



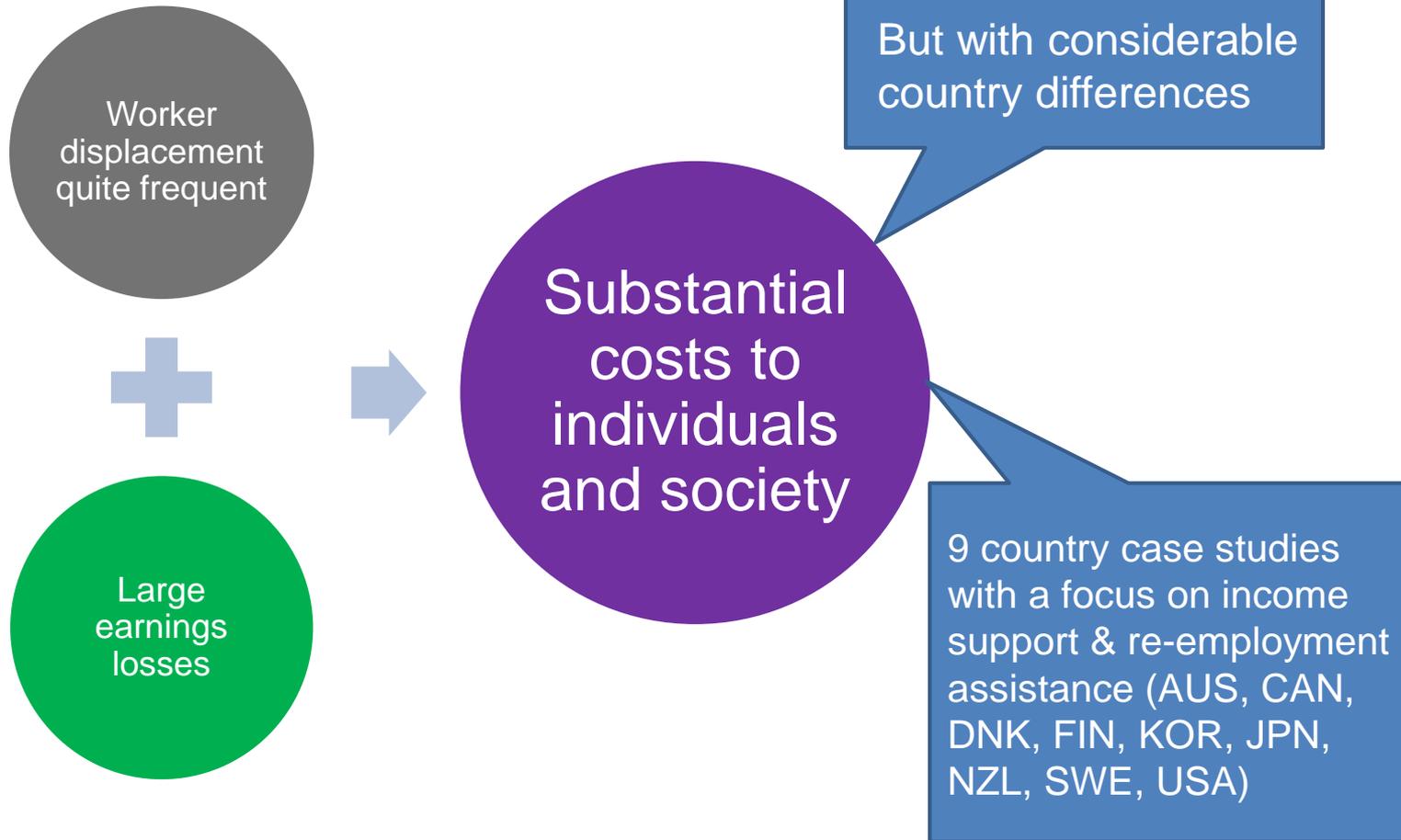
# BACK TO WORK: LESSONS FROM NINE COUNTRY CASE STUDIES OF POLICIES TO ASSIST DISPLACED WORKERS

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# Context of report





# Policy response (1:4)

## Acting early

### Prevention

- Tax layoffs (e.g. experience rating of UI/UB and EPL)
- Subsidise job retention (e.g. short-time work schemes)

### Early intervention

- Re-employment assistance often begins during notice period
- Rapid response measures, e.g. temporary PES office on site
- 2 challenges:
  - Uneven access (mostly mass layoffs with adequate advance notice)
  - Obtaining constructive employer engagement

- Sharp HQ in Nara Prefecture in Japan (PES in the lead)
- Job Security Councils in Sweden (social partners in the lead)



# Policy response (2:4)

## Re-employment assistance and retraining

### Activation

- Displaced workers (DWs) face:
- Particular employment barriers
  - Particular advantages

### Tailoring assistance

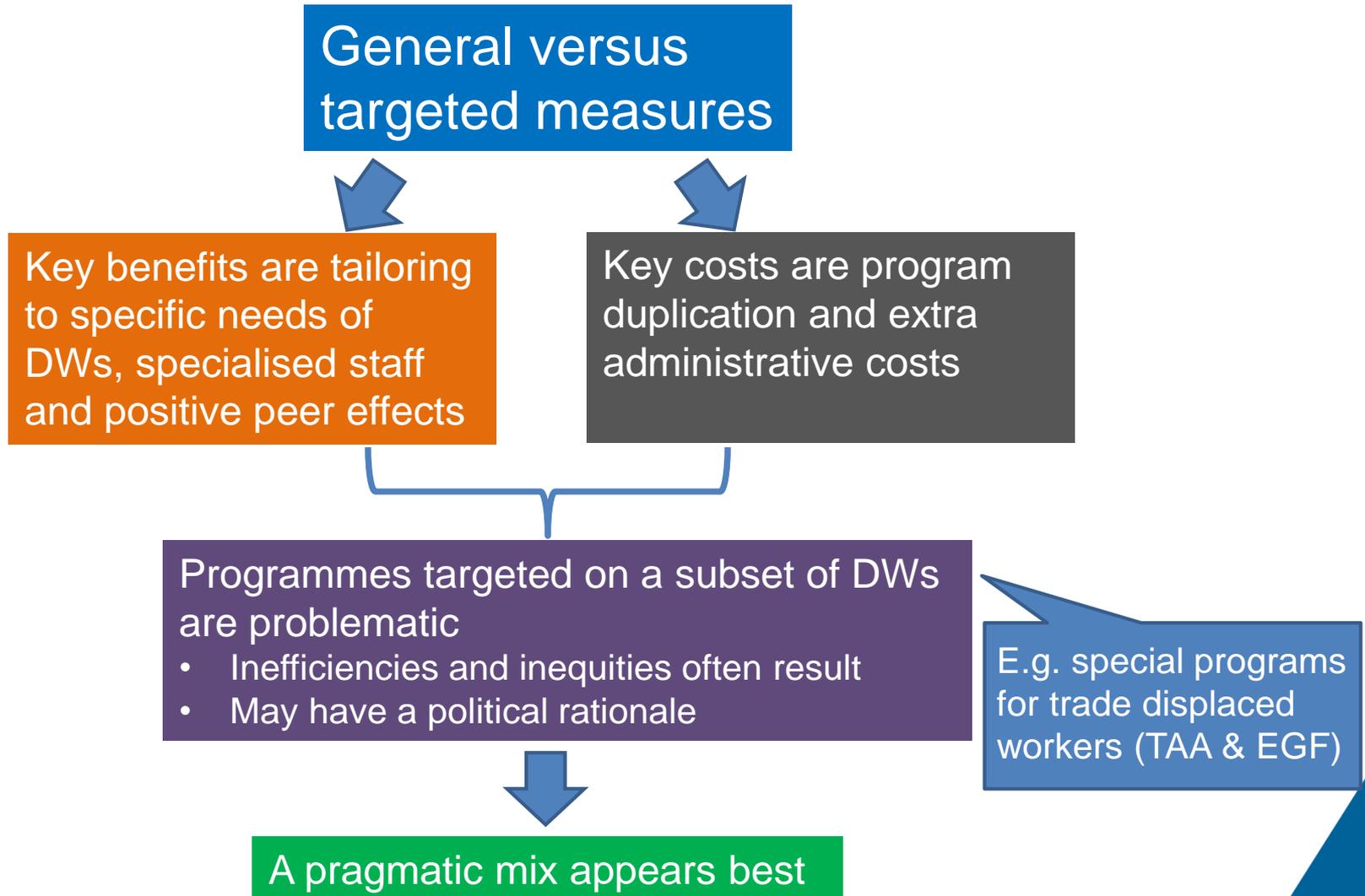
- Great diversity among DWs, but how to take this into account?
- Unjustified differences in access to services is common for DWs

- **Skills audits** + gap training (counselling, flexible VET curricula and economic support to retrain) , e.g. closing of large Bridgestone Tire factory near Adelaide in 2010
- **Scaling up** to meet mass layoffs, e.g. automatic increase in ALMP budget in DNK
- **Connecting early** with DWs who face delay in qualifying for UBs, e.g. mandatory registration in DEU and CHE



# Policy response (3:4)

## Re-employment assistance and retraining (cont.)





# Policy response (4:4)

## Income support for displaced workers

### UI/UB programs

- DWs are usually well-served by UI-type programs (i.e. qualify for initially quite high benefits), except in countries where UBs are means tested
- High risk of benefit exhaustion which can lead to poverty
- Difficult trade-offs arise between income support adequacy and re-employment incentives

### Wage insurance

- Rationale for wage insurance is that it can:
  - ✓ Compensate DWs for re-employment at a lower earnings level
  - ✓ Encourage more rapid re-employment
- Severance pay plays this role to some extent
- Limited policy experience suggests wage insurance can compensate for wage loss, but has little impact in speeding up re-employment



# Helping DWs within a broader strategy to facilitate LM adjustment

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# For further information:

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OECD Directorate for Employment, Labour and Social Affairs: [www.oecd.org/els](http://www.oecd.org/els)

OECD work on displaced workers: <http://www.oecd.org/els/emp/displaced-workers.htm>

OECD Employment Outlook: [www.oecd.org/employment/outlook](http://www.oecd.org/employment/outlook)