



Job Creation and Local Economic Development 2020: Rebuilding Better examines the impacts of COVID-19 on different types of local labour markets. It also considers their health prior to the pandemic, and how COVID-19 could impact other ongoing local labour market transitions such as digitalisation, automation and the polarisation of jobs. Finally, it discusses the role local actors will play in rebuilding better. Consult the full publication [here](#).

Switzerland¹

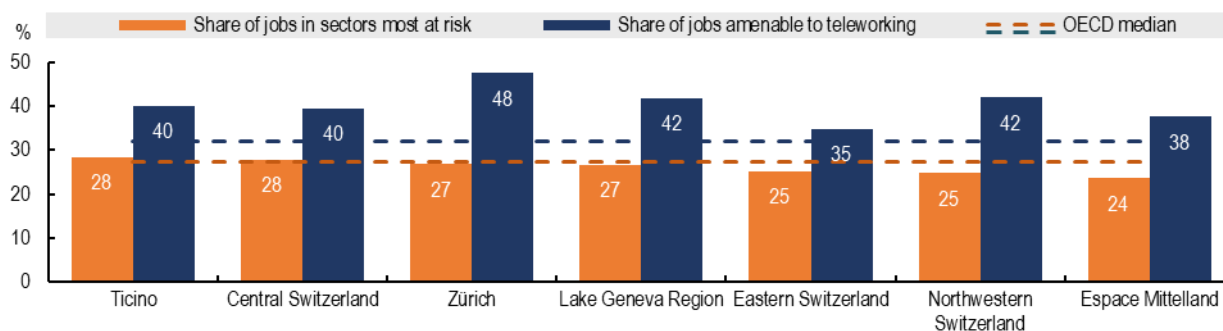
The share of jobs in sectors most at risk from COVID-19 is lower or close to the OECD regional median in all Swiss regions: it varies from 24% in Espace Mittelland to 28% in Ticino and Central Switzerland.

No Swiss regions had lower unemployment rates in 2018 compared to 2008, and gaps between regions grew over this period.

All Swiss regions saw the share of middle-skill jobs decrease between 2001 and 2018. The share of middle-skill jobs decreased by ten percentage points or more in all regions except for Ticino.

The potential impacts of COVID on local labour markets

Jobs in sectors most at risk and amenable to teleworking



Note: Share of jobs at risk is based on estimates of sectors most impacted by strict containment measures, such as those that involve travelling and direct contact between consumers and service providers. The sectoral composition of the regional economy is based on data from 2017 or latest available year. Share of jobs amenable to teleworking is based on the types of tasks performed in different occupations, and the share of those occupations in regional labour markets. These figures do not account for gaps in access to IT infrastructure across regions, which could further restrict teleworking potential. The OECD median presented here is the median of OECD regions with available data for each indicator.

Source: OECD calculations on OECD (2020), "Regional economy", *OECD Regional Statistics (database)*, <https://doi.org/10.1787/6b288ab8-en>; and OECD (2020), *OECD Regions and Cities at a Glance 2020*, <https://doi.org/10.1787/959d5ba0-en>.

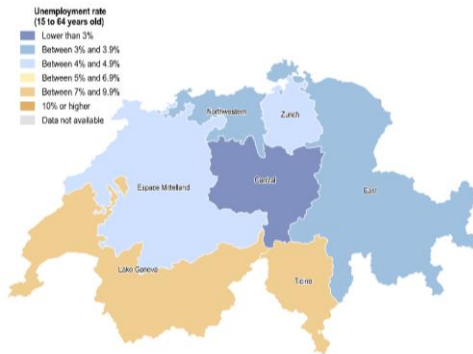
COVID-19 has put unprecedented pressure on local labour markets and economies. The share of jobs in the sectors most at risk from containment measures (e.g. accommodation and food services, and wholesale and retail trade) varies from less than 15% to more than 35% across OECD regions. In Switzerland, disparities between regions are relatively small: the share of jobs in sectors most at risk ranges from 24% in Espace Mittelland to 28% in Ticino and Central Switzerland. Most regions had a lower share of jobs at risk than the OECD median region.

While containment measures have restricted economic activity in some sectors, the rapid expansion of teleworking has helped maintain other jobs. The share of jobs amenable to teleworking in all regions is higher than the OECD median region, but widespread teleworking is more feasible in some regions than others. The share of jobs amenable to teleworking varies roughly 13 percentage points across regions, from almost 35% in Eastern Switzerland to just over 48% in Zürich.

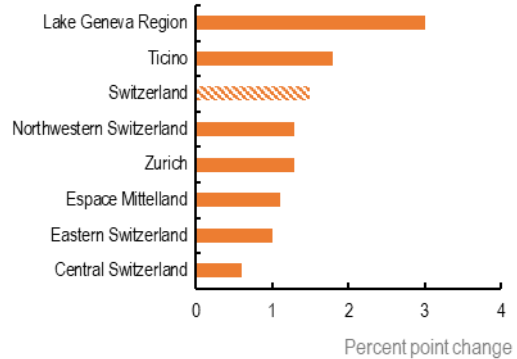
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Local labour market performance prior to COVID-19

Unemployment rate, 2019



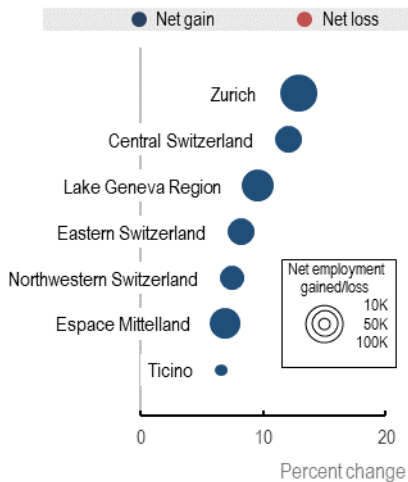
Change in unemployment rate, 2008-2018



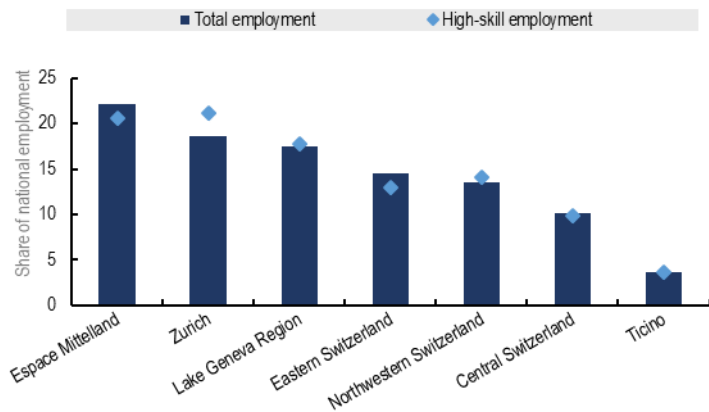
Note: The unemployment rate is computed as the share of unemployed people over the labour force, for the age group 15-64.
 Source: OECD (2020), "Regional labour markets", *OECD Regional Statistics (database)*, <https://doi.org/10.1787/f7445d96-en>

Before the COVID-19 pandemic, unemployment rates in Switzerland were generally low, but varied over two-fold across regions, from a low of 2.8% in Central Switzerland to a high of 7.7% in Lake Geneva Region in 2019. Looking at the recovery in the ten years following the financial crisis, no regions had unemployment rates lower in 2018 than in 2008, a pattern seen in less than one-third OECD countries. Regional gaps in unemployment also grew over this period, due to relatively larger increases in the regions with the highest rates in 2008. For example, the unemployment rate increased the most in the Lake Geneva Region, which had the second-highest unemployment rate in 2008.

Change in net employment, 2008-2018



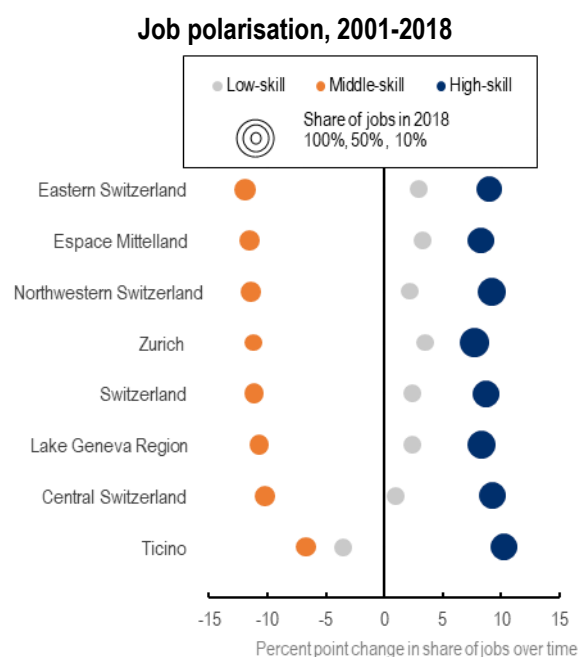
Employment by region and skill level, 2018



Source: OECD (2020), "Regional labour markets", *OECD Regional Statistics (database)*, <https://doi.org/10.1787/f7445d96-en>; and OECD calculations on EU Labour Force Survey

In all regions, the number of people employed grew between 2008 and 2018. Zurich was responsible for 25% of net employment growth over this period. In 2018, Espace Mittelland accounted for the highest share of employment in Switzerland (22%), while Zurich accounted for the highest share of high-skill employment (21%). Looking at a longer time period (2001-2018), the geographic concentration of jobs and high-skill jobs (as measured by the number of people employed) did not significantly change in Switzerland.

Local labour market transitions



Note: High-skill occupations include jobs classified under the ISCO-88 major groups 1 (legislators, senior officials, and managers); 2 (professionals); and 3 (technicians and associate professionals). Middle-skill occupations include jobs classified under the ISCO-88 major groups 4 (clerks); 6 (skilled agricultural workers); 7 (craft and related trades workers); and 8 (plant and machine operators and assemblers). Low-skill occupations include jobs classified under the ISCO-88 major groups 5 (service workers and shop and market sales workers); and 9 (elementary occupations).

Source: OECD calculations on EU Labour Force Survey.

Following general OECD patterns, in Switzerland, all regions saw the share of middle-skill jobs decrease between 2001 and 2018. The share of middle-skill jobs decreased by ten percentage points or more in all regions except for Ticino. In Espace Mittelland, for example, this represents a net decrease of 70 000 middle-skill jobs. In all regions, decreasing shares of middle-skill jobs were predominantly offset by increasing shares of high-skill jobs.

Active labour market policies: institutional arrangements

Active labour market policies will be of growing importance as the COVID-19 response transitions from emergency supports to facilitating labour market transitions. The institutional arrangements for these policies, and the role of subnational governments, varies significantly across countries.

	<i>Centralised, including branch offices of national ministry / agency</i>	<p>The State Secretariat for Economic Affairs (SECO) – central body of the unemployment insurance and public employment services – is responsible for the steering and controlling of all subnational institutions of the unemployment insurance and public employment service, administration and monitoring of the unemployment insurance fund, and supporting the cantons in regards to the strategic management and implementation of specific labour market measures.</p> <p>Cantonal public employment service offices (KAST) are branches of the cantonal governments. They are responsible for regional employment centres (RAV) and active labour market policies on the regional level, as well as the implementation of cantonal legislation. Cantonal migration offices are responsible for AMLP for migrants who are not entitled to unemployment benefits.</p>
X	Decentralised to subnational governments	
	<i>Fully outsourced or delivered through network of public, private, and/or non-profit providers</i>	
	<i>Combined system with shared competences, or different systems for different target groups</i>	

Source: OECD (forthcoming), "Local and regional variations in labour market and skills policies: A cross-country comparison". *OECD Local Economic and Employment Development (LEED) Papers*.

Notes

¹ Data is presented at the TL2 level, which typically corresponds to the first administrative tier of subnational government. See Reader's Guide of the full report for more information on the methodologies behind the calculations.