Structural change and the freight transport labor market

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Technology and jobs

• Industrial revolution mainly deskilling

• Complementarity, skill biased technological change
  • Autor (2015)

• Job and wage polarization

• Recent evidence on deskilling
Driving forces

- Demography
- Institutional changes
- Technology
Dual labor markets on increase

Change in employment protection legislation (EPL) 1990-2013

Source: OECD.
Temporary work on increase

Source: OECD.
Automation in services

- Retail
- Writing
- Banking, insurance and legal
- Coding
- Transport

More polarization and revenue pressures
Routine jobs in decline

Source: OECD.
Many jobs in freight transport

Source: OECD.
Will 50% of jobs disappear?

- Frey and Osborne (2013)
- Measures what is technically possible
- Job creation vs. job destruction
- Other factors can be more important
  - *Demography*, shrinking work forces
  - *Preferences* (autonomous passenger flights?)
  - *Costs* (robochef $15,000?)
  - Regulation
Risk of job automation, %
Strategies to adapt: focus on skills

• Uncontroversial to improve skills, but how?
• Regular skills and digital skills, polarization begins in early education
• Digital skills, 50% EU too low to switch jobs
• OECD estimate, low skills doubles risk unemployment
• Big shift to increase life-long learning
• How to finance: private or public?
Strategies to adapt: reduce risks

• Dual labor markets – insider/outsider problem
• Reduce risks with self-employment
  • More responsibility on individual
  • Outside collective wage bargaining
  • Social security and statuary benefits
• Make it easier to pay tax
Summary

- Productivity growth key to future prosperity
- Mitigate effects of structural change
  - Increased skills
  - Reduce differences in risk between labor market outsiders and insiders

Thank you!
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