

The polarization of protection  
is connected to Labour Market Polarization

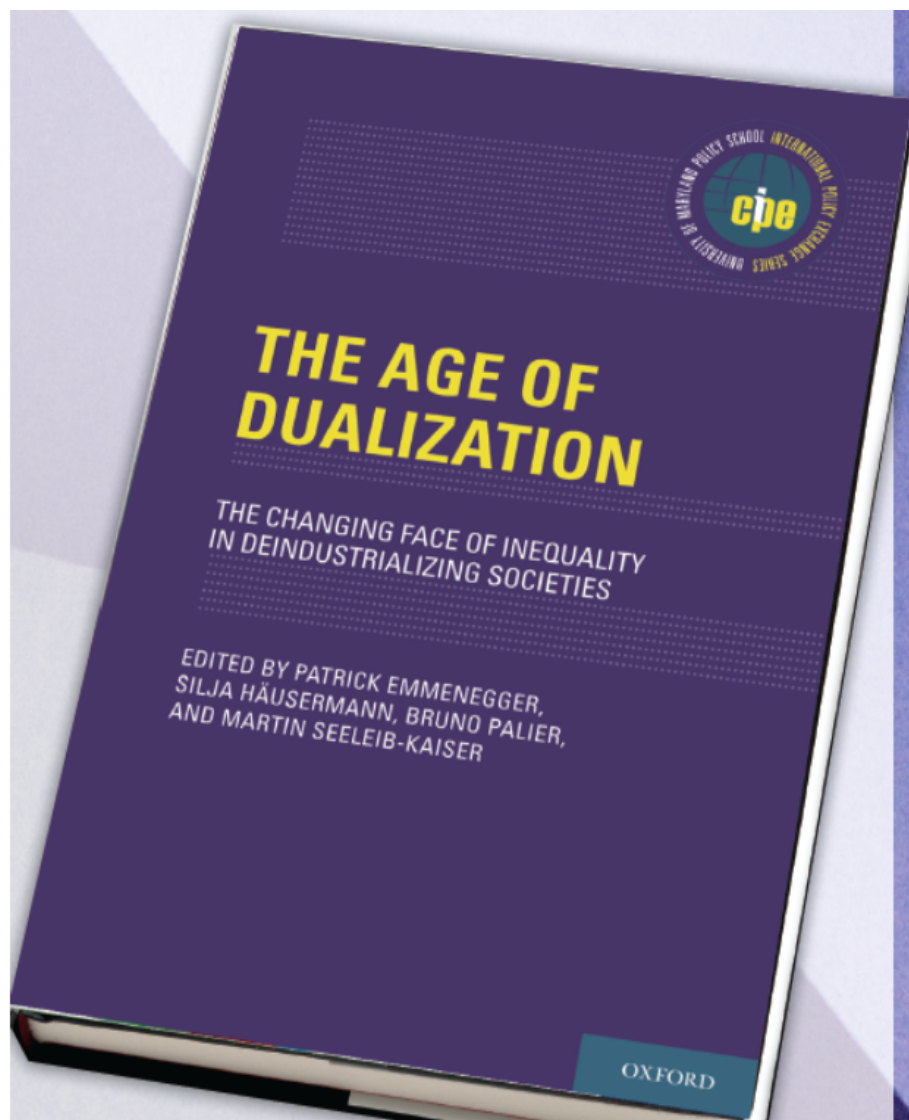
But should not the situation change our view  
on the so-called “low skilled” jobs?

Bruno Palier

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## Who are the outsiders: Women, low skilled, youth, migrants

- Some societal groups are overrepresented among outsiders in all countries studied: women, young labor market participants, low-skilled workers, especially in the service sector, immigrants and workers of migrant origin.
- These groups are more likely to be unemployed or atypically employed, and they are more likely to be poor and to suffer from insufficient social rights. The available evidence suggests that their inferior status is persistent over time.

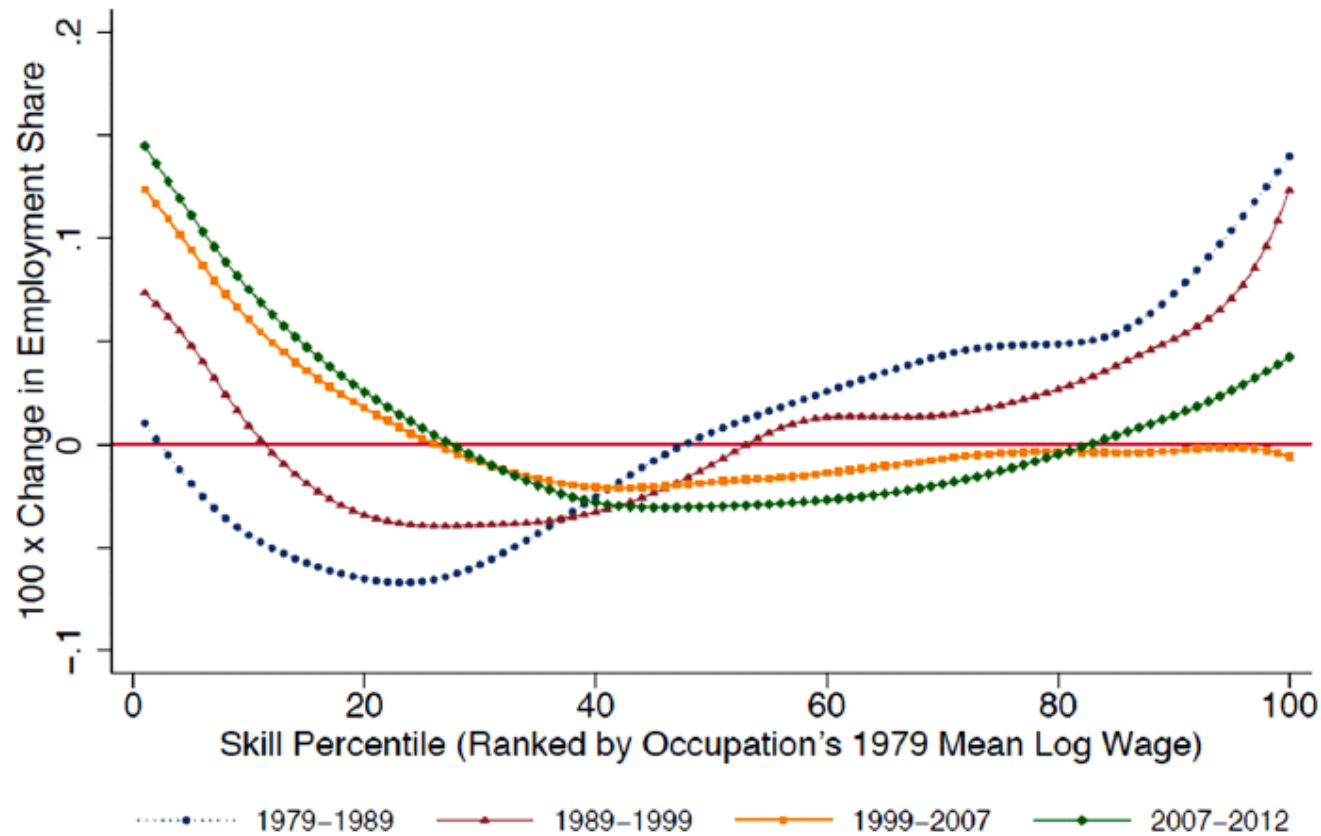
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Figure C

## Smoothed employment changes by occupational skill percentile, 1979–2012

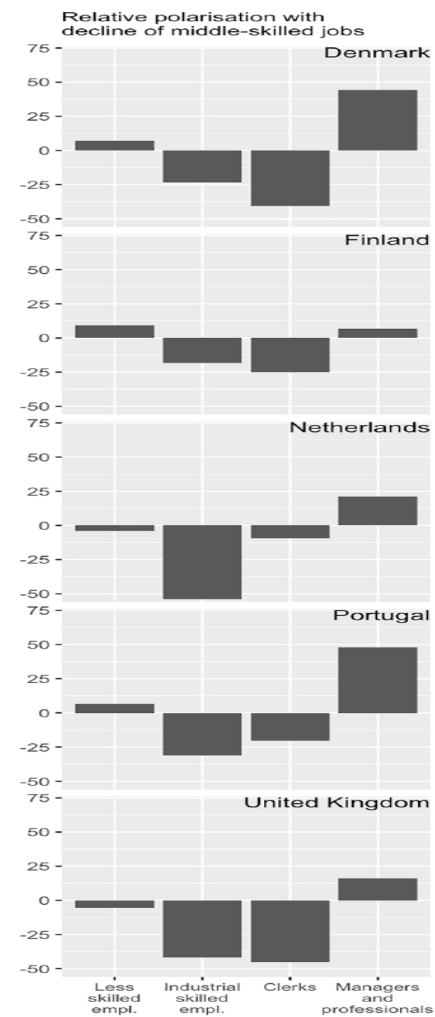
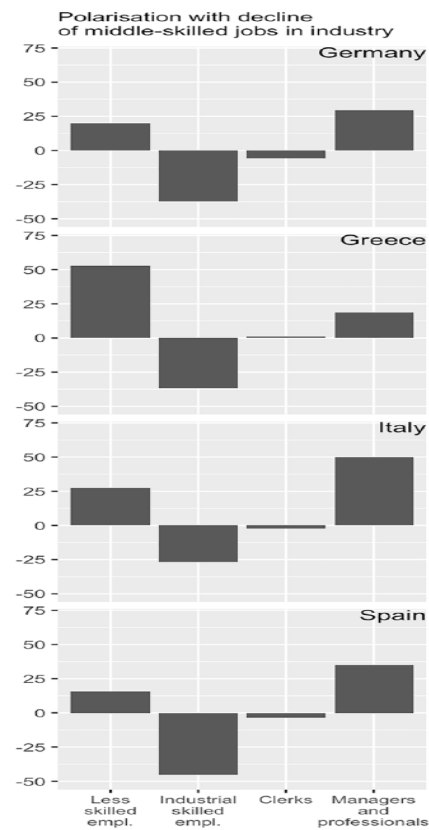
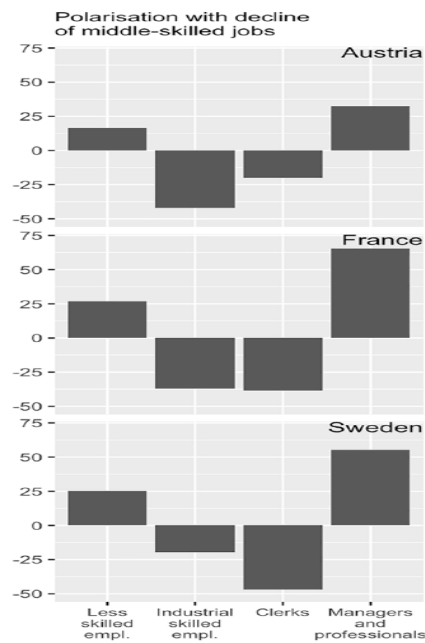


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Source : EU-LFS  
The proportion of managers and professionals increased by 32% in Austria between 1993 and 2013

Camille Peugny, Research And Politics

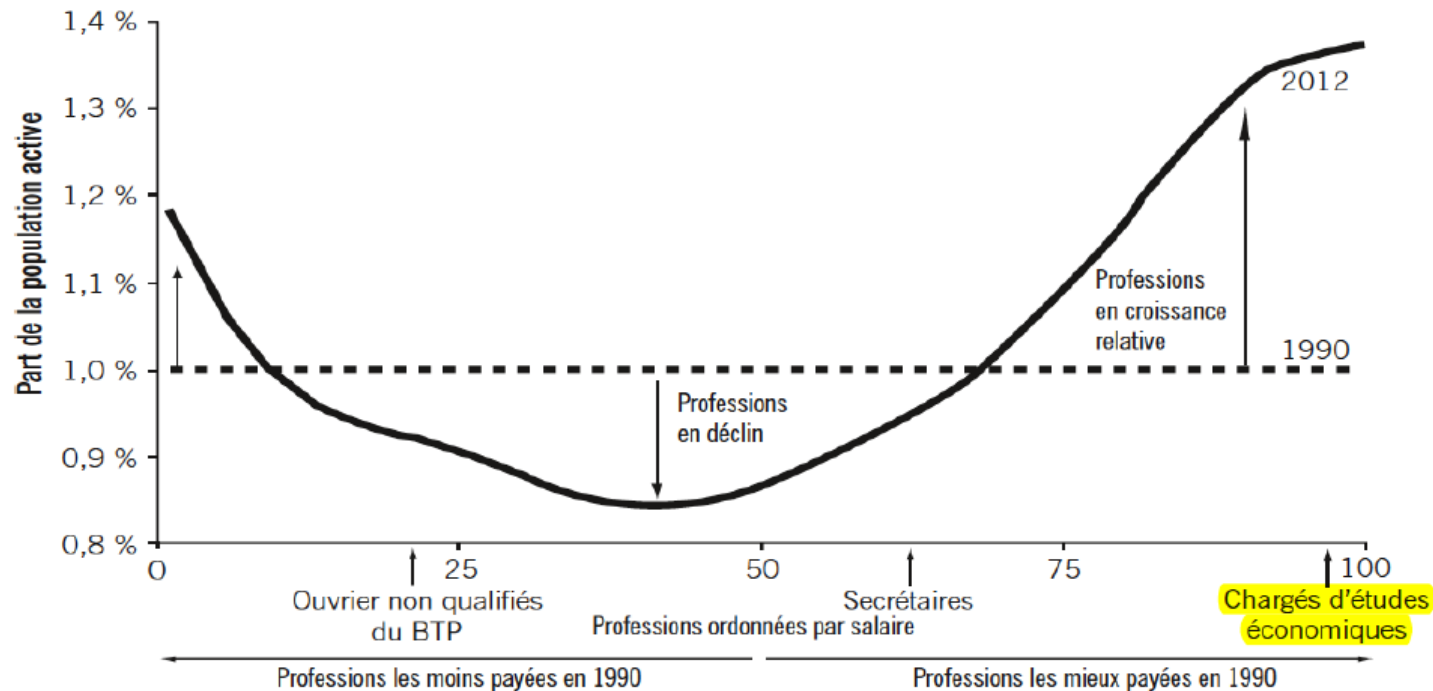
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## France

**Graphique 7 : Évolution du poids de chaque catégorie socio-professionnelle dans la population active (1990-2012)**



Lecture : chaque point représente 1 % de la population active en 1990. Les professions sont ordonnées, de gauche à droite, par niveau de salaire en 1990. Le groupe de professions constituant le 1 % de la population employée de 1990 qui séparait alors les 5 % les mieux payés des 94 % les moins bien payés constitue en 2012 1,35 % de la population employée. Cela signifie que le nombre d'emplois au sein de ce groupe a crû 35 % plus vite que le nombre total d'emplois. Il inclut, par exemple, les chargés d'études économiques.

Source: Catherine, Thesmar et Landier

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## job polarization:

many more well paid jobs, for the skilled ones,  
and many more jobs in the interpersonal  
services, low paid, and atypical, bad working  
condition, badly paid jobs.

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**Table 1.** *Examples of growing and vanishing occupations (among those earning less than 1.5 times the minimum wage)*

	Jobs (<1.5 x min. wage)		
	1990	2012	Change
<b>Fastest-growing occupations</b>			
Nannies, childminders, domestic helps	176,051	663,798	487,747
Engineers and executives specializing in IT (except technical sales personnel)	119,071	348,852	229,781
Administrative or financial executives in small and medium-sized enterprises	162,070	338,291	176,221
Nurses and general careworkers	172,149	338,563	166,414
Supervisory staff and specialist admin workers (other than financial and accounting)	102,026	230,660	128,634
Self-service employees	33,677	158,021	124,344
Carers	173,655	294,645	120,990
Waiters and other restaurant or café staff	115,033	214,356	99,323
Staff and housekeepers in private households	164,612	254,077	89,465
Executives in technical and commercial bank services	89,042	173,338	84,296
<b>Vanishing occupations</b>			
Unskilled workers in metallurgy, glass, ceramics and building materials	62,374	24,791	−37,583
Unskilled metal workers, locksmiths, mechanical repair workers	101,738	60,680	−41,058
Unskilled workers in concrete construction and civil engineering	101,065	56,761	−44,304
Various industrial-type unskilled workers and unspecified workers	152,872	105,788	−47,084
Unskilled textile and tannery workers	58,681	9,702	−48,979
Unskilled chemical workers	92,733	43,517	−49,216
Bank technical staff, cashiers	153,475	87,121	−66,354
Unskilled clothes manufacturing workers	97,231	6,554	−90,677
Unskilled assembly, control and other workers in mechanical engineering	191,166	84,137	−107,029
Secretaries	415,474	262,887	−152,587

Source: Catherine, Landier and Thesmar (2015).

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And today, there is a strong polarization  
between those being protected, at home,  
teleworking, and those on the frontline

*Les premiers de cordées télétravaillent tandis  
que les premiers de corvée sont sur le terrain*

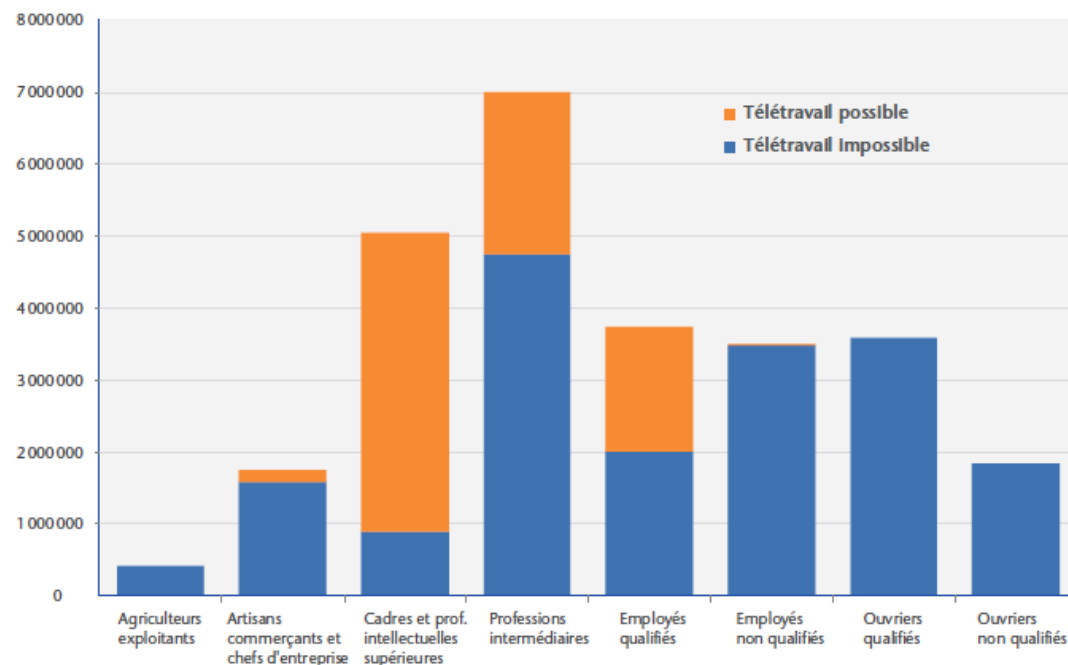
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# Many of those having high skill high paid jobs are teleworking

Graphique 3. Estimation des possibilités de télétravail par secteur (en nombre d'emplois concernés)



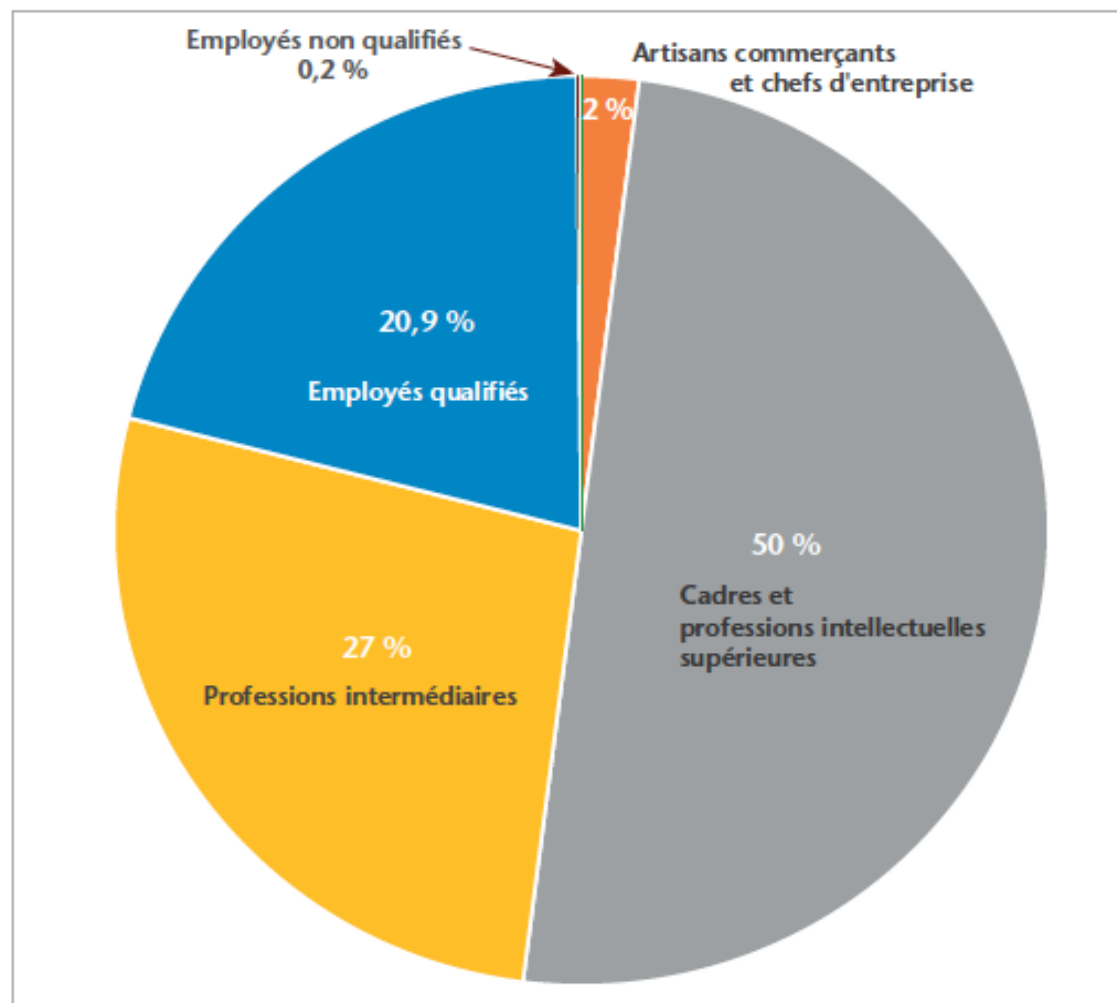
Source : OFCE

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Graphique 4. Composition des télétravailleurs potentiels



Source: OFCE

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Many of those at work, who are on the frontline, are those having low paid precarious jobs that have been on the rise over the last 30 years : health of course, but also care, cashier, security, logistics, transportation, delivery...

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## ILO monitor on the Covid Crisis:

Many of those still working, especially health workers, are at the frontline, fighting the virus and making sure that people have their basic needs met, including workers in transport, agriculture, and essential public services. Globally, there are 136 million workers in human health and social work activities, including nurses, doctors and other health workers, workers in residential care facilities and social workers, as well as support workers, such as laundry and cleaning staff, who face serious risk of contracting COVID-19 in the workplace. Approximately 70 per cent of jobs in the sector are held by women.

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These jobs are associated with low pay, bogus self-employment, or short-term contracts, part-time work and low social protection.

The literature on the polarization of the labor market does not question the fact that they are bad jobs because they are supposed to be occupied by low skill people. They are supposed not to be productive.

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The profound polarization of the labour market has led to a sharp rise in wage inequality. Low-skilled jobs in personal services (catering, logistics, health) are *by nature*<sup>2</sup> tasks in which productivity is low; those who have had to move into such jobs are paid less than was usual in the skilled manual or clerical jobs they held before. Conversely, managerial and creative occupations have seen their productivity increased by the possibilities of IT, and the remuneration of such jobs has increased relative to the median wage.

Catherine, Thesmar et Landier écrivent ainsi : « La grande polarisation du marché du travail a eu pour effet un fort accroissement des inégalités de salaires. En effet, les emplois de services à la personne peu qualifiés (restauration, logistique, santé) sont *par nature* des tâches où la productivité est faible ; ceux qui ont dû se reconvertir vers ces tâches ont une rémunération plus faible que celle qui prévalait sur les postes d'ouvriers qualifiés ou d'employés en col blanc qu'ils possédaient auparavant. Inversement, les métiers managériaux ou créatifs ont vu leur productivité décuplée par les possibilités de l'informatique et les rémunérations de ces emplois ont augmenté relativement au salaire médian ». (op.cit. pp.15 et 16).

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# Brains and their servants

- a new social cleavage between so-called "productive" people with very high wages and "non productive" people whose jobs are concentrated in the activities of Services to people
- further reinforced by the increasing phenomena of homogamy
- a new form of social domination of "brains" on "servants", a relationship of domination typical of a knowledge economy. This relationship of domination is less seated on the ownership of the means of production than on the possession of human capital, knowledge and creativity.

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# Brains and their servants

These new "servants" enable the "brains" to concentrate on their tasks, not “wasting” time to subaltern tasks and thus increase their productivity.

Those low paid jobs are thus a necessary condition for the increased productivity of the brains, but only the brain get the remuneration of this productivity gain.

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While the current crisis and the decision taken are increasing these divides, let us hope that the lockdown has revealed the collective utility, the importance of the “essential jobs”, occupied by indispensable persons, who may receive better protection, remuneration and place in our societies in the future.

Emmanuel Macron said « *il nous faudra nous rappeler que notre pays, aujourd’hui, tient tout entier sur des femmes et des hommes que nos économies reconnaissent et rémunèrent si mal* ».

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# But why are they so badly paid?

- Tasks performed mostly by women (reproduction), previously unpaid work (at home)
  - interpersonal services, supposedly not susceptible of productivity gains (Baumol cost disease)
- => cumulation of action and policies aimed at cheapening their cost:

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- outsourcing
- creation of these jobs has been supported by liberalization of the labour markets (cheaper pay, less protection), and specific fiscal and social contribution exemptions (to those employing these services rather than to those providing them directly)
- A competitiveness strategy: create a cheap environment for the protected productive ones (German and then French strategy) – if the hairdresser is not expensive, then general wage moderation, which is good to competitiveness...  
=> All these policies contributed to keep these services as cheap as possible

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- without considering the working and living condition of those occupying these jobs,
- without considering the infrastructural necessity/utility of these jobs: They save and protect lives, care for others, allow all of us to function, work and live.

## **THE ESSENTIALS, the INDISPENSABLE**

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