



UNIL | Université de Lausanne

Institut des sciences sociales

# **Occupational change in Europe**

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Helsinki, 3 November 2014

# Plan of presentation

- The debate about polarization of the employment structure
- Evidence for occupational change in Western Europe since 1990
- What drivers are behind the observed pattern of occupational change?

# **Some history on the debate about occupational change**

Ever since Marx, occupational change was seen as an indicator for the future of capitalism

1970s and 1980s: ongoing disputes about downgrading, upgrading or polarization

1990s: the debate is settled in favour of skill-biased technological change

2000s: new studies show job polarization for the U.S. and Britain – induced by technology?

# **An empirical strategy to analyze occupational change**

- a. Identify detailed occupations
- b. Determine job quality based on occupations' hourly median earning
- c. Rank-order occupations from lowest- to highest-paid and group them into 5 equally large quintiles
- d. Trace employment change in job-quality quintiles over time

# Countries and data

6 West European countries: Britain, Denmark, Germany, Ireland, Spain, Switzerland

Time period: 1990-2008 / 1970-2010

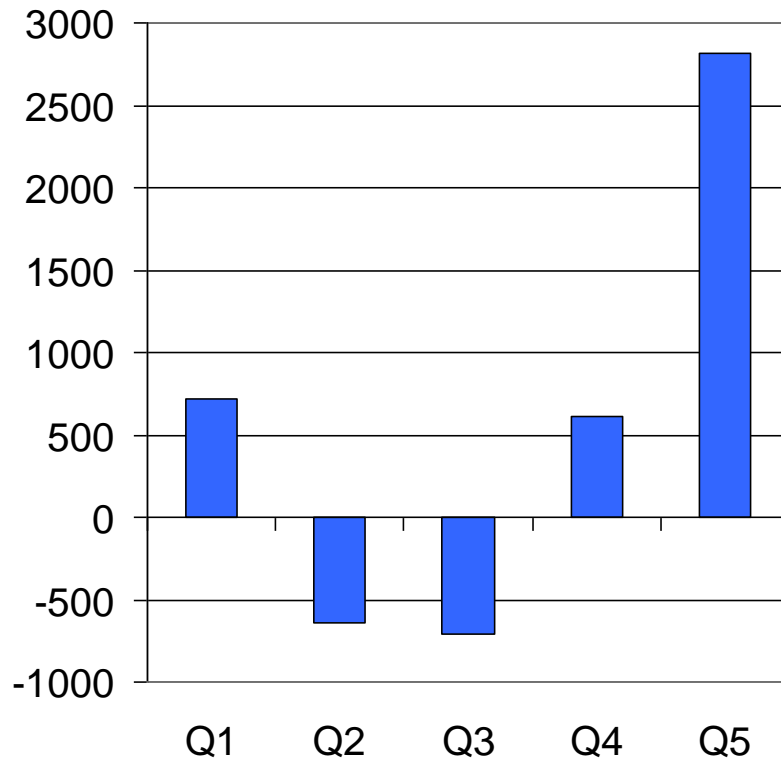
Data: labour force survey (CH, DK, ES, UK), German socio-economic panel (DE), national census data (CH, IRE)

# Evidence: the most strongly growing and declining jobs, 1990-2008

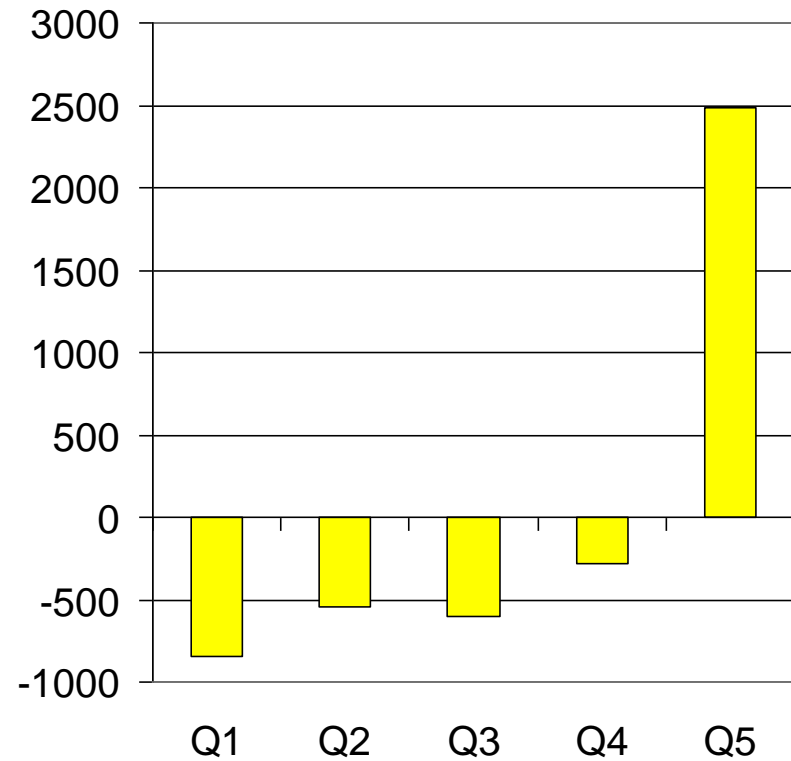
	<i>Strongest growth</i>	<i>Strongest Decline</i>
	Care assistants (1)	Secretaries (3)
GB	Treasurers (5)	Metal work fitters (4)
	Educat. assistants (1)	Counter clerks (2)
	Legal professionals (5)	Farm hands (1)
DE	Nurses (3)	Machine mechanics (4)
	Social workers (3)	Taxi / van drivers (1)

# Occupational change in Britain and Germany (in 1000 jobs)

GB, 1991-2008

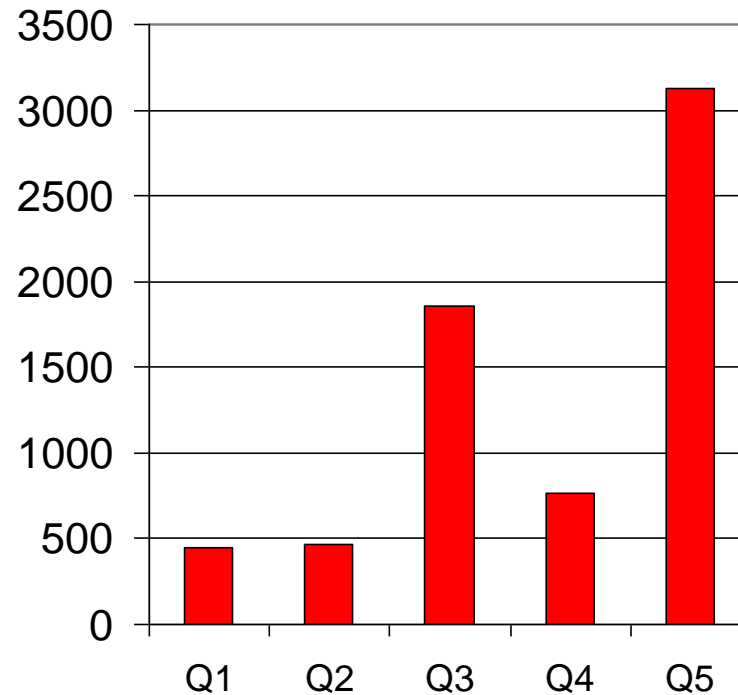


DE, 1990-2007



Data: UK labour force survey / German Socio-Economic Panel (SOEP)

# Occupational change in Spain, 1990-2008 (in 1000 jobs)

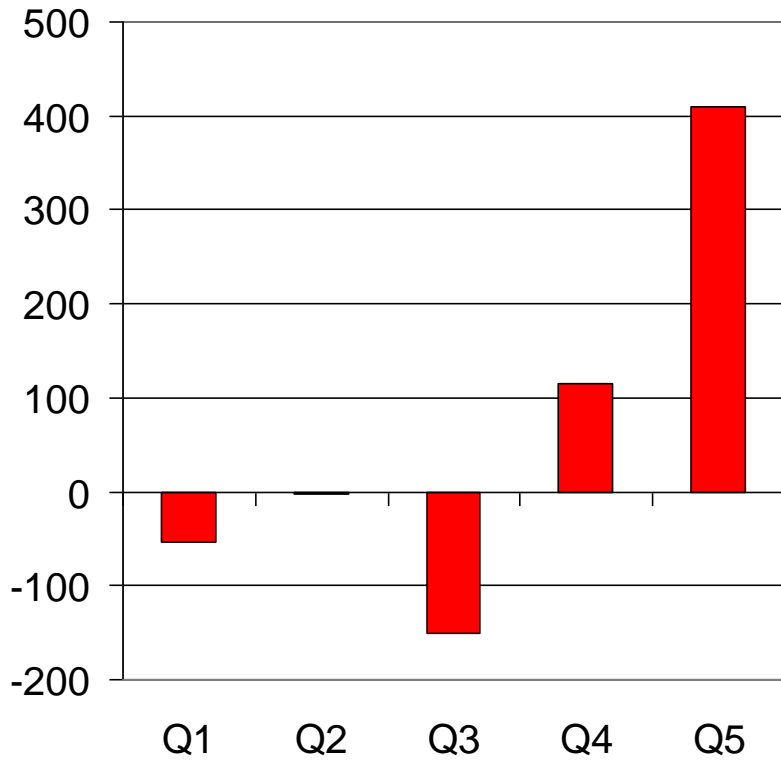


Data: Spanish labour force survey (EPA), analysis by Jorge Rodriguez (UPF)

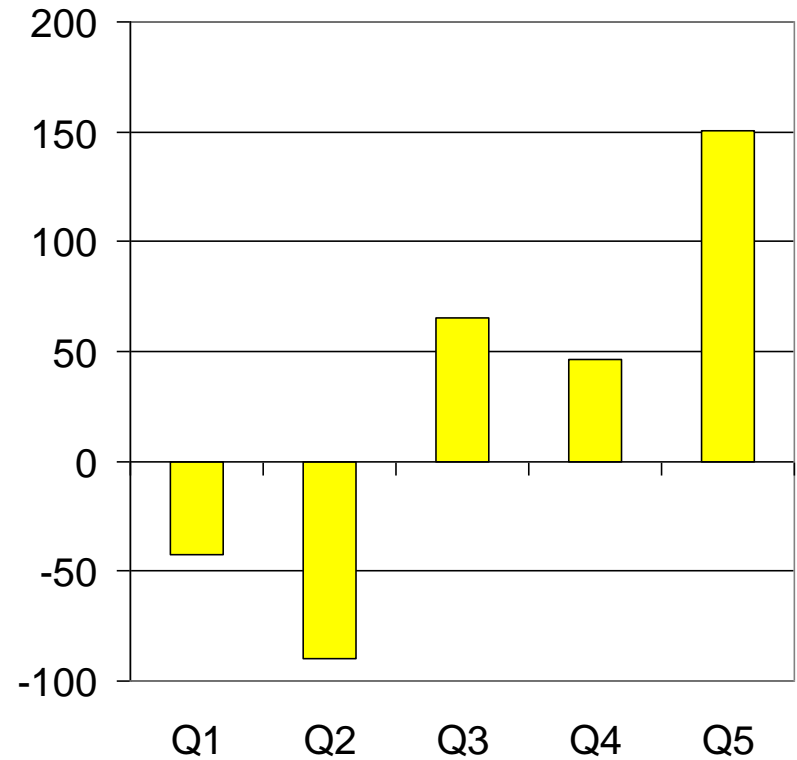


# Occupational change in Switzerland and Denmark (in 1000 jobs)

CH, 1991-2008



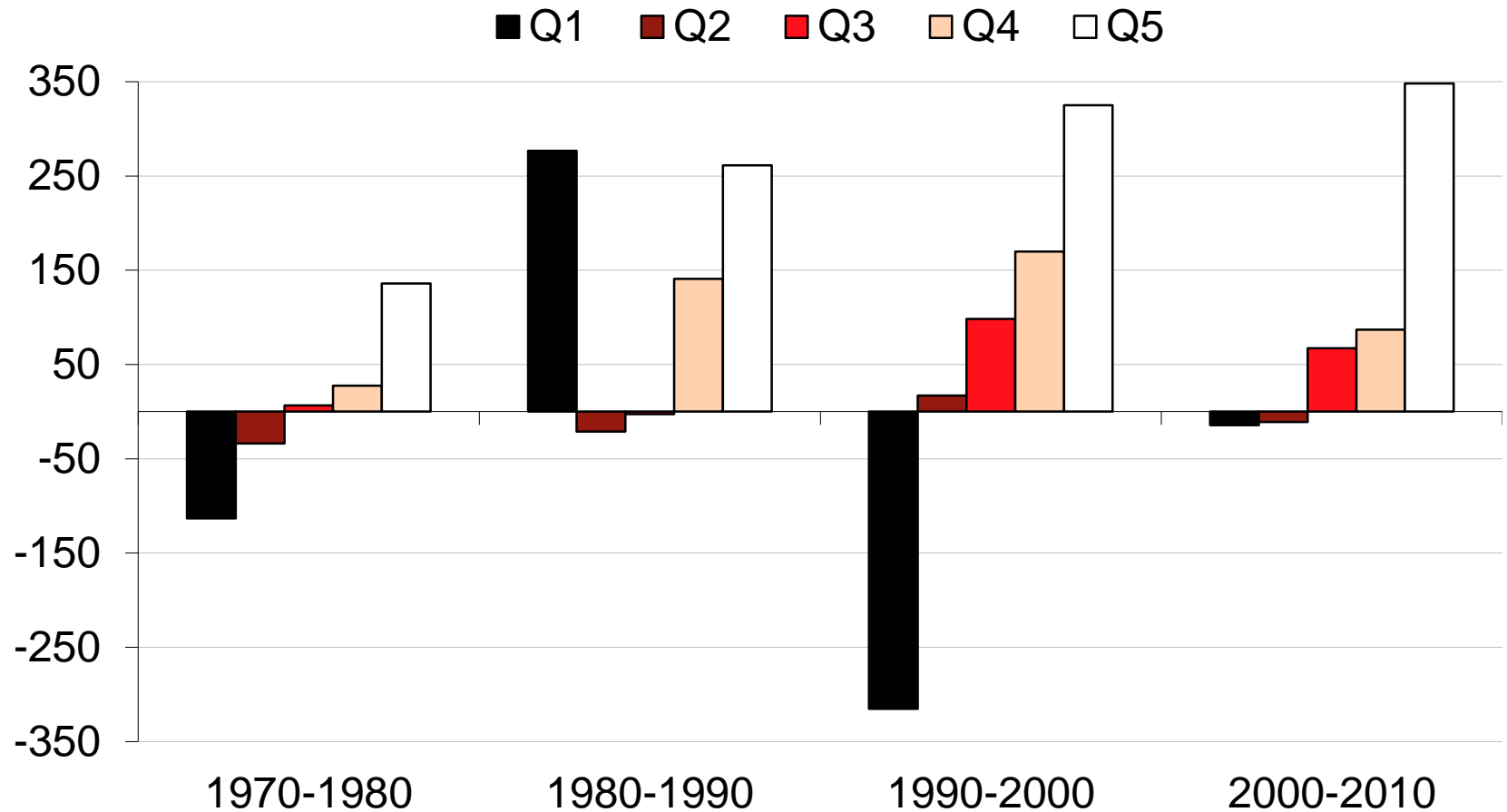
DK, 1992-2007



Data: national labour force surveys

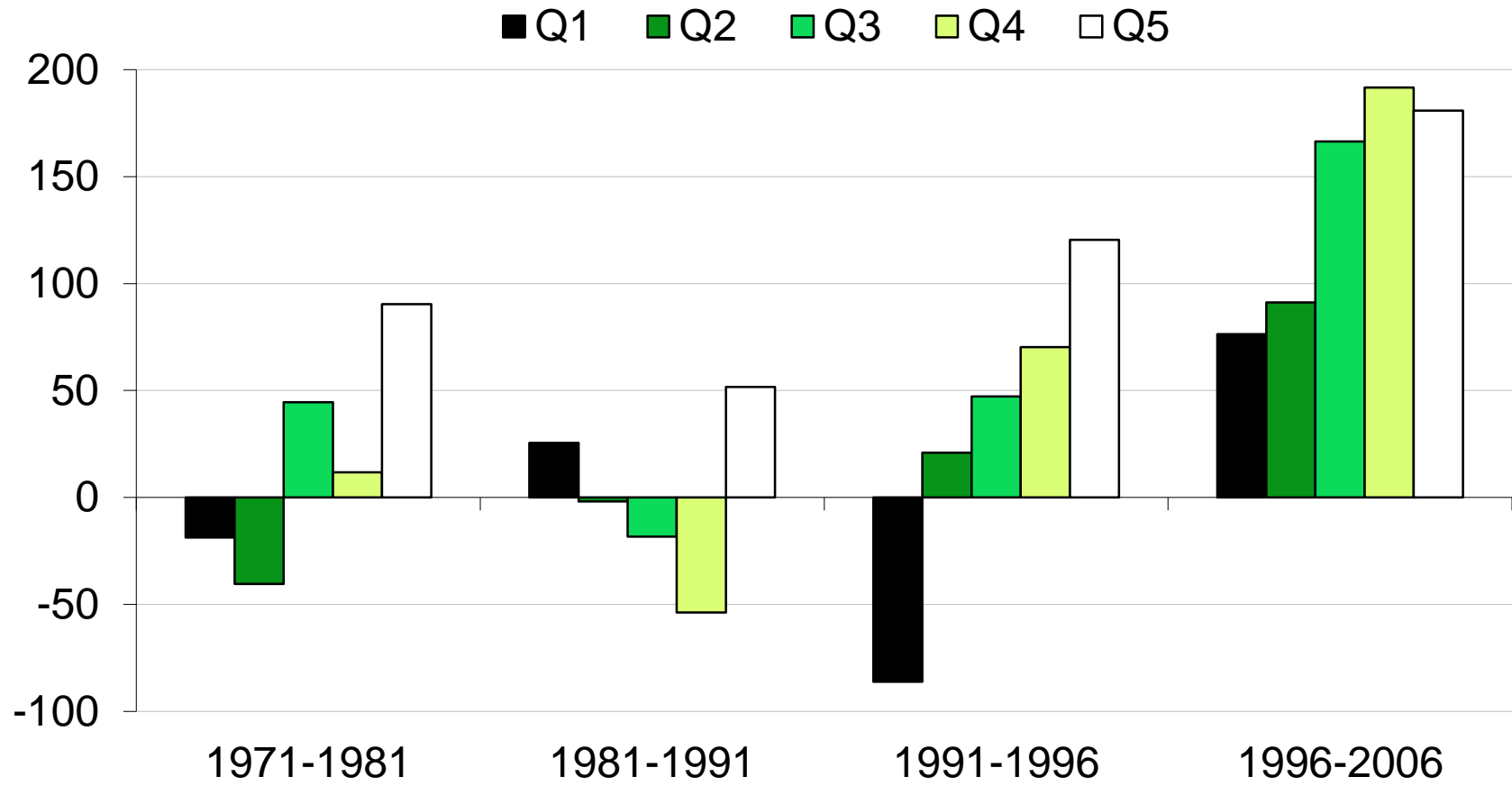
# Switzerland: absolute change by decades

in 1000 jobs



# Ireland: absolute change by decades

in 1000 jobs



# Looking for causality: what explains the observed pattern of occupational change

Demand-side determinants (firms)

- Technological change and offshoring

Supply side determinants (worker profiles)

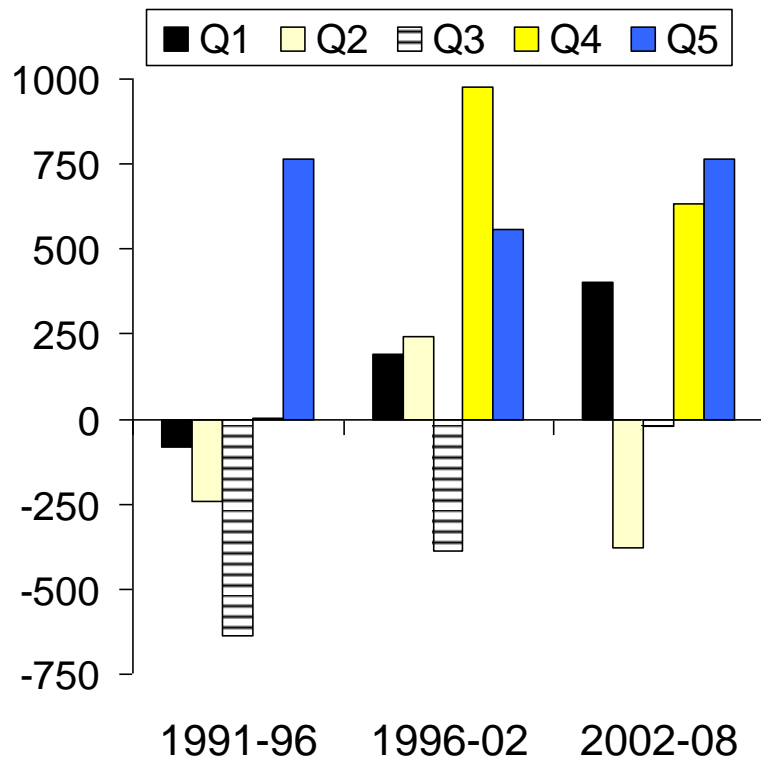
- Educational expansion
- Immigration

Labour market institutions (laws)

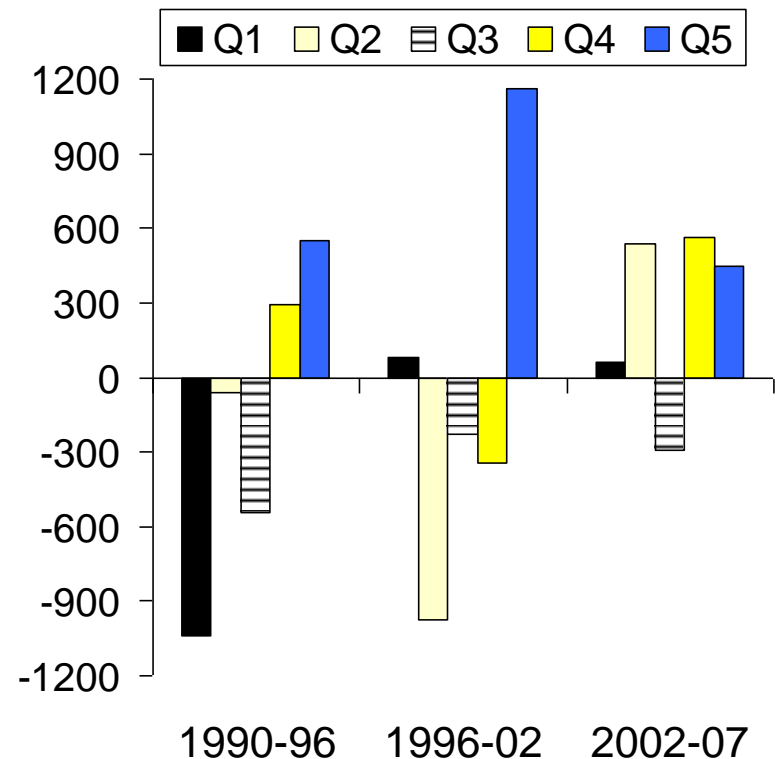
- Wage-setting and the welfare state

# What speaks for the demand-side: later subperiods become more similar

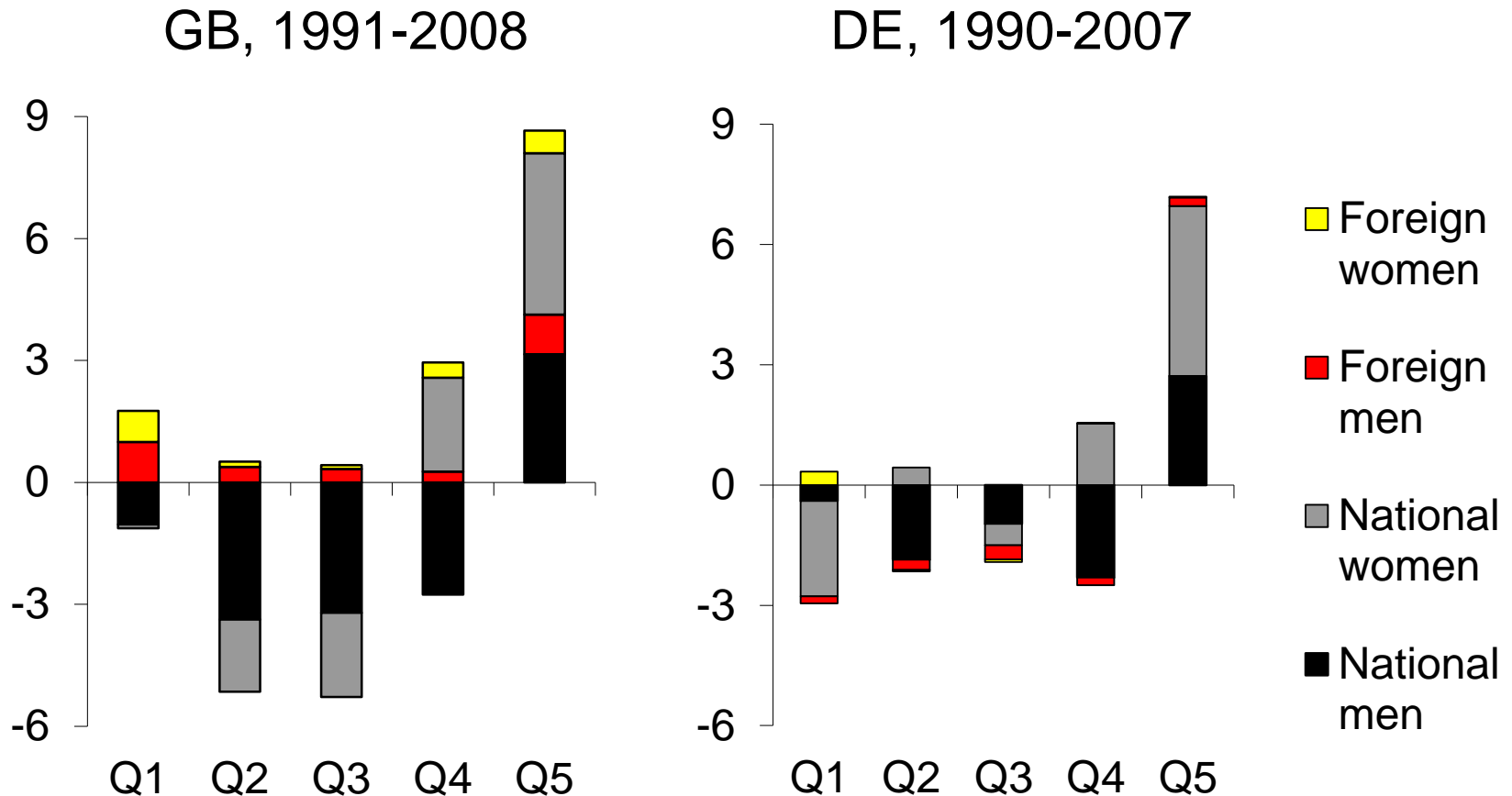
GB, 1991-2008



DE, 1990-2007



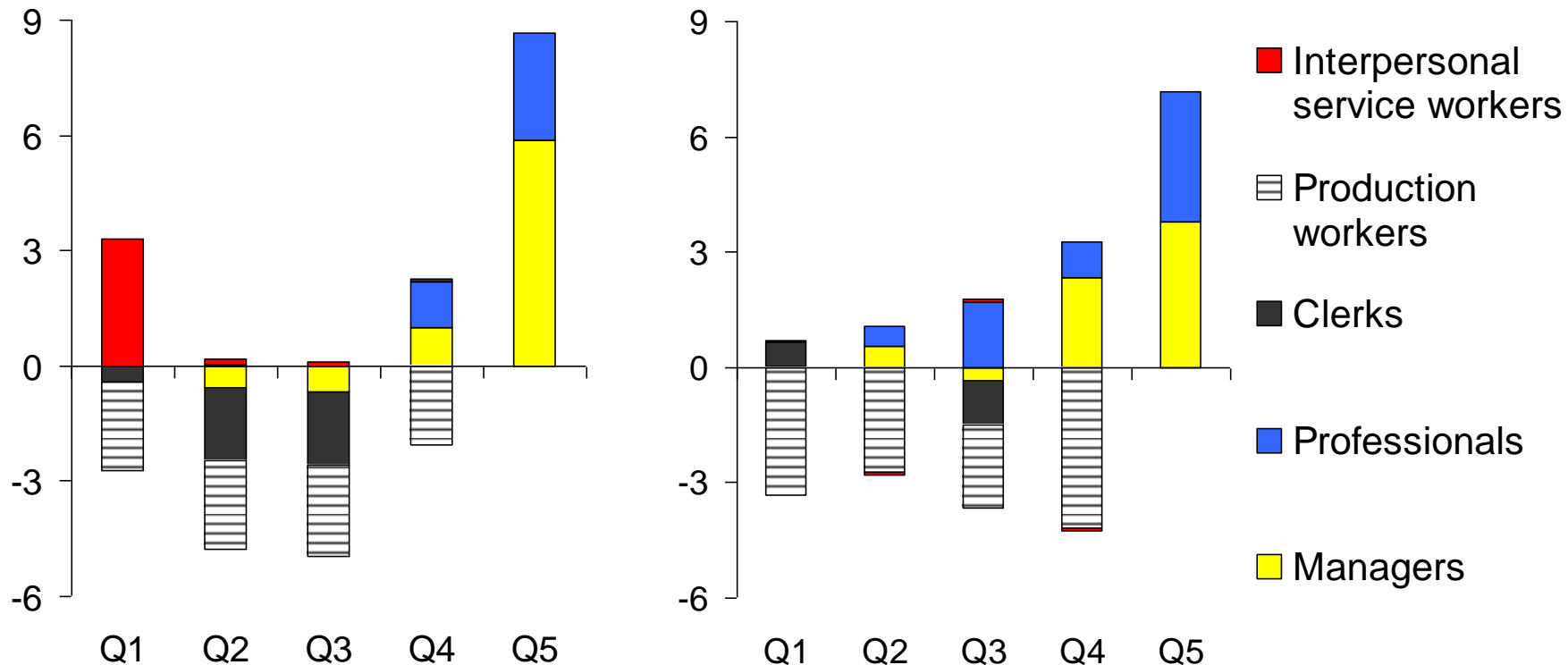
# What speaks for the supply-side: inflow of migrant workers is key for Britain



# What speaks for institutions: variation in interpersonal service jobs

GB, 1991-2008

DE, 1990-2007



# To avoid one misunderstanding: job decline concerns the working, not the middle class

Shift of workforce across 8 classes, 1990/1-2007/8 (in %)

	<i>Independent work logic</i>	<i>Technical work logic</i>	<i>Organizational work logic</i>	<i>Interpersonal service logic</i>
	Lib. professionals + large employers	Technical professionals	(Associate) managers	Socio-cultural professionals
CH	<b>3 → 5</b>	10 → 11	<b>11 → 18</b>	<b>11 → 14</b>
DE	<b>1 → 3</b>	10 → 10	<b>13 → 18</b>	<b>10 → 14</b>
DK	<b>2 → 3</b>	8 → 8	<b>11 → 18</b>	15 → 17
GB	2 → 2	8 → 8	<b>17 → 23</b>	<b>9 → 13</b>
	Small business owners	Production workers	Office clerks	Service workers
CH	11 → 11	<b>24 → 19</b>	<b>17 → 10</b>	13 → 13
DE	6 → 7	<b>36 → 23</b>	13 → 13	10 → 11
DK	<b>9 → 7</b>	24 → 21	<b>13 → 8</b>	18 → 18
GB	12 → 11	<b>25 → 16</b>	<b>16 → 12</b>	<b>11 → 15</b>



# Conclusion

Occupational upgrading in all six countries, going hand in hand with educational expansion

Growth among professionals and managers, decline among clerks and production workers

The finding of polarization in the UK (and the US) does not generalize to other countries

Country differences in the bottom quintile point to the role of institutions and immigration

# References

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Goos, M. and Manning, A. (2007), 'Lousy and lovely jobs: the rising polarisation of work in Britain', *Review of Economics and Statistics* 89: 118-133 .

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Wright, E. O. and Dwyer, R. (2003), 'The patterns of job expansions in the USA: A comparison of the 1960s and 1990s', *Socio-Economic Review* 1: 289-325.

# Occupations' median earnings in 1991-3 and 2011-3 (as a multiple of overall mean wage)

