Trends in job quality and new challenges for labour and employment policies in Europe

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1. Job quality as a policy goal in the EU

- Job quality has become a **policy goal** for the EU in 2001 (Laeeken Council) and has been maintained since then (Europe 2020)
- Job quality is defined as **multidimensional** (including wages and earnings, employment contract and security, training, working conditions, work-family balance...)
- Job quality has to be **measured** according to several dimensions and/or to synthetic indexes (see Employment in Europe 2008; Eurofound; ETUI Job Quality Index; OECD analyses...)
2. Trends in job quality: empirical evidence

2.1 Global trends since 1990 (until the crisis)

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- A trend towards better job quality...
  - See results of existing synthetic indexes. **Dimensions** contributing to these trends: access to training/gender equality/work hours and schedule/in work accidents
  - Some **convergence** across Europe (Southern countries and NMS are catching up) despite persistent differences
- ...but some contradictory trends
  - Some dimensions have been deteriorating (work intensification, job precariousness...)
  - Some polarization of job creations in a number of European countries (see Dublin Foundation, Autor). Could be related to technical change, as well the growth in services jobs.
2. Trends in job quality: empirical evidence

2.2 What evolutions during the Great Recession?

• In theory some contradictory effects
  Composition effect (+) labour power effect (-) perception effect (+)

• Empirical analyses reveal a decreasing trend in JQ
  - Important methodological limitations for empirical analysis (dates of surveys, for instance EWCS 2005 and 2010)
  - JQI: a small decreasing trend, especially for non-standard employment and wages
  - OECD: apparent increase in earnings quality (but decrease if employment structure is kept constant); worsening of labour security; contrasted changes for working environment
2. Trends in job quality: empirical evidence

2.2 Job quality trends between 2005 and 2010 in Europe (*ETUI Job Quality Index*)

![Chart showing job quality trends between 2005 and 2010 across various European countries. Source: Erhel, Guergoat-Larivière, Leschke, Watt (2013).]
2. Trends in job quality: empirical evidence

2.2 Job quality trends between 2005 and 2010 in Europe (ETUI Job Quality Index)

2. Trends in job quality: empirical evidence

2.2 Job quality trends between 2005 and 2013 (OECD): earnings quality

2. Trends in job quality: empirical evidence

2.2 Job quality trends between 2005 and 2013 (OECD): labour market security

Figure 6. Changes in labour market security
Percentage change, 2007-2013

2. Trends in job quality: empirical evidence

2.2 Job quality trends between 2005 and 2013 (OECD): quality of the working environment

![Graph showing changes in the quality of the working environment](http://www.oecd.org/std/labour-stats/Job-quality-OECD.pdf)


3. How to improve job quality in Europe?
New challenges for labour and employment policies

3.1 General lessons from empirical analysis

- **Quality and quantity of jobs** or labour market performances are not contradictory (Erhel, Guergoat-Larivièrè 2011; OECD, 2016)

- **Innovation and job quality** are also correlated at the aggregate or industry level (see working papers from QuInnnE project, http://bryder.nu/)
3. How to improve job quality in Europe?

3.2 The contribution of labour market policy

• According to the American experience (Osterman, 2008) there is also a role to play for labour market policy (including demande side LMP). In a context where labour power is limited by high unemployment and where unions are generally weaker, labour supply strategies based on education and training are not sufficient to raise job quality.

• Implies a role for the minimum wage and standard setting policies + pay attention to side effects of LMP (for instance low wage subsidies or policies to cut labour costs).

• Local initiatives involving firms should also be used to favour better job quality and firms « high road strategies » (even in the lower wages industries)
3. How to improve job quality in Europe?

3.2 The contribution of labour market policy
A typology of policy leversages based on American experience (Osterman, 2008)

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<th>Table 6.3 Policy Matrix</th>
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<td>Make bad jobs good</td>
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<td>Create more good jobs</td>
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3. How to improve job quality in Europe?

3.3 Where does Europe stand?

• A focus on **labour supply** (education, further training...) and innovation

• But **labour market policies** are not clearly targeted at better job quality:
  
  ✓ existing or developing minimum wage (see German experience), although no coordination;
  
  ✓ some standards (for instance directive on temporary agency work), could be developed further;
  
  ✓ a trend towards further employment precariousness through LM deregulation that will not favour job quality.

• A few **initiatives of labour actors** to measure job quality (DGB Gute Arbeit, 4As Model in NL and Flanders) or to improve it (for instance through some conditional regional policies).
Conclusion:
European Pillar of Social Rights and the job quality perspective

• European Pillar of Social Rights is related to job quality: focus on skills development, life-long learning, but also on working conditions.
• However it does not cover all dimensions of job quality
• Needs to clarify indicators, involving citizens and social actors, that can be followed up
• And should be enforced through better coordination about labour market policies in Europe – still lacking in the current context.
References


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OECD (2016), HOW GOOD IS YOUR JOB MEASURING AND ASSESSING JOB QUALITY, online document, Feb 2016.
