## MINISTERIAL STATEMENT BUILDING MORE RESILIENT AND INCLUSIVE LABOUR MARKETS

- 1. We, the OECD Employment and Labour Ministers, together with our counterparts from Colombia, Costa Rica, Kazakhstan, Latvia, Lithuania, Morocco and Peru met in <u>Paris on 15 January 2016</u>, under the chairmanship of Ms. Joan Burton, Deputy Prime Minister and Minister for Social Protection of Ireland. The Vice-Chairs were Ms. Andrea Nahles, Federal Minister of Labour and Social Affairs of Germany; Ms Myriam El Khomri, Minister of Labour, Employment, Vocational Training and Social Dialogue of France; and Ms. Ximena Rincón, Minister for Labour and Social Security of Chile. The meeting was preceded by a Policy Forum on *The Future of Work*. The Council of Europe and the International Labour Organisation (ILO) participated in the Policy Forum and Ministerial meeting, as well as representatives from the Business and Industry Advisory Committee (BIAC) and of the Trade Union Advisory Committee (TUAC).
- 2. We re-affirmed our strong support for OECD evidence-based policy analysis and advice on resiliency and inclusiveness in the labour market, emphasising that quality jobs are the pathway through which most people can benefit from economic growth. We also welcome the growing attention that inclusive growth is receiving in international policy discourse. In particular, we applied the policy principles, agreed by the G20 Labour and Employment Ministerial meeting in Ankara on 3-4 September 2015, to promote more equal economies and fair societies, strengthen social cohesion and better integrate vulnerable and disadvantaged groups into the economy and the labour market.

#### Addressing current labour market needs

- 3. Although unemployment is on a downward path in most of our countries, in November 2015, 40 million people were still without work across the OECD, almost 8 million more than just before the crisis. This poses a significant challenge to many OECD countries. More than one in three of all unemployed people have been out of work for a year or more and the size of this group has increased by 65% since 2007. High and especially persistent unemployment is a serious individual and socio-economic problem and we are committed to helping unemployed people, and in particular those with long spells of joblessness, to return to work.
- 4. At the same time, 40 million young people of 15-29 years of age are neither in employment, education nor training (NEETs) in the OECD and, among them, 27 million are not actively looking for work. The recent deep and prolonged crisis has made the transition from school to work even more difficult for young jobseekers. We agree that enhancing young people's skills is necessary to promote their career prospects in the short and long term, and that prompt and tailored interventions are needed to help facilitate youth transition from school to work and get a firm foothold in the labour market. Job search assistance and guidance for young jobseekers, as well as opportunities for relevant work experience and targeted training and apprenticeship programmes, are proven effective options to help youth, especially now that our economies are strengthening job creation. We welcome the OECD Youth Action Plan

adopted in 2013 and its ongoing implementation in a number of our countries, and recognise the G20 commitment to reduce the share of young people who are most at risk of being left permanently behind in the labour market by 15% by 2025.

#### Promoting greater labour market resilience and inclusiveness

- 5. We discussed what we have learned from the economic crisis about how to support workers during deep recessions and what can be done in the medium and longer term to help our citizens cope better with future shocks to our economies. We agree that further policy action is needed to foster resilient, flexible labour markets that can weather economic downturns with limited social costs and to promote inclusive labour markets that allow under-represented and vulnerable groups to participate in rewarding and sustainable employment. We understand that some policies and programmes that are effective in reducing structural unemployment and improving employment performance also foster labour market resilience. However, while we have learned a lot from the recent economic crisis on the effectiveness of specific policy settings and temporary measures during a crisis, we are conscious that such interventions require additional public resources. In this respect, we agreed to the importance of continuing to adapt our labour market policies throughout the business cycle.
- 6. Many countries still need counter-cyclical policies and/or structural reforms to promote sustainable growth and well-being. But all countries need to shift towards a strategy of <a href="Inclusive Growth">Inclusive Growth</a> one in which labour market and social policies aim to ensure that everyone can contribute to a highly productive economy, and where hard and quality work is rewarded fairly by good wages, progression and career prospects. Everyone deserves a fair chance in the labour market and in society. Many more people should be equipped with the skills and supports they need, so that they can obtain a good and rewarding job and avoid ending up trapped in poor quality employment or in inactivity. In addition, too many jobs do not provide the opportunity to gain new skills and to move up the career ladder to more rewarding positions.
- 7. While we agree on the need to renew the efforts to address the persisting short-term challenges in our labour markets, we also agree on the need to develop effective and co-ordinated long-term strategies to build more resilient and inclusive labour markets. Macroeconomic instability, increasing income inequality, demographic changes, rapid evolution of the digital economy, environmental challenges, globalisation and informality, all pose significant challenges, to a different degree in each country, for employment and social protection policies. We are committed to do more to help under-represented and vulnerable groups into rewarding, productive and sustainable employment. We are convinced that well-tailored policy actions are required, within a comprehensive and effective approach addressing both demand- and supply- side barriers and we agree about the key complementary elements that would allow an increasingly diverse workforce to realise its labour market potential:
  - An effective and adequately-resourced system of activation measures can help connect
    jobseekers with job opportunities. We appreciate the new framework that the OECD has put
    forth for the design of successful activation packages, emphasising how we need to improve the
    jobseekers' employability and expand their opportunities to be placed and retained in
    appropriate jobs, while at the same time maintaining their motivation to pursue employment
    actively.

- An effective skills strategy that makes it possible for everyone who wishes to work to obtain and
  update skills that are needed in the labour market. Overcoming skill deficits can both raise
  employment rates and lower earnings inequality. Making better use of the skills that workers
  already possess for example, by better skills recognition and improved matching of workers to
  jobs that make use of their particular skills will lower inequality while raising efficiency and
  well-being.
- Sustained action to help young people into employment and move out of precarious, low-paid
  jobs into high-quality jobs that offer fair opportunities for career advancement. We note that
  OECD research has demonstrated the importance of the first ten years of a person's working life
  to their long-term career prospects. We believe that policies that improve the prospects during
  those years are the most cost effective ways to improve the entirety of workers' careers.
- 8. We understand that **timely and targeted measures** are **needed to help under-represented and vulnerable groups** into rewarding and quality employment. We appreciate how OECD thematic reviews, such as those for older workers and persons with mental health conditions, identify effective policy approaches to address the complex and unique needs of specific under-represented groups. Building on the landmark Recommendation of the Council on Gender Equality in Education, Employment and Entrepreneurship and the OECD Action Plan for Youth endorsed in 2013, we welcome the new OECD Recommendations on *Ageing and Employment Policies* and on *Integrated Mental Health*, *Skills and Work Policy* which are attached to our Statement.
- 9. The Recommendation of the Council on Ageing and Employment Policies (see Annex 1) puts forward a set of policy principles to advise countries in addressing the challenges related to rapid population ageing, while taking into account countries' labour market institutions, demographic context and policy histories. We realise that, even though already much has been done to change existing work and retirement patterns, the number of retirees per worker in OECD members is projected on average to double over the next five decades. Promoting longer working lives can help share the benefits of increased longevity more fairly and can also help to ensure decent incomes in retirement on a sustainable basis. Achieving this objective will require that we boost the labour market prospects of older workers with the co-operation of the social partners while taking a lifecycle perspective to policy making to take into account all of the factors affecting the length and quality of working lives.
- 10. The Recommendation of the Council on Integrated Mental Health, Skills and Work Policy (see Annex 2) is a welcome set of policy principles that help us address the impact of mental health problems on health, education, employment and social outcomes. We recognise that mental health of youth and the working-age population is a key issue for achieving high employment and inclusive growth. It has been neglected for too long despite the high and growing cost of poor mental health to people and society at large. We are aware that health, education, employment and social policies, and the ways in which these policies interact, have a major role to play in improving the employment opportunities for people with mental illness particularly among the young.
- 11. We have been deeply affected by the human cost of the refugee crisis, while recognising the challenges our countries are facing in providing support to a large number of refugees. We acknowledge that refugees and their children need relevant support. This would include helping them to develop and

fully utilise their skills in order to integrate in the labour market and society and contribute to the host country. We therefore commit to doing our utmost, depending on country circumstances and in close co-operation with other Ministers responsible for migration issues, to facilitate the integration of the refugees and their children in the months and years to come.

#### Reducing labour market inequalities

- 12. We note recent OECD research has shown income inequality has reached an historic high in many of our countries. High income inequality may threaten social cohesion at the lower ends of the income distribution. We further note OECD's work showing that high levels of inequality can undermine our economies' growth performance, in particular by making it more difficult for people from poor socio-economic background to invest in quality education and thus develop the skills required in the economy. Meeting the demand for affordable early childhood education and care is one of the most important means of breaking intergenerational family poverty as well as facilitating full labour market participation of parents. Since rising earnings inequality has been the single most important driver of rising income inequality, we agree that policies which promote greater labour market inclusiveness and raise workforce skill levels, especially in the lower part of the skills distribution, are essential to reverse the long-term rise in income inequality.
- 13. We recognise that policy action is necessary to raise living standards at the bottom of the earnings distribution. Ensuring appropriate social protection schemes for the unemployed and low income families remains a key priority. In our countries, to a varying extent, unemployment benefits have automatically stepped in to sustain the incomes of many job losers during the recent economic crisis. Efforts have also been made in a number of countries to extend the coverage and, in some cases, the maximum duration of benefits to provide a more effective protection during the economic crisis. We agree to ensure that social assistance benefits are serving as an adequate income support for those that need it whilst also delivering the required incentives for claimants to seek work.
- 14. We are also committed to help those at risk of in-work poverty. Minimum wages, in-work benefits and tax credits are some of the relevant measures. When set at an appropriate level, in accordance with national policies and practices, a minimum wage can help to increase earnings and need not have an adverse effect on employment, but its effects on the most vulnerable groups should be closely monitored. In-work benefits have proven their effectiveness in increasing labour supply, employment and the household incomes of low-skilled people. We understand that it is very important to co-ordinate the different policy instruments with the tax-benefit system in order to realise their full potential for helping low-paid workers.
- 15. We remain fully committed to pursue our efforts for greater gender equality in the labour market, also following the policy principles of the Recommendation of the Council on Gender Equality in Education, Employment and Entrepreneurship.

#### Promoting high job quality

16. We emphasise the importance of promoting better jobs, since the quality of working life is one of the most powerful determinants of well-being in our societies. We also note that there does not have to be a trade-off between the quality and quantity of employment opportunities in the advanced

countries: job quantity and the different dimensions of job quality tend to be positively related across OECD countries as well as across individuals at a point in time and over the life-time. We discussed how better jobs can promote other policy goals such as promoting higher labour force participation and increasing the supply of skilled labour, worker commitment and, ultimately, strong and sustainable economic performance. The OECD framework for measuring and assessing job quality is a first step in helping us to assess progress in raising job quality and identify policy priorities. We understand that a comprehensive policy approach will be required to make progress on all three dimensions of job quality: earnings quality, economic security, and quality of the working environment and we are committed to make progress in the different areas, according to country circumstances. We are committed to foster an ongoing dialogue and co-operation with all relevant stakeholders on the best ways to adapt our policies so that all three aspects of job quality – job security, earnings quality and the quality of our working environment – are improved.

17. We note with interest the discussion between employers, unions, academics and policy makers, including many of us, which took place prior to our meeting in the *Policy Forum on The Future of Work*. Digitisation is an enormous opportunity for our economies, creating many new markets and jobs and allowing greater flexibility for employers and individuals to adapt their work. While digitisation is benefiting many workers, it can also have serious implications with regard to work organisation, employment relationships, social protection systems, skills development and the effectiveness of labour market policies and institutions. We agree that grasping the opportunities while addressing the challenges of rapid technological change requires a comprehensive strategy involving a whole-of-government approach as well as a close collaboration with social partners and relevant stakeholders.

### Social dialogue and international co-operation

- 18. Our experience during the recent economic crisis suggests that constructive dialogue between the government and the social partners is key to promoting inclusive labour market reforms and securing good labour market outcomes. Also building on such experience, we agree on the importance of promoting a continued social dialogue, according to national practice, to identify the most suitable policy packages and encourage key stakeholders to contribute, to the extent possible, to their implementation.
- 19. This Ministerial meeting has given us a timely opportunity to share views on our policy responses to our current challenges and to future ones that loom on the horizon. We look forward to further OECD work on labour market and social policy, to provide new insights on how to promote the creation of quality jobs in a fairer and more inclusive and resilient economy.
- 20. Working with social partners, we remain committed to promoting dialogue and co-operation with governments of emerging and developing countries in order to help address together employment and social challenges. The OECD, working with the ILO and other international organisations, can continue to contribute to this effort through its participation in the G20 and other international fora.

#### Future work of the OECD on employment policy

21. The OECD Jobs Strategy has provided a valuable framework for countries to identify policy reforms that can promote better labour market performance. However, it appears timely to update the

OECD Jobs Strategy to fully reflect the lessons learned from the global economic crisis and the policies that have been implemented to address the consequences of the crisis, as well as to tackle the current policy challenges we are all facing, including the trend increase in income inequality; the impact of ongoing technological changes on labour demand, work organisation, social security and employment protection; rapid demographic change; and globalisation. In this regard, we, the OECD Employment and Labour Ministers, invite the OECD to undertake an in-depth review of the OECD Jobs Strategy and to update and extend the guidelines to address in particular how best governments can simultaneously: i) build more resilient and adaptable labour markets; ii) increase labour market participation and job creation; iii) improve the quality of jobs; and iv) promote a fair distribution of opportunities and outcomes. We also encourage the OECD to make the Jobs Strategy more relevant to emerging economies, including tackling persistent labour informality. We have also identified several related areas of policy research that would be very useful to us in further developing our employment policies (see Annex 3 for more details.)

# ANNEX 1 RECOMMENDATION OF THE COUNCIL ON AGEING AND EMPLOYMENT POLICIES

#### THE COUNCIL,

**HAVING REGARD** to Article 5 b) of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

**HAVING REGARD** to the Recommendation of the Council on a General Employment and Manpower Policy [C(76)37];

**HAVING REGARD** to the Recommendation of the Council on Gender Equality in Education, Employment and Entrepreneurship [C/MIN(2013)5/FINAL];

**WELCOMING** the reports towards an Active Society delivered by the OECD since the 1980s and the major in-depth OECD multi-country review of ageing and employment policies conducted since 2003;

**CONSIDERING** that important steps have already been taken by governments, employers, trade unions and non-governmental organisations to put forward policies and initiatives for reform in the following three broad areas: i) strengthening incentives to carry on working; ii) tackling employment barriers on the side of employers; and iii) improving the employability of workers;

**RECOGNISING** that there remains considerable scope for further progress towards the objective of an integrated and comprehensive policy approach to achieve longer and better working lives and boost labour market prospects for older people;

**RECOGNISING** that strong and effective actions by governments, employers, trade unions and non-governmental organisations are still needed in both the public and private sectors to remove the obstacles to longer and better working lives and monitor the progress in achieving this goal together, including by supporting the efforts of developing and emerging countries;

On the proposal of the Employment, Labour and Social Affairs Committee:

- **I. RECOMMENDS** that members and non-members having adhered to this Recommendation (hereafter the "Adherents") strengthen incentives for workers to build up longer careers and to continue working at an older age. To this effect, Adherents should, as appropriate:
  - a) enhance incentives to continue working at an older age:
    - by ensuring that the old-age pension system encourages and rewards later retirement in line with increased life expectancy while ensuring adequacy and sustainability of pension payments; and
    - ii. by encouraging longer and more satisfying careers through more flexibility in work-retirement transitions, including by promoting phased retirement, better balancing work and care and permitting a combination of pensions with work income
  - b) **restrict the use of publicly-funded early-retirement schemes** which encourage workers to leave employment while they are still in good health and able to work;

- c) ensure access to welfare benefits, such as unemployment and disability benefits, for all workers, irrespective of their age and status, and monitor that these benefits are used for their original purpose and not to incentivise early retirement for those still able to work.
- **II. RECOMMENDS** that Adherents encourage employers to retain and hire older workers. To this effect, Adherents should, as appropriate:
  - a) address discrimination in employment on the basis of age by taking measures, such as legislation preventing age discrimination and public-awareness campaigns, to eliminate discrimination in the recruitment, promotion and training process, and in employment retention in collaboration and consultation with employers' and workers' representatives;
  - take a balanced approach to employment protection by ensuring that age is not a criterion in determining the level of employment protection while promoting better access to quality jobs for older workers;
  - c) **seek to discourage or further restrict mandatory retirement** by employers in close consultation and collaboration with employers' and workers' representatives, while respecting in a limited number of instances that such practices may be necessary;
  - d) encourage employer and worker representatives to identify mechanisms to facilitate the retention and hiring of all older workers, even those in vulnerable situations, including reviewing their practices in setting pay to reflect productivity and competences, not age;
  - e) encourage good practice by employers in managing an age-diverse workforce through public and private initiatives that provide guidance on issues such as promoting a sharing of knowledge and experience across different age groups and adjusting work responsibilities and working-time arrangements to the changing capacities of workers and their family responsibilities over their life course as well as to take account of improvements in the education, health and physical capacities of older workers.
- **III. RECOMMENDS** that Adherents promote the employability of workers throughout their working lives with a view to strengthening employment opportunities at an older age. To this effect, Adherents should as appropriate:
  - a) enhance participation in training by workers throughout their working lives by providing guidance services and ensuring that training is adjusted to reflect the experience and learning needs of workers at different ages, including strengthening access to work-based training for those in non-standard forms of work, encouraging increased investment in skills development at mid-career and improving the attractiveness of training and its potential returns for older workers by adapting teaching and learning methods and content to their needs;
  - b) provide effective employment assistance to jobseekers, irrespective of their age, but targeted at those groups most at risk of long-term joblessness while ensuring that older jobseekers have the same obligations as younger jobseekers for receiving unemployment benefits in terms of actively seeking a job, but also the same rights in terms of access to targeted re-employment services;
  - c) improve working conditions through a broad-based strategy to enhance job quality for workers at all ages, in terms of strengthening workplace safety and physical and mental health,

reducing the incidence of hazardous and arduous work, balancing professional and family responsibilities, and facilitating job mobility as a function of the changing experience and capacities of workers.

- **IV. INVITES** the Secretary-General to disseminate this Recommendation.
- V. **INVITES** Adherents to disseminate this Recommendation.
- VI. INVITES non-Adherents to take account of and adhere to this Recommendation.
- VII. INSTRUCTS the Employment, Labour and Social Affairs Committee to:
  - serve periodically or at the request of Adherents as a forum for an exchange of views and a structured sharing of experiences and good practices on matters related to the Recommendation;
  - b) support the efforts of Adherents to implement this Recommendation through comparative data, analytical studies and measurable policy indicators;
  - c) monitor progress and policy development, including through the use of relevant indicators, in the follow up to this Recommendation and report thereon to the Council no later than five years following its adoption and regularly thereafter.

# ANNEX 2 RECOMMENDATION OF THE COUNCIL ON INTEGRATED MENTAL HEALTH, SKILLS AND WORK POLICY

#### THE COUNCIL,

**HAVING REGARD** to Article 5 b) of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

**HAVING REGARD** to the Recommendation of the Council on a General Employment and Manpower Policy [C(76)37];

**HAVING REGARD** to the OECD Action Plan on Giving Youth a Better Start [C/MIN(2013)4/FINAL, Annex I];

**HAVING REGARD** to the important work done by the United Nations, the Council of Europe and the European Union on the rights and opportunities of persons with disabilities and mental illnesses;

**RECOGNISING** the important work undertaken by the World Health Organisation, especially on the need for integrated health and social care services in community-based settings, more generally and for children in particular, and to this end the World Health Organisation's "Comprehensive mental health action plan 2013-2020" which was adopted by the World Health Assembly on 27 May 2013;

**WELCOMING** the analyses and conclusions in three recently published OECD reports, notably "Sick on the Job?" (2012), "Making Mental Health Count" (2014) and "Fit Mind, Fit Job" (2015);

**HAVING REGARD** to the High-Level Policy Forum held in The Hague (Netherlands) on 4 March 2015, during which Ministers and government officials representing 30 OECD members concluded that it is timely and urgent to address mental health, skills and work issues in a more coherent and integrated way and to facilitate mutual learning across countries;

**CONSIDERING** that improving education, health and labour market opportunities and outcomes of people living with mental health conditions needs concerted action in a range of policy fields – including health policy, youth policy, labour market policy and social policy – with a shift in three aspects, i.e. in the *timing* and in the *modalities* of policy intervention and in the *actors* needed for the policy change;

**ACKNOWLEDGING** the importance of prevention to reduce the incidence of mental illness and to ensure mental resilience and awareness early in life through action to address family disadvantage, social risk factors, domestic violence and intergenerational transmission of poor mental health and to provide family support in dealing with mental illness, aspects that go beyond the scope of this Recommendation;

**RECOGNISING** that mental illnesses are not evenly distributed between men and women and that policy responses therefore will have to take gender aspects into account;

**RECOGNISING** that, as for physical health needs of individuals, people living with mental illness need timely, adequate therapeutic and medical treatment in order to minimise the impact of the illness on their wellbeing and to prevent a further deterioration of their mental health, and that work can contribute to recovery and shorten the duration of treatment;

**RECOGNISING** that childhood and adolescence are crucial periods for promoting wellbeing and good mental health and addressing problems arising from mental illness, including poorer educational outcomes and greater difficulty in accessing further and higher education and the labour market;

**RECOGNISING** the importance of job quality for workers' wellbeing and mental health;

**RECOGNISING** that all areas of income support should be able to provide the support needed to people living with mental health conditions since these conditions are highly prevalent not only among people on sickness and disability benefits, but also among those on unemployment and social assistance benefits;

**RECOGNISING** the need to improve access to, and take-up of, treatment, social support and employment counselling for people affected by mild-to-moderate mental health conditions, predominantly stress-related illnesses and mood and anxiety disorders, which account for the bulk of people living with poor mental health;

**RECOGNISING** the considerable economic and social benefits that may be achieved, at all levels of government, from a co-ordinated and integrated policy approach to mental health that covers young people and people of working-age and links together employment, welfare benefit, health services as well as education;

On the proposal of the Employment, Labour and Social Affairs Committee and the Health Committee in consultation with the Education Policy Committee:

**AGREES** that, for the purpose of the present Recommendation, *mental health* – following the World Health Organisation's widely-accepted definition – refers to a state of wellbeing in which the individual realises his or her abilities, can cope with the normal stresses of life, can work productively and fruitfully, and is able to make a contribution to his or her community;

- **I. RECOMMENDS** that members and non-members having adhered to this Recommendation (hereafter "Adherents") seek to improve their mental health care systems in order to promote mental wellbeing, prevent mental health conditions, and provide appropriate and timely services which recognise the benefits of meaningful work for people living with mental health conditions. To this effect, Adherents should, as appropriate:
  - a) foster mental wellbeing and improve awareness and self-awareness of mental health conditions by encouraging activities that promote good mental health as well as help-seeking behaviour when mental illness occurs and by building effective strategies to address stigma in consultation with a range of government and non-government stakeholders;
  - b) promote timely access to effective treatment of mental health conditions, including mild-to-moderate mental illnesses, in both community mental health and primary care settings and through co-location of health professionals to facilitate the referral to specialist mental health care, while ensuring the involvement of people living with mental health conditions in decisions about the appropriate care and treatment plan;
  - c) **strengthen the employment focus of the mental health care system**, particularly by carrying out awareness-raising activities to emphasise the positive contribution quality work can make to recovery, by introducing employment outcomes in the health system's

quality and outcomes frameworks, and by fostering a better co-ordination with publicly- and privately- provided employment services;

- d) expand the competence of those working in the primary care sector, including general practitioners, family doctors and occupational health specialists, to identify and treat mental health conditions through better mental health training for health professionals, the incorporation of mental health specialists in primary care settings, and clear practices of referral to, and consultation with, specialists;
- e) encourage general practitioners and other mental health specialists to address work (or school) and sickness absence issues including by using evidence-based treatment guidelines which support return to work (or return to school) where possible and by ensuring that health professionals have the resources to devote sufficient time to address work issues.
- **II. RECOMMENDS** that Adherents seek to improve the educational outcomes and transitions into further and higher education and the labour market of young people living with mental health conditions. To this effect, Adherents should, as appropriate:
  - a) monitor and improve the overall school and preschool climate to promote social-emotional learning, mental health and wellbeing of all children and students through whole-of-school-based interventions and the prevention of mental stress, bullying and aggression at school, using effective indicators of comprehensive school health and student achievement;
  - b) improve the awareness among education professionals and the families of students, of mental health conditions young people may experience and the ability to identify signs, symptoms and problems and refer students for assessment and interventions appropriate to their needs, while ensuring an adequate number of professionals is available to all educational institutions with knowledge on psychological and behavioural adaptation and accommodations required in the learning environment;
  - c) promote timely access to co-ordinated, non-stigmatising support for children and youth living with mental health conditions or social-emotional problems by better linking primary and mental health services and reducing waiting times in the mental health care sector and by an easily accessible support structure, linked to preschools, schools, post-secondary institutions, and other youth and community services, which provides comprehensive assistance including treatment, counselling, guidance and peer support;
  - d) invest in the prevention of early school leaving at all ages and support for school leavers living with mental health conditions through appropriate follow-up with due regard to personal privacy of those who have dropped out from school, or are at risk of doing so, with a view to reconnect those students with the education system and the labour market;
  - e) provide non-stigmatising support for the transition from school to higher education and work for students living with mental health conditions (or, for the return to education for those who have dropped out) through better collaboration and better integrated

approaches by schools, post-secondary institutions, employers, employment services and the mental health care sector.

- **III. RECOMMENDS** that Adherents, in close dialogue and co-operation with the social partners, seek to develop and implement policies for workplace mental health promotion and return-to-work. To this effect, Adherents should, as appropriate:
  - a) promote and enforce psychosocial risk assessment and risk prevention in the workplace consistent with applicable privacy and non-discrimination laws, with the adequate support of occupational health services, to ensure that all companies have complied with their legal responsibilities;
  - b) **develop a strategy for addressing the stigma, discrimination and misconceptions** faced by many workers living with mental health conditions at their workplace, with a focus on strong leadership, improved competencies of managers and worker representatives to deal with mental health issues, peer worker training, and active promotion of workplace psychological health and safety;
  - c) promote greater awareness of the potential labour productivity losses due to mental health conditions by developing guidelines for line managers, human resource professionals and worker representatives to stimulate a better response to workers' mental health conditions, covering ways to best assist those workers, including recognition and intervention with co-workers and advice on when to seek professional support, with due regard to personal privacy;
  - d) **foster the design of structured return-to-work policies and processes** for workers on sick leave, and their (prospective or current) employers, notably by promoting a flexible and gradual return to work in line with the worker's improving work capacity, with the necessary work and workplace adaptation and accommodations, and by using or experimenting with fit-for-work counselling services with a strong mental health component;
  - e) encourage employers to prevent and address overuse of sick leave by facilitating dialogue between employers, employees and their representatives and treating doctors as well as other mental health practitioners on how an illness affects the work capacity and how adjusted working conditions can contribute to a solution, with due regard to medical confidentiality.
- **IV. RECOMMENDS** that Adherents seek to improve the responsiveness of social protection systems and employment services to the needs of people living with mental health conditions. To this effect, Adherents should, as appropriate:
  - reduce preventable disability benefit claims for mental health conditions through recognition of the (possibly reduced or partial) work capacity of those potentially claiming a benefit, using appropriate tools and methods to identify work capacity, and through a focus on early identification and early provision of medical and/or vocational support as necessary;
  - b) **help jobseekers living with mental health conditions into work** through appropriate outreach tools to identify an adequate support process that facilitates access to

employment services and training as well as services that address the labour market barriers associated with a jobseeker's mental health condition;

- c) invest in mental health competences for those administering the social protection system by providing training for caseworkers, social workers and vocational counsellors to improve their understanding of mental health issues and the health benefits of work and by ensuring adequate co-operation of benefits, social services and employment services offices with psychological coaches;
- d) encourage the integration of mental health treatment into employment service delivery by stimulating co-operation of employment services with the health sector, especially primary and community-based mental health professionals, and by encouraging the development of evidence-based vocational interventions for jobseekers with mild-to-moderate mental health conditions which combine psychological counselling with pre- and post- placement services or work experience programmes.
- **V. INVITES** the Secretary-General to disseminate this Recommendation.
- VI. INVITES Adherents to disseminate this Recommendation.
- VII. INVITES non-Adherents to take account of and adhere to this Recommendation.
- VIII. INSTRUCTS the Employment, Labour and Social Affairs Committee and the Health Committee to:
  - serve periodically, or at the request of Adherents, as a forum for a structured exchange of views and sharing of experiences and good practices on matters related to the Recommendation;
  - b) support the efforts of Adherents to implement this Recommendation as requested, e.g. through comparative data, analytical studies and measurable policy impact indicators;
  - c) monitor progress and policy development, including through the use of relevant indicators, in the follow-up to this Recommendation and report thereon to the Council no later than five years following its adoption and regularly thereafter.

### ANNEX 3 **FURTHER OECD WORK ON EMPLOYMENT AND LABOUR MARKET POLICIES**

- 22. We, the OECD Employment and Labour Ministers, invite the OECD Employment, Labour and Social Affairs Committee (ELSAC), in collaboration with other relevant OECD committees, to review and update the OECD Jobs Strategy to provide comprehensive and up-to-date policy advice for achieving an inclusive labour market that performs strongly in the context of demographic changes, environmental challenges, globalisation, ongoing technological progress and changes in work organisation.
  - The review should be structured around four over-arching policy goals: 1) resilient and adaptable labour markets; 2) increased labour market participation and job creation; 3) improved job quality; and 4) a fair distribution of opportunities and outcomes. The Jobs Strategy should also embrace issues of specific relevance for the emerging economies.
  - The review should be undertaken by the Directorate for Employment, Labour and Social Affairs in collaboration with the Economics Department, under supervision of their committees [ELSAC and the Economic Policy Committee (EPC)] and in consultation with the social partners. Furthermore, the Secretariat should allow for an intermediate stock-taking in 2017 and have the new Jobs Strategy adopted at the 2018 Meeting of the Council at the Ministerial Level.
- 23. We invite the OECD Employment, Labour and Social Affairs Committee, in collaboration with other relevant OECD Committees, to carry out further work in the following areas, subject to sufficient resources being available:
  - Future of work: Assess the impact of digitisation, broad technological change, evolving working conditions and employment relationships, and stronger international economic linkages and policy spill-overs between domestic labour markets on the nature of work, as well as the challenges they pose for labour market institutions and social protection systems. We look to the OECD to provide us with guidance on how our policies should adapt and change in order to address the challenges and exploit the opportunities of these broad changes so as to ensure high-quality jobs for all. The Secretariat should put a particular focus on the dissemination of current good practices between countries.
  - Skills and Learning: Building on the OECD Skills Strategy, assess how lifelong skills can be maintained and further developed through on-the-job training and skills use at work, and how re-skilling and up-skilling of unemployed and inactive people of working age as well as workers in sectors that will undergo significant structural changes can be improved.
  - We also know that healthy workers are more productive workers and should deepen our analysis on the good practices required to create healthy and safe workplaces for all. We ask the OECD to guide us in identifying how to generate a virtuous circle between work, health and productivity.
  - Analyse the changing landscape of labour relations and its impact on wage growth, working conditions and working-time arrangements, and the impact of and implications for employment and social policies. The system of industrial relations should evolve to be able to respond effectively to changing circumstances, resilience to shocks, and preparedness for a future in which the skills and flexibility of the workforce will be of even greater importance for our labour markets and economies. We look to the OECD to help us modernise our systems of labour relations.

- Working better with diversity: Identify innovative approaches to ensure true labour market inclusiveness for all, regardless of race, age, religion, ethnicity, sexual preference or identification, migrant status, marital or parental status, or health status.
- 24. We look forward to reviewing progress on this work.