

OECD Jobs Strategy Implementation Note
February 2020

**Identifying and addressing employment
barriers in Belgium and Norway**
Implementing the OECD Jobs Strategy

**Rodrigo Fernandez, Alexander Hijzen, Daniele Pacifico and
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Abstract

The OECD actively supports countries with the implementation of the OECD Jobs Strategy, amongst others through the preparation of Jobs Strategy Implementation Notes. This note documents analytical work carried out to complement the 2019 Economic Surveys for Belgium and Norway and support these countries in their endeavour of promoting quality employment. The note documents joblessness in OECD countries, provides a detailed diagnosis of employment barriers in Belgium and Norway by applying the OECD Faces of Joblessness methodology and discusses the policy implications.

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Introduction

About a quarter of the working-age population across OECD countries is not in employment, education or full-time training. An additional tenth of the working-age population has a weak attachment to the labour market, as exemplified by restricted hours, intermittent jobs, or very low earnings. Individuals in these situations often face barriers that prevent them from fully engaging in employment. These barriers can include weak **employability** due to limited work readiness (low work-related skills, education or a lack of work experience) or work availability (care responsibilities or health-related limitations); a lack of **motivation** if work does not “pay”; and scarce **opportunities** due to insufficient job creation (Figure 1) (OECD, 2015^[1]). As emphasised in the OECD Jobs Strategy, a thorough understanding of these barriers is a prerequisite for designing and implementing effective policy interventions that are well-targeted and suitably adapted to the circumstances of jobless individuals (OECD, 2018^[2]).

Figure 1. A conceptual framework for employment barriers



Source: OECD (2015^[1]).

This note provides a detailed analysis of employment barriers in Belgium and Norway in the context of the implementation of the OECD Jobs Strategy, *i.e.* the process through which the OECD supports countries in their endeavour to promote good economic and labour market performance in a changing world of work by developing country-specific recommendations and action plans.¹ The extent of the employment challenge differs between these countries, with joblessness affecting about 30% of the working-age population in Belgium and less than 20% in Norway. However, similar to other OECD countries, joblessness tends to be highly persistent in both countries, reflecting the importance of structural barriers to employment and the need for tailored policy

¹ This note is part of a series of Job Strategy Implementation Notes that document analytical work to support labour market chapters in the OECD Economic Surveys. For more information on the implementation of the OECD Jobs Strategy please visit: <http://www.oecd.org/employment/jobs-strategy>.

interventions. Analysing employment barriers in a comparative context helps to bring out the country specificities of the challenge to promote employment.

To support countries in their endeavour to promote quality employment, this note documents joblessness in OECD countries (Section 1), provides a detailed diagnosis of employment barriers in Belgium and Norway (Section 2) and discusses the key policy implications (Section 3). More specifically, it identifies for Belgium and Norway particular groups of individuals who experience major employment difficulties and who face similar combinations of barriers, by applying the OECD Faces of Joblessness methodology (Fernandez et al., 2016^[3]). This methodology goes beyond the traditional descriptive statistics based on pre-defined socio-economic groups, such as youth and low skilled, by building on the insights derived from sophisticated statistical profiling tools that are increasingly being used by providers of employment services in OECD countries to develop individualised support plans. Box 1 provides an executive summary of the note.

Box 1. Executive summary

This note documents joblessness in OECD countries, provides a detailed diagnosis of employment barriers in Belgium and Norway by applying the OECD Faces of Joblessness methodology and discusses the policy implications.

Joblessness is pervasive and persistent in all OECD countries including Belgium and Norway

- Joblessness is widespread. Almost 30% of the working-age population in Belgium and almost 20% in Norway are jobless, compared to about 25% across the OECD. Labour-market inactivity accounts for the bulk of joblessness in all countries.
- An additional tenth of the working-age population across OECD countries, including Belgium and Norway, likely experiences major employment difficulties by having an unstable job, working restricted hours or near-zero earnings.
- Individuals experiencing major employment difficulties typically face a combination of barriers related to work availability, work readiness and work incentives. Most prevalent in Belgium and Norway are work availability barriers related to health limitations and work readiness barriers related to low education.

Coordinated and tailored interventions are essential to overcome employment barriers

- A good coordination between employment, health and education services is needed to help jobless individuals facing multiple barriers to employment barriers effectively. A more systematic coordination between employment and health services can help rehabilitation in Norway. A better coordination between employment and education services can help reaching out more effectively to disadvantaged workers in Belgium.
- The use of statistical tools for the profiling of individual risks can be extended to better adapt active labour market programmes to the needs of jobless individuals and to promote a more efficient use of resources by targeting intensive interventions to those at the highest risk of long-term unemployment or inactivity. The profiling tool developed by the Flemish public employment services provides a good example, but can be enhanced further and similar tools should be applied in other regions.

A greater emphasis on preventive policies can help avoid that disadvantaged individuals become jobless and drift into inactivity

- Equal opportunities should be promoted so that socio-economic background is not a major determinant of labour market success. Reducing early school leaving among children from immigrant families in Belgium and Norway deserves particular attention in this regard.
- Policies should have a dynamic perspective by adapting them to individual circumstances over the life-course. Life-long learning policies, work-life balance policies and policies that mitigate work-related health risks are particularly important. Belgium has far-reaching legislation for the assessment of psycho-social risks and prevention but its effectiveness needs to be improved further.

1. The extent, nature and composition of joblessness in OECD countries

This section provides an overview of the extent, nature and composition of joblessness, defined as the part of the working-age population (aged 15-64) not in employment, education or training.²

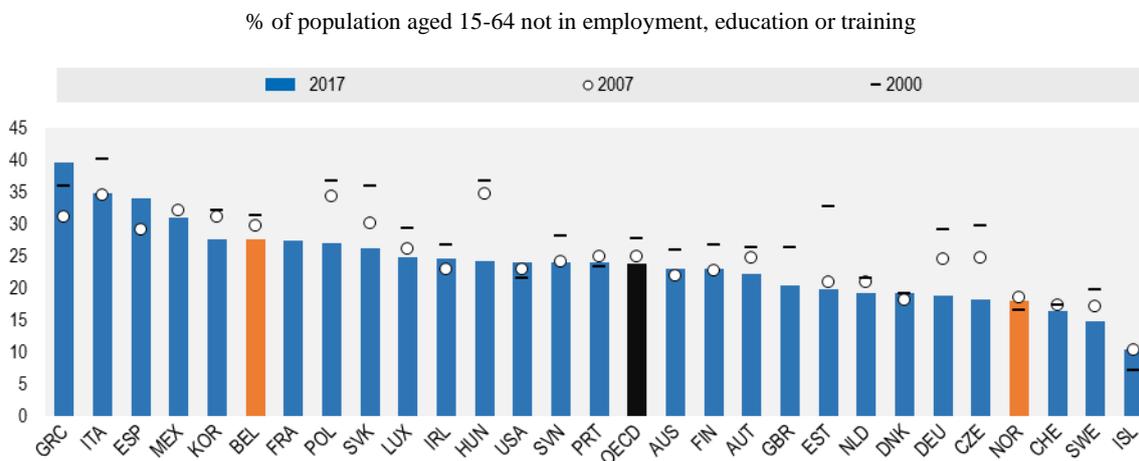
1.1 The extent of joblessness

About a quarter of the working-age population across OECD countries does not have a job. In a number of Mediterranean countries, the share reaches one third or more. At the same time, there are countries in the OECD, notably Iceland, where joblessness concerns just one tenth of the working-age population. This suggests there is ample scope to increase employment in most other OECD countries (Figure 2).

Joblessness has decreased over time, but it remains substantial today. On average across OECD countries, the non-employment rate has declined by about 14% or 4 percentage points since 2000. The period since the start of the global financial crisis represents, for the most part, a lost decade in terms of the battle against joblessness, with the non-employment rate in 2017 only 1 percentage point below its level at the onset of the crisis.

Joblessness is most prevalent in Greece, affecting about 40% of the working-age population. The joblessness rate in Belgium remains among the highest in the OECD at 28%, despite a decrease relative to pre-crisis levels. Joblessness rates are the lowest in the Nordic countries, including Norway (18%), and in Switzerland.

Figure 2. More than one in four working-age individuals are jobless in some countries



Note: 2001 and 2016 for Australia, 2003 and 2016 for Korea, 2005 instead of 2007 for Norway. “OECD” is the unweighted average of the countries shown. The data exclude inactive persons in education or full-time training. *Source:* European Labour Force Survey (EU-LFS) for European countries, Household, Income and Labour Dynamics in Australia (HILDA) for Australia, Korean Labour and Income Panel Study (KLIPS) for Korea, Encuesta Nacional de Ocupación y Empleo (ENOE) for Mexico, Current Population Survey (CPS) for the United States.

² In the remainder, this will simply be referred to as the rate of “joblessness” or “non-employment” rather than “not in employment, education or training”.

1.2 The nature of joblessness

In all OECD countries, jobless persons are more likely to be labour-market inactive than unemployed (Figure 3, Panel A).³ On average across OECD countries, inactivity accounts for about three quarters of joblessness and unemployment for one quarter. Yet, traditionally employment policy has tended to focus primarily on the unemployed. In part, this is because inactivity may be perceived as voluntary. While this may be true for some, inactivity often is the outcome of choices and processes that are shaped by labour-market conditions, societal values, individual circumstances as well as policies and institutions.

Unemployment accounts for a quarter of joblessness on average across OECD countries

Persistently high unemployment rates are indicative of the presence of important structural barriers to job search or job finding, and is typically associated with high long-term unemployment.⁴ These structural barriers can include for instance high labour costs, skill mismatch and poorly designed income support or re-employment measures (Liu, Salvanes and Sørensen, 2016^[4]; OECD, 2017^[5]; OECD, 2018^[2]). In addition, cyclical factors play a role: in some countries elevated rates of long-term unemployment are partly a legacy of the global financial crisis. By contrast, in countries with relatively low overall unemployment rates, this largely takes the form of short-term unemployment. Indeed, a certain level of short-term unemployment may be unavoidable in a dynamic labour market, in which jobs are continuously created and destroyed with evolving technology and business conditions (OECD, 2018^[2]).

Family responsibilities, illness and disability and early retirement each account for about a quarter of joblessness on average across OECD countries

The three main categories of labour-market inactivity are family responsibilities, illness and disability and early retirement, each accounting for about a quarter of joblessness on average across OECD countries (Figure 3, Panel A). While these reflect the stated reasons for labour-market inactivity as provided in labour force surveys, none of them necessarily imply that the individuals concerned cannot or do not want to work. For example, it may be possible to share family responsibilities within the household or with external providers of family services. With the right incentives and employment opportunities, older workers may prefer work to early retirement. Most individuals with an illness or disability have significant capacity to engage in productive work and more could be done to connect this group to the labour market.

Family responsibilities tend to be an important reason for non-employment in countries with more traditional attitudes towards women's work and family roles, including in Mexico, Korea and most Mediterranean countries. Family responsibilities also weigh more heavily on labour force participation in countries where childcare policies are less

³ Unemployed working-age persons are (1) not employed, (2) currently available for paid employment or self-employment, and (3) actively seeking work.

⁴ The correlation between the unemployment rate and the share of long-term unemployed among the unemployed is 0.5. The share of long-term unemployed among the unemployed in Belgium is well above the average across OECD countries, whereas its unemployment rate is about average. The share of long-term unemployed and unemployment rate in Norway are both substantially below the average across OECD countries.

developed or less generous, such as in Australia, Ireland and the USA (OECD, 2018_[2]; OECD, 2017_[6]). Care responsibilities are a substantially less common employment barrier in the Nordic countries, including Norway (OECD, 2018_[7]). In the majority of OECD countries, family responsibilities have become a less frequently stated reason for joblessness since the early 2000s, which can partly be related to changing gender roles, rising female education and public investments in childcare (Figure 3, Panel B).

Early retirement tends to be an important reason for non-employment in countries where the statutory retirement age is low or where programmes are or were until recently in place that promote early effective retirement, such as in Austria, France, Belgium and Central European countries. The Nordic countries, in particular Iceland and Norway, generally have low shares of early retirees. As many countries have tried to scale down or even terminate early retirement schemes, early retirement has tended to become a less frequently stated reason for inactivity over time (Figure 3, Panel B) (OECD, 2017_[8]).

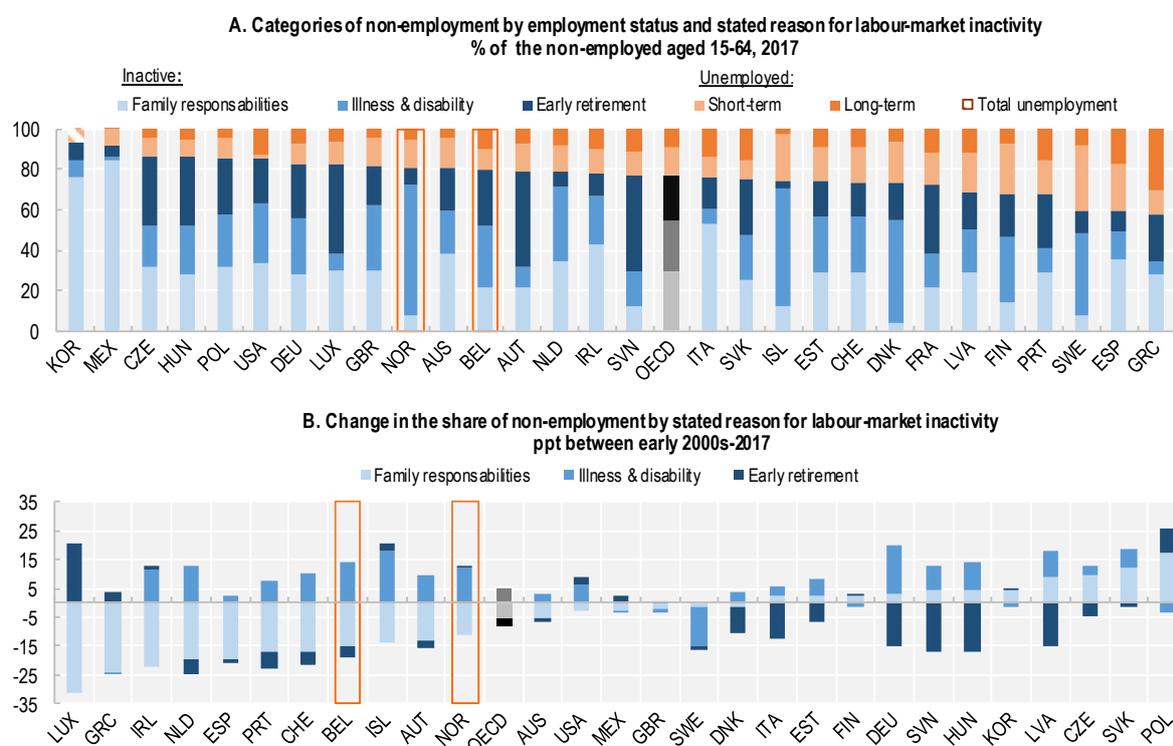
Illness and disability play a relatively more important role for non-employment in countries where the extent of joblessness is low.⁵ The share of jobless persons stating illness or disability as a reason for joblessness is well above the average in the Nordic countries, most notably in Norway. This partly reflects the more limited potential of employment-oriented policies to address work-related health limitations compared to inactivity related to family responsibilities and early retirement (OECD, 2010_[9]). It may also reflect the nature of public income-support programmes for people with an illness or disability (Hemmings and Prinz, 2019_[10]).

Since the early 2000s, illness and disability have become a more frequently stated reason for joblessness (Figure 3, Panel B).⁶ In many countries, disability benefits have become the benefit of last resort for the jobless in many countries. Unemployment and social assistance benefit reforms with tighter job-search requirements, as well as the phasing-out of early retirement programmes, have restricted access, duration and generosity of these benefits, leading to a “medicalisation” of labour market issues associated with substitution towards illness and disability benefits (OECD, 2010_[9]; OECD, 2018_[2]).

⁵ The correlation between the non-employment rate and the share of non-employed because of illness and disability is -0.7, while the correlation between the non-employment rate and the share of non-employed because of family responsibilities or early retirement is lower and positive (around 0.2 to 0.3).

⁶ Days of sickness absence and disability benefit recipient rates have decreased since the mid-2000s in the Netherlands and Sweden. In Switzerland, disability benefit recipient rates also decreased, but days of sickness absence went up. See Hemmings and Prinz (2019_[10]).

Figure 3. Family responsibilities, illness and disability, early retirement and unemployment each account for a quarter of joblessness



Note: No separate data for short-term and long-term unemployment are available for Korea. “OECD” are the unweighted averages of the countries shown. Panel B-D: data refer to 2002-17, 2002-16 for Australia and Korea, 2006-17 for Spain and 2005-17 for Mexico. France and Iceland are not shown because of a data break. Inactive persons in education or full-time training are excluded. Those reporting to be inactive because of “other reasons” or for who do not state a reason are excluded from the analysis (about 4% of the working-age population on average among the countries shown as well as in Belgium and Norway).

Source: European Labour Force Survey (EU-LFS) for European countries, Household, Income and Labour Dynamics in Australia (HILDA) for Australia, Korean Labour and Income Panel Study (KLIPS) for Korea, Encuesta Nacional de Ocupación y Empleo (ENOE) for Mexico, Current Population Survey (CPS) for the United States.

1.3 The composition of joblessness

Women, older individuals, lower educated and migrants are overrepresented among the non-employed.

The gender employment gap has narrowed but remains important

Women are overrepresented among the non-employed in every OECD country (Figure 4, Panel A). Family responsibilities continue to weigh disproportionately on women: 93% of those non-employed because of family responsibilities are women on average across OECD countries. This suggests that traditional attitudes towards female labour force participation and family roles, as well as constraints to combine care responsibilities with paid work are still major employment hurdles (OECD, 2018^[2]; OECD, 2017^[6]). Closing employment gaps is a key element in the pursuit of gender equality. While gender wage gaps remain large and shorter working hours of women play a role, differences in

employment rates between men and women are the largest contributor to the labour income gender gap on average across OECD countries (OECD, 2018_[11]; OECD, 2017_[6]).⁷

The share of women among the jobless has generally fallen since the early 2000s. The decrease tended to be more pronounced in countries with larger gender employment gaps, including Belgium, than in countries where employment gaps were already relatively small, such as in most Nordic countries. The relatively strong performance of the Nordic countries suggests that long-standing commitments to gender equality at work pay off, but also that stubborn gaps remain even there (OECD, 2018_[7]; Bertrand et al., 2019_[12]).

Older individuals are still more likely to be jobless despite rising employment rates

Older individuals (55-64) are strongly overrepresented among the non-employed in every country (Figure 4, Panel B).⁸ The share of older individuals among the non-employed is particularly high in countries where early retirement is a frequently stated reason for non-employment, such as many Continental European countries, including Belgium. The share is somewhat lower in Nordic and English-speaking countries, including Norway, where non-employment rates vary less across age groups. In Mediterranean countries, non-employment rates tend to be elevated for all age groups, which mitigates the share of older individuals among the jobless.

The share of older individuals among the jobless has remained broadly constant since the early 2000s on average across OECD countries. This was the result of two offsetting trends. On the one hand, population ageing led to an increase of the share of older individuals among the working-age population. On the other hand, non-employment rates of older individuals declined substantially, which may be related to pension reform, the phasing out of early retirement schemes and an increasingly healthy and higher educated workforce of older individuals.

Lower educated individuals are more likely to be jobless, highlighting the importance of education for employment

Lower educated individuals, defined as those with less than upper secondary education, are substantially overrepresented among the non-employed in all countries (Figure 4, Panel C).⁹ Their share among the non-employed is high in Mexico and most Mediterranean countries, where average education levels are still comparatively low (OECD, 2018_[13]). The share is relatively elevated in Belgium, because of a high employment gap between the lower and higher educated (OECD, 2017_[14]; OECD, 2018_[15]). The share of lower

⁷ For Norway the full breakdown of the labour income gender gap is not available.

⁸ The share of young individuals (15-29) among the jobless is comparable to its population share on average across countries, with relatively few differences across countries. Prime-age individuals comprise the largest share of non-employed on average across OECD countries in 2017 because of their population size. Their non-employment rates are always below those of older individuals and below or on par of those of young individuals.

⁹ Comparable patterns are found when the higher educated group is cut into a middle educated group with upper secondary education and a higher educated group with tertiary or higher education. The share of middle educated among the non-employed does not differ markedly from its population share.

educated has decreased since the early 2000s in most OECD countries, including Belgium, as a result of a decline in its population share.¹⁰

Lower educated more often state being jobless because of illness and disability. Individuals with health problems or disability are more likely to not have completed upper secondary education because of learning difficulties, higher school drop-out rates and lower job-related vocational training participation rates (OECD, 2010_[16]). Moreover, lower educated are more at risk of health problems, as disadvantages reinforce each other and compound over the life course (OECD, 2017_[17]).

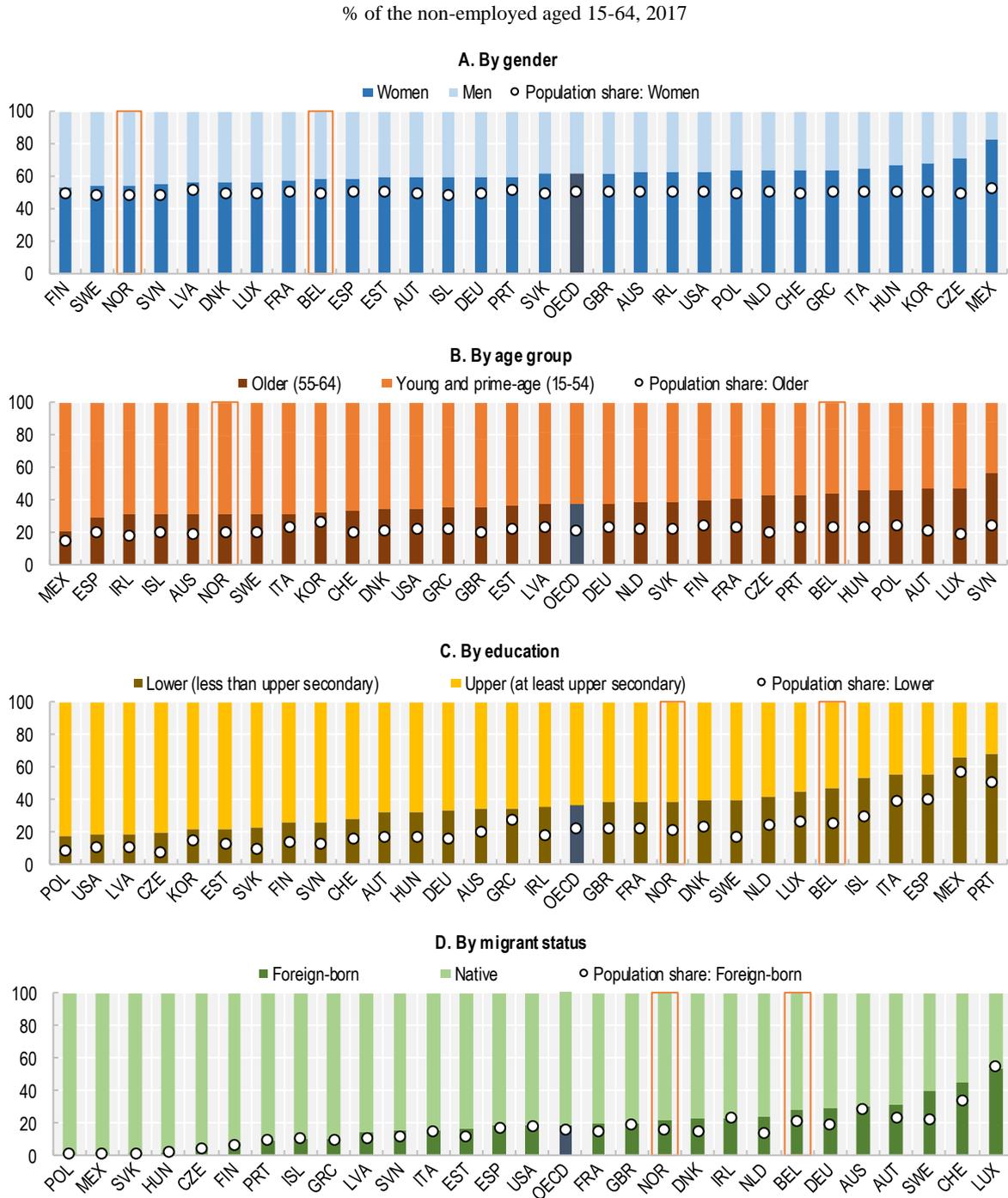
Migrants are on average slightly overrepresented among the non-employed, with large variations across countries

The foreign-born are on average slightly overrepresented among the non-employed, although with large variations across countries (Figure 4, Panel D). Socio-demographic characteristics of foreign-born vary substantially, with important compositional differences across countries. Some are highly qualified, while others, in particular refugees, face difficulties in finding employment, which may be due to language barriers, no recognition of education degrees, discrimination and a lack of basic skills or relevant work experience (OECD/EU, 2018_[18]; OECD, 2018_[19]). Luxembourg and Switzerland stand out with almost half of the non-employed being foreign-born, mainly due to high population shares. The share of foreign-born among the jobless is also relatively high in Continental European countries such as Belgium and Nordic countries including Norway, where employment gaps are high (OECD, 2017_[14]; Karlsdottir et al., 2018_[20]; OECD, 2014_[21]).

On average, the share of foreign-born among the non-employed has increased since the early 2000s, as the effect of migration on their population share dominated that of a better integration of migrants. Family responsibilities are a more frequently stated reason for non-employment among the foreign-born than among natives on average, which might be related to more traditional gender views among migrants, while the opposite holds for early retirement and illness and disability, partly due to differences in age composition.

¹⁰ The gap in non-employment rates between lower and higher educated has stayed about the same on average across OECD countries since the early 2000s. Comparable data on education for the early 2000s are not available for Norway.

Figure 4. Women, older individuals, lower educated and migrants are overrepresented among the non-employed



Note: 2016 for Korea. Panel D: Information on country of birth is not available for Korea. “OECD” are the unweighted averages of the countries shown.

Source: European Labour Force Survey (EU-LFS) for European countries, Household, Income and Labour Dynamics in Australia (HILDA) for Australia, Korean Labour and Income Panel Study (KLIPS) for Korea Encuesta Nacional de Ocupación y Empleo (ENOE) for Mexico, Current Population Survey (CPS) for the United States.

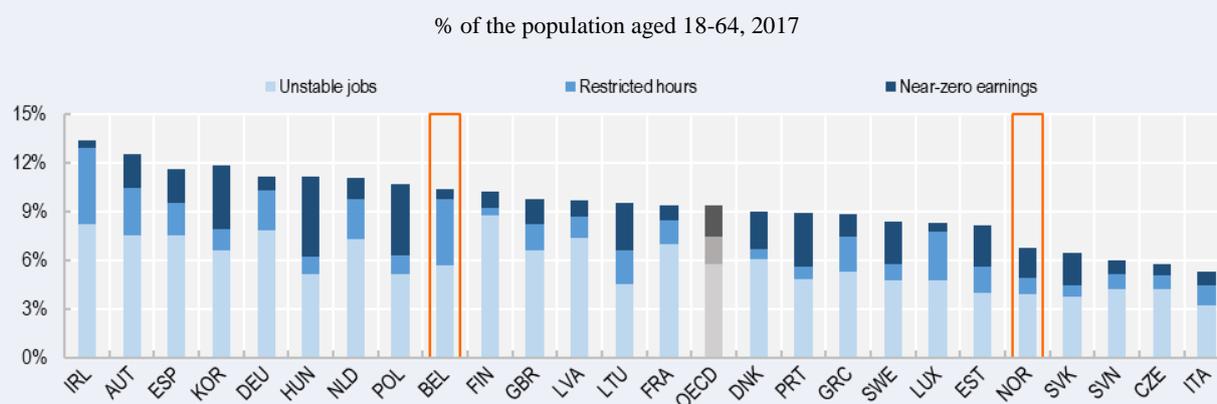
Limiting the attention to “snapshots” of jobless individuals at a specific point in time may not capture the entire population with labour market difficulties. Individuals with labour market difficulties frequently move between non-employment and different states of “precarious” employment characterised by a weak labour market attachment. Box 2 provides further insights into the prevalence and nature of weak labour market attachment.

Box 2. The population with a weak labour market attachment

Individuals with a weak labour market attachment are likely to experience major employment difficulties. In this note, this group is defined as workers: i) with an unstable job (working less than 45% of the year due to periods out of work and/or part-time work); ii) working restricted hours (working 20 hours or less during the reference week); or iii) with near-zero earnings (below EUR 120 per month in purchasing power parities) (Fernandez et al., 2016^[3]).

Between 5 and 13% of the working-age population fall into one or more of those categories across OECD countries (Figure 5). About two thirds of those have an unstable job. The share with a weak labour market attachment is somewhat lower in Norway than in Belgium.

Figure 5. About a tenth of the working-age population has a weak labour market attachment



Note: “OECD” is the unweighted average of the countries shown. Full-time students and those in compulsory military service are excluded.
Source: Calculations based on EU-SILC 2017 and KLIPS 2016.

2. Identifying employment barriers in Belgium and Norway

This section identifies the nature and incidence of barriers that give rise to major employment difficulties across different groups in Belgium and Norway as a basis for people-centred policy interventions, by applying the OECD Faces of Joblessness methodology.

2.1 Identifying barriers using the Faces of Joblessness methodology

The objective of the OECD's Faces of Joblessness methodology is to provide insight into the incidence and nature of barriers that limit access to stable and good-quality employment. It first develops detailed indicators to measure employment barriers. It then applies latent class analysis, a statistical segmentation method, in order to identify groups of individuals who face a similar combination of employment barriers. The statistical portraits of the identified groups can then serve as a basis for people-centred policy interventions (Fernandez et al., 2016^[3]). In this way, Faces of Joblessness goes beyond descriptive statistics based on pre-defined socio-economic groups that have tended to dominate activation policy analysis, such as youth and low skilled.

This note places particular emphasis on three sets of barriers (see Box 3):¹¹

- **Work readiness:** low education, low work-related skills or no work experience;
- **Work availability:** health limitations¹² or care responsibilities;
- **Work incentives:** generous income-support benefits (referred to as “high earnings replacements”)¹³, or household income sources unrelated to own work effort (referred to as “high partner or non-labour income”).

The Faces of Joblessness methodology builds on the insights derived from sophisticated statistical profiling tools that are increasingly being used by providers of public employment services (PES), by generating individual risk profiles based on detailed individual and household characteristics and statistical segmentation methods. Profiling tools of PES aim to place jobseekers in different groups as a function of their needs and personal characteristics when they register (Desiere, Langenbucher and Struyven, 2019^[22]). In contrast to profiling tools of PES, Faces of Joblessness aims to provide a wider “birds-eye” view, as it assesses employment barriers of the entire working-age population instead of those who are (newly) registered as unemployed at the PES. However, this expanded scope entails that it cannot rely on rich datasets with detailed information on jobseekers' activity and motivation, sometimes in real-time form, that PES models in some OECD countries can rely on.

¹¹ In terms of the terminology in Figure 1, work readiness and work availability both relate to the employability of an individual, and work incentives to motivation.

¹² Information on health limitations in Norway is only available for those who directly responded to the questionnaire. Missing values for other household members were imputed using characteristics including age, reason for being jobless, whether receiving disability benefits and the number of disability benefit recipients in the household.

¹³ Earnings replacement rates are measured in Norway by means of a shadow gross wage as only gross income information is available. For Belgium, where also net income information is available, a participation tax rate indicator for taking up or moving to a full-time position is estimated.

Box 3. Measuring employment barriers

In the OECD *Faces-of-Joblessness* methodology, the share of the working-age population experiencing major employment difficulties is defined in terms of those persistently out-of-work (long-term unemployed or inactive) and those with a weak labour market attachment (see Box 2), excluding full-time students and those in compulsory military service. This share equals 19% in Norway and 34% in Belgium. Around two thirds of those are persistently out-of-work.

The following barriers are considered:

Work readiness

- Low education: lower than upper secondary education;
- Low work-related skills: the most recent job was in a low-skilled occupation (one of the lowest two ISCO-08 occupation categories);
- No past work experience.

Work availability

- Health limitations: some or severe limitations to perform everyday activities due to long-lasting physical or mental health conditions;
- Care responsibilities: having a family member who requires care not covered by purchased or publicly available care services, while stating that care responsibilities are the reason for not working or being the only person in the household who can provide these.

Work incentives

- High partner or non-labour income: a high share of income in the household unrelated to own work effort;
- High earnings replacements: out-of-work benefits are high relative to the individual's potential earnings.

This note focuses therefore exclusively on employment barriers related to the characteristics and circumstances of individuals (supply side barriers). While demand side barriers can also be important, these are not readily analysed with the present data.

Source: Fernandez, R. et al. (2016), "Faces of Joblessness: Characterising Employment Barriers to Inform Policy", OECD Social, Employment and Migration Working Papers, No. 192, OECD Publishing, Paris. <http://dx.doi.org/10.1787/5jlwvz47xptj-en>

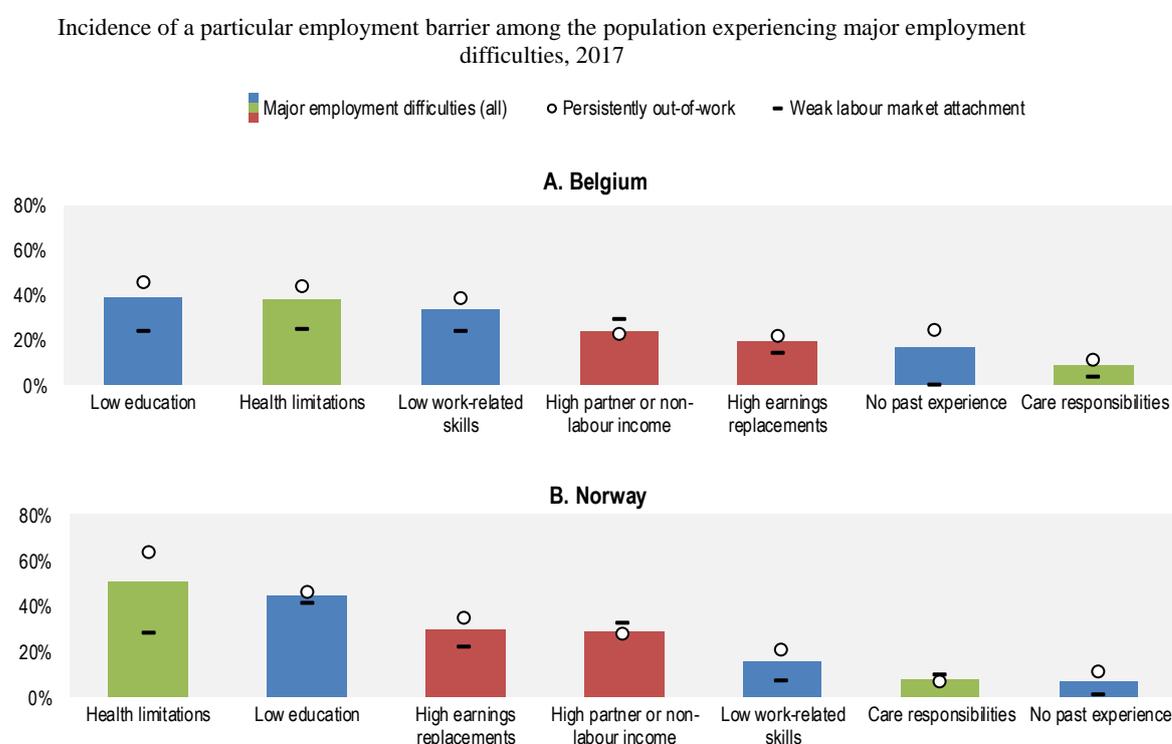
2.2 The nature and incidence of employment barriers

Health limitations and low education are the most frequent barriers among the population experiencing major employment difficulties, with health limitations being slightly more common in Norway and low education levels in Belgium (Figure 6). In Norway, about 50% face some or severe work limitations because of their health, and a slightly lower percentage has low education. In Belgium, about 40% have low work-related skills, both in terms of education and experience, and face work limitations because of their health. In

both countries, about a quarter face weak work incentives, as a result of either generous income-support benefits or a high share of income in the household unrelated to own work effort. Care responsibilities do not represent a major employment barrier for most individuals.

Those who are persistently out-of-work generally face more often employment barriers than those with a weak labour market attachment. A slightly larger share of the individuals with a weak labour market attachment, however, faces a high partner or non-labour income work incentive barrier. A reason for this may be that these individuals are more likely to live with an employed person and thus their households have income sources not directly related to their own work efforts.

Figure 6. Health limitations and low education are the most frequent employment barriers in Belgium and Norway



Note: Blue bars denote prevalence of work-readiness barriers, green bars work-availability barriers and red bars work-incentive barriers.

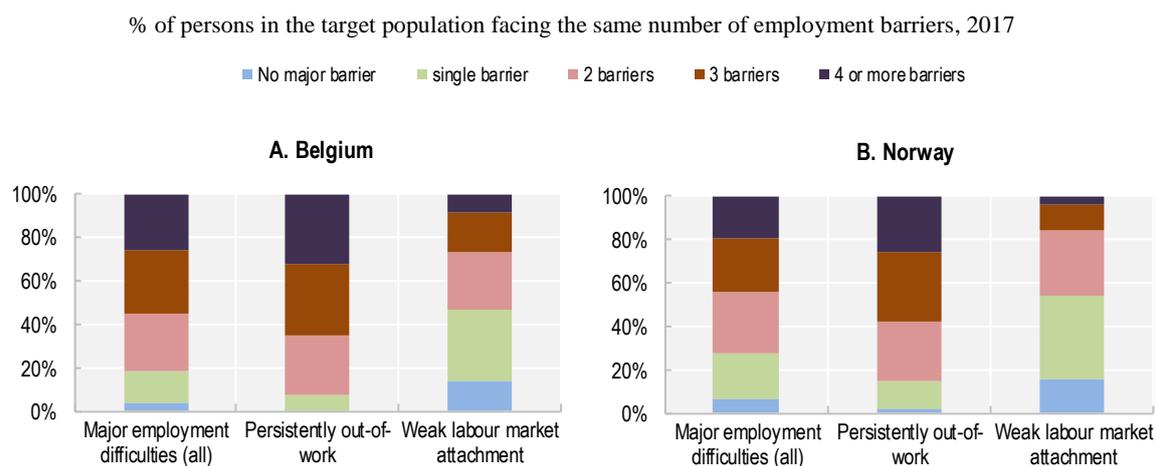
Source: Calculations based on EU-SILC.

In practice, people's individual and household circumstances are complex and often lead to situations where they face multiple employment barriers. Figure 7 indicates that about half of the individuals experiencing major employment difficulties in Belgium and Norway face at least three barriers simultaneously. As expected, individuals persistently out-of-work face on average more simultaneous barriers than those with a weak labour market attachment. This underscores that the number of simultaneous barriers can be considered a crude measure of distance to the labour market or labour market exclusion.

Individuals who experience major employment difficulties are on average poorer and receive more often benefits than those who do not experience major employment

difficulties. In Norway, individuals experiencing major employment difficulties have on average an about 30% lower equivalised disposable household income, leading to an almost five times higher risk of poverty or social exclusion. Differences are even larger in Belgium, with individuals experiencing major employment difficulties having on average a 40% lower income and an almost 8 times higher risk of poverty or social exclusion.

Figure 7. Those experiencing major employment difficulties often face multiple barriers simultaneously



Note: The number of simultaneous barriers in Belgium and Norway is not fully comparable, since in Belgium an additional barrier is included in the statistical analysis (see Box 3).

Source: Calculations based on EU-SILC.

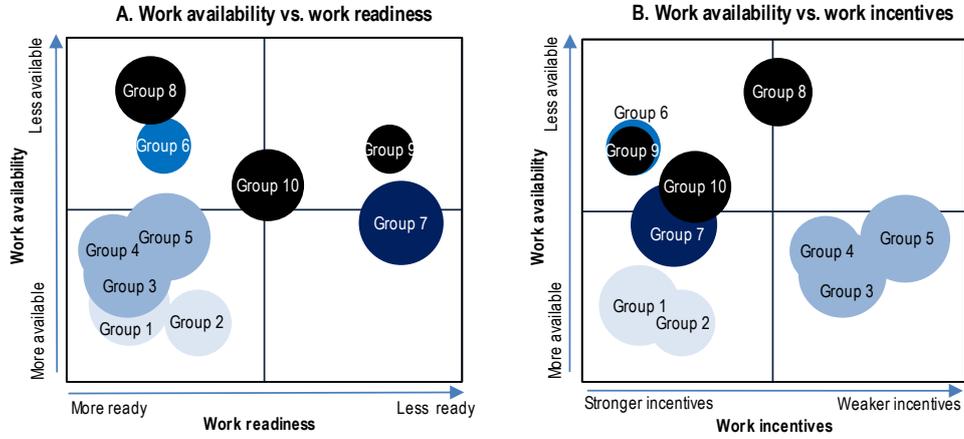
2.3 Groups facing similar employment barriers

The Faces of Joblessness segmentation process leads to the identification of ten groups in Belgium and six groups in Norway that share a similar combination of employment barriers.¹⁴ Figure 8 plots these groups based on the share of individuals within the group that faces barriers related to work availability, work readiness and work incentives. The surface of each bubble in the figure reflects the group size. Darker colours indicate that a group faces more barriers. The groups are labelled (given “faces”) using individual and household characteristics with a high probability of occurrence. The groups are described in detail in Annex A (Belgium) and Annex B (Norway).

¹⁴ In Norway, health limitations tend to be a major issue for three groups (groups 2, 3 and 5) and low education for the three other groups (groups 1, 4 and 6). In Belgium, low education is a prevalent barrier in many groups (in particular groups 2, 5, 7, 9 and 10).

Figure 8. Groups facing similar employment barriers

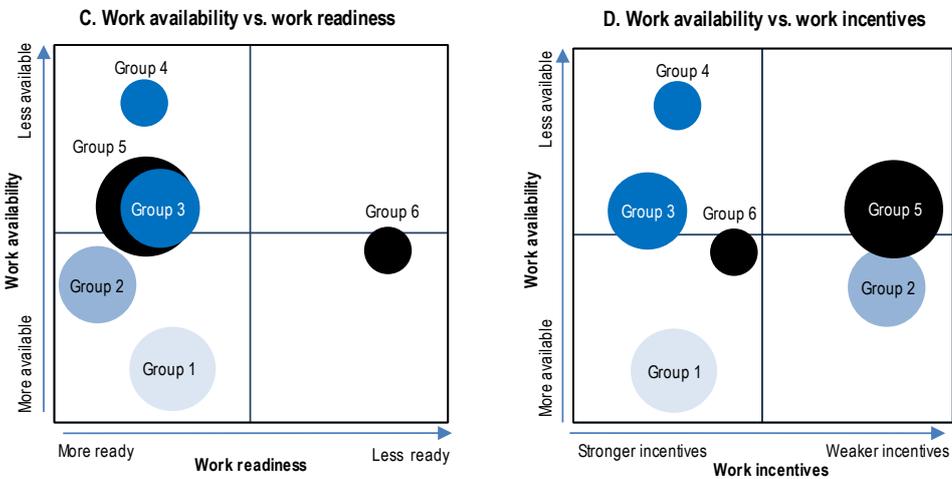
Belgium



Group	Label
1	Relatively well-educated unemployed (12%)
2	Young lower educated part-time workers (8%)
3	Part-time working women with a working partner (14%)
4	Inactive women with high non-labour income (9%)
5	Early retirees & low work incentives (15%)

Group	Label
6	Women with care responsibilities (6%)
7	Inactive, no past experience & low education (13%)
8	Disabled, low education & high earnings replacement (9%)
9	Women, care responsibilities & no past experience (4%)
10	Low education & health limitations (9%)

Norway



Group	Label
1	Young lower educated workers in unstable jobs (22%)
2	High educated & high non-labour income (18%)
3	Men with health limitations & low education (18%)

Group	Label
4	Women with care responsibilities (7%)
5	Women, health limitations & high earnings replacement (29%)
6	No past experience and low education (6%)

Note: The axes show the share of individuals within a group facing a barrier related to work availability (health limitations; care responsibilities), work readiness (low education; low work-related skills; no past experience) and work incentives (high partner or non-labour income; high earnings replacements). The size of the bubble and the percentage in brackets after the group label displays the group size. Darker colours indicate that a group faces more barriers.

Source: Calculations based on EU-SILC 2017.

Groups without major barriers

A number of groups face relatively low barriers with respect to work readiness, availability and incentives (bottom left corners of Panels A-D in Figure 8). These include a group of *relatively well-educated unemployed* who face limited health barriers (Belgium, Group 1) as well as two groups of *lower educated young workers* with a weak labour market attachment with fairly high shares of migrants, in part-time (Belgium, Group 2) or unstable jobs (Norway, Group 1).

Since the group of mostly unemployed persons is relatively work ready, activation measures should first of all focus on providing information on job openings and assisting in job search, application and job-matching services that could be provided by the PES. The groups of young workers can benefit from post-secondary education, second-chance education and on-the-job training programmes (OECD, 2018_[23]).¹⁵ Investing in low-skilled youth is important in Belgium and Norway. Belgium has a high youth unemployment rate and a large share of youth that has not completed upper-secondary education (OECD, 2019_[24]). In Norway, many upper-secondary students in the vocational stream fail to complete courses, which increases the risk of low-paid and unstable careers and compromises the supply of vocational skills for employers (OECD, 2018_[25]).

Groups with low work incentives

A number of groups are work ready and available to work, but face significant incentive barriers (bottom left corner of Panels A and C and bottom right corner of Panels B and D in Figure 8). This concerns primarily *women with a working partner* in Belgium or *older individuals receiving out-of-work benefits* in both Belgium and Norway. For Belgium, one can identify two groups of women with a working partner: i) women working part-time, usually for voluntary reasons, i.e. neither related to the availability of better job opportunities nor to housework or care responsibilities (Belgium, Group 3); and ii) inactive women with limited work experience and often high household incomes (above the median) (Belgium, Group 4). The group of older individuals with high replacement earnings in Belgium consists primarily of inactive older men, receiving old-age, disability or unemployment benefits (Belgium, Group 5). In Norway, this group consists primarily of prime-age and older high-educated women who work part-time and receive disability benefits, often complemented with old-age benefits (Norway, Group 2).

Promoting employment among the groups of financially dependent women through the use of tailored interventions is unlikely to be easy. Financially dependent women have no or limited contact with PES case workers since they typically do not receive benefits. A more systematic way to increase work incentives of second-earners is to lower their marginal effective tax rate (METR), which is the highest in Belgium across the OECD. The Belgian tax system uses a partial splitting system where a notional amount of income can be transferred between spouses if one earns 30% of less of the total family income. This system discourages employment of the second earner, as the part of the primary earner's income that had been attributed to the spouse starts to be taxed at the higher marginal rate

¹⁵ Some steps in this direction have already been made in recent years. For instance, the Flanders Region in Belgium adopted in 2017 the obligation for employers to provide an average of five training days per year to improve the accessibility of adult education and training, and has recently reformed Flemish training leave (Vlaams opleidingsverlof), with 125 hours annual paid leave for education for every employee in the private sector (OECD, 2019_[24]).

of the primary earner (Thomas and O'Reilly, 2016_[26]; OECD, 2019_[27]). Furthermore, labour taxes in Belgium are higher than in any other country in the OECD. This may disproportionately hold back labour supply among second-earners since the economic need is necessarily more limited with another income in the household.¹⁶

Promoting employment among older benefit recipients who use benefits as a pathway to early retirement is also challenging. First, this requires closing pathways in the form of early retirement schemes. Belgium introduced stricter eligibility requirements for early retirement and for pre-pension benefits and abolished the pension bonus system with its 2015 Pension Reform (OECD, 2019_[27]).¹⁷ A major reform in 2011 in Norway reduced incentives to retire early by strengthening actuarial neutrality of state-funded pension payouts, although in 2018 an early retirement scheme for those covered by collective agreement was phased in by collective partners (OECD, 2019_[28]). Second, disability and sickness inflows should be controlled better to prevent these from becoming a pathway to early retirement in both Norway and Belgium (OECD, 2013_[29]; OECD, 2017_[30]; OECD, 2019_[27]).^{18,19} Third, the employability and productivity of older workers could be supported by on-the-job training and an increased use of flexitime. This is particularly important in Belgium, as on-the-job training of older workers are currently very low (OECD, 2017_[14]).

Groups with limited availability

Three other groups do not face high work readiness or incentive barriers, but are not available to work due to health limitations or care responsibilities (top left corner of Panels A-D in Figure 8). Two of these groups consist mainly of *prime-age women with childcare responsibilities*. In both countries, these women and their households are at an elevated risk of poverty, typically receive family-related benefits and often have a migrant background. However, in Belgium, these women tend to be persistently out-of-work (Belgium, Group 6), while in Norway they tend to move frequently between inactivity and temporary jobs

¹⁶ The 2015 reform in Belgium, phasing in over 2016-20, to lower social security contributions for employers and employees and personal income taxes for employees may help in this respect (OECD, 2019_[27]).

¹⁷ Belgium has implemented multiple pension reforms since 2015, including a rise in its statutory retirement age from 65 to 67 in 2030, stricter eligibility requirements for early retirement and pre-pension benefits (unemployment benefits with employer top-up), the ability to combine earned income and pensions and the better valuation of work periods, even after a full career (OECD, 2019_[27]).

¹⁸ In Belgium, the strong increase in the share of ill and disabled persons has been related to an increase in the pension age (OECD, 2013_[29]; Jousten, Lefebvre and Perelman, 2012_[37]). Recent reforms to early retirement and unemployment benefits have also likely contributed to a rise in the number of recipients of disability and sickness benefits (OECD, 2019_[27]).

¹⁹ The experiences of Sweden, Switzerland and the Netherlands provide potentially valuable lessons as these countries have implemented reforms that have contributed to an overall reduction in disability benefit recipient rates. The Swedish reform suggests that a reduction in the sickness benefit replacement rate can strongly lower benefit recipient rates. The Dutch reform underscores that new benefit claims can substantially fall when employer contribution premiums to sickness and disability insurance become dependent on the employer's sickness and disability record. The Swiss reform demonstrates that moving to a medical assessment system by a public authority rather than the claimant's general practitioner can contribute to lowering disability benefit claims. For further details see Hemmings and Prinz (2019_[10]).

(Norway, Group 4). In Belgium, they often combine family-related benefits with unemployment benefits, despite being inactive and, in many cases, not actively searching for a job. In Norway, these women typically combine family-related benefits with sickness and disability benefits, despite indicating that they are not working to do housework rather than for health-related reasons. An additional group of mostly *low-educated prime-age men with health limitations* can be distinguished for Norway (Norway, Group 3).

Promoting employment among individuals with limited work availability due to childcare responsibilities or health limitations requires a comprehensive activation strategy combined with adequate and widely accessible support (OECD, 2018_[21]). For people with care responsibilities, ensuring access to early childhood and care and control over working hours are important.²⁰ Furthermore, more income support may be needed to particular sub-groups with an elevated risk of poverty, for instance by supporting lone parents who comprise about a fourth of the groups of prime-age women with childcare responsibilities in Belgium and Norway. Integration policies are important here too, given the high share of migrants (OECD, 2018_[19]). Support also entails the provision of accessible, affordable and good-quality childcare as well as flexible work arrangements. Activation can be improved through a better design of unemployment and disability and sickness benefits. For instance, Norway could attempt to reduce its high sick leave and disability benefit recipient rates by making rehabilitation more work-oriented, introducing a periodic reassessment of entitlements and lowering the rate of sick leave compensation (OECD, 2019_[28]). Employers could be more strongly involved as well, for instance by extending the employer-paid sick-pay period (OECD, 2019_[28]).²¹

Groups with limited work-related skills

In Belgium, a group can be identified containing inactive individuals who do not face strong work availability or work incentives barriers, but have generally *low levels of education and never worked in their lives* (Group 7 on the right side of Panel A and the left side of Panel B in Figure 8). While the demographic composition of this group is quite diverse, the large majority of the persons in this group have low levels of work-related skills. For one third, the highest completed level of education is primary school and for another third this is lower secondary school.

This group should be an important focus of policy-makers since Belgium stands out in international comparisons as a country with a high share of low-skilled inactive persons (see Section 1). The key policy challenge is to ensure that everybody who enters the labour market has the skills needed to find a quality job. This requires ensuring that everybody has access to quality education, drop-out rates from secondary schools are kept as low as possible and “second-chance” schools are available to remedy the education gaps of school drop outs and other lowly educated workers.²² While overall education levels are high in

²⁰ Average participation rates in early childhood education and care services are high in Belgium. Nevertheless, regular attendance gaps persist especially for children aged 1-2 years with a mother with an immigrant or low education background. The Flemish Community has introduced financial incentives to boost attendance for 3 and 4 year olds in 2019. The recent decrease in the age of compulsory education from 6 to 5 could also help (OECD, 2019_[27]).

²¹ Employers in Norway only fund the first 16 days of sickness leave; the remainder of the year of sickness leave is publicly funded (OECD, 2019_[28]).

²² Austria for instance offers intensive one-year vocational courses for adults, which provide recognised vocational qualifications equivalent to conventional programmes (OECD, 2017_[38]).

Belgium, inclusiveness can be improved by increasing access and participation among those with a low socio-economic or immigrant background, in particular in tertiary education (OECD, 2017_[14]).

Groups with multiple barriers

A number of groups face multiple barriers. Its members therefore tend to be relatively distanced from the labour market. Tackling *all* barriers through a comprehensive approach based on tailored interventions will be crucial to help these people find their way to quality employment. The groups include (in the centre or towards the top right corner in Panels A-D in Figure 8):

- *People with major health limitations* (Group 8 in Belgium, Group 5 in Norway). People with health limitations have by definition a more limited availability to work and in most advanced countries, including Belgium and Norway, earning replacement rates for sickness and disability are relatively high.²³ While there are good reasons for this, it also implies that the incentives for those with a partial ability to work are relatively weak.²⁴ The relatively generous nature of sickness and disability and the lack of job-search and work availability requirements also runs the risk of over-medicalisation as sickness and disability becomes the benefit of choice, at the expense of for example unemployment benefits. “Medicalisation” of unemployment appears to be particularly important in Norway (OECD, 2017_[30]; Bratsberg, Fevang and Røed, 2013_[31]; Nilsen, 2018_[32]).
- *People with low skills and limited availability*. In Belgium, a group can be distinguished that is generally not available nor ready to work, but does not face an incentive barrier. This group (Belgium, Group 9) consists mostly of persistently out-of-work prime-age women with heavy childcare responsibilities, who generally have never worked and have low education. More than half are migrants. Its relatively strong level of work incentives comes from the fact that the group is very poor: almost two thirds are in the bottom quintile of the disposable household income distribution. Almost all members of the group receive family benefits, but few receive social assistance (about one in five) and sickness and disability benefits (only 2%), while still one in five reports health limitations.
- *People with barriers related to work availability, readiness and incentives*. This group is arguably the most excluded from the labour market. People in this group are persistently out-of-work, have low education and skills, frequently face health barriers and have more limited work incentives because of higher social assistance and sickness and disability benefit recipient rates. In Belgium (Group 10), this group is relatively old but has worked before, whilst in Norway (Group 6), this group is generally younger, has never worked, and contains a high share of migrants.

²³ In Norway, individuals are entitled to up to one year of sick leave compensation at 100% of the past wage. No other OECD country provides entitlement at such high replacement level for such a long time (OECD, 2010). Sick leave can be followed by up to three years on a rehabilitation-type benefit, the Work Assessment Allowance (AAP, *Arbeidsavklaringspenger*), before people transition to long-term disability support, the Disability Benefit (*Uføretrygd*) (OECD, 2019_[28]).

²⁴ Partial returns to work could for instance be made more financially attractive to employees and employers (OECD, 2019_[28]).

3. Policy discussion

A quarter of the working-age population is jobless and another tenth only has a weak labour market attachment across OECD countries. In the context of the implementation of the OECD Jobs Strategy, this note has provided a detailed analysis of employment barriers in Belgium and Norway. While the extent of the employment challenge differs between these countries, joblessness tends to be highly persistent in both, reflecting the importance of structural barriers to employment and the need for tailored policy interventions. The main contribution of this note is to identify particular groups of individuals who experience major employment difficulties and who face similar combinations of barriers, by building on the insights derived from sophisticated statistical profiling tools that are increasingly being used by providers of public employment services in OECD countries to develop individualised support plans.

One important insight from the analysis is that a greater emphasis on preventive policies is needed. A shift in emphasis from remedial to preventive policies would not only enable individuals to avoid many of the social and financial costs associated with labour market exclusion (such as unemployment, sickness and disability), but would also contribute directly to economic growth by expanding opportunities for individuals while reducing the overall fiscal costs of social programmes (OECD, 2018^[2]). The analysis in this note suggests three general policy principles to lower barriers faced by groups experiencing major employment difficulties:

1. *Promote equal opportunities.* The best way to prevent persistent joblessness and labour market exclusion is to address problems before they arise. This first and foremost requires strengthening equality of opportunities so that socio-economic background does not act as a major determinant of success in the labour market. This key policy priority crucially hinges on tackling barriers to the acquisition of adequate levels of education and labour market skills by individuals from disadvantaged backgrounds, through targeted interventions during pre-school years, to reduce drop-out rates from secondary education and enhance the transition from school to work (see Box 4).

Box 4. Reducing early school leaving in Belgium and Norway

Fighting early school leaving is essential to promote equal opportunities and ensure that youth gets off to a good start in the labour market. Individuals from poor or immigrant families or with poorly educated parents are more likely to leave school without qualification or to underperform. They are also more likely to attend schools with fewer resources, and their parents generally cannot afford private tutoring (OECD, 2018^[23]).

In order to reduce early school leaving, a combination of remedial and preventive policies is needed. This involves reaching out quickly to students who disengage from school by providing the support they need. This strategy requires a strong coordination and information sharing between schools and providers of social and employment services.

In Norway, schools are given the freedom to exempt teachers from some of their teaching duties so that they can attend to students at risk of dropping out and absenteeism. Moreover, the “**Follow-up Services**” programme is designed to track and contact all young people up to the age of 21 who leave school without an option in upper-secondary education or employment to ensure that they are offered education or training or to connect them with

the welfare services (OECD, 2018^[25]). In a similar vein, in the Flanders region in Belgium, authorities have adopted the “**Internal Pupil Coaching**” (*interne leerlingenbegeleiding*), that operates within schools. Each school receives funding that allows it to relieve teachers of part of their teaching duties or to hire specialised staff (a psychologist, pedagogue, medical professional, or social worker) so that they can provide extra care for pupils in need (OECD, 2015^[33]).

Source: OECD (2018), *A Broken Social Elevator? How to Promote Social Mobility*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264301085-en>; OECD (2018), *Investing in Youth: Norway*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264283671-en>; OECD (2015), *Fit Mind, Fit Job: From Evidence to Practice in Mental Health and Work*, Mental Health and Work, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264228283-en>

2. *Build a more dynamic perspective into policy.* Policies should adopt a life-course perspective to better adapt policy interventions to individual circumstances. This is relevant both for policies that support those in work by focusing on the quality of jobs as well as those out of work by focusing on the accessibility of jobs. Life-course policies oriented to those in work can help avoid that individual disadvantage cumulates over time and eventually leads to job loss. These involve life-long learning policies, work-life balance policies and policies that mitigate work-related health risks. Policies that focus on those out of work by making work more accessible also can benefit from a more dynamic perspective. For example, jobless youth may be in particular need of relevant work experience, parents with young children of affordable childcare and early education and persons with health limitations with adjustments in the workplace or the organisation of work. Profiling of jobless persons as increasingly done by the public employment services is one key method to achieve this (see Box 5). The statistical profiling tool developed by the Flemish public employment services provides a good example, but can be further enhanced and similar tools should be applied in other regions (OECD, 2019^[27]).

Box 5. Statistical profiling by the public employment services in Flanders and Austria

Several OECD countries have developed and implemented statistical profiling models since the 1990s. Individual risk profiles can help to deliver employment services more efficiently. More costly, intensive services can be targeted at benefit recipients more at risk of becoming long-term unemployed. Furthermore, services can be tailored more closely to the individual needs of benefit recipients. This box provides an example of a recent experiment with machine learning techniques in the Flanders region in Belgium and a highly accurate profiling tool based exclusively on administrative data in Austria (Desiere, Langenbacher and Struyven, 2019^[22]).

The **Flemish public employment services (PES) model** (VDAB) is an example of a statistical profiling tool that uses a machine-learning algorithm and exploits multiple sources of information to predict a jobseeker’s probability of being unemployed for more than 6 months. The model is built in a flexible way so that it can be updated regularly in order to remain valuable with changing economic circumstances. The underlying data include detailed information on jobseekers’ socio-economic characteristics as well as

information on jobseekers' labour market history. Information collected by caseworkers during previous and current unemployment spells is also included. An innovative feature is the use of "click data", which can be used to monitor jobseekers' activity on the PES website through clicks on job vacancies.

An evaluation in 2019 showed that the Flemish PES model is able to predict with a high level of accuracy the jobseeker's probability to remain unemployed (Desiere, Van Landeghem and Struyven, 2019^[34]). It also revealed that more could be done to reach all jobseekers in the first year of unemployment. Between 14 and 24% of jobseekers do not participate in any activation measure or find employment within 12 months. This group tends to have a lower probability to find work and is more often low educated, migrant and older.

The **Austrian PES model** (AMAS) predicts the likelihood of re-employment among unemployed jobseekers in the short and long-term with a very high level of accuracy. The short-term function assesses the probability of moving into unsubsidised employment for at least three months in the first seven months after the start of unemployment. The long-term function estimates the probability of moving into unsubsidised employment for at least six months over 24 months. Clients are then assigned to three different client groups: high, medium and low chance of labour market reintegration. The model relies on administrative data sources only. It makes use of socio-economic variables (gender, age, nationality), information on job readiness (education, health limitations, care responsibilities), and opportunities (regional labour market situation). An important feature strength is the use of detailed labour market histories for each jobseeker, including on prior work experience (type and intensity), frequency and duration of unemployment, and past participation in active labour market programmes.

Source: Desiere, S., K. Langenbucher and L. Struyven (2019), "Statistical profiling in public employment services: An international comparison", OECD Social, Employment and Migration Working Papers, No. 224, OECD Publishing, Paris, <https://dx.doi.org/10.1787/b5e5f16e-en>; Desiere, S., B. Van Landeghem and L. Struyven (2019), Wat het beleid aanbiedt aan wie: een onderzoek bij Vlaamse werkzoekenden naar vraag en aanbod van activering, HIVA-KU Leuven, Leuven, <https://hiva.kuleuven.be/nl/nieuws/docs/2018-hiva-profiling-rapport-eind-nl-fin.pdf>

3. *Adopt a comprehensive approach to activation.* Jobless and marginally attached individuals often face multiple barriers to quality employment. These barriers may include a lack of adequate education, skills or work experience, health problems, care responsibilities, commuting costs, a lack of information about job opportunities and guidance for job search and applications as well as financial incentives. An effective activation strategy requires combining measures to ensure that jobseekers have the motivation to search actively and accept suitable job offers by ensuring that work pays and income replacement rates are not too high, with actions to expand job opportunities by employers and interventions to tackle barriers related to work availability and work readiness combined with adequate and widely accessible income support. This requires a holistic approach targeted at addressing all barriers to employment through coordinated actions concerning the provision of employment, health and education services and the administration of active programmes as well as the design of tax and benefit policies (see Box 6).

Box 6. Coordination between employment, health and education services

Lowering low education, low work-related skills and health limitation barriers requires employment, health and education services to coordinate their activation and policy support. Good examples are the Individual Vocational Training programme in Flanders that provides effective work-based learning for the unemployed, and the Norwegian Centres for Work Coping, a programme that integrates mental health and employment support.

The “**Individual Vocational Training**” (*Individuele Beroepsopleiding*) programme is the largest work-based learning programme in Flanders. The programme allows employers to hire a jobseeker and train them in the workplace, typically over a period of 4-26 weeks. The PES covers the wage and social security contributions, whereas the employer is only expected to pay a “productivity premium”. In return, the employer is expected to hire the individual after the training, normally on a permanent contract. The programme is aimed at the unemployed who are relatively close to the labour market and who are generally younger. This programme has been successful, with 90% of participants still working in the same company where they were trained one year later (OECD, 2019^[24]; Desiere, Van Landeghem and Struyven, 2019^[34]).

The Norwegian “**Centres for Work Coping**” (*Senter for Jobbmestring*), which are part of the PES, offer a combination of cognitive behavioural therapy and specialist employment services to people with mild-to-moderate mental disorders who are either still in work, on sick leave, or inactive. Employment counsellors communicate actively with therapists as well as with patients’ employers. The services can include up to 15 sessions and are currently established in seven of Norway’s 19 counties (OECD, 2015^[33]). A randomised controlled trial found that individuals receiving these services more often maintained or increased their work participation, had lower depression and anxiety, and increased health-related quality of life after 12 and 18 months, compared to a control group that received usual care (support from their general practitioner and vocational rehabilitation measures by the PES) (Reme et al., 2015^[35]). A follow-up study found that the services led to higher income, higher work participation and more months without receiving benefits 10 to 46 months after the intervention, but the effects were only significant for individuals on long-term benefits at inclusion (Øverland, Grasdal and Reme, 2018^[36]).

Source: OECD (2015), *Fit Mind, Fit Job: From Evidence to Practice in Mental Health and Work*, Paris: OECD Publishing, <https://dx.doi.org/10.1787/9789264228283-en>; Øverland et al. (2018), Long-term effects on income and sickness benefits after work-focused cognitive-behavioural therapy and individual job support: a pragmatic, multicentre, randomised controlled trial, *Occupational & Environmental Medicine* 75(10): 703-708, <https://dx.doi.org/10.1136/oemed-2018-105137>; Reme et al. (2015), Work-focused cognitive-behavioural therapy and individual job support to increase work participation in common mental disorders: A randomised controlled multicentre trial, *Occupational & Environmental Medicine* 72(10): 745-752, <https://dx.doi.org/10.1136/oemed-2014-102700>; OECD (2019), *OECD Skills Strategy Flanders: Assessment and Recommendations*, OECD Skills Studies, OECD Publishing, Paris. <https://doi.org/10.1787/9789264309791-en>; Desiere, S., B. Van Landeghem and L. Struyven (2019), *Wat het beleid aanbiedt aan wie: een onderzoek bij Vlaamse werkzoekenden naar vraag en aanbod van activering*, HIVA-KU Leuven, Leuven.

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Annex A. Detailed Faces of Joblessness results for Belgium

For Belgium, the Faces of Joblessness statistical segmentation process leads to the identification of ten groups of individuals that share a combination of employment barriers. In this Annex, each group is described in detail, by means of: i) a Venn diagram that shows the extent and degree of overlap of the main barriers; ii) a list of individual and household characteristics with a high probability of occurrence; and iii) a chart indicating the group size as a percentage of the entire population experiencing major employment difficulties.

Figure A.1. Group 1: Unemployed

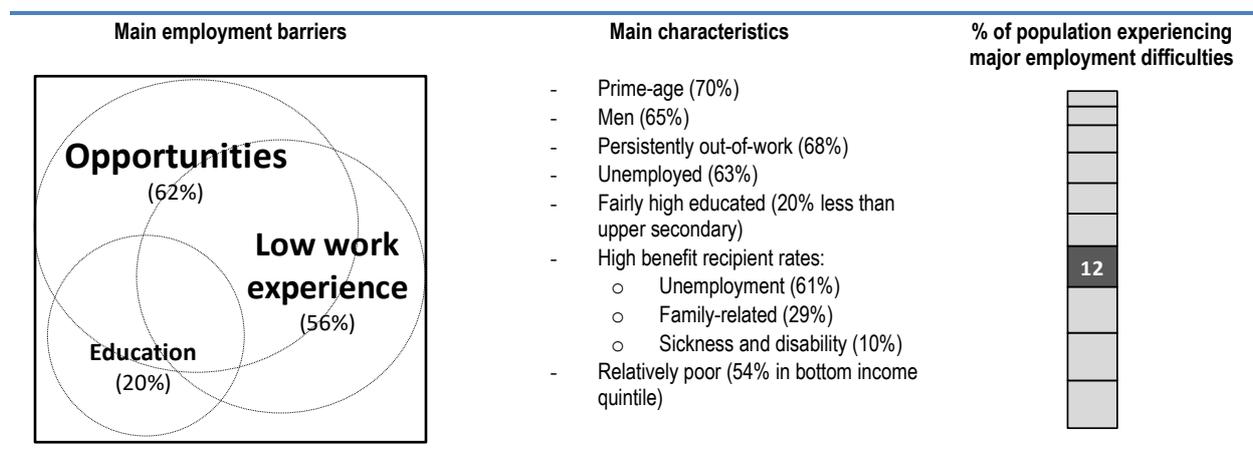


Figure A.2. Group 2: Young part-time workers

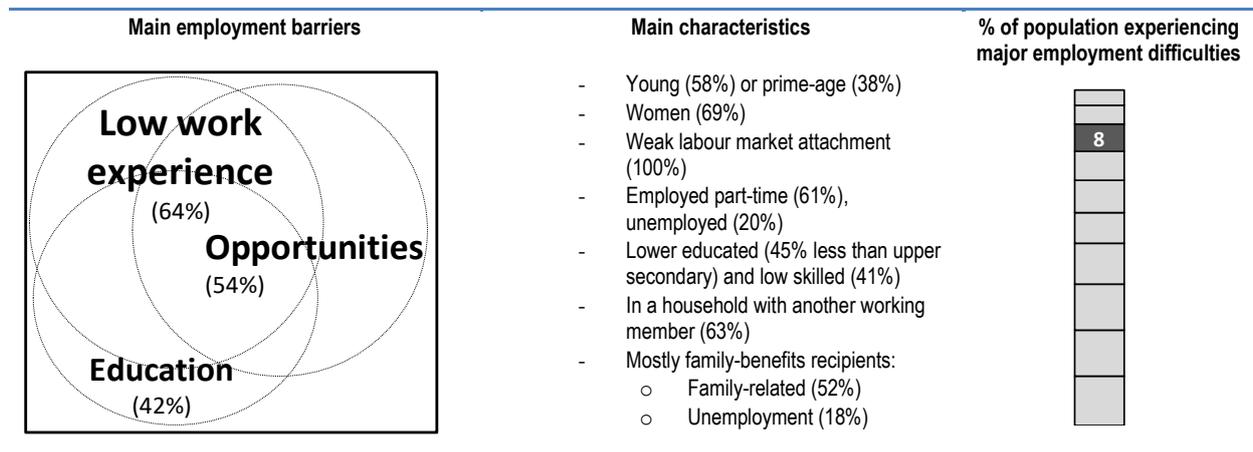


Figure A.3. Group 3: Women working part-time with low work incentives

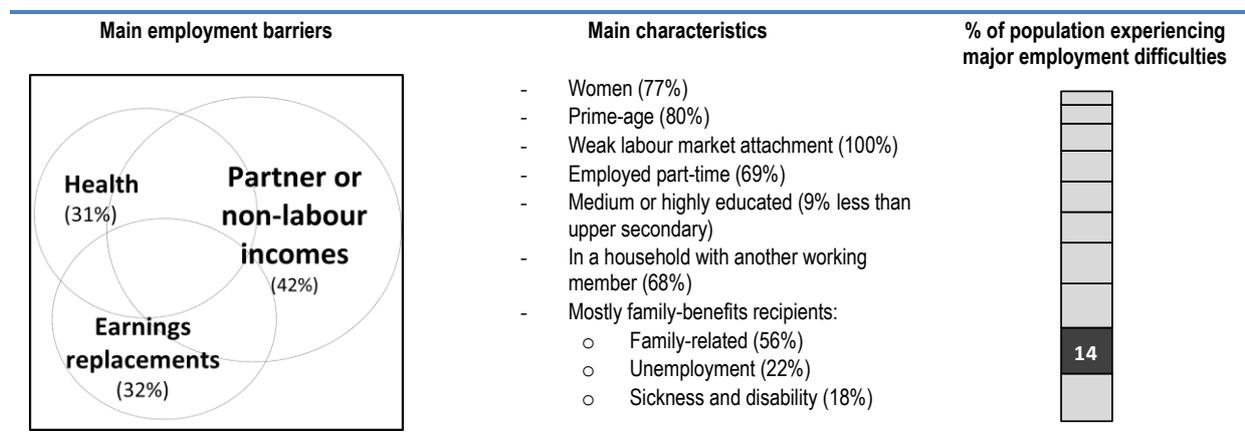


Figure A.4. Group 4: Inactive women with high non-labour income

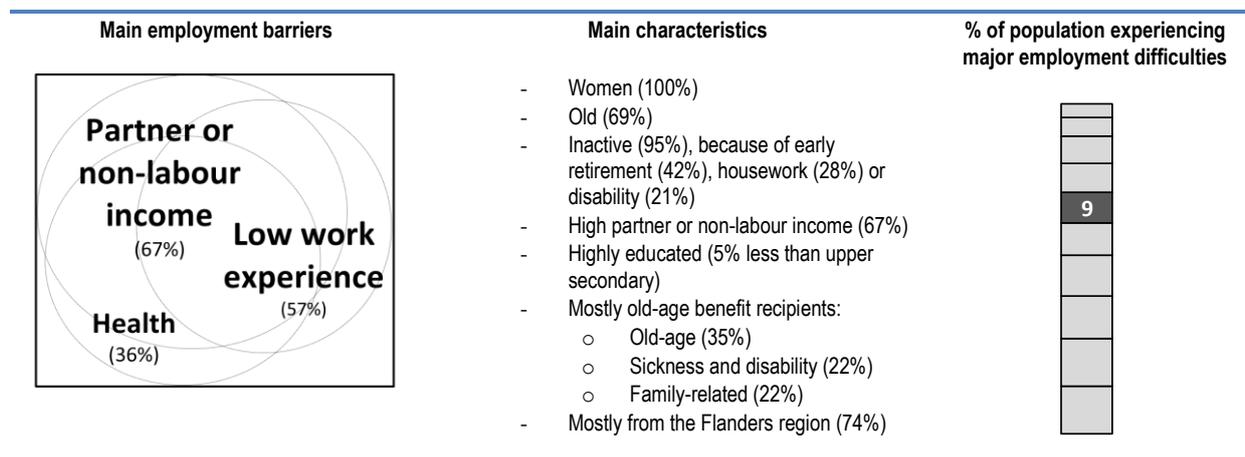


Figure A.5. Group 5: Early retirees & low work incentives

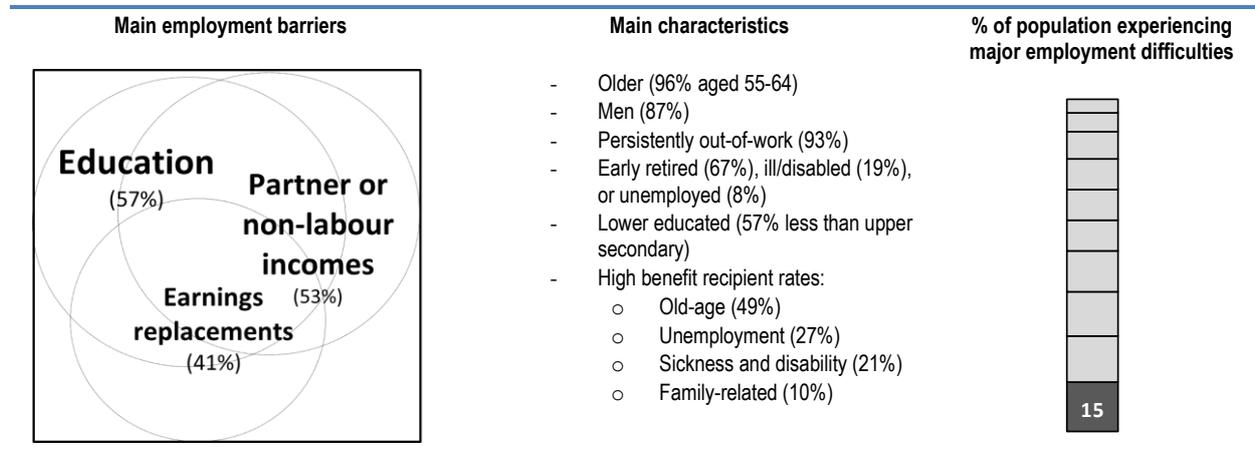


Figure A.6. Group 6: Women with care responsibilities

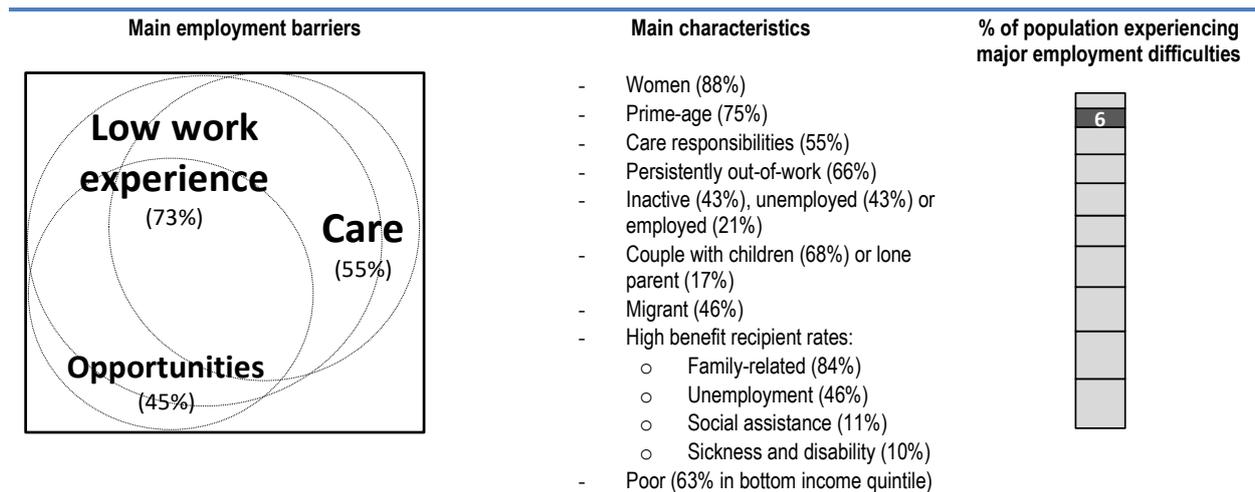


Figure A.7. Group 7: Inactive, no past experience & low education

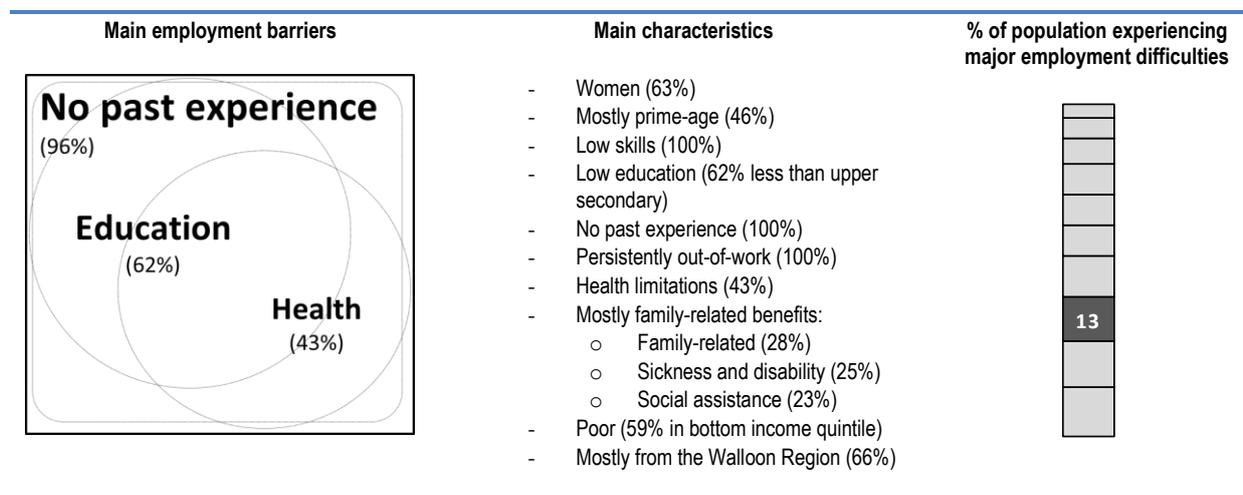


Figure A.8. Group 8: Disabled, low education & high earnings replacement

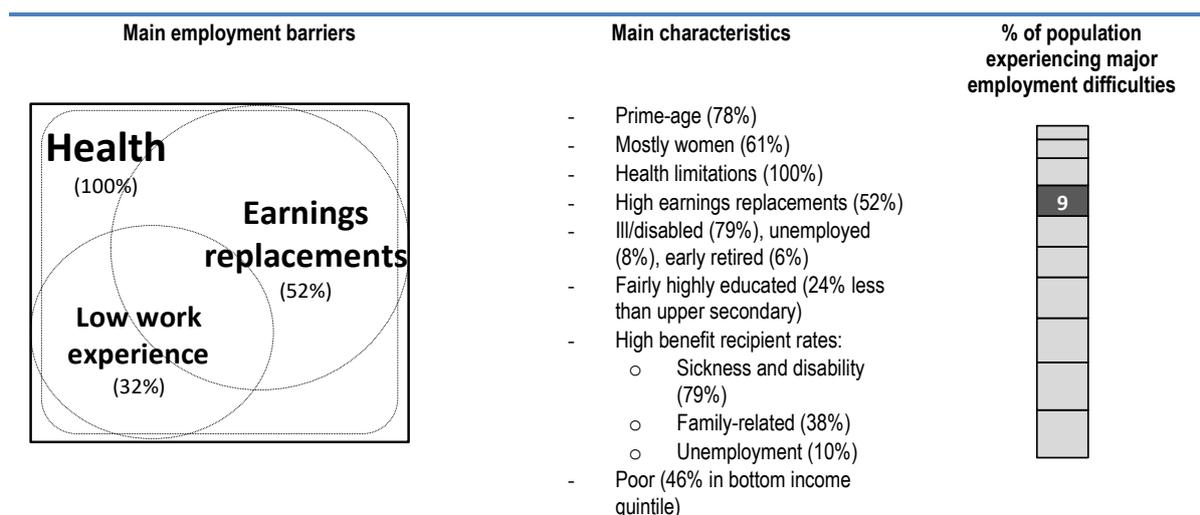


Figure A.9. Group 9: Women with care responsibilities & no past experience

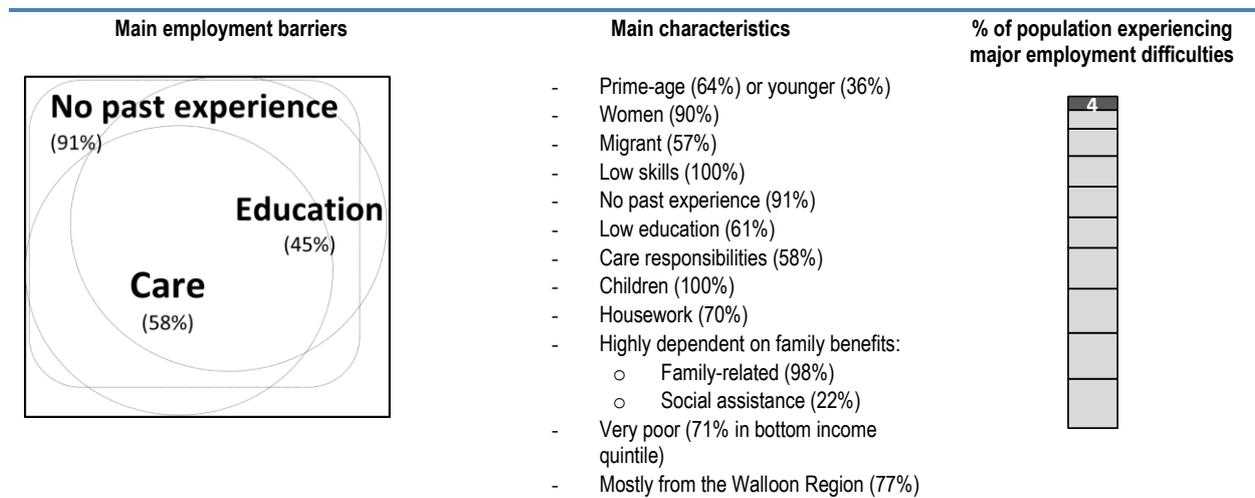
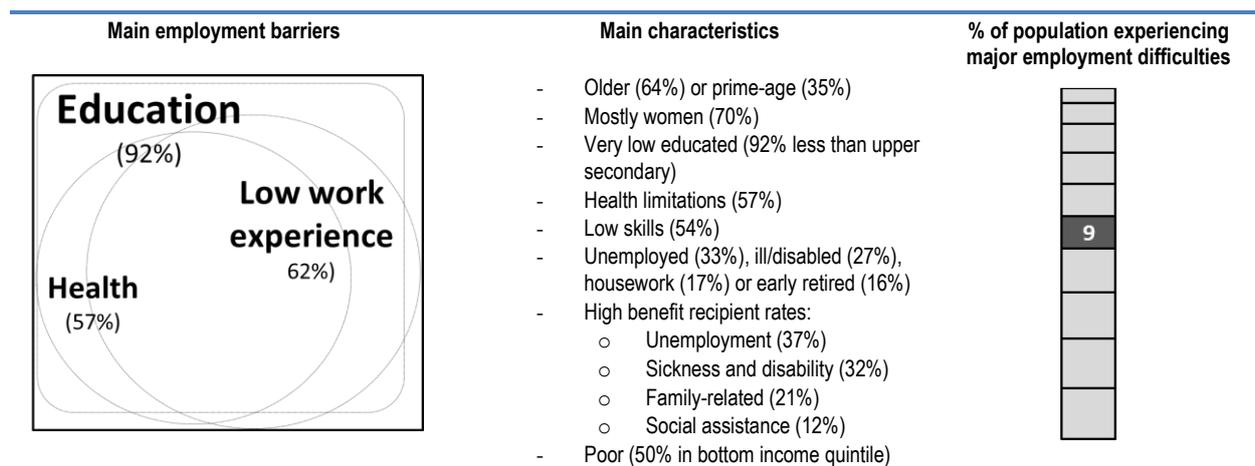


Figure A.10. Group 10: Low education & health limitations



Annex B. Detailed Faces of Joblessness results for Norway

For Norway, the Faces of Joblessness statistical segmentation process leads to the identification of six groups of individuals that share a combination of employment barriers. In this Annex, each group is described in detail, by means of: i) a Venn diagram that shows the extent and degree of overlap of the main barriers; ii) a list of individual and household characteristics with a high probability of occurrence; and iii) a chart indicating the group size as a percentage of the entire population experiencing major employment difficulties.

Figure B.1. Group 1: Youth, low education & unstable jobs

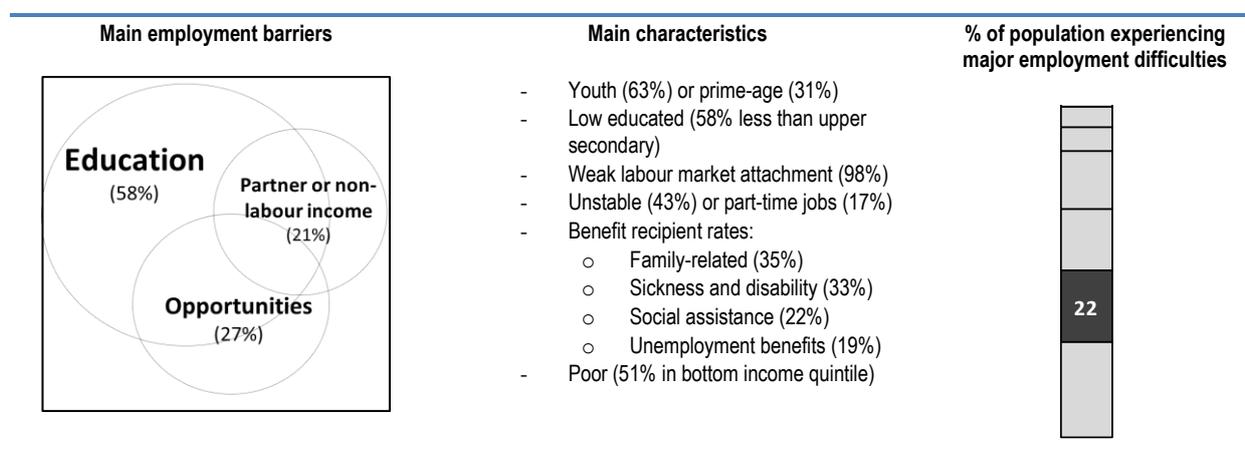


Figure B.2. Group 2: High educated & high non-labour income

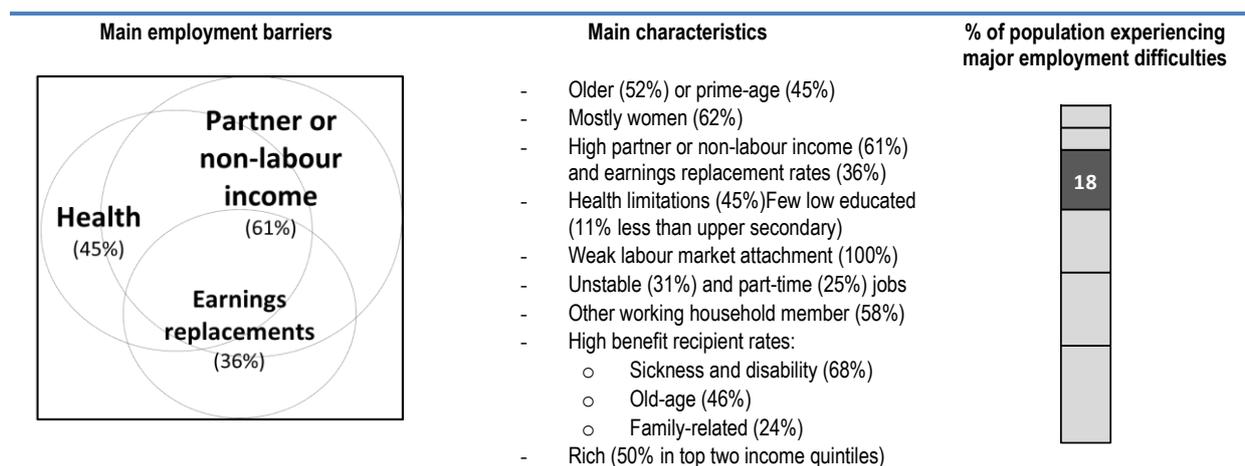


Figure B.3. Group 3: Men with health limitation & low education

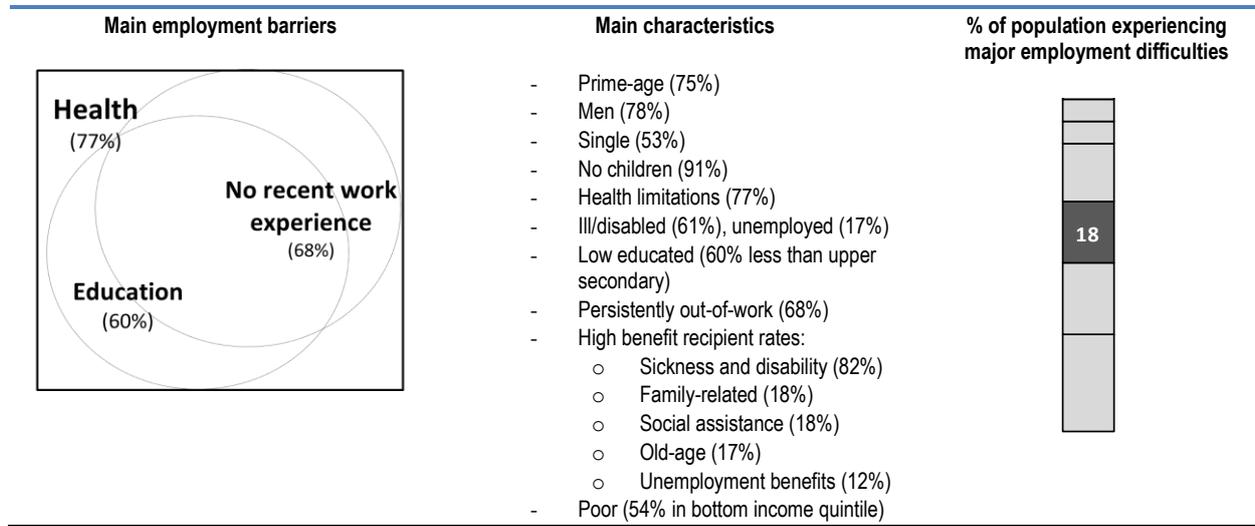


Figure B.4. Group 4: Women with care responsibilities

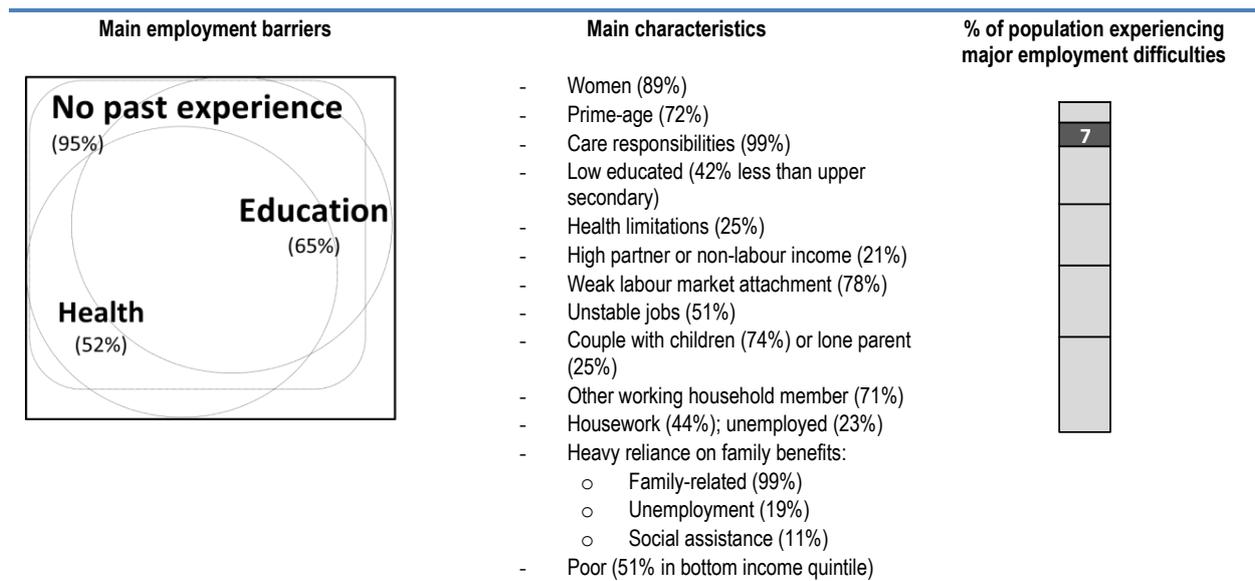


Figure B.5. Group 5: Women with health limitations & high earnings replacement

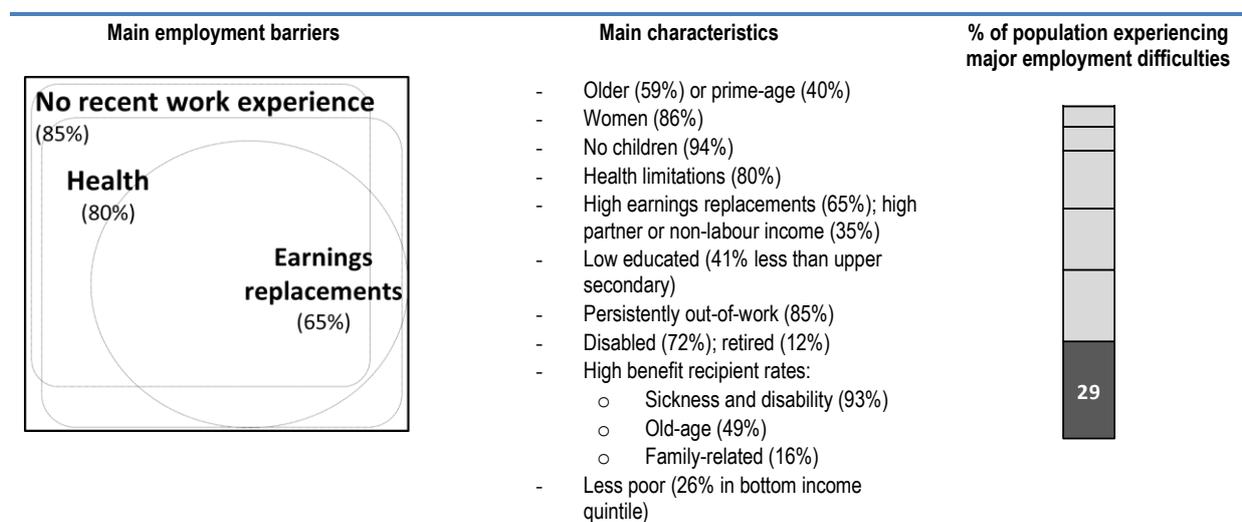


Figure B.6. Group 6: No past experience & low education

