

Work in the Future

SNS

November 13, 2019



Sweden vs. the US

1. No fall in labor force participation as in the US
2. Wage inequality relatively stable
 - Real wage growth “for all”
 - But, increasing earnings inequality
3. Slowdown of productivity growth as in the US
 - Not as clear that the labor share is falling
4. Polarization of occupations (as shown)

What to worry about?

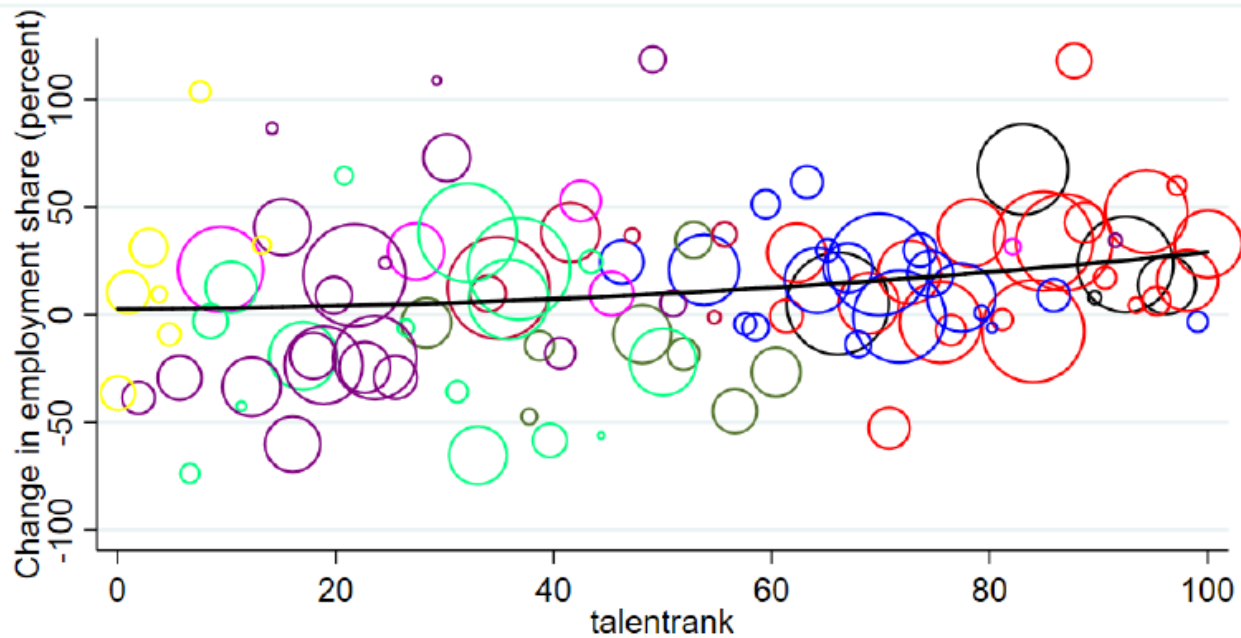
Agree on all in the previous presentation!

1. *What should Sweden do about its policies?*
 - Taxes, Employment Protection, Education...
2. *And from where do we get guidance?*
 - Can we rely on insights from the past?
 - Or should we just look forward and project?

Skills and occupational “success”

(Hensvik and Skans, soon at IFAU.se)

- Characterize occupations by the skills of its workers
 - using detailed data from military draft
 - Relate skills to employment growth in past and (projected) future
- Polarization (as just shown) in wage ranks
 - But growing low-wage jobs appear fairly “demanding” in terms of intellectual skills

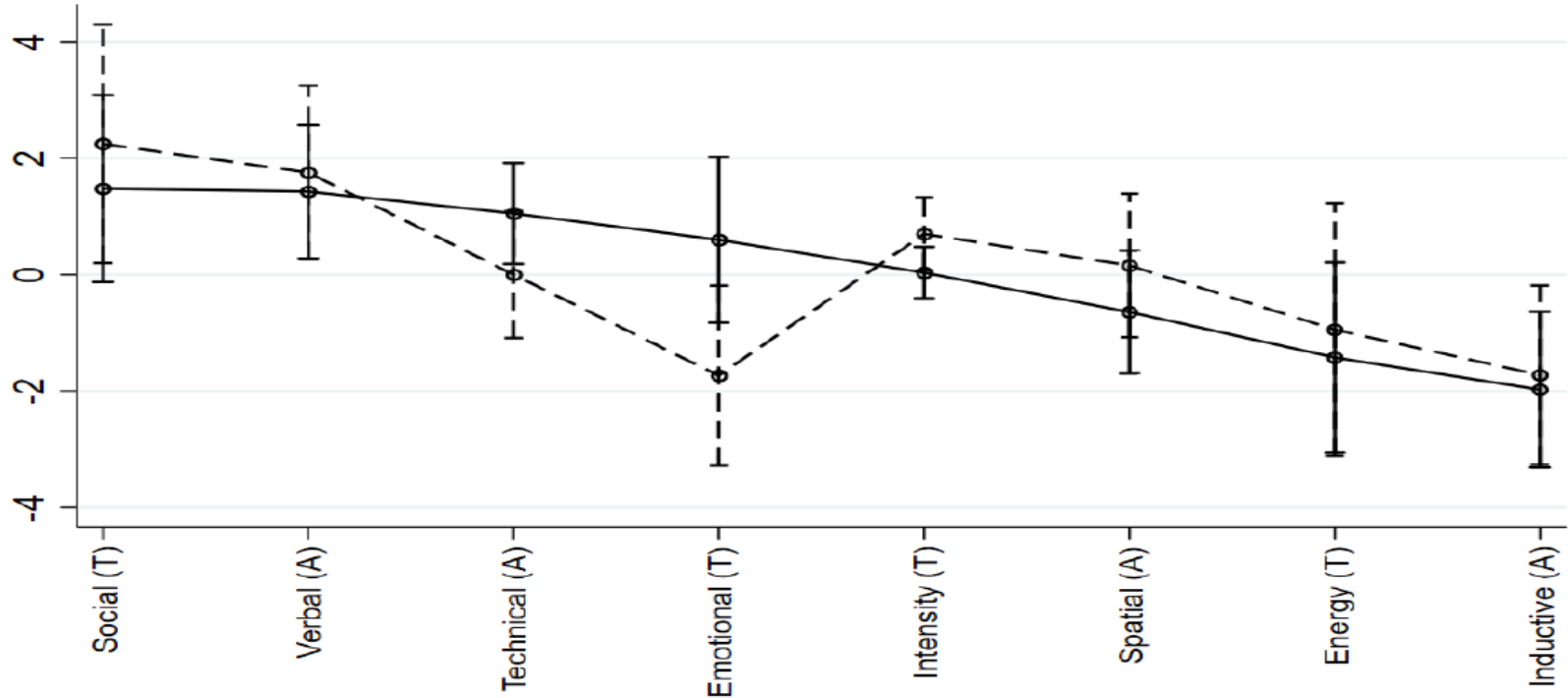


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|---|------------------------|
| ○ Managerial work | ○ Professionals |
| ○ Technicians and associate professionals | ○ Clerks |
| ○ Service and shop sales workers | ○ Forestry and fishing |
| ○ Manufacturing | ○ Machine operators |
| ○ Unskilled | — Fitted values |

Specific skills

- Differences across types of skills and traits:
 - Social maturity, verbal, and technical (+)
 - Problem-solving abilities (-)
- Future (as projected) very similar to the past!

Solid line: past employment growth,
Dashed line: projections from US BLS



Specific skills

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 - Social maturity, verbal, and technical (+)
 - Problem-solving abilities (-)
- Future (as projected) very similar to the past!
 - Past is informative about the skill demands of the future (?)