Special Webcast

European Labour Market Perspectives – Between Gloomy Economic Outlook and Major Transitions in Society

Hosted by The Conference Board

Speakers
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The NEUJOBS project in numbers

- Research project on creating and adapting jobs in the context of the socio-ecological transition
- Focuses on challenges in the labour market in 2025 - 2030
- Four major transitions in Europe will be targeted
- 29 partner institutes / universities
- 120 papers produced by January 2015
- 19 research themes with a cross-cutting European Union perspective
Labour Markets Need More Attention as Crisis Intensifies

➢ Challenges for labour markets in Europe will rise in short term …
  ▪ Fewer leeway for governments to fund active labor market policies, such as work time shortening
  ▪ Low wage increases in post-2008/09 recovery make further cost savings on labor difficult
  ▪ Rapid increases in youth unemployment
  ▪ As public sector jobs are getting cut, more women are losing jobs than men

➢ … and medium-term
  ▪ Retirement of baby-boomers and little growth of young work force
  ▪ Opportunities arising due to the socio-ecological transition
  ▪ An erosion in the speed of increases skill levels in recent years
What are the before and after signs of the 2008 crisis?

- Pre-crisis jobs bonanza
  - Evidence of ‘hour-glass’ shape
  - But noteworthy national differences

- During crisis
  - Again evidence of ‘hour-glass’
  - It’s good to ‘KIS’
  - XX chromosome better
  - Good for older workers, but youths suffer
The differences in loss of output and employment differ vastly throughout Europe

Source: London School of Economics, Iain Begg
Could another recession prevent the recovery of jobs in the near term?

Sources: Bureau of Labor Statistics, Eurostat
Long-term unemployment has dramatically risen in several European countries, leading to skill losses and making reentry harder.

Source: Eurostat
As youth unemployment has also risen to very high levels, denying experience and skill gain to large parts of a generation of Europeans.

Source: Eurostat
As the private sector has created very few jobs since the 2008 recession, austerity packs could deny Europe’s job growth for short-term outlook.

Sources: Eurostat, The Conference Board
Labour costs have risen most in the countries that need to increase competitiveness, implying a need for reforms.

Sources: Eurostat, The Conference Board
The share of labour compensation in GDP has risen in most European countries, except Germany and Spain.

The diagram shows the change in the share of labor compensation in GDP (2009/2000) for various countries. The countries shown are Germany, Greece, Italy, France, Spain, U.K., and Ireland. The x-axis represents the countries, and the y-axis represents the percent change. The source of the data is The Conference Board Total Economy Database.
NEUJOBS addresses Europe’s longer term challenges and how they influence the labour market

- Societal transition (ageing, new family structures), key actors in transition (women, elderly, migrants, Roma)
- Socio-ecological Transition (SET), from industrial to post-industrial and beyond…
- Skills transition (mass higher education, green skills, life-long learning)
- New territorial dynamics (agglomeration and dispersion)
The labour force has to carry increasing weight as generations become smaller and people live longer, putting pressure on the younger generations.
As easily accessible sources of fossil fuels are running out and prices are increasing, renewables become important, creating opportunities for new jobs and skills.

Sources: EIA, The Conference Board
Skilled employment is likely to increase in all large European countries, except Germany due to the declining labor force.
The supply of low-skilled labour is declining in the European Union, while an increase can be seen in high-skilled labour.

**EU27 - 2010/2005**

- **Low-skilled**
- **Medium-skilled**
- **High-skilled**

Source: CEPS
Demand and supply of skills in Europe seems to be matching less as low-skilled become more needed.

Source: CEPS

EU27 - 2010/2005

Percent change

Low-skilled
Medium-skilled
High-skilled

ISCED
ISCO
Poly. (ISCED)
Poly. (ISCO)

Source: CEPS
The employment outlook for Europe is bleak for the short-term, with weak job growth in the private sector and austerity threatening growth in the (semi-)public sectors. This will affect the skill set of the long-term unemployed, where especially the young unemployed are a concern for the future.

In the long-term, the mismatch of supply and demand for skills could become an issue. Besides that, the younger generations need to carry the weight of the ageing population. While jobs also need a massive change in skill needs to adapt to the greening of energy sources. Skills competition will differ per sector as some are more protected than others.