

Foreword

Times were very different when the Reassessed OECD Job Strategy was launched in 2006. We had just witnessed more than a decade of sustained growth, record low unemployment rates, and relatively robust wage growth. Then the global financial crisis hit, and ten years later, the world has once again changed. While the global economy has been recovering from the financial crisis for several years now, wage growth remains sluggish in most OECD countries. Additionally, productivity growth has fallen from about 2.5% before the crisis to about half this rate over the past five years, and inequalities have reached unprecedentedly high levels: the average disposable income of the richest 10% of the population is now around nine and a half times that of the poorest 10% across the OECD, up from seven times three decades ago. Rapid digital transformation, globalisation and population ageing, are deeply rooted trends changing the very nature of jobs and the functioning of the labour market, thus raising new policy challenges.

In this context, in January 2016, OECD Employment and Labour Ministers called for a new OECD Jobs Strategy that fully reflects this new reality. The result is a profoundly revised OECD Jobs Strategy. While the 2006 Reassessed Strategy already recognised that good labour market performance could be achieved with different models, the new OECD Jobs Strategy goes beyond job quantity and considers job quality and inclusiveness as central policy priorities. It is an essential part of our broader strategy for Inclusive Growth, and seeks to address the fact that some groups, including the low income and the low skilled, youth and older workers, are even more at risk of exclusion now than a decade ago. This is not just unfair, but also economically and politically very challenging. The new Jobs Strategy recognises that flexibility-enhancing policies in product and labour markets are important but certainly not sufficient. It stresses the need for policies and constructive social dialogue that protect workers, foster inclusiveness and allow workers and firms to make the most of ongoing challenges and opportunities. The Strategy also emphasises that, in a fast changing world of work, we need to foster resilience and adaptability of the labour market to achieve good economic and labour market performance.

The key policy recommendations of the new OECD Jobs Strategy are organised around three broad principles that provide guidance on reforms across a broad range of public policy areas:

- i. Promoting an environment in which high-quality jobs can thrive.* Good labour market performance requires a sound macroeconomic framework, a growth-friendly environment and skills evolving in line with market needs. Adaptability in product and labour markets is also needed, and the costs and benefits of this should be fairly shared between workers and firms, as well as among workers on different contracts by avoiding an over-reliance on temporary (often precarious) contracts through balanced employment protection schemes.

- ii. Preventing labour market exclusion and protecting individuals against labour market risks.** Supporting the quick (re)integration of job seekers in employment remains a top priority, but the new strategy also highlights the importance of addressing challenges *before* they arise by promoting equality of opportunities and preventing the accumulation of disadvantages over the life-course.
- iii. Preparing for future opportunities and challenges in a rapidly changing economy and labour market.** People will need to be equipped with the right skills in a context of rapidly changing skills demands. Workers also need to remain protected against labour market risks in a world where new forms of work may arise.

The big challenge now is to translate these general policy prescriptions into actionable policy packages that can promote better jobs for everyone in a fast-changing world of work. The OECD is committed to assisting countries in this process by developing solid diagnoses, well-tailored recommendations and by providing guidance for their effective implementation through the *OECD Economic Surveys*. We look forward to working with OECD member and partner countries on the implementation of the new OECD Jobs Strategy.



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