bias can go either way
- Sustainability of different models
 - Budgetary
 - Social