Ireland's job market has improved markedly, thanks in no small part to strong policies for new skills to meet evolving demands and engagement with people out of work.

Ireland's policies for recovery since 2011 have targeted employment creation through measures to promote enterprise and competitiveness. These have been set out in successive annual statements of our Action Plan for Jobs. The growth in employment of 140 000 since early 2012 suggests these policies have met with a great deal of success. At the same time, Ireland has been implementing a series of
The OECD Forum, held alongside the main, annual Ministerial Meeting provides a key opportunity to debate global policy issues with heads of government and international organisations, ministers, CEOs, academia, media and civil society leaders.

Some of the policy challenges to be discussed in 2016 will be:
- Inclusive Growth: migration, youth employment, gender equality and active ageing
- Innovation: investment in people, productivity, knowledge and skills
- Sustainability: follow up to COP21 and the new Sustainable Development Goals

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labour market reforms under an overall strategy framework called Pathways to Work. These reforms broadly aim to ensure that the supply side of the labour market is supportive of employment growth. In particular, the focus has been on ensuring that as many as possible of the jobs created during the recovery are taken up by unemployed welfare recipients—particularly those people who were displaced in the employment collapse of 2008-09 and subsequently faced long periods out of work.

A major plank of the Pathways to Work strategy has been to reform our working-age benefits system and the way it interacts with the delivery of employment services. This has involved the creation of rebranded and revamped Intreo public service offices, which bring together the employment service with the payment system for jobseekers’ welfare payments and the community welfare service that delivers basic safety-net payments. The objective has been to ensure that newly unemployed people are engaged as quickly as possible with employment-service support.

Within the overall Pathways to Work approach, and in response to the EU Recommendation on a Youth Guarantee, our engagement with the young unemployed happens on a faster schedule than the targets for older jobseekers. In designing our approach to youth labour market issues, we had the benefit of a study issued by the OECD in 2014.

Having concentrated initially on reforming procedures for engaging early in the unemployment spell, we moved on in 2015 to a major programme for people who are already long-term unemployed. This is being achieved through the deployment of third-party resources in employment-service delivery, specifically for people who have been receiving jobseekers’ welfare payments for a year or more.

**Skills development**

Pathways to Work is focused primarily on assistance in re-entering employment. However, for people who fail to find employment in reasonable time, a range of opportunities is available to increase their employability. The importance we attach to skills development is shown by the types of opportunities offered. For the young unemployed, for example, almost three-quarters of the programme opportunities are in further education and training. (Others are in work experience and temporary employment programmes).

Vocational education and training provision for the unemployed form only a small part of Ireland’s overall effort to ensure that our people have the skills and qualifications required in a modern economy, now and into the future. Ireland has been undertaking a steady process of reform and improvement to the education system in recent years—with a particular focus on vocational provision. Major recent milestones in this process include the establishment of SOLAS, a new authority for further education and training, and an apprenticeship review that is leading to the establishment of 25 new apprenticeships in areas such as information technology, financial services, transport, tourism and hospitality.

**Good job**

The scale of Ireland’s ambition in relation to upskilling is indicated by the strategic targets for education that we established as part of the EU 2020 process. We set out to reduce the proportion of young people classified as early school leavers from 11.4% in 2010 to 8% in 2020; by 2014 this figure had already fallen to 6.9%. We also set out to increase the share of 30-34 year-olds who have completed tertiary or equivalent education to at least 60% by 2020; this figure stood at over 52% in 2014, well above the EU average of 38%.

There is evidence that the strategy followed under Pathways to Work since 2011 has supported a flexible labour market that allows the unemployed to share in the economic recovery. This is suggested, for example, by the fact that employment growth of 140 000 since early 2012 has been accompanied by a decrease of almost 120 000 in unemployment. In addition, long-term unemployment has fallen even more rapidly than overall unemployment, down from a peak of 9.5% in early 2012 to 5.0% by the middle of 2015. The impact of employment growth on both overall and long-term unemployment has thus been relatively strong compared with past recoveries.

Our work will continue on the refinement and development of policy to address the changing needs of a modern economy and society, and we will be launching updates of both Pathways to Work and the National Skills Strategy in early 2016.

<http://oe.cd/1ed>
What future for work?

Stefano Scarpetta, Director, OECD Directorate for Employment, Labour and Social Affairs

For all the signs of improving labour market conditions in many OECD countries, there is still a substantial way to go to close the jobs gap caused by the Great Recession of 2008-09. Unemployment will continue to fall in most countries, but by the end of 2017, it will still be well above pre-crisis levels in a number of them.

While dealing with persistent joblessness, policy makers must confront at least three medium and long-term structural forces that are shaping the world of work more than ever: demographic change, globalisation and technology, especially the digital revolution.

Population ageing is gaining momentum in many OECD as well as emerging economies, raising concerns about the affordability of pension and health care systems as well as the prospect for economic growth and the risk of a secular stagnation. By 2050 one adult in three will be over 65 in the OECD, and in Japan, Korea and Spain, which are the most aged countries, the ratio will be nearly one adult in two. In China, the population is now ageing at a very rapid pace. These changes will make it essential to promote active ageing, by strengthening incentives for older workers to stay longer in the labour market, while encouraging employers to hire and retain them and enhance their employability via well-designed training programmes.

Ageing will be just one of many factors underlying demographic change among countries and regions in the years ahead. These changes will lead to further demographic imbalances across regions of the world, fostering labour mobility. This, in turn, will create challenges and opportunities for sustaining and balancing economic growth and social cohesion through the effective integration of migrants, and the collaboration between sending and receiving countries.

Already, globalisation 2.0–our second factor–has increased the fragmentation of production processes as intermediate stages are performed by different suppliers and link many jobs across borders through so-called global value chains. It has had an effect not only on the types of jobs (the occupational structure), but also the type of tasks that constitute each job. A recent study by Sascha Becker and Marc-Andreas Muenderl found that as a result of globalisation, the average German job expanded from entailing fewer than two tasks in 1979 to more than seven in 2006.

The third main factor shaking the world of work is digitisation. Unprecedented and continuously growing computer power, Big Data, the penetration of the internet, artificial intelligence, the internet of things, and collaborative platforms, among other developments, are radically changing the prospects of what work is needed and by whom, and where and how it will be carried out.

Since the industrial revolution, major innovations, such as the steam engine, electricity and the assembly line, have led to the decline of some sectors, with large job losses, but to more productive and (often) rewarding jobs in expanding sectors, with substantial improvements in living standards.

Could it be different this time? Could “the second machine age” (or indeed, fourth industrial revolution) end up displacing not only less-productive jobs, but employment more broadly? Could the
According to some experts, such as Andrew McAfee and Erik Brynjolfsson, technological progress in the digital era evolves along a gradual but exponential trajectory with a strengthening tendency to replace human capital even in skilled tasks once considered to be beyond automation. The spectre of technological unemployment first highlighted by John Maynard Keynes in his 1931 essay, “Economic possibilities for our grandchildren”, has re-emerged with force. The evidence on this is mixed, however. Some argue that a large fraction of jobs in OECD countries are at risk of being substituted by computers and machines, but others argue that occupations will adapt to make better use of existing technology. Moreover, new complementary jobs will arise. Indeed, Enrico Moretti suggests that for each job created by the high-tech industry, around five additional, complementary jobs could be created.

One thing is more certain: significant changes in occupational structure. Already in the past two decades, job types have undergone a process of skill or routine-biased technical change. This brought a polarisation of labour demand between high-skilled non-routine jobs, such as those involving interpersonal skills or creativity, and low-skilled non-routine jobs, such as food services and security. Routine jobs (many of which are middle-skilled) are sought less as they are the ones most easily automated.

Digitisation will continue to change how existing jobs are carried out. Information technology tools are already required in all but two occupations in the United States: catering dishwashers and food cooking machine operators and tenders (though robot chefs might soon be in your kitchen near you). Similarly, in most OECD countries, workers in over 95% of large businesses and those in over 85% of medium-sized businesses have access to and use the internet as part of their jobs, and workers in at least 65% of small businesses connect to the internet for work.

The digital revolution will continue to alter how work is performed. The internet has enabled more businesses to hire in competitive suppliers around the global supply chain, and workers to enjoy the flexibility and benefits of teleworking and freelancing, not least to top up their incomes. This has led to the flourishing of the “gig”, “on-demand”, “sharing”, “peer-to-peer” or “platform” economy, such as Airbnb, Uber, TaskRabbit and so on. Though still small in scale, the platform economy raises probing questions about wages, labour rights and access to social protection for workers, as well as employers and consumers. It is early to say, but non-standard jobs appear to have risen during the recent recovery, often substituting for more traditional jobs in declining sectors. Some of these jobs may allow for greater flexibility for the workers but they often lack full coverage of social protection, have lower access to training opportunities and provide weaker career progression than those in more traditional, open-ended jobs. Moreover, the fact that under the platform economy workers are more likely to hold jobs and multiple income sources challenges the role of statutory working hours, minimum wages, unemployment insurance and other pillars of our traditional labour market institutions and policies.

Against this backdrop there are also pressures to facilitate greater labour mobility and promote incentives for workers and employers to take advantage of the new job opportunities that open up, wherever they may be. With today’s fiscal constraints, effective and well-targeted labour market programmes are needed more than ever. Comprehensive skills strategies are required, focusing not only on building adequate skills, but promoting skills adaptation to allow workers to evolve with new requirements. Tax and benefits schemes must also evolve to protect those who lose out from change, while social protection schemes need to reflect new work arrangements, such as consulting, freelance and other contracts that no longer fit into traditional employee-firm relationships.

In January 2016 the OECD hosts a Ministerial Meeting of Labour and Employment Ministers, preceded by a Policy Forum on the Future of Work (http://oe.cd/future-of-work). The OECD expects a strong mandate from ministers to develop a new and extended OECD Jobs Strategy in which such factors as ageing, globalisation and migration, digitisation, and new work practices will be key. The new Jobs Strategy will not only draw the lessons from the recent crisis, but also look forward at how policy and institutions should evolve to allow workers to grasp the opportunities of the structural changes ahead, while receiving needed protection and support. It will be an important chance for all stakeholders to forge a renewed social dialogue and ensure that, as with previous employment revolutions, the era now unfolding also yields more and better jobs.

References


http://oe.cd/1ee
More and better jobs for and inclusive recovery
Martine Durand, Director, OECD Statistics Directorate, and Stefano Scarpetta, Director, OECD Directorate for Employment, Labour and Social Affairs

The world is still repairing the damage done to employment prospects and social equality by the crisis. Governments are trying to create not just more jobs, but better jobs. A new OECD framework helps them to define what job quality means and to measure whether their policies are succeeding.

Full article http://oe.cd/ZH

We must teach tomorrow’s skills today
Jacques van den Broek, CEO Randstad Holding NV (OECD Business Brief)

The New Industrial Revolution affects the workforce in several ways.

Full article http://oe.cd/-T

Say goodbye to the 9-to-5
Brian Keeley, OECD Insights

In the United States it’s called “the 9-to-5”; in France it’s métro, boulot, dodo—“subway, work, sleep”; in Japan it’s personified as the “salaryman” and his female equivalent, the “office lady”. Whatever it’s called, the traditional job seems to be something we all identify with.

Full article http://oe.cd/1e5

We must teach tomorrow’s skills today
Jacques van den Broek, CEO Randstad Holding NV (OECD Business Brief)

The New Industrial Revolution affects the workforce in several ways.

Full article http://oe.cd/-T

Why isn’t everyone lifelong learning?
Andrew Bollington, Global Head of Research and Learning, LEGO Foundation (OECD Business Brief)

There are many opportunities for lifelong learning available at the click of a button, so why is it that many employers still report a “skills gap”?

Full article http://oe.cd/11Z

Social entrepreneurs and governments speak different languages. However, understanding each other is essential to achieve quality of life through the businesses we start, grow and scale.

Full article http://oe.cd/11S

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A sharing economy
Interview: Frederic Mazzella, Founder and CEO of BlaBlaCar
Dynamic new business platforms that are altering the parameters in property, transport and other service-driven markets are fast emerging. Companies such as Airbnb (helping you to rent or let out a room) and TaskRabbit (helping you pack boxes, walk the dog and other personal chores) have hit the headlines.

Full article http://oe.cd/QI

There are no jobs on a dead planet
John Evans, General Secretary, Trade Union Advisory Committee to the OECD (TUAC)
A structural shift to a low-carbon economy will entail gains in jobs, but also losses, and the first jobs to be lost are not those that you think. A just energy transition will be needed, but how?

Full article http://oe.cd/1cD

Gender wage gap
Difference between median earnings of men and women relative to median earnings of men, unadjusted, full-time employees, 2013 or latest year available

Pay gap
Unequal pay between men and women continues to pose problems, despite decades of legislation by governments to address it, like the Equal Pay Act in the United States and the French labour code on wage equality introduced about half a century ago. In fact, not only are women still paid considerably less than men throughout the world, but UN predictions suggest the gap will persist for 70 years to come.

Full article http://oe.cd/-G

MULTIMEDIA
Jobs outlook improving but unemployment still too high
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Discrimination and poor job prospects hit children of immigrants
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BOOK REVIEWS
Renewable workers
How will workers’ current skills match new requirements for labour in a green economy? So far, few countries have put in place real plans to address this question, yet there is risk of a significant mismatch between skills and jobs.
Full article http://oe.cd/19U

Small businesses flourish, but not their revenue
Since 2009 the French government launched a new “auto-entrepreneurs” status to help small, often one-person, businesses below a certain earnings threshold to bypass many formalities of registration, in an effort to stimulate entrepreneurial activity and jobs.
Full article http://oe.cd/RV
The Chilean public oil company (ENAP) promotes mechanisms that encourage social dialogue. Operating in the strategic energy sector, we need to have healthy and mutually beneficial labor relations with employees and partners.