



## Special Webcast

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

Hosted by The Conference Board

Speakers      Bart van Ark

Iain Begg

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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

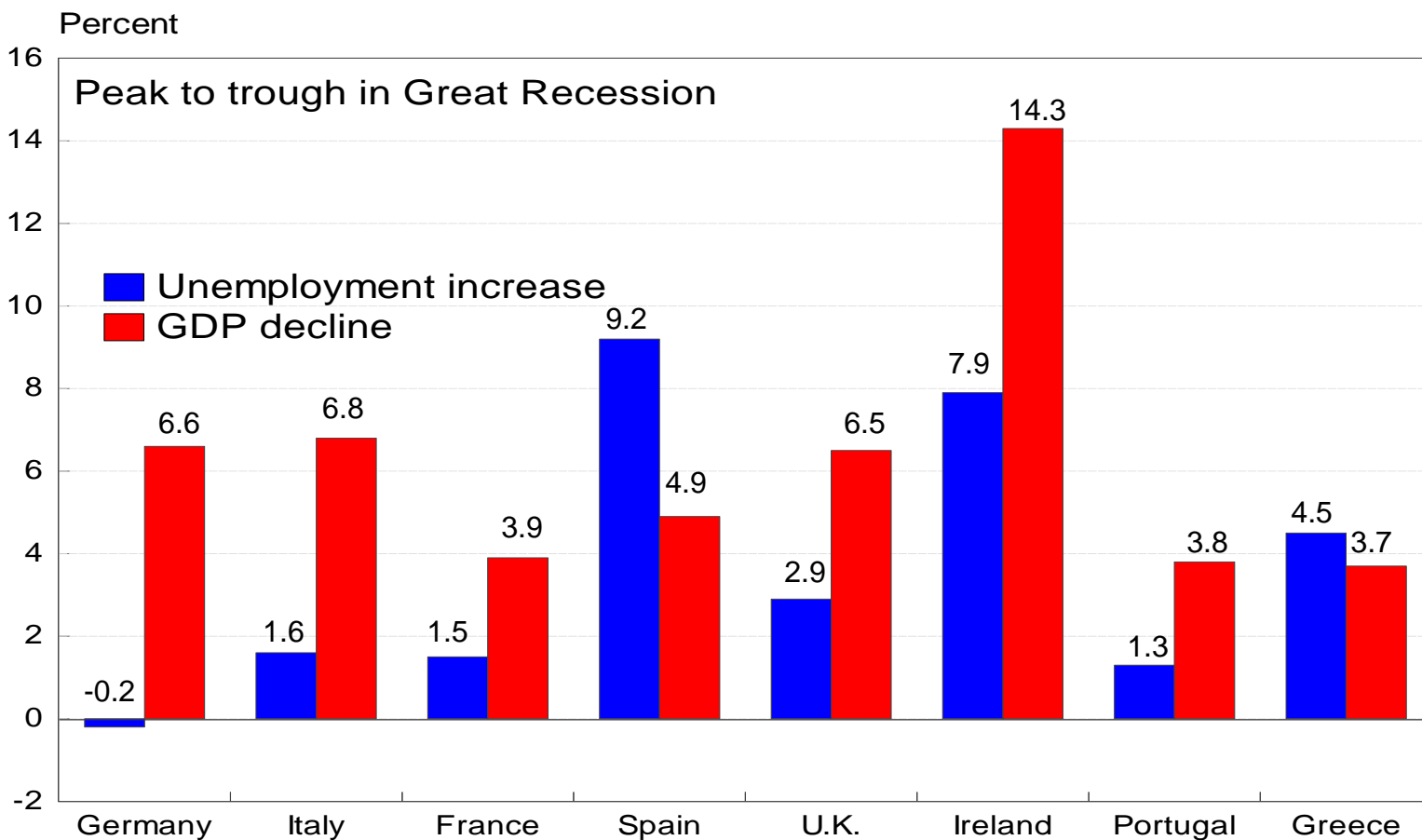


# What are the before and after signs of the 2008 crisis?

- 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



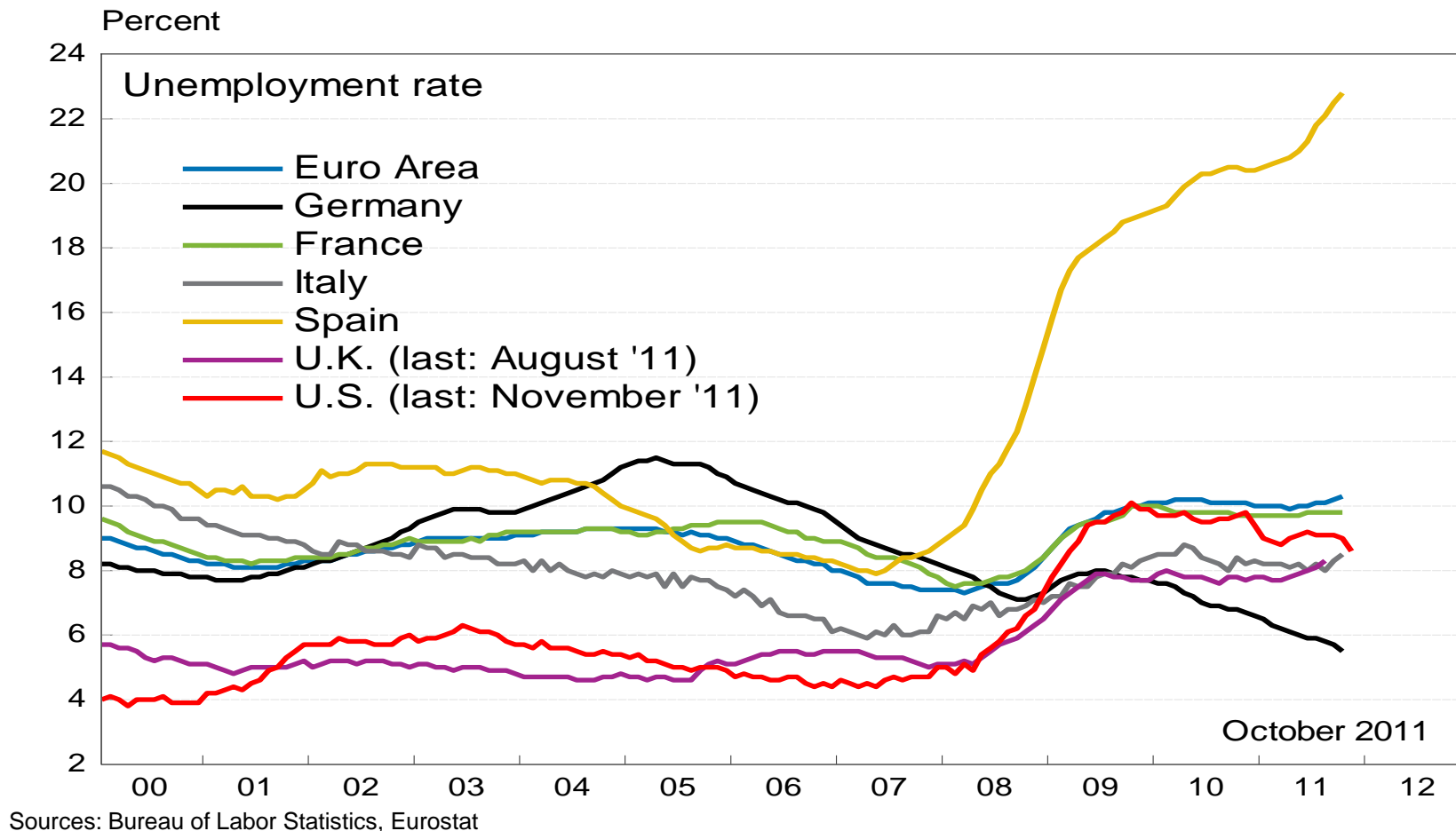
# The differences in loss of output and employment differ vastly throughout Europe



Source: London School of Economics, Iain Begg

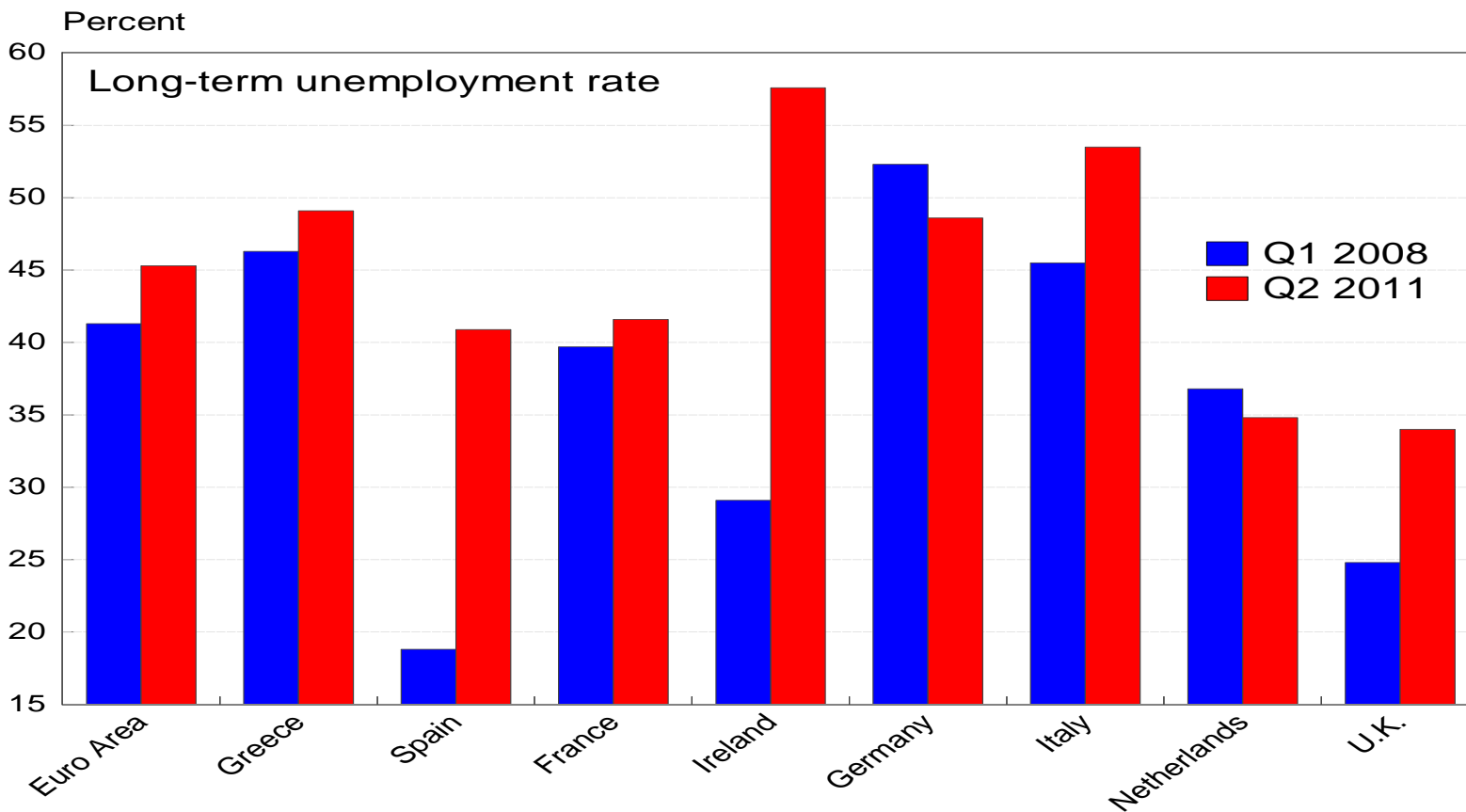


# Could another recession prevent the recovery of jobs in the near term?





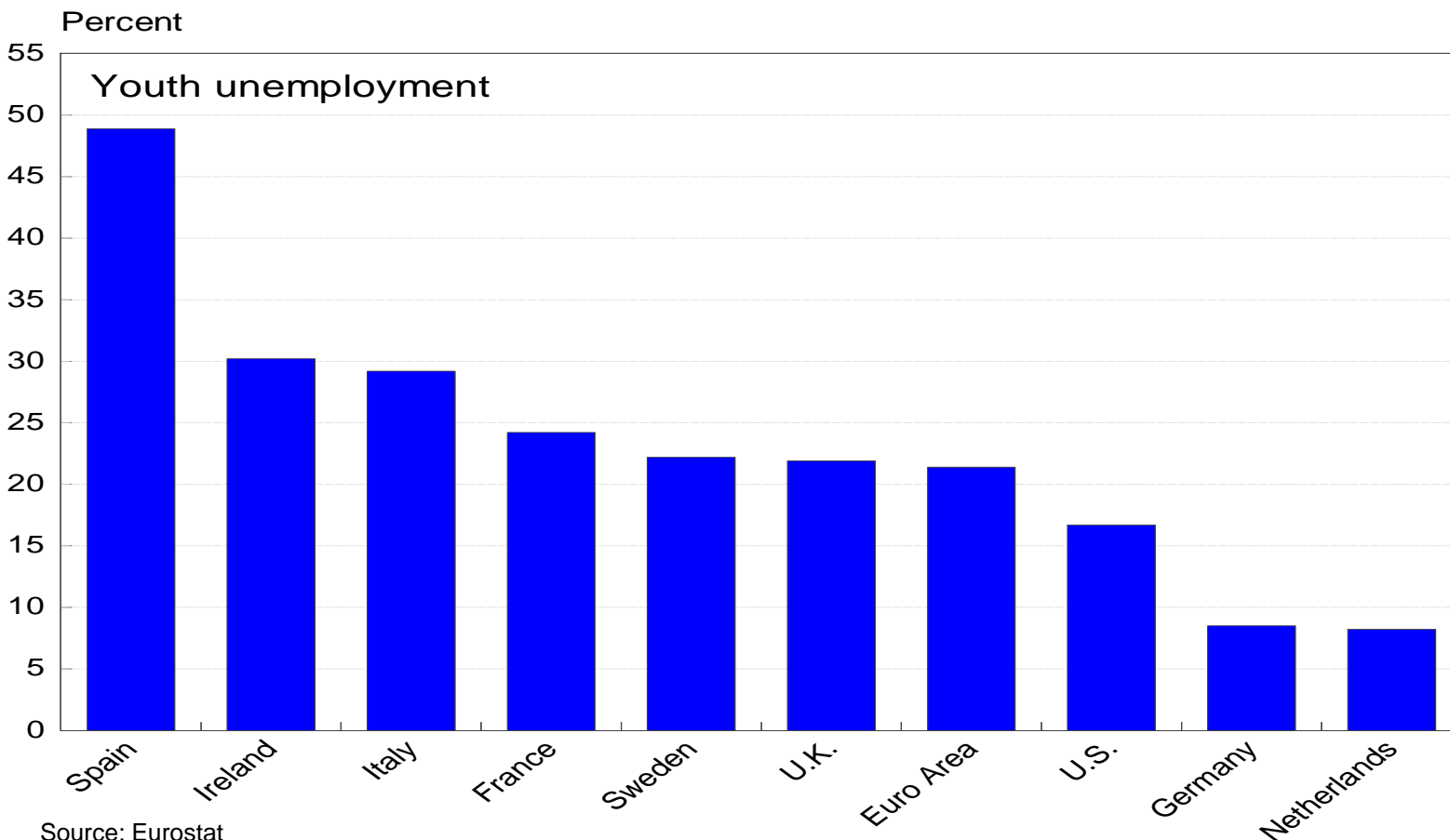
# Long-term unemployment has dramatically risen in several European countries, leading to skill losses and making reentry harder



Source: Eurostat



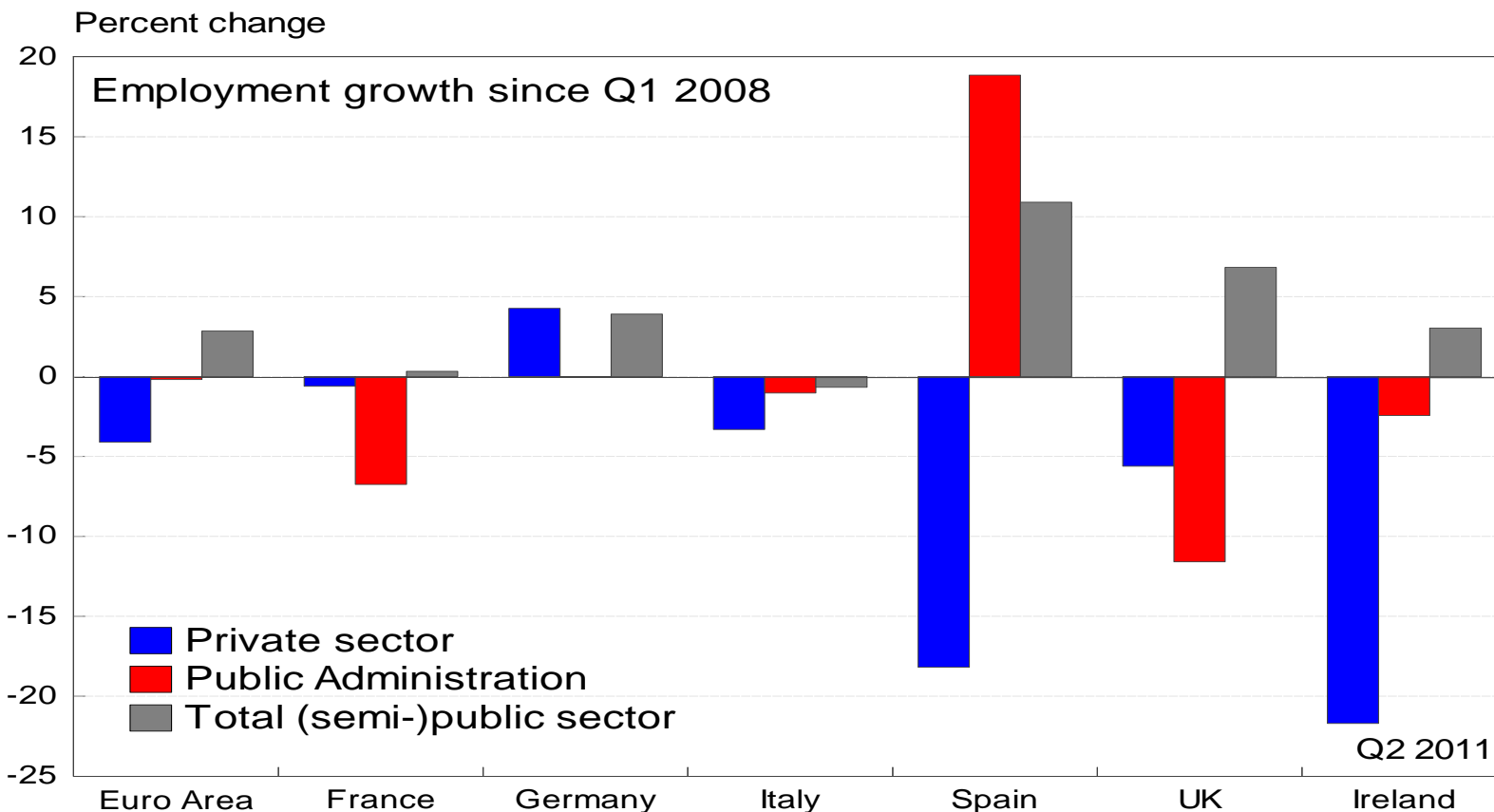
As youth unemployment has also risen to very high levels, denying experience and skill gain to large parts of a generation of Europeans







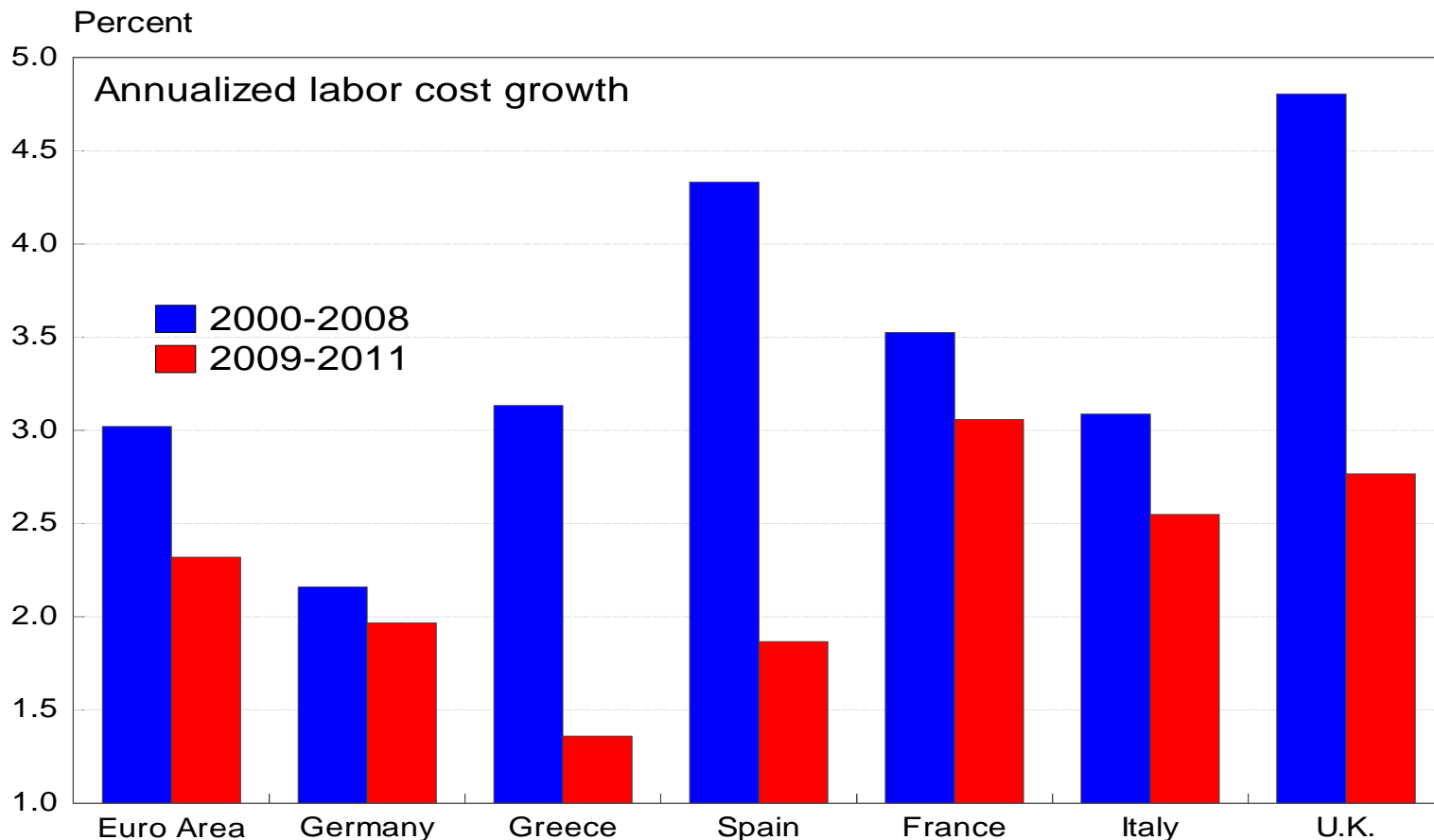
As the private sector has created very few jobs since the 2008 recession, austerity packs could deny Europe's job growth for short-term outlook.



Sources: Eurostat, The Conference Board



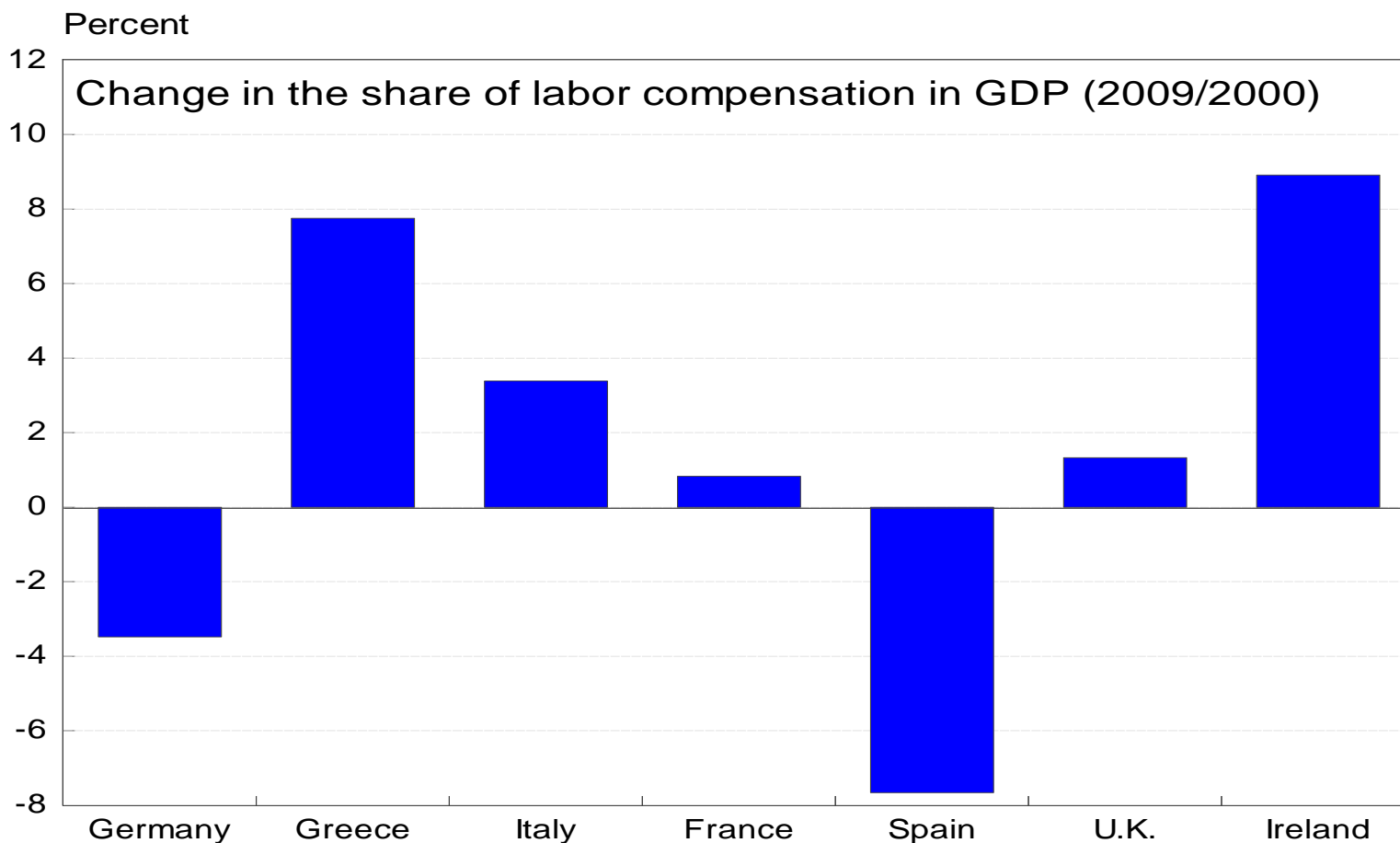
# Labour costs have risen most in the countries that need to increase competitiveness, implying a need for reforms



Sources: Eurostat, The Conference Board



# The share of labour compensation in GDP has risen in most European countries, except Germany and Spain



Source: The Conference Board Total Economy Database

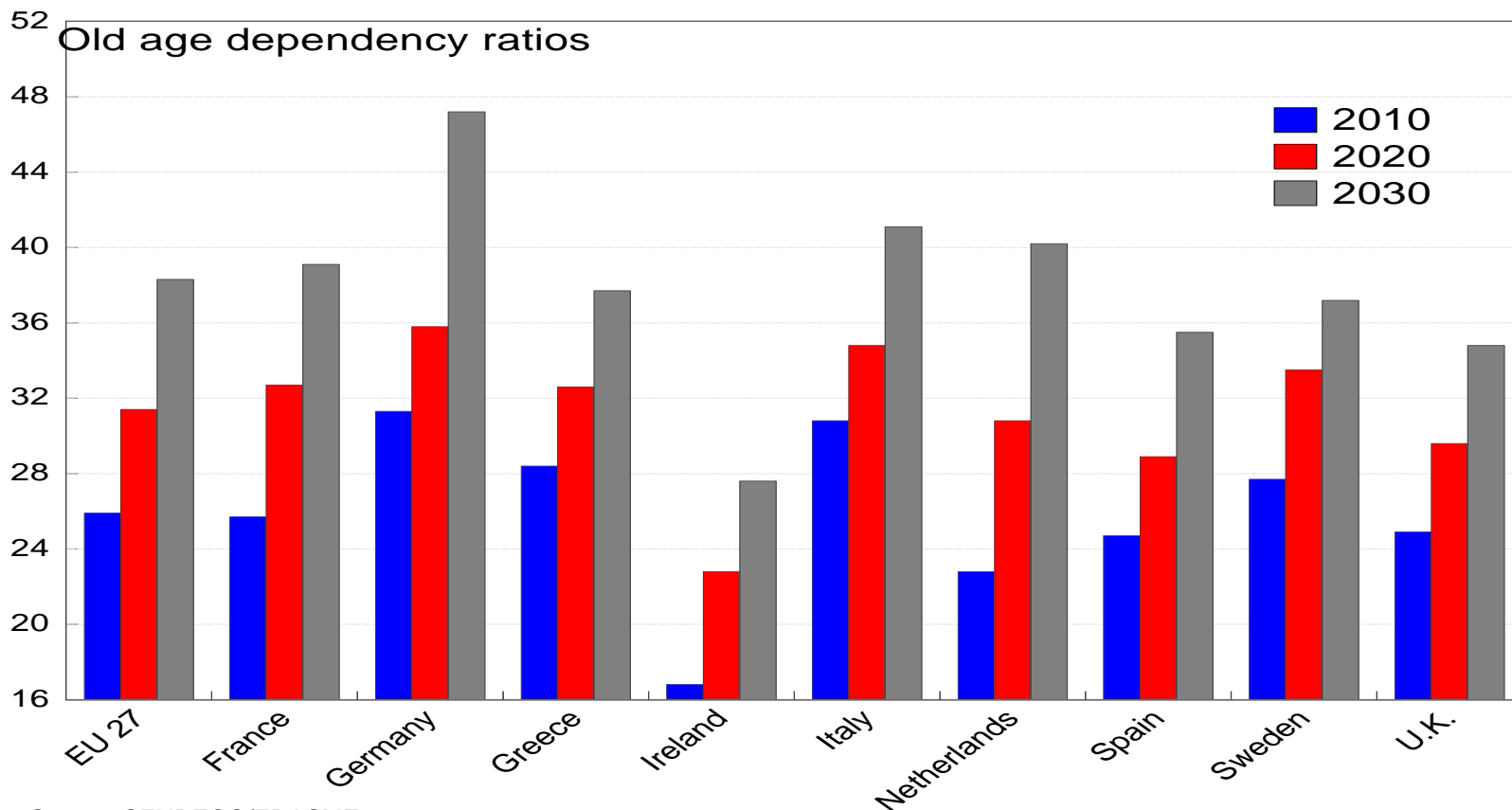


## NEUJOBS addresses Europe's longer term challenges and how they influence the labour market

- 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)



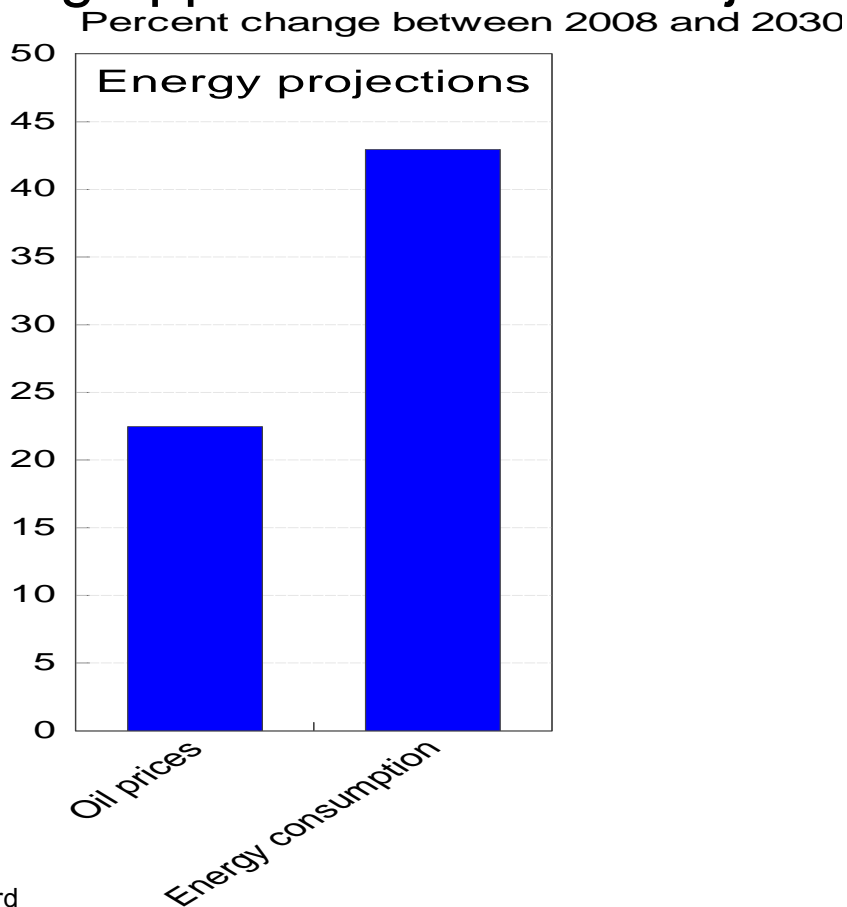
The labour force has to carry increasing weight as generations become smaller and people live longer, putting pressure on the younger generations



Source: SEURECO/ERASME



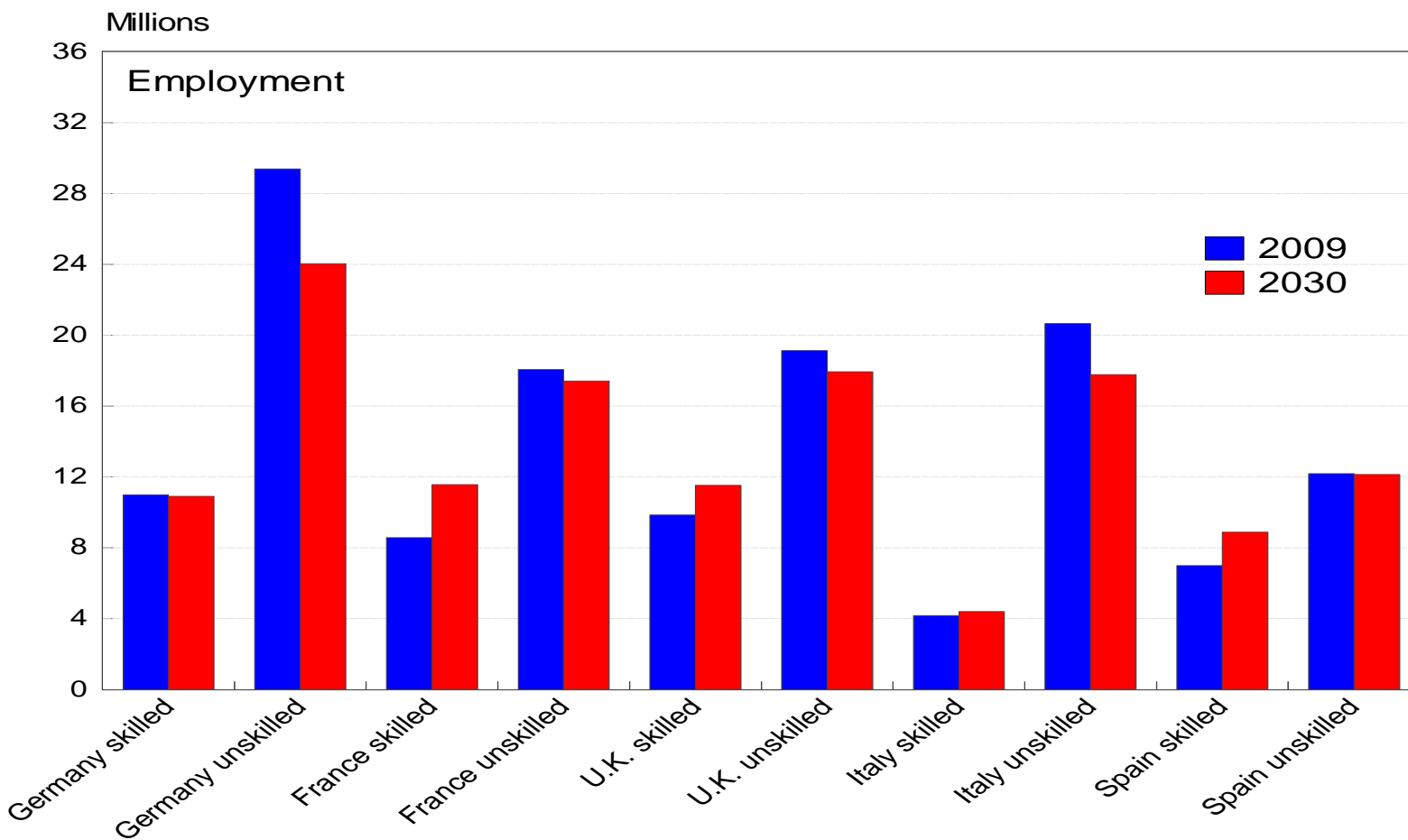
As easily accessible sources of fossil fuels are running out and prices are increasing, renewables become important, creating opportunities for new jobs and skills



Sources: EIA, The Conference Board



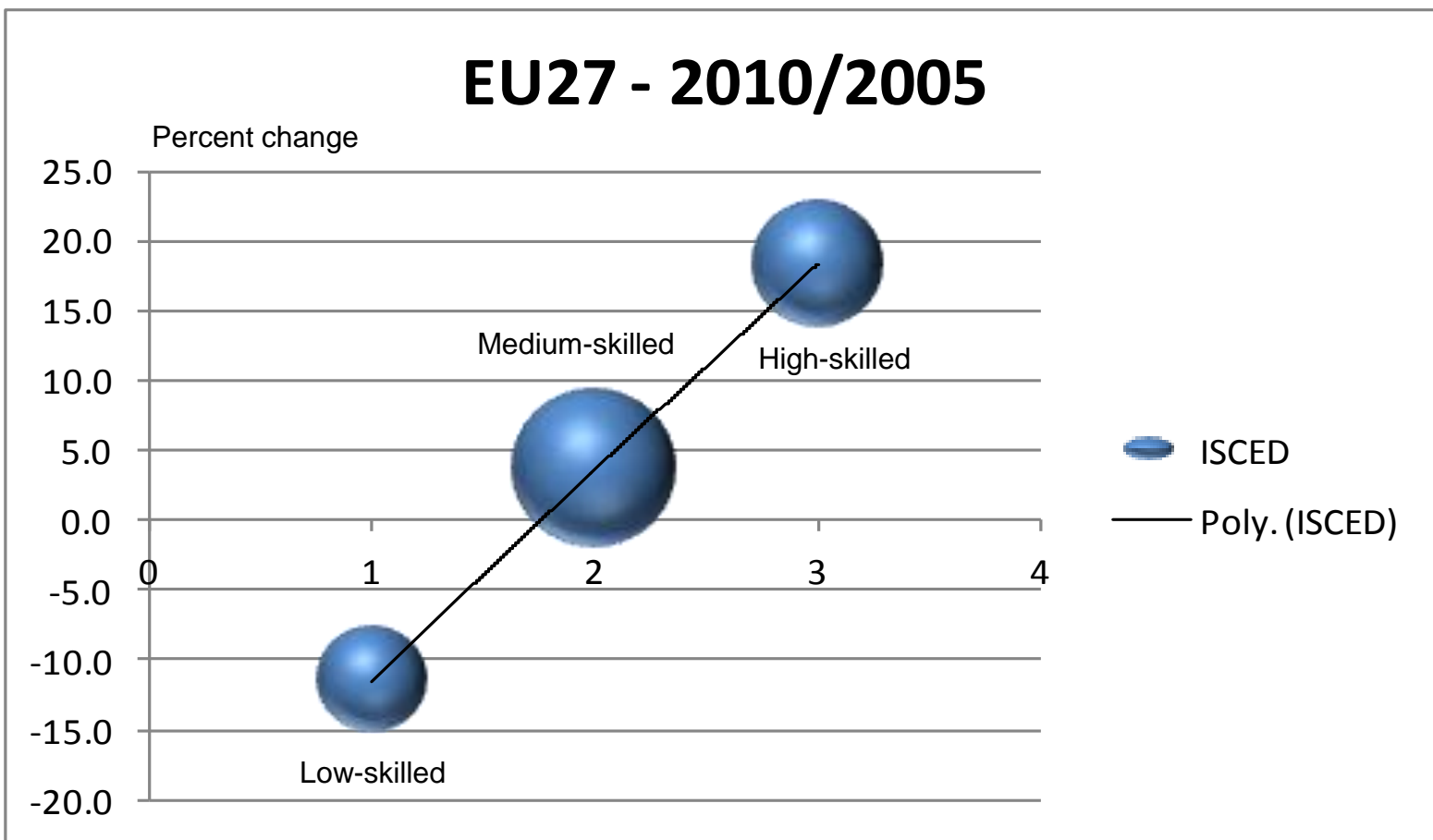
# Skilled employment is likely to increase in all large European countries, except Germany due to the declining labor force



Source: SEURECO/ERASME



The supply of low-skilled labour is declining in the European Union, while an increase can be seen in high-skilled labour

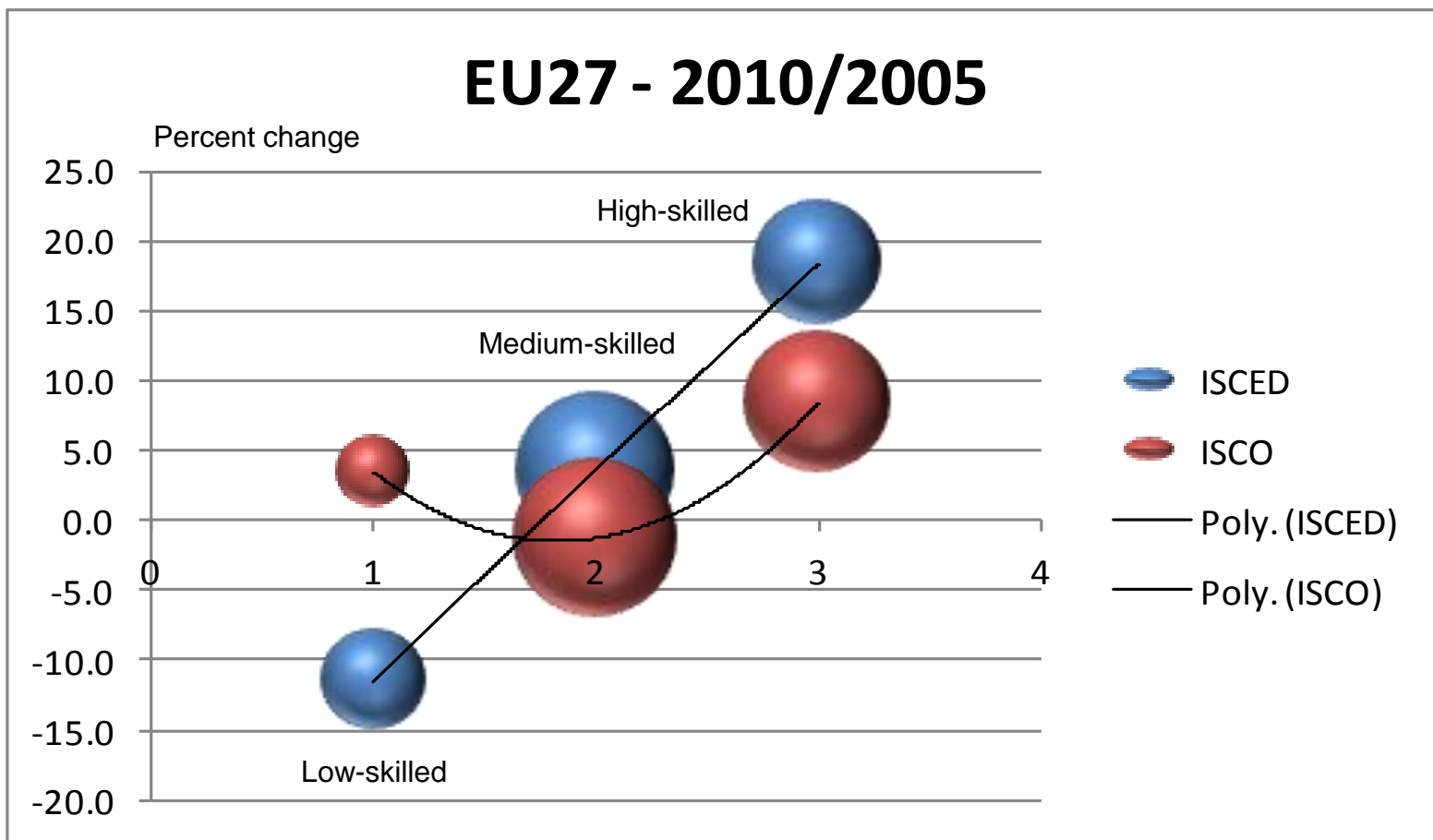


Source: CEPS





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



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