

OECD: Unemployment To Stay High Next Year

The Associated Press

PARIS (AP) — Unemployment levels in the world's advanced economies could improve next year, even though the number of people without work will likely continue to rise in several European countries, a leading international economic body said Tuesday.

In a report published Tuesday, the Organization for Economic Cooperation and Development predicted that the jobless rate for the countries that use the euro would rise from 12.2 percent to 12.3 percent by the end of next year. Many countries, like Greece, Spain and Portugal will see a much sharper increase as their economies struggle to recover.

But good news is on the way for some countries. For the 34-country OECD, unemployment is projected to fall slightly next year from 8 percent to 7.8 percent. The United States could see its unemployment rate fall from 7.6 percent to 6.7 percent, while Germany's could drop from 5.3 to 4.7 percent.

The OECD says young people and low-skilled workers have borne the brunt of high unemployment.

"The social scars of the crisis are far from being healed," the organization's secretary-general, Angel Gurría, said. "Many of our countries continue to struggle with high and persistent unemployment, particularly among youth."

In some countries, the youth unemployment rate is double the overall figure, as young people struggle to even enter the job market at the most basic level.

The report warned that many people who have been out of work for a long period are now facing the possibility of losing their unemployment insurance and having to shift to less generous benefits. In many countries, even unemployment benefits are not what they used to be, as many governments have been forced to make big cuts to public spending; the report said average spending per jobseeker in the OECD has fallen around 20 percent since the crisis began.

The report said there are no quick fixes to unemployment, only the slow work of making labor market reforms. It praised countries like Greece, Italy and Spain that have made such reforms, introduced as part of efforts to tackle their debt problems and turn round their economies.

It also cautioned against falling back on offers of early retirement in the hopes of combatting unemployment, noting that the trend of older workers staying in their jobs longer hasn't seemed to have an adverse effect on young people.

"Bringing back early retirement schemes or relaxing rules for disability or

OECD: Unemployment To Stay High Next Year

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

unemployment benefits for older workers would be a costly mistake," the report said.

Source URL (retrieved on 12/26/2014 - 12:13pm):

<http://www.impomag.com/news/2013/07/oecd-unemployment-stay-high-next-year>