FACES OF JOBLESSNESS
A PEOPLE-CENTRED PERSPECTIVE ON
EMPLOYMENT BARRIERS AND POLICIES

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www.oecd.org/social/faces-of-joblessness.htm
• The circumstances of jobless people are often “messy”
• But this is not systematically reflected in how we approach policy, or the statistics that feed into policy design and delivery
• There is a need for good-quality information that captures the complexity of the employment difficulties that people face.

• People-centred info on employment barriers would help to:
  ✓ identify **untapped sources of employment growth**
  ✓ facilitate a cross-sectoral perspective on policy challenges
    ✓ **targeting & tailoring** policy interventions
    ✓ **integrating services** in a way that works for policy “clients”
  ✓ consider **priorities** among competing challenges
  ✓ understand **why** different approaches work (or not)
  ✓ move from **general principles** of what works, to conversation on **specifics and implementation**
Provide a systematic view on complex circumstances
Align statistics & indicators with real-world experience of joblessness

» Map of “disadvantaged”, “vulnerable” groups. Who are they?
» What employment barriers do they face?
» What policy levers to tackle those barriers?
Faces of Joblessness
Linking policy debates with circumstances “on the ground”

activation & employment support policies

Large group of jobless, complex & ‘messy’ circumstances
Faces of Joblessness
Linking policy debates with circumstances “on the ground”

activation & employment support policies

1 2 3 4
Available existing information is incomplete

Existing **high-level** labour-market indicators contain little information on relevant employment barriers…

- standard breakdowns (age, sex, …)
- no clear link with problems to be addressed ("being young is not a barrier")
- largely individual-based, little family context

Existing **in-depth** profiling systems designed for needs of specific process / institution (e.g., PES)…

- generally not used for higher-level policy dialogue
- may not capture circumstances relevant for key policy areas, eg. care responsibilities, incentives
- miss big parts of jobless, eg. only registered unemployed
Filling the gap: Main steps
People-centred, “bottom-up” approach

1. Select population of interest
   - here: jobless + low-intensity / unstable employment
   (household data: EU-SILC)

2. Measure employment barriers
   - (i) capabilities,
   - (ii) motivation,
   - (iii) opportunities

3. Identify policy-relevant groups
   - individuals with similar sets of barriers
   (statistical clustering method)

4. Policy inventory & gap analysis
   - are existing programmes accessible for those groups?
   - are they well-aligned with their main barriers?
A joint effort

- Initially a 2-year project 2016/2017, innovative partnership:
  - Unified method and broadly similar process / outputs
  - Extensions @OECD: eg Australia, Finland, France, Ireland, Italy, Lithuania
  - Main findings
    ✓ employment difficulties very different across countries & groups
    ✓ indicates different needs for support, even in demographically similar population segments (“older workers”, “youth”, “mothers”)
    ✓ traditional ways of presenting LM statistics cannot capture this
    ✓ large majority face multiple barriers
    ✓ existing programmes sometimes of right type but poor access, coordination
    ✓ input into OECD country policy reviews, European Semester

Estonia  Ireland  Italy  Lithuania  Portugal  Spain

Greece  Hungary  Poland  Bulgaria  Croatia  Romania

A joint effort
Scope for labour-market integration measures. Up to half have potential difficulties

% of working-age population

18-64, excluding students, military service

Source: EU SILC and HILDA 2014
“Individuals with potential employment difficulties”

- Persistently out of work
- Weak labour market attachment
- No major difficulties

- Unemployed
- Retired
- Unfit to work
- Domestic tasks
- Other inactive

Average across selected countries: AUS, EST, IRL, ITA, LTU, PRT, ESP
18-64, excluding students, military service
Source: EU SILC and HILDA 2014
“Individuals with potential employment difficulties”

- Persistently out of work
- Weak labour market attachment
- No major difficulties

What are untapped sources of employment growth?

What is the scope for labour-market integration policies?

Average across selected countries: AUS, EST, IRL, ITA, LTU, PRT, ESP 18-64, excluding students, military service
Source: EU SILC and HILDA 2014

Average of seven countries: Ireland
Persistently out of work
Weak labour market attachment
No major difficulties

Unemployed
Retired
Unfit to work
Domestic tasks
Other inactive
Near-zero earnings
Unstable jobs
Restricted hours
What difficulties?

A typology of employment barriers

**Work-related capabilities**
- Education / skills
- Work experience
- Health problems
- Care responsibilities

**Motivation / Incentives**
- Out-of-work benefits
- Tax burdens on in-work earnings
- Non-labour incomes
- Earnings of other family members

**Opportunities**
- Cyclical labour-market weakness
- Limited hiring in relevant labour-market segment (eg, region, education)

Adapted from Immervoll and Scarpetta, 2012
Employment barriers
Incidence across countries

% of individuals with potential labour market difficulties

Capabilities
Incentives
Opportunities

- No recent work experience
- Low edu / skills
- Limited total work experience
- Health limitations
- Care responsibilities
- No work experience at all
- "High" non-labour income
- "High" earnings replacements
- Scarce job opportunities

Source: EU-SILC 2014.
Employment barriers
Incidence across countries

% of individuals with potential labour market difficulties

Are broad policy priorities in line with most common barriers?

Source: EU-SILC 2014.
Most face **multiple barriers**

Source: EU-SILC and HILDA 2014.
Large number of distinct groups

- Mothers unskilled, interrupted career 
  EST, IRL
- Older inactive 
  poor health, skills, experience 
  EST, LTU
- Discouraged younger adults 
  limited experience 
  ITA
- LM inactive mothers no past work experience 
  ITA
- LM inactive mothers has work experience, working partner 
  ITA, IRL
- Income-poor parents no past work experience 
  IRL
- Working poor 
  low skills, work disincentives 
  EST
- Prime-age men 
  Multiple barriers 
  LTU
**Large number of distinct groups**

- **Prime-age men Multiple barriers**
- **Working poor low skills, work disincentives EST**
- **Income-poor parents no past work experience IRL**
- **LM inactive mothers has work experience, working partner IRL, ITA**
- **LM inactive mothers no past work experience ITA**
- **Discouraged younger adults limited experience ITA**
- **Older inactive poor health, skills, experience EST, LTU**
- **Mothers unskilled, interrupted career EST, IRL**

- Are groups “on the radar” of activation & employment-support policies?
- Should they be?
Zooming in: Commonly used labels comprise distinct groups with different “faces” → They require different policy approaches

**mothers:** low-skilled, LM-inactive benefit recipients

- **Care:** 92%
- **Skills:** 48%
- **Low work experience:** 68%

**mothers:** well-educated & working partner

- **Care:** 93%
- **Low work experience:** 28%
- **Non-labour incomes:** 60%

**parents:** economically vulnerable

- **Care:** 66%
- **No work experience:** 97%

Opportunities (100%)
Zooming in: Commonly used labels comprise distinct groups with different “faces” → They require different policy approaches

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- Opportunities (100%)
- Care (66%)
- No work experience (97%)

**Basis for a people-centred policy inventory.**

- Which groups are a priority for support?
- Are policies aligned with their needs?
- A need for coordination across policy domains?
“Messy” circumstances… and their policy implications. Themes in the policy dialogue

- Workplace adaptation, anti-discrimination
- Apply activation
- Income support: More accessible & “active”
- On-the-job training, subsidised employment
- Facilitate part-time work
- Combat informal work

- Mothers: unskilled, interrupted career
  EST, IRL

- Older inactive: poor health, skills, experience
  EST, LTU

- Discouraged younger adults: limited experience
  ITA

- LM inactive mothers: no past work experience
  ITA

- Income-poor parents: no past work experience
  IRL

- Working poor: low skills, work disincentives
  EST

- Prime-age men: Multiple barriers
  LTU

- Tackle support fragmentation
- Incentives for 2nd earners
- Flexible maternity & parental leave
- Childcare affordable, accessible
- Job-search and skills development programmes: Extend reach
Faces of Joblessness

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Links & further information:

www.oecd.org/social/faces-of-joblessness.htm

www.oecd.org/social/benefits-and-wages.htm

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