The OECD is committed to helping countries achieve good labour market outcomes

The OECD Jobs Strategy has three policy principles:

- **PROMOTE** an environment in which high-quality jobs can flourish
- **PREVENT** labour market exclusion and protect individuals against labour market risks
- **PREPARE** for future risks and opportunities that may emerge in the labour market
This review supports Latvia’s Inclusive Employment Strategy 2015-2020

- Detailed, linked administrative data
- Rigorous impact evaluations
- Key policy messages
- Existing evidence
Unemployment has fallen, but challenges remain

Percentage of total labour force

Note: OECD is a weighted average excluding Lithuania.
Spending on activation is low, but there is a new emphasis on disadvantaged groups

Public spending on labour market policies in OECD countries
Expenditure as percentage of GDP, 2016

Training helps people connect with jobs, but the underlying voucher system may be improved

Estimated effects of training on employment
Percentage point change in employment chances, January 2012 to October 2017

Note: The confidence intervals are shown at the 5% level and represented by the whiskers delimiting the dotted lines on the charts.
Regional differences present challenges but also opportunities for active labour market policy

Unemployment in Latvia's regions, 2016

**Unemployment rate (left scale)**

**Share of long-term unemployed (right scale)**

**Youth unemployment rate, 15-24 year-olds (left scale)**

Note: The share of long-term unemployed refers to the percentage of unemployed who are unemployed for 12 months and over.

Source: Central Statistical Bureau of Latvia and Latvian Labour Force Survey (CSB).
Subsidies have a positive impact on post-participation outcomes but not for all unemployed persons

Estimated effect of the programme on the likelihood of employment
Persons who have been unemployed for 6 months or longer

Establishing a regular and well-functioning monitoring and evaluation system is crucial for policy

**THIS REVIEW** has relied on significant efforts from many different policy agencies in Latvia which collected and shared administrative micro data

**CONTINUITY** in these efforts is vital for building good evidence for better labour market policies in the future

**BUILDING SKILLS** for data collection and analysis will be crucial

**CROSS-COUNTRY LEARNING** can be an important source of support
Thank you

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OECD Directorate for Employment, Labour and Social Affairs: www.oecd.org/els
ALMPs: www.oecd.org/els/employment/activation.htm