I. The situation of labour markets
Labour markets lost momentum but held their ground

Monthly employment level
Index base 100 in December 2019, seasonally adjusted data
Unemployment reached historical low

Unemployment rates
Percentage of total labour force, seasonally adjusted data

Source: OECD, forthcoming, Employment Outlook 2023
Labour market participation has increased as well

Participation rate among the working age population (persons aged 15-64)
Percentage point change from Q4 2019 to Q1 2023, seasonally adjusted data
Labour markets remain tight in many countries even as pressure is easing

**A. Number of vacancies per unemployed person**
National definitions, seasonally adjusted data

- **Q4 2022**
- **Pre-crisis (Q4 2019)**
- **2021/22 Peak**

**B. Online job posting**
Feb 2023 = 100, seasonally adjusted data
Employers are offering better deals in posted vacancies amid tight labour markets (I): more stable jobs

Temporary workers among new hires
Percentage share of new hires with a temporary contract

<table>
<thead>
<tr>
<th>Country</th>
<th>Q4 2022</th>
<th>Q4 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>Poland</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>Italy</td>
<td>70%</td>
<td>70%</td>
</tr>
<tr>
<td>Portugal</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>Slovenia</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>40%</td>
<td>40%</td>
</tr>
<tr>
<td>Sweden</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>France</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Greece</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Slovak Rep.</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Finland</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Belgium</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Czech Rep.</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Germany</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>OECD</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Norway</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Ireland</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Hungary</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Estonia</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Canada</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Austria</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Latvia</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Denmark</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Iceland</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Lithuania</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>
Employers are offering better deals in posted vacancies amid tight labour markets (II): more benefits

Online job postings offering benefits in Canada, the United Kingdom and the United States
Percentage share of job posting offering each benefit by country

- Health-related
- Retirement schemes
- Paid time-off and Sick leave
- Remote work
- Tuition assistance
- Fitness facilities

© OECD | OECD Employment Outlook 2023
But real wages are below pre-pandemic levels, despite the recent nominal wage growth

Change in nominal and real hourly wages
Year-on-year percentage change, Q1 2023

Nominal hourly wage

Real hourly wage (↗)

But real wages are below pre-pandemic levels, despite the recent nominal wage growth.
Minimum wages are keeping pace with inflation, but real gains may vanish over time if inflation remains high

Nominal and real minimum wages
Cumulative % change from December 2020 to May 2023

Nominal minimum wage
Real minimum wage (↗)

© OECD | OECD Employment Outlook 2023
Wages have grown less than profits in many countries

Change in labour costs and profits
Percentage change from Q4 2019 to Q1 2023, seasonally adjusted data

- Unit labour costs
- Unit profits
- Real unit labour costs

Wages have grown less than profits in many countries.
Negotiated wages are reacting with longer delays

Negotiated wages in real terms
YoY % change in negotiated wages (i.e. resulting from collective agreements)

A. Quarterly data

B. Monthly data

© OECD | OECD Employment Outlook 2023
II. The impact of AI on jobs and workers
There is little evidence of significant employment effects of AI so far.
AI can have a positive effect on job quality

The impact of AI on performance and working conditions

% of workers who work with AI

- Improved it a lot
- Improved it a little
- Worsened it a little
- Worsened it a lot
- No effect
- Don't know

Performance: [Graph showing the distribution of responses for performance]
Enjoyment: [Graph showing the distribution of responses for enjoyment]
Physical Health: [Graph showing the distribution of responses for physical health]
Mental Health: [Graph showing the distribution of responses for mental health]
But there are risks to employment

Share of employment in occupations at the highest risk of automation by country, 2019

%
Many workers are worried about job loss to AI

Share of workers worried about losing their job to AI in the next 10 years

% of workers

- Extremely worried
- Very worried
- Moderately worried
- Slightly worried
- Not worried at all
- Don't know

© OECD | OECD Employment Outlook 2023
Investing in skills will be important

Share of employers saying lack of skills is a barrier to adopting AI

% of employers

United Kingdom  France  Canada  Ireland  Austria  Germany  United States

© OECD | OECD Employment Outlook 2023
Social dialogue can lead to better outcomes

The impact of AI on performance and working conditions, by worker consultation

% of workers who work with AI

A. Performance

- Improved it a lot
- Improved it a little
- No effect
- Worsened it a little
- Worsened it a lot
- Don't know

B. Mental health

- Improved it a lot
- Improved it a little
- No effect
- Worsened it a little
- Worsened it a lot
- Don't know
Appropriate safeguards need to be put in place to protect workers' rights and opportunities.
Action is already being taken – but more will be needed

- 2019 OECD AI Principles
- AI does not operate in a regulatory vacuum – but likely need to adapt policies
  - Data protection, anti-discrimination, workplace health and safety
- Need for accessible and understandable information and clearly defined responsibilities
  - E.g. EU AI Act, Blueprint for an AI Bill of Rights in the United States
- Calls and initiatives to act on generative AI: Need for international cooperation
Thank you

Find out more about our work at:

http://oe.cd/employment-outlook

https://twitter.com/MathiasCormann
https://twitter.com/stescarpetta
https://twitter.com/OECD_Social