

Colloque international

DARES
direction de l'animation de la recherche,
des études et des statistiques



Polarisation(s) sur les marchés du travail

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Colloque **Mardi 19 juin 2018** du travail
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SALLE PIERRE LAROQUE - PARIS



Polarisation(s) sur les marchés du travail

Discussion session 1 « Changements structurels et perspective historique »

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Discussion

Polarisation(s): recomposition of employment towards high/low skill jobs while the share of middling occupations declines

Most of the time combined with increase in wage inequality but not always

Excellent examples of papers that propose new facts and more nuanced explanations on when polarization started and importance of different factors



All three papers combine rigorous data analysis & theoretical investigation to explain patterns in the data

=> frontier labour economics (use individual data) & macroeconomics (modelling)

Perfect example of how recent influential research on this domain makes progress



Congratulate the organizers because not only excellent papers but very complementary

Role of **structural change** (Barany): long-run perspective, US data

Role of **education & labour supply** (Cortes): long-run, US data

Role of **institutional factors** (Hairault): comparison US/France

Macro models that consider *heterogeneity* across workers

Models that study the *transition* from different steady states



Structural transformation (Barany)

Facts: job polarization started in the 1950s in the US and is linked to shift of the economy from manufacturing to services, not only the recent adoption of ICT technologies

Explanations: Relative productivity of labour in manufacturing increases, labour has to reallocate to high and low skill service sectors, and wages in services need to improve to attract workers



Comments structural transformation (Barany)

- Could test the structural explanation using other countries (Europe?)
- So before the 1980s polarization without increase in wage inequality?
- Always tricky to identify the frontier occupations/industry
- We are missing changes in skills requirement what happens *within* occupations
 - Ex. Skill requirement increased for the same occupations during the Great recession (Hershbein and Lisa B. Kahn). How workers within occupations produce has changed

Disappearing routine jobs (Cortes)

Facts: Underline the role of labour supply and changes in demographic composition. Decline in routine manual affected men while routine cognitive affected women with low or intermediate level of education

Explanations: non-Employment and non-routine employment. However, in the model, effects on participation mitigates the effects on reallocation across occupations



Comments disappearing routine jobs (Cortes)

Model struggle to explain reallocations to non-routine manual AND increase in non-employment, so what ingredient is missing?

Participation evolved very different in the US compared with Europe: for men, declined in Europe only after the Great recession. For women, increase in Europe, decline in the US. Why?

A Tale of Two Countries (Hairault)

Facts: Different evolutions of routine employment levels in France and the US from the mid-1990 to 2007.

Explanations: In the US, polarization is explained by technological change and changes in education supply explains; in France just by labor market institutions

Quantify the winners and the losers of institutions and technological changes

Comments a Tale of Two Countries

Dilemma lower wages when market dominates against less employment when institutions remain strong

Seem to promote middle of the road approach: Scandinavian model? Or need a new model?

Role of increase in the level of education: without increase in educational attainment in France, employment losses would have doubled

What are going to be the consequences of the slowdown of the increase in education levels in France? Rigid institutions more problematic?



What to do next

Studies with more countries to have more evidence on the effects of institutions and structural explanation

Cross country research complicated because remain difficult to get individual level data over a long time period

Understand trends in labour force participation of men and women and how related with polarization

How to reform institutions to deal with trade/technology shocks and their consequences

