



## Overcoming the COVID-19 jobs crisis

Access the podcast at:

<https://doi.org/10.1787/cc3b2e72-en>

---

### Please cite this podcast as:

OECD (2020), "Overcoming the COVID-19 jobs crisis", *OECD Podcasts*, Duration: 13:49, OECD Publishing, Paris, <https://doi.org/10.1787/cc3b2e72-en>.

**Host:** Kate Lancaster

**Speaker:** Stefano Scarpetta

**Duration:** 13:49

**Date:** 06 June 2020

All podcasts express the opinions of the interview subjects and do not necessarily represent the official views of the OECD and/or OECD Member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.

# **Overcoming the COVID-19 jobs crisis**

**Intro** [00:00:02] Welcome to the podcast. Paul.

**Kate Lancaster** [00:00:08] In early 2020, the employment rate in obesity countries had reached a new record high after the decade long recovery from the 2008 financial crisis. Then the Koban 19 pandemic hit a public health emergency of staggering proportions to slow the spread of the virus. Many countries adapt addressed the containment measures. And while such measures have protected our healthcare systems and saved lives, they've also had a very serious impact on our economies and societies. GDP has plummeted, unemployment has soared, and governments have poured trillions of dollars into supporting people and firms. I'm Kate Lankester and you're listening to always see these podcasts. To understand the impact of the COGAT 19 pandemic on jobs and labour markets, on lives and livelihoods. I'm speaking today with Stefano Scarpetta, director of employment, labour and social affairs at the OECD, welcomes the Fondo.

[00:01:05] And thank you for joining us. Thank you. Let's start with the numbers today. Can you talk us through the extent of the jobs crisis that we're facing?

[00:01:16] Yes, indeed. The impact of the Kobe 19 crisis on the labour market has been already must see the unemployment rate in the country. We reach a point four percent. It was slightly less than a month ago in April when it was eight point five percent. And this is actually the unemployment rate we had 10 years ago in 2010 at the peak after the global financial crisis. So basically, it took only a quarter, three months uncertain, wipe out all the improvement in the labour market. It took 10 years to achieve equality. And it has a. 50 percent more people unemployed today than they were just before the cold 19 crisis.

[00:02:00] And so how do we think these numbers might evolve?

[00:02:03] Well, the important thing is the unemployment rate perceived not even capture the full extent of the impact of the crisis onto the labour market. We know that during the confinement, part of government intervened massively to basically support these jobs. Interesting enough, there are 60 million workers were involved in the job retention schemes, which are subsidies to oil companies to basically keep the workers and continue to be good size. The numbers are something we have never seen before in France. Fifty five percent of private sector employees were in the job retention schemes in New Zealand, 70 percent, seven zero, 70 percent in other countries. Let me tell you, it took about 40 percent.

[00:02:50] So then when the scheme winds up, what happens?

[00:02:54] Many of these countries are a different stage of reopening the economy. In fact, for example, in the United States, where unemployment really increased dramatically in the past few months of the past two months. So in that sense. May and June, unemployment has declined because a number of those were temporarily offered different status went back forth. So we've moved from a historical high in the United States for people at four percent down to eleven point one percent. So economic recovery eases somewhat, easing the pressure on the labour market. The real question is not how the economy, how the situation will unfold in the next months, as you know, are two ways. We have come up with two scenarios.

A single hit whereby major crisis is the eye and dance to a large extent and to a different policy, will be managed to avoid a second spike and spike in the fusion of the virus or double crisis in which towards the end of the year, with a new spike of the virus and therefore some stronger campaign measures will have to wait to use those without saying that if it were to move into this, a second scenario, unemployment number is significantly further before improving, proving that in the next year, who has been most affected by this?

[00:04:15] Which which groups have really been the most vulnerable to this jobs crisis?

[00:04:18] Well, unfortunately, the same groups that tend to be most affected by major economic shocks have been hit also this time around, the low skilled at member difficulties because many of them were actually in essential services, but also because of their specific job that's not being allowed to perform these tasks from home.

[00:04:38] I've read that only about a third of jobs can, in fact, be done from home right now.

[00:04:43] Indeed, because one of the supervisors describes as being the very massive use of that, it would steal some workers because of the nature of their job, but also because the computer. Give me the laptop to do a an iPod, the French connexion. Second, those are we will be in precarious jobs. Temporary jobs are. And jobs. Many of the self-employed. These are not the jobs of fortune which are being disproportionately affected by the closure of activities and the reduction in economic activity. So to get the third group are the young people. Many of those who were supposed went to the local market could not really find a job. And many of those young people are already into the labour market, were affected by the fact that that job may not actually continue because it was a temporary jobs, a less stable jobs. And last but certainly not least, women have been affected by this crisis because, again, they were on the front line, for example, in the health sector, but also because they tend to hold disproportionately less stable job. The first job to go into these financial economic crisis. Now that we are reopened economy, some of the sectors that have more difficulty to reopen are actually have a disproportionate percentage of women working there.

[00:06:00] Well, let's let's talk a bit further about young people. So this coalbed classic 2020. I mean, this isn't a good job market to be graduating into. What do governments need to do to help young people in this situation to make sure their working lives aren't going to be scarred forever by starty at the time that it hit?

[00:06:17] These are, unfortunately, something we have seen in the past, large economic cause over over disproportionate effect on young people. Again, either because that all the more the kind of temporary jobs or anything, that is the mark. Now, what we learn from the global financial crisis is that they need support. They need guidance. We know that how to search for a job, which type of additional skills and learning is also difficult to do in order to win. So their chances of finding one last time of the global financial crisis took too long for governments to realise that this was a group, particularly as it if they need support. This time around, you definitely have to do better, and these require such a comprehensive measure to overcome the euro. We after the global financial crisis, to use the youth guarantee, which was basically a guarantee that each young person will not find jobs within six months after leaving, the patient should receive some

form of support, guidance to find a job training or retraining. I think that going forward, we really have to think about something like a package of measures to help young people to navigate this very difficult government.

[00:07:26] During the first initial months of this crisis, governments poured in trillions of dollars and they helped people they helped fund. But what needs to happen now, as you said, economies are beginning to reopen. So should the support be maintained? What is the next step in how we continue to help people? Help save jobs? Help save firms?

[00:07:47] I think what was also unprecedented was that the very bold the speed of the police response. Now, the challenge is going forward is to adapt to these unprecedented formal support to the context that these have all been before this report was given to everyone, because this year the entire economy will shut down. Now, if the economies reopen, I think the challenge is therefore to adopt this report to very different conditions that companies, workers, households are facing. Some of them we continue to support because there is not that within the scheme. Others, I think, could require less support, but also possibly a different type of support. For example, in my view, now is time to invest in training or retraining with the help of the employers, but also making sure that workers can invest the time they might not spend at work now or actually invest, and they have a copy of their skills. The other important element is that, yes, we are growing the economy, but under the conditions, we should have items of food choices out there. We have seen or effective treatment. We have to axes that divide us. We have to coexist equally at these means that we have to ensure been in the workplace, know that the work of Mark Seifi is required, really proactive, the support, the investment by everyone, by the government, of course, but also by the social partners employer. They have to play the both in terms of the rising, to the extent possible, job losses invest typically the skills of the workforce and then shooting off both the safety of the also. Of course, also workers themselves have to play their role. The social distancing is something that actually depends on each of a number of us. I think that's very important to avoid a second wave of this fight that divides and at the same time as a community together, we are to make sure that we can actually run the spread of the virus on.

[00:09:46] As we begin to think longer term about recovery, about even hopefully some day life after Kobe. The question, I guess, is then how how do we capitalise on the momentum created by all these strong initial responses that you've described to address existing inequalities? What would a better, more resilient workplace or labour market look like coming up?

[00:10:10] Do you really lay bare some of the gaps? Was social protection since they were labour market policies that institutions? Simply that was available, of course. So for most of the employees, but not, for example, for self-employed. Some countries actually there simply, but not a key reform Greece, especially if it's not provided by the employer. This is the Green Zone with the states. And that's just one example of the social protection side. We know that income support for many of those in non-standard standard form of employment was not. So it was not a vehicle for many. So what happened during the Colbie crisis? That the government intervened massively. As we said, it actually tried to provide support for one so sick leave or was extended to a number of countries. It was made available to all workers, including the self-employed income support scheme or different forms. What extended the jump potential scheme that was mentioned before was extended to all sectorial. So this was during the confinement phase and during the lockout. I think there's a lot to be learnt about the ability of these extraordinary measures to provide support to all of those related companies, workers, households. But I think we have to learn from that and maybe try to

remove structural basis close as some of these gaps do exist and provide to everyone almost regardless of the type of conflict ahead and minimal formal support. So that different the shock like this one actually hit. Everybody can have access to some form of entertainment and support without necessarily according to exogenous measures like you have to cope with mine. So there's a lot to be done learning the lessons of this crisis, learning the lessons of how this measure of actually reach out to those in need and try to close on a more permanent basis some of the gaps with the rarity there as we begin to emerge from this crisis.

[00:12:04] Obviously, some jobs will be lost, but other jobs may be created. Can you talk to us a little bit about what jobs may be lost and what kinds of new jobs may be coming?

[00:12:15] That's interesting, because after any economic crisis, as the economy recover, there are new jobs being created now that the economy is reopening. We have to allow for its worker in those companies that will not survive this major shock to move into jobs. They need support. They need guidance, possibly even need the training between the particular workers in general, need the support to navigate these very difficult times. So employment services in this phase of the become very, very important to reduce not only the extent of the job losses, but actually making sure that worker can move on to the new jobs that are there and wouldn't be there as quickly as possible.

[00:12:56] Thank you very much for your time today, Stefan. Thank you. I'm Kate Lankester.

[00:13:02] Thank you for listening to the podcast. You'll find out much more about the issues we've been discussing today at [www.see.org/employment/outlook](http://www.see.org/employment/outlook) and at [www.oecd.org/coronavirus](http://www.oecd.org/coronavirus).

[00:13:19] To listen to other oh ECD podcast, find us on iTunes, Spotify, Google podcast and SoundCloud dot com slash o ECD.