Changing labour market transitions patterns

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Session 3: Transitions for workers

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Guillaume Delautre
ILO Employment Policy Department, delautre@ilo.org

Building Partnerships on the Future of Work
The context

Labour market is being buffeted by future of work drivers

- Technological changes (automation and digitalization), globalization, climate change and the greening of economies, demographics, etc. are impacting labour market dynamics

ILO Declaration for the Future of Work 2019: “Strengthen the capacities of all people to benefit from the opportunities of a changing world of work”, especially through “effective measures to support people through the transitions they will face throughout their working lives”… while iterating that “(a)ll workers will require strong support through future of work transitions so that they integrate into labour markets and become lifelong active members of societies”.

- Risk that the COVID-19 crisis might accelerate some trends and have a long-lasting impact on labour markets
- Are we experiencing more transitions? Do individuals have more complex life courses?

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More transitions? Well, it depends on how you measure it… (1)
More transitions? Well, it depends on how you measure it…(2)
But probabilities to transition to employment have changed drastically in certain countries.
Job tenure has decreased in the last decade in the OECD countries (if we take into account demographic changes).
Transitions as ”events” or as “processes/sequences”?

**Event analysis: Transitions considered as isolated events**
Measurement of gross flows between different states/status and collected at least two different points in time
Representation through transition matrixes
Particularly relevant for short-term analysis
Major constraint: very limited to reflect complex transitions (ex: youth transitions, transitions from working life to retirement,…)

**Life-course analysis: Transitions considered as a processes or sequences**
Life-course is the unit of analysis
Sequence analysis (comparing, sorting and grouping different sequences of time-ordered elements to identify different ideal-types)
Questions: How individuals’ trajectories change over time as people age?
Increasing complexity of life-courses?
Major constraint: need long and detailed panel data tracing the trajectory of individuals throughout a long span of time
A very abundant literature on transitions as processes (at least in developed economies…)

A growing complexity in life courses (LC):

Some signs of convergence in the LC of men and women on work/family trajectories but it depends heavily on country and on social class (Aisenbrey and Fasang 2017, Robette 2020)

Transitions into adulthood and entry in LM are becoming more diverse, instable and less linear, esp. for vulnerable youth (Martin et al 2008, Bekker and Pop 2020, Brzinsky-Fay and Solga 2016)

On old age workers:
- Increasing complexity of old age transitions (gradual or phased retirement, bridge employment, reentry, transition into self-employment,…) (Henkens and Van Solinge 2021)
- Later cohorts tend to transition later from career employment (Cahill et al 2018)
- Health, gender, social class, work experience and pension systems are important factors in this transition (Calvo et al 2017, Van Rijn et al 2014, Dingemans and Möhring 2019)
Thank you for listening

Please see: https://www.ilo.org/employment/Whatwedo/Projects/building-partnerships-on-the-future-of-work
Depending on the country, the crisis had a very different impact on LMT

And the crisis increased inequalities in employment on all dimensions, and especially earnings, education level and informality (see Soares and Berg 2021)