Combining employment and social support with broader policies to help workers and communities adjust to structural change:

Lessons from the OECD Employment Outlook 2026



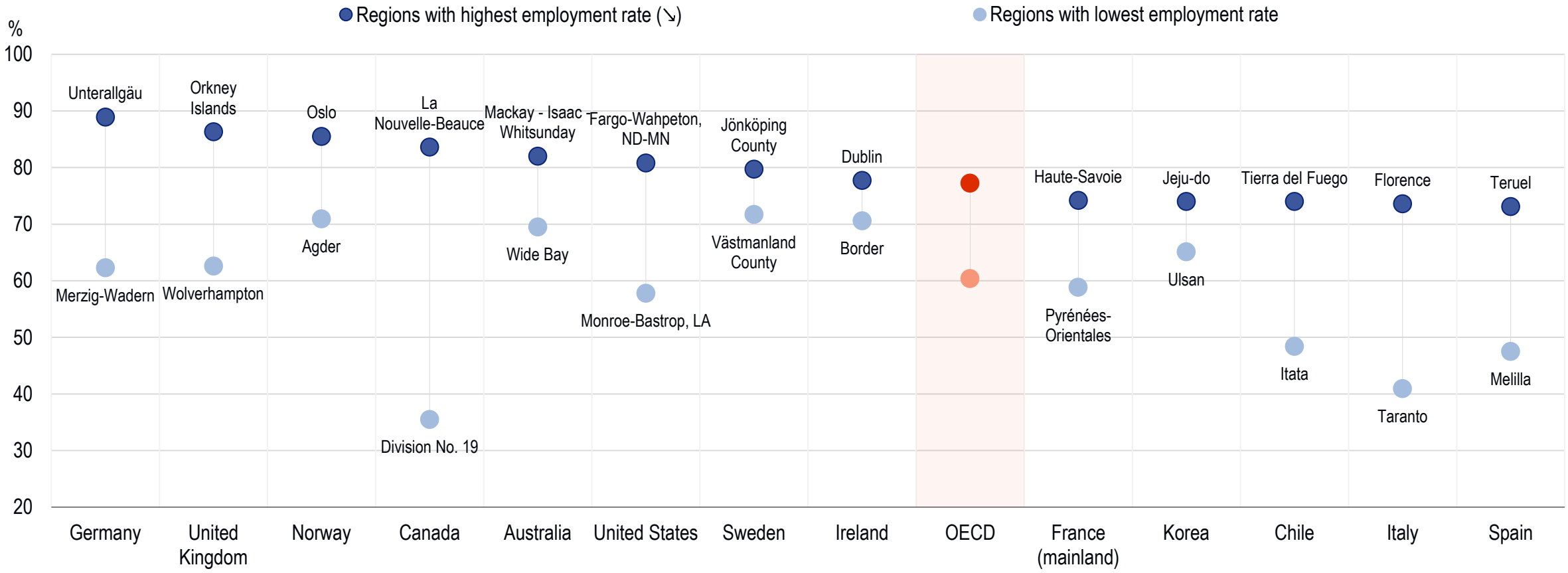
19 November 2026

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Directorate of Employment, Labour and Social Affairs
OECD

Where people live shapes strongly their employment opportunities

Employment rates across TL3 (NUTS3) regions

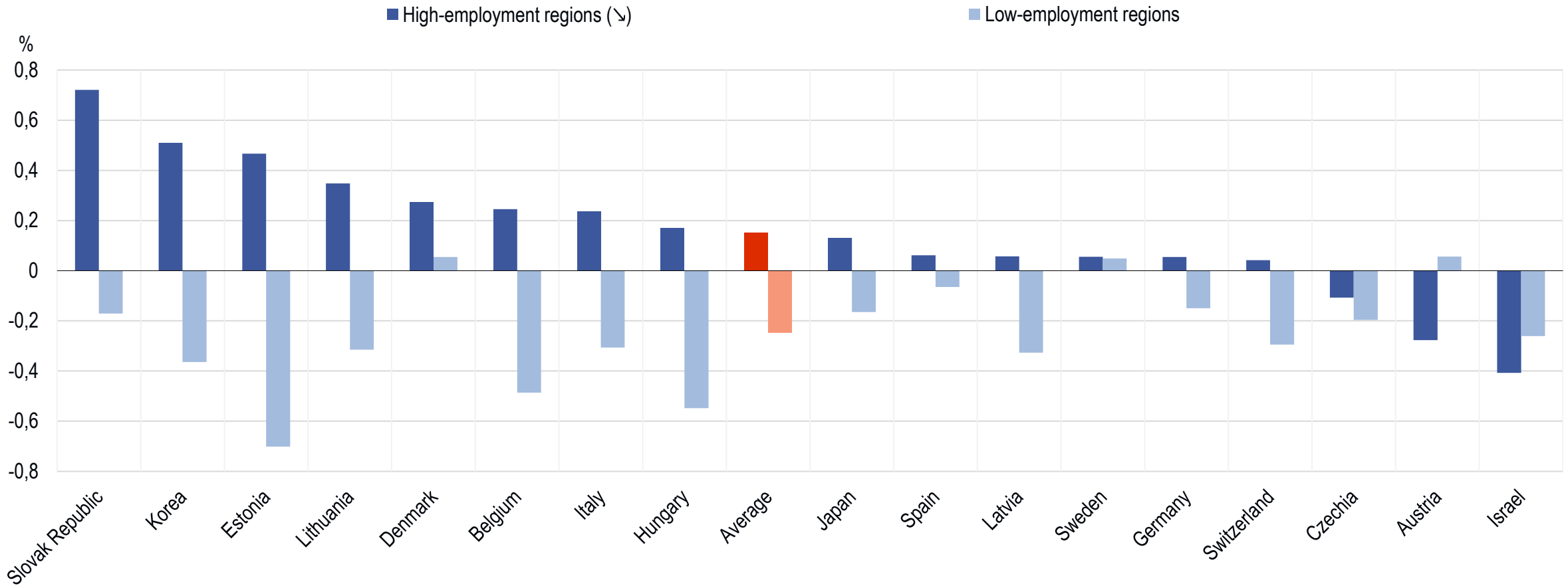
2024 or latest available year



People move from low- to high-employment regions, but not enough to narrow employment gaps

Net inter-regional migration rates in high- and low-employment TL3 (NUTS3) regions

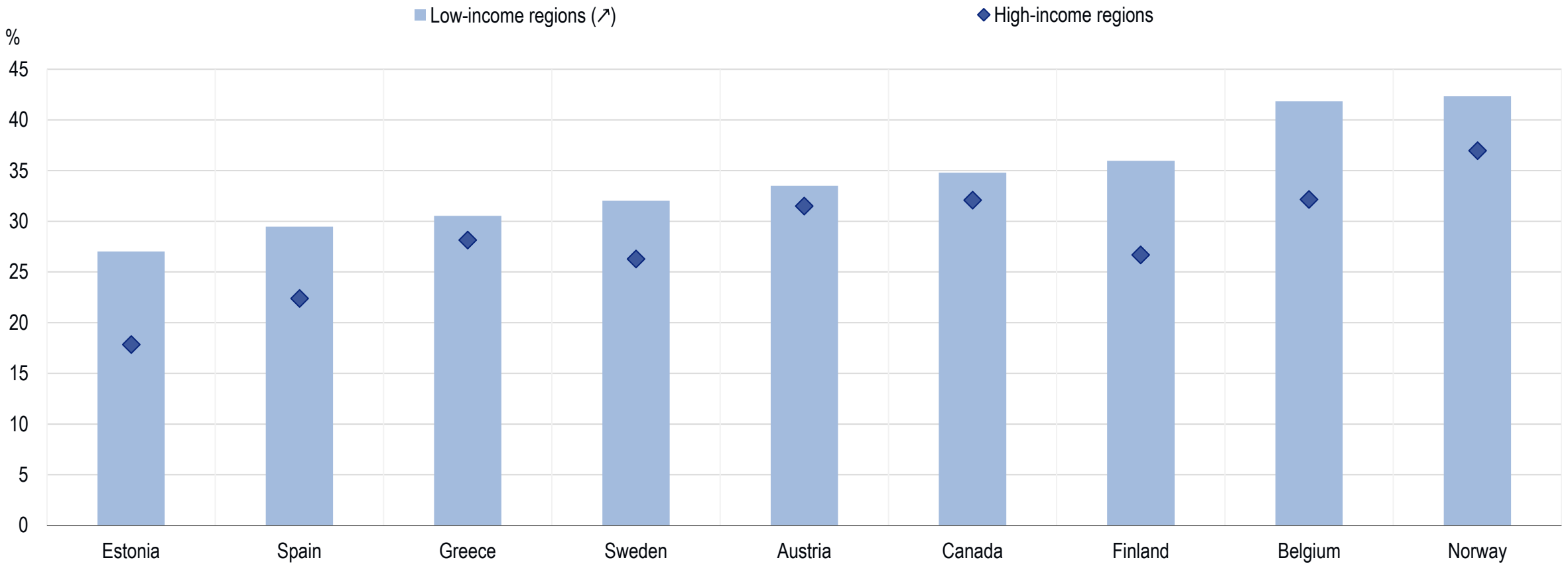
% of population in TL3 regions, average from early 2010s to latest available year



Low-income regions offer people fewer opportunities to move up the income ladder

Persistence at the bottom of the income distribution over five years

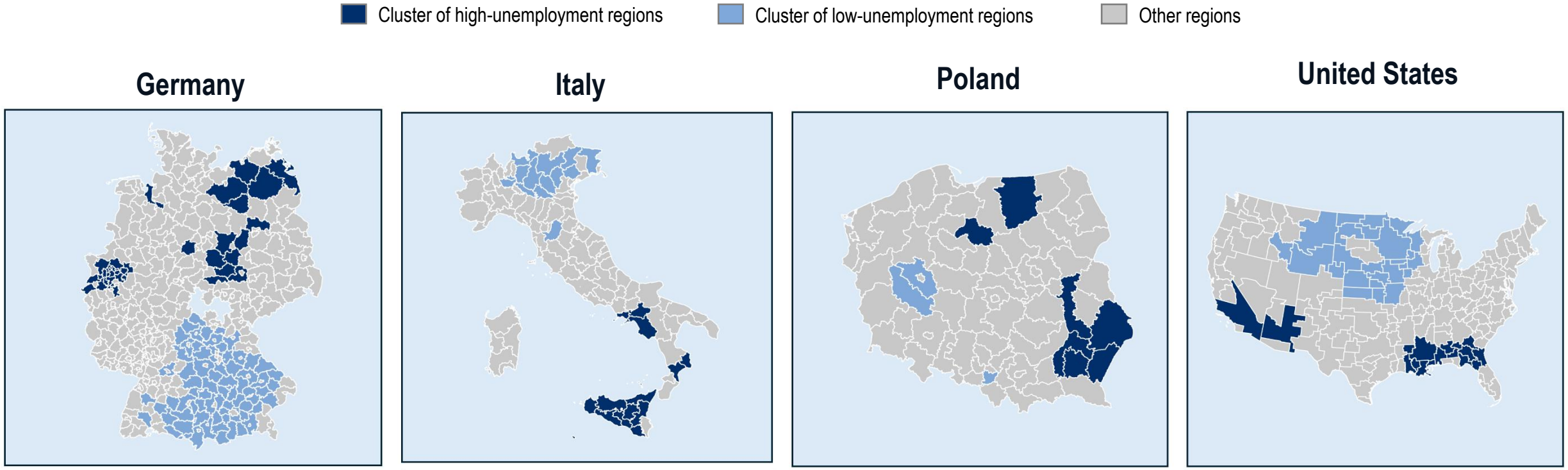
Share of people initially in the 15th percentile of the distribution who remain in the bottom quintile throughout the next five years (%), TL3 regions, 2017-2022



Weak and strong labour markets are often clustered far apart, widening the distance to employment opportunities

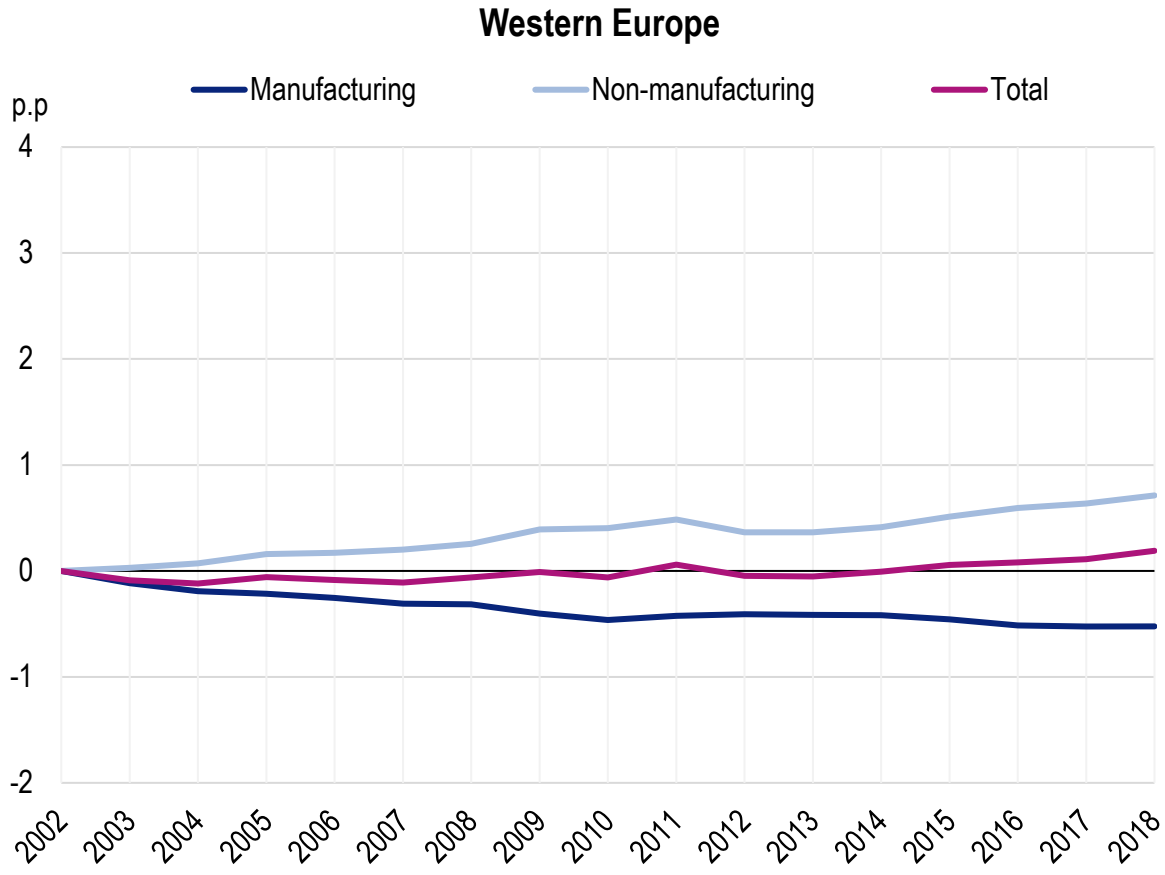
Spatial clustering of high- and low-unemployment regions

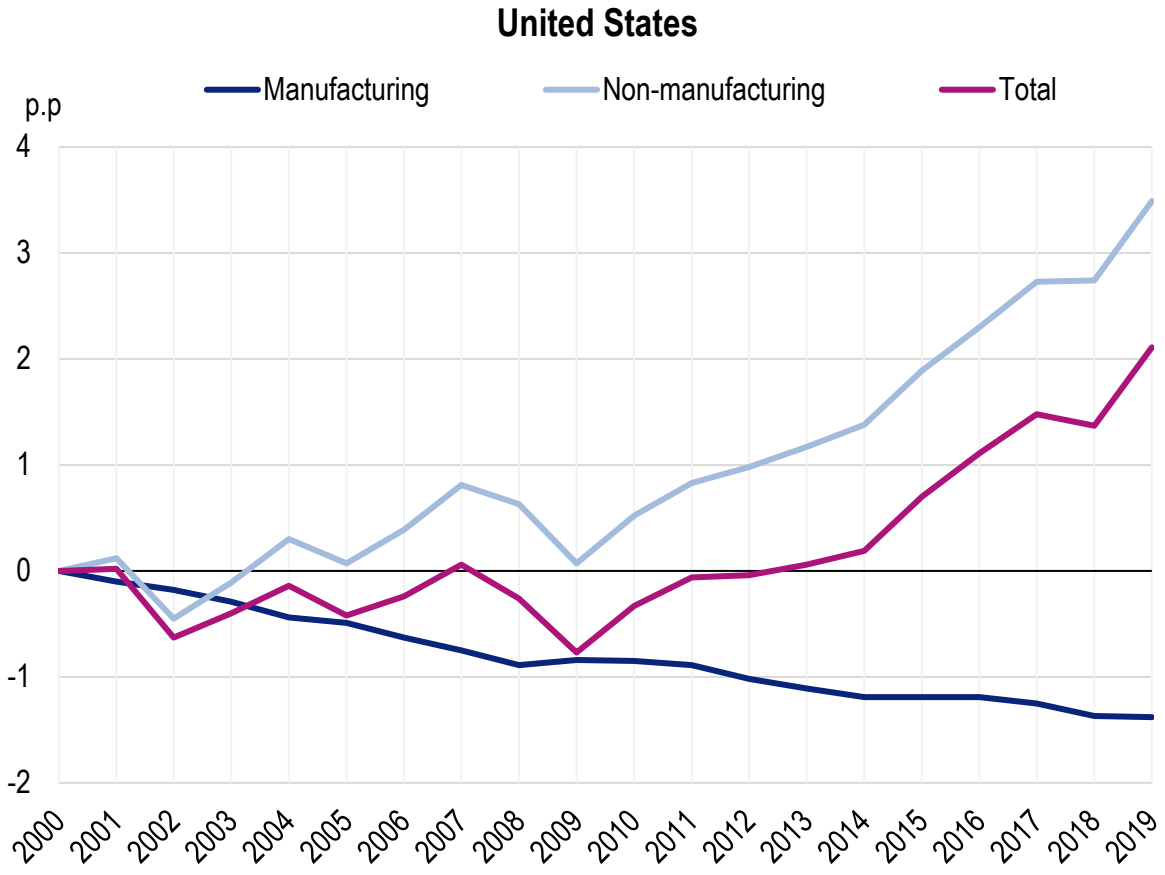
TL3 regions, selected OECD countries, 2024 or the latest available year



Regional exposure to low-wage import competition is associated with job losses in manufacturing but job gains elsewhere

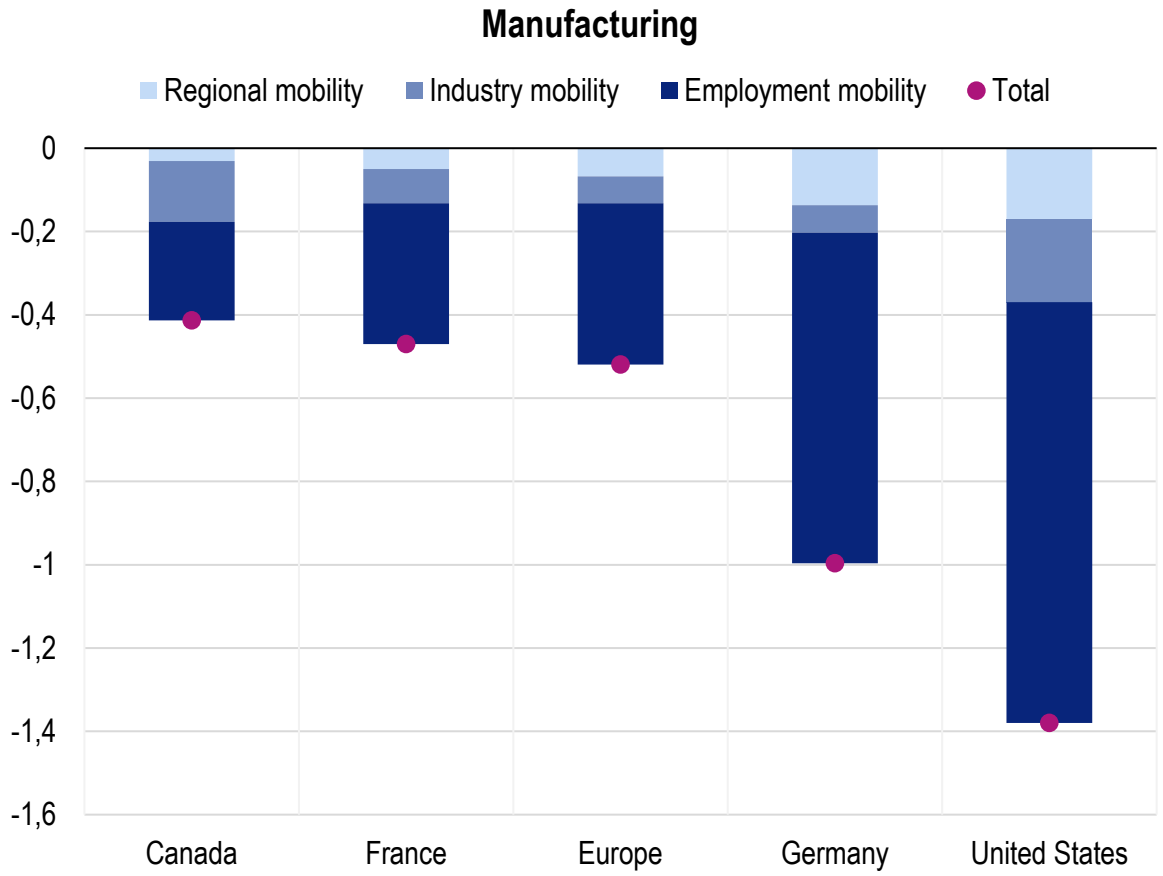
Percentage-point effect of moving from a region with average trade exposure to one with high trade exposure (80th to 90th percentile) on regional employment as a share of the initial working-age population by broad sector

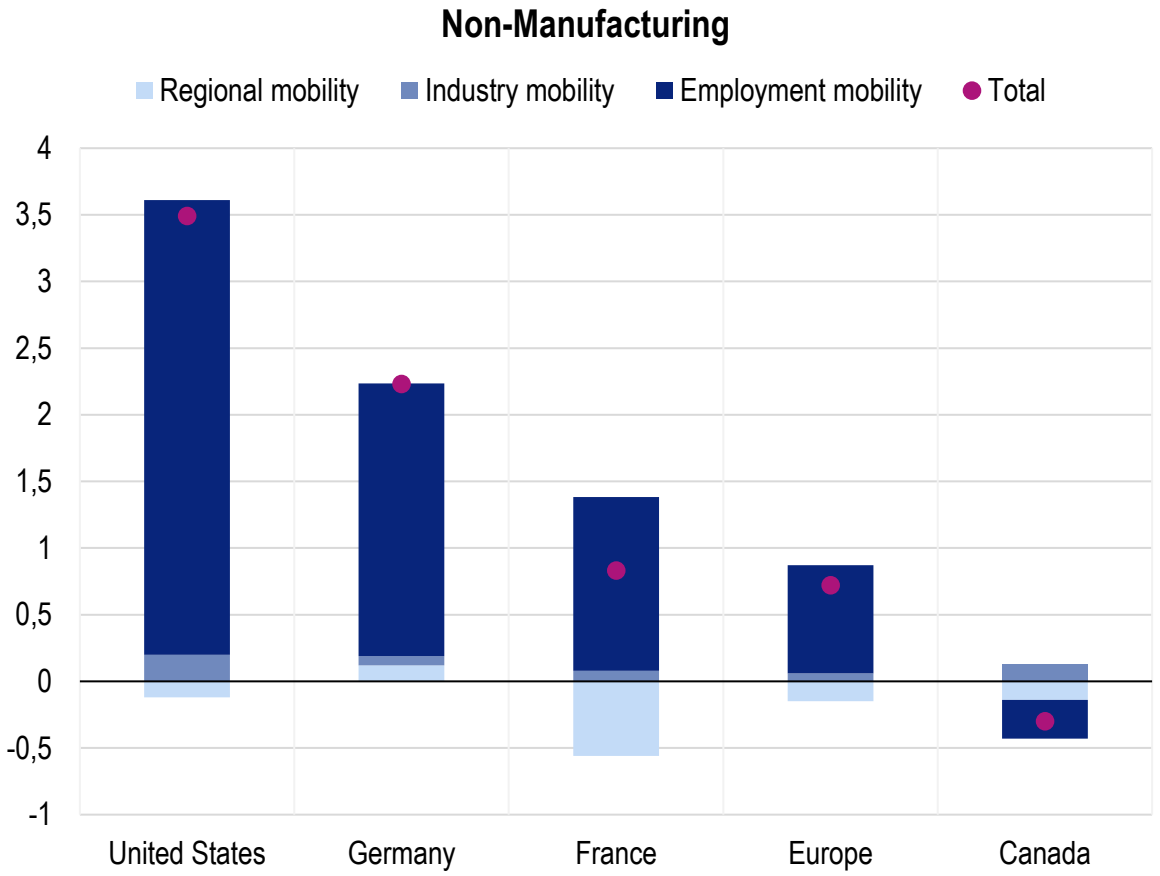




Adjustment to trade happens though workers' transitions in and out of work rather than transitions between industries or regions

Percentage point effect on net worker flows of moving from a region with average trade exposure to one with high trade exposure (80th to 90th percentile)





Helping workers access opportunities in fast-growing regions

Individual barriers

Lowering the personal cost of moving

- Relocation grants, travel and housing allowances
- Employment services: job-search help and relocation counselling across regions

Structural barriers

Removing frictions in the destination region

- Expanding housing supply, including affordable and social housing
- Improving childcare and local service provision
- Transferable qualifications and social benefits across regions

An effective mobility strategy combines measures for both individual and structural barriers – while targeting the most vulnerable.

Creating opportunities in lagging regions

Place-based policies to expand the region's productive capacity and support worker adjustment

Employment & social

- Place-based employment services and income support for displaced workers
- Adapting skills policies so training aligns with local demand

Regional

- Improving local public-good provision
- Educational and infrastructure investment

Industrial

- Reducing barriers to firm entry and expansion
- Stimulating technology adoption and firm–research links

Place-based support should be tailored to local capabilities and promote industrial diversification.

Thank you

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