

What do Europeans do at work? A task-based analysis: European Jobs Monitor 2016

Executive summary

Introduction

Europe continues its recovery from the economic slump caused by the global financial crisis in 2008, exacerbated by the euro zone single currency crisis in 2010–2011. In 2013–2015, aggregate employment levels rose faster than at any time since 2008 and over four million new jobs were created in the 28 EU Member States.

The fifth annual European Jobs Monitor report looks at employment shifts at Member State and aggregate EU level from the second quarter of 2011 to the second quarter of 2015. Part 1 presents the jobs-based approach, used to describe employment shifts quantitatively (how many jobs were created or destroyed) and qualitatively (what kinds of jobs). This approach relies on breaking employment down into detailed ‘job’ cells, with a job defined as ‘a specific occupation in a specific sector’, for example, a health professional in the health sector, or a skilled craft/tradesman in car manufacturing.

A particular focus is placed on the time profile of recent shifts in employment structure. Ranking the jobs according to their wage and educational levels – or a broader multidimensional index of job quality – adds a qualitative dimension to the analysis. In this year’s report, a further level of detail is provided by measuring the intensity involved in carrying out different categories of task: physical, intellectual and social in terms of the job’s content, methods and work organisation, as well as the tools used (such as information and communication technology (ICT) and machinery).

Parts 2 and 3 of the report introduce a new set of indicators on the task content, methods and tools used at work. Derived from international databases on work and occupations, these indicators enable the analysis to go beyond characterising jobs by quality alone – to give a detailed account of what Europeans do at work and how they do it. The indicators provide valuable new insights on

the structural differences and recent evolution of European labour markets, as well as a better understanding of labour input in the production process and the changing nature of the skills required.

The jobs-based approach has been used since the 1990s to assess the extent to which employment structures in developed economies are polarising, leading to a shrinking middle quintile, or upgrading as the demand for, and supply of, highly qualified workers increases. These are the two main patterns identified in recent analysis of developed economy labour markets, although more recent analysis in the US – corroborated by some evidence in this report – suggests that a downgrading of the employment structure (relatively faster growth at the lower end of the wage distribution) is also emerging as an alternative pattern.

Policy context

The EU’s Europe 2020 strategy for smart, sustainable and inclusive growth includes a commitment to fostering high levels of employment and productivity. This implies a renewed focus on the goals of the earlier Lisbon Agenda: ‘more and better jobs’. More jobs are needed to address the problem of unacceptably high unemployment rates. But Europe also needs better, more productive jobs if it is to succeed once again in increasing living standards for its citizens in an expanding, integrated global economy. The European Commission’s 2012 jobs package (‘Towards a job-rich recovery’) identifies some sectors in which employment growth is considered most likely: health services, ICT, personal and household services, as well as the promising if hard-to-define category of ‘green jobs’.

The jobs-based approach adopted in this report provides up-to-date data about employment levels and job quality in growing and declining sectors and occupations. The tasks-based approach introduced in this report provides a novel perspective on the changing nature of labour input, which can also help to identify emerging trends and new skill requirements.

Key findings

The resumption of employment growth since 2013 has been particularly reflected in increasing levels of employment in low- and mid-paid jobs, jobs where employment declines were sharpest during the two recessionary periods following 2008. This re-emergence of employment growth coincided with a shift away from the more polarised employment shifts observed during the peak recession years, towards a flatter, more equal distribution of new employment across the wage distribution.

The share of part-time work in the EU is increasing rapidly. This trend is the main component in the declining share of workers in traditional, full-time, permanent work, referred to in the report as 'core employment'. Growth of core employment is increasingly confined to top-quintile, well-paid jobs; in all other quintiles of the wage distribution, it is decreasing and largely being replaced by non-standard employment.

The types of tasks carried out at work can be used to characterise the different occupations in European labour markets and to better understand the diversity of economic structures and their evolution in recent years. There seems to be a typical path of change in the task profile of countries, linked to economic development: physical, routine and machine-use tasks are in decline, while intellectual (especially literacy) tasks, social tasks and ICT use are experiencing steady growth. However, there are significant exceptions, which indicate different paths of development and specialisation: for instance, serving tasks (which tend to be repetitive and involve low intellectual demands) have grown very significantly in some countries such as Spain and the UK but not in others.

The services category accounts for nearly all net new employment in recent years, with a growing share in 2013–2015 occurring in less knowledge-intensive services such as food and beverages and residential care. There was also an increase of 800,000 jobs in manufacturing since 2013 and evidence of a recomposition of employment in this sector towards higher-paid jobs.

There has also been a gradual closing of the gender gap, but despite the recent growth in higher-paid jobs for women being greater than that of men, women account for over two-thirds of those employed in the lowest quintile.

Jobs (occupation–sector combinations in this approach) consist of coherent bundles of tasks. Even if a particular factor of change, such as computerisation, affects a particular type of task, such as routine methods, the overall impact on the employment structure will ultimately depend on how a particular task is bundled with others. Training and educational policies should take this bundling into account, identifying complementarities and incorporating them in the educational curricula.

Although the distribution of tasks in the working population is fundamentally structured by occupations and sectors, it can also change within the same job or occupational category. This within-job change can go in the opposite direction to structural change, which means that a focus on the latter can be misleading. For instance, in recent years, routine task methods have shrunk in structural terms (because the most routine occupations are in decline), while at the same time traditionally non-routine occupations have become considerably routinised.

Further information

The report *What do Europeans do at work? A task-based analysis: European Jobs Monitor 2016* is available at <http://eurofound.europa.eu/publications>.

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