

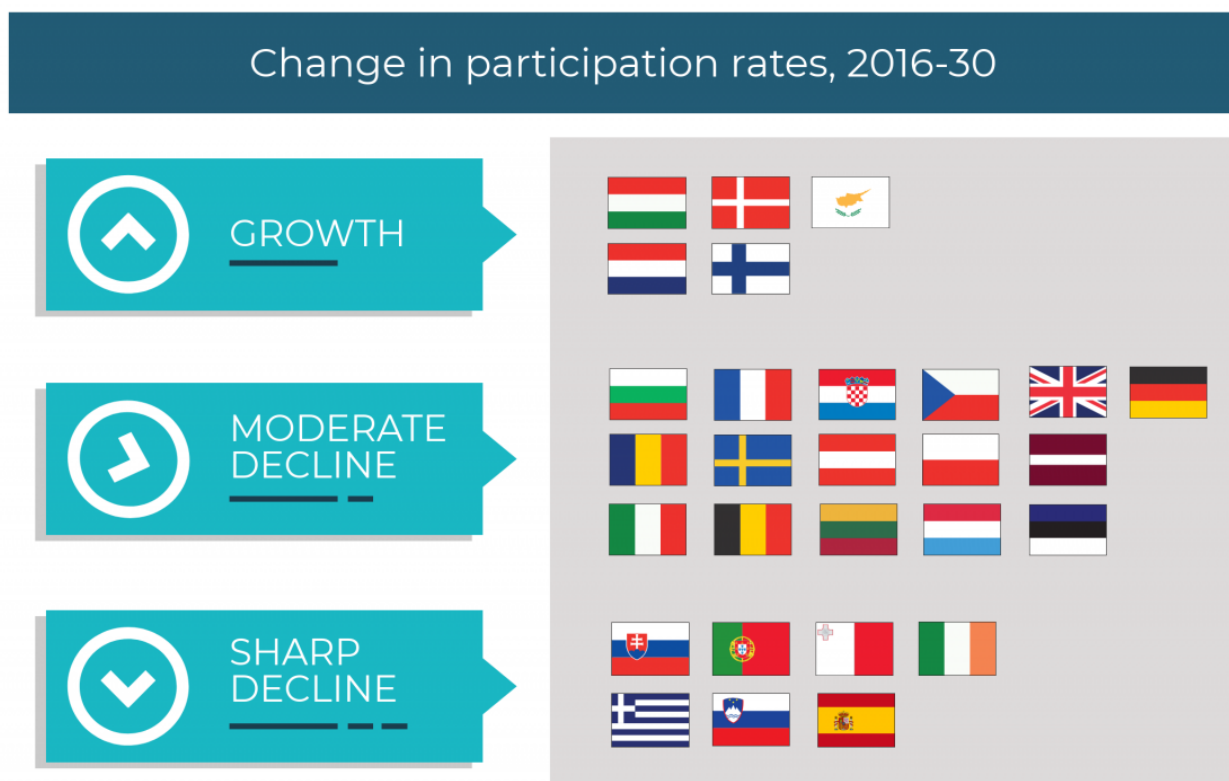
Four challenges on the future of work

22/10/2018  [Research](#), [Future Jobs](#)

This blog article discusses four challenges ahead of Europe as coming out from the 2018 Skills Forecast and other Cedefop evidence. **Cedefop Skills Forecast** is a unique database offering estimations on future employment by sector, occupation and qualification across all member states.

Challenge no 1: How can we reverse falling participation rates?

Future labour market **participation rates across all demographic groups are expected to fall** for most countries in the period up to 2030. This is mainly the outcome of a workforce that is ageing as the size of the older workers' group is increasing while that of prime-aged workers decreasing. Over the forecast period, this tendency is not expected to cause a decline in the workforce as population is increasing but it may be a matter of time that Europe's labour force will start declining. This brings about a number of interesting questions. For example; are measures, such as the extension of working life, flexible forms of work, and support to female participation, which focus on specific groups of workers, enough to resolve the overall problem? Moreover, if this is the situation we are faced with, will Europe be able to support high-value-added, knowledge-intensive growth? Will its workforce be adaptable to the changing world of work?



Challenge no 2: Can we sustain a trend towards high value added industries?

According to the Skills Forecast, even though basic manufacturing is expected to decline in employment, some **high value added sectors will experience an increase** as for example *optical and electronic equipment*, and *motor vehicles*. A question, therefore, one may want to ask is what will it take for the EU to be ready to sustain the shift towards high value added sectors? Will, for example, employers manage to fill in these vacancies? Evidence from [Cedefop Skills and Jobs Survey](#) suggests that 4 out of 10 employers are already having problems to fill in their vacancies. This bottleneck could be intensified in high value-added sectors. This problem becomes even more apparent if we take into consideration the constant ageing of population. As far as policies are concerned, the challenge refers to how will adult learning remain sufficient to sustain upskilling and reskilling of the labour force in an age of accelerated technological change?

Challenge no 3: How can we secure decent work for everyone?

In the period up to 2030 **job polarisation is expected to grow further**. Jobs in the higher and lower skills spectrum are expected to grow in size, while mid-level jobs are expected to be hollowed out. Overall, **4 out of 5 new jobs** will be in high-skilled occupations. The phenomenon of job polarisation is not new. However, we are at a stage where the technological advances seem to be affecting routinised occupations the most. So a question we want to ask is whether we are heading towards a fully polarised labour market and what are the implications of this? This trend is driven mostly by sectoral changes (for instance service workers) but also technological change that makes some occupations more relevant than others. For instance many clerks, such as *general and keyboard clerks* or *numerical and material recording clerks*, will lose a significant share in employment because they now become less relevant. We need to ask how workers in middle level occupations are protected and how decent work for everyone is secured?

Job polarisation: change in demand by occupation, EU, 2016-30

Legislators, senior officials and managers



Professionals

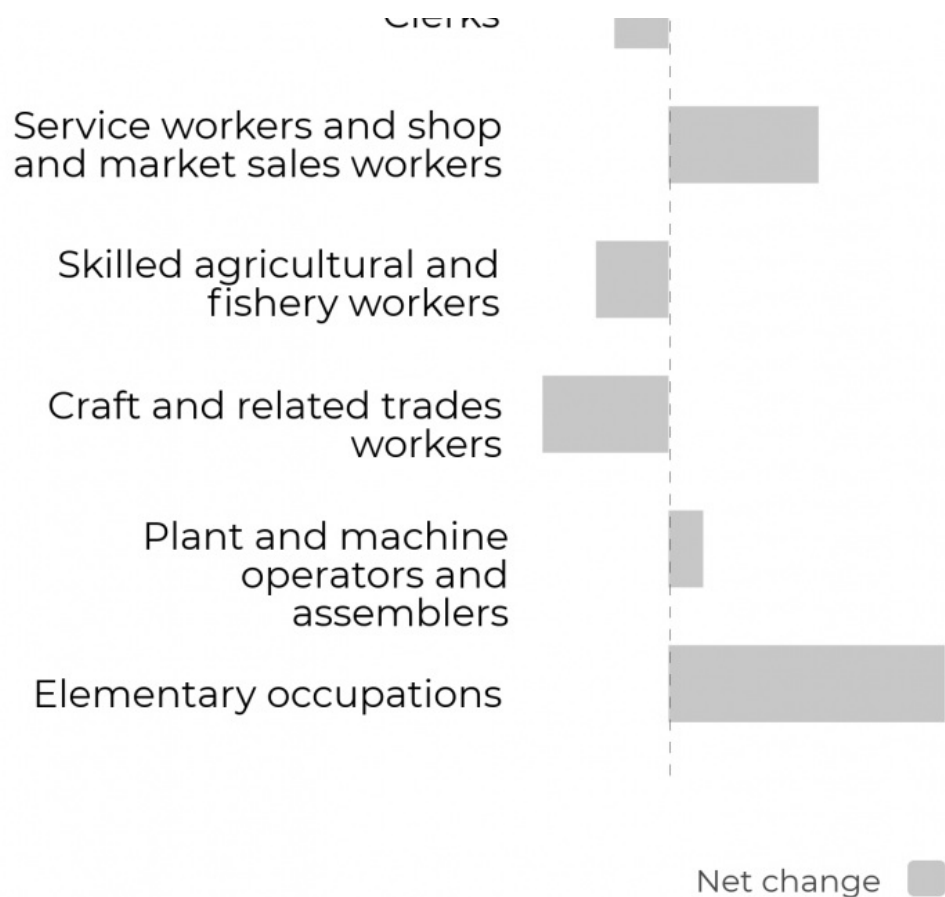


Technicians and associate professionals



Clerks





Moreover, the Skills Forecast suggests a continuing orientation of Europe's economy towards services. This sector includes industries where non-standard work, as well as new forms of employment, is growing rapidly. Platform work has an upward trend and free-lancing is becoming more common than ever. The challenge, therefore, is to ensure that the trend towards the service sector is not coupled with an intensification of precarious employment.

Challenge no 4: How can we achieve a balance between over-education and under skilling?

The Skills Forecast estimates that by 2030, the needs of the economy for workforce with high level of qualifications will account for about 36.5% of total employment. However, due to the fact that supply of highly qualified workforce is outpacing the demand, it is more likely that the share of total employment with high level of qualifications will account to 41%. The key point of the above is that we are heading towards a highly skilled workforce, a significant part of which, however, may not have the opportunity to use the skills accumulated. At the same time, this situation might lead to intensification of work at lower levels, rising skill needs and making mid-level occupations even more demanding. In fact, evidence from **Cedefop Skills and Jobs Survey** suggest that a significant part of European workforce found their skills, at the time of hiring, inferior to those required to perform the job sufficiently. Last, but not least, a question remains how the low-skilled that may be pushed to accept lower wages, can escape the vicious circle of low productivity and low wages.

More information on the skills forecast can be found [here](#):

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