

The changing nature of jobs in Central and Eastern Europe

Restructuring and upskilling prevents job polarization but may leave countries vulnerable to routine-biased technical change

Keywords: restructuring, workforce upskilling, task content of jobs

ELEVATOR PITCH

Job polarization can pose serious problems for emerging economies that rely on worker reallocation from low-skilled to middle-skilled jobs to converge toward advanced economies. Evidence from Central and Eastern European (CEE) countries shows that structural change and education expansion can prevent polarization, as they enable a shift from manual to cognitive work and prevent the “hollowing out” of middle-skilled jobs. However, in CEE countries they have also led to a high routine cognitive content of jobs, which makes such jobs susceptible to automation and computerization in the future.

KEY FINDINGS

Pros

- ⊕ Analyzing the task content of jobs allows a better understanding of occupational changes.
- ⊕ In CEE, structural and educational changes align well with respect to occupational change.
- ⊕ Aggregate restructuring triggered a shift from manual to cognitive jobs.
- ⊕ Tertiary education expansion fueled the growth of non-routine cognitive work.
- ⊕ The shift to jobs requiring higher skills dominated over the decline of middle-skilled manual jobs and prevented job polarization.

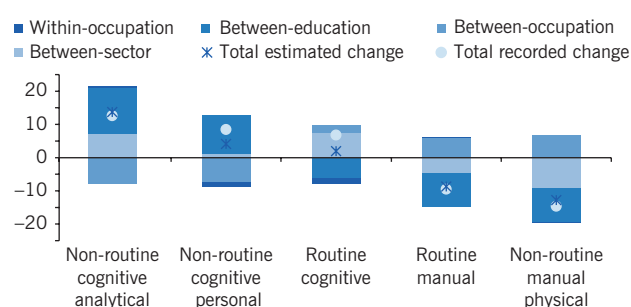
Cons

- ⊖ The decline of manual work left some workers vulnerable to unemployment.
- ⊖ The routine cognitive content of jobs increased in CEE, contrary to the most advanced economies.
- ⊖ As the number of graduates rose, the routine cognitive component of their jobs also increased.
- ⊖ Routine cognitive jobs are vulnerable to routine-biased technological change.
- ⊖ Country-specific surveys are needed to further study the task contents of particular occupations around the world.

AUTHOR’S MAIN MESSAGE

Aggregate restructuring in CEE during the 1990s triggered a substantial shift from manual to cognitive work. The expansion of tertiary education aligned well with structural change and the non-routine cognitive content of jobs grew strongly. Job polarization, which is a concern for many advanced economies, did not occur, as the number of routine-intensive, middle-skilled jobs remained flat, and in many countries even increased. This, however, left the CEE countries vulnerable to routine-biased technical change. Policies in transition economies should therefore support further workforce upskilling and development of information and communication technology skills.

Decomposition of task content changes in the CEE



Note: Changes between 1998–2000 (for HR 2003–2005) and 2011–2013. Weighted (by employment) average for CZ, EE, HR, HU, LV, PL, RO, SI, and SK.

Source: Author’s own elaboration based on [1].