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# Long-term Employment and the Restructuring of the Labour Market in Europe

Kevin Doogan

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**ABSTRACT.** There is a widespread view that the permanent employment, associated with traditional employment patterns, has been fundamentally undermined with the advent of the 'new economy'. Industrial restructuring and occupational change is said to have given rise to more precarious forms of employment characterized by insecure short-term jobs. Such widely held public perceptions are challenged by the analyses of long-term employment and industrial, occupational and compositional change in the European workforce. Contrary to the positions of Beck, Castells and Sennet and a host of high-profile commentators, the statistical evidence strongly suggests that contemporary labour market change in the European Union is moving in the opposite direction with significant increase in long-term employment across the member states. **KEY WORDS** • job insecurity • labour market change • long-term employment • new economy

## Introduction

The labour market has a curious position in the contemporary narratives of social development. The discussions of the 'new economy', 'risk society' and 'network society' anticipate a profound process of labour market transformation in which traditional employment patterns are eradicated. The impact of new technology and corporate restructuring has not only given rise to non-standard, 'atypical' employment, we are also, according to Beck (1992), witnessing a process of destandardization that is symptomatic of broader societal change.

The institutional effects and social consequences are expressed in terms of a pervasive insecurity which results from the fragmentation of traditional employment systems and the consequent individualization of the experience of work. The labour market is therefore assumed to be the repository of technological change and corporate restructuring which has, as a consequence, lost its regulative capacity and its sense of socialization and collectivity. What is curious about these discussions, however, is that they are, for the most part, devoid of statistical evidence.

When Sennet (1998) talks of a 'new capitalism' that lacks any sense of the long term, in which institutional restructuring is based on 'short-term, contract and episodic labour', it is an assertion rather an analysis. When Beck (2000) describes 'the brave new world of work', he imagines the most extraordinary 'Brazilianization' of western capitalism, in which the employee-based labour market regresses to some semi-feudal system of artisanal self-employment. Yet the sheer scale of the prediction is inversely proportional to the evidence provided to substantiate the argument. Mingione (1996), Sassen (1996) and Giddens (1998) point to the decline of traditional industries and the stable employment with which they have come to be associated, and their replacement by new service industries which are said to bring precarious employment in their wake. They appear content to tell 'the story of our times' rather than offer the rigorous discussion that is expected of leading social scientists. The analyst versus 'mood musician' perspective has been well made by Savage (2000) who points out that Beck and Giddens do not seek empirical support for their arguments. Indeed it has been argued by Gregson (1991) that their ideas are not of the type that seeks empirical adjudication. Their arguments are, rather, designed to convince rhetorically, by setting themselves up as more plausible and 'common sense' than other discredited accounts (Savage, 2000).

When empirical research is used to describe the rise of network society (Castells, 1996), the labour market evidence provides little connection to the conclusions. For all the interesting discussion of the rise of the informational economy there is little to support his assertion that '...we are witnessing the end of the historical trend toward the salarisation of employment and the socialisation of production that was the dominant feature of the industrial era' (p. 267).

Indeed it is remarkable that such bold prediction can survive without being subject to empirical challenge. Perhaps the sheer scale of transformation imagined in Castells's conclusions cannot be verified within a small time frame, but there is little to suggest at present that such predictions will receive the harsh judgement of history, if as seems likely, they do not come to pass. The work of Will Hutton, much-cited author and economics editor of the *Observer* is instructive in this regard. Hutton (1998) wrote in the mid-1990s that by the end of the century (i.e. by the year 2000), 'full-time tenured employment would be a minority form of work'. Yet four years after his prediction should have been

realized the statistical evidence points in the opposite direction. Indeed there seems no shortage of commentators willing to recycle the forecasts about the end of employment and the fragmentation of the labour market.

In addition to academic commentators there are a host of business writers, journalists, political commentators and government officials who seek to preside over the last rites of the traditional labour market. In the UK Diane Coyle (1998; 1999) has described a 'weightless world', while Leadbetter (2000) talks about 'thin air' society, both driven by the breathtaking speed of technology change and corporate restructuring which have overhauled traditional systems of employment. 'Lifetime employment is for most workers a thing of the past' according to Bridges (1996), while for others 'jobs will be replaced by projects and careers by portfolios' (Handy, 1994). However, Coyle is sufficiently circumspect to note that it is difficult to find statistical evidence for these new flexible labour markets. In fact the serious statistical analysis of long-service employment and labour market turbulence points convincingly in the opposite direction (Burgess and Rees, 1998; Auer and Cazes, 2000; Auer, Cazes and Spiezia, 2001; Osterman, 2001; Knuth and Erlinghagen, 2002).

The purpose of this article is to subject the claims of the new economy perspective to empirical scrutiny. The principal assumptions about the 'new work order' (Gee et al., 1996) will be challenged: that technological change has driven an industrial restructuring such that employment expansion will be associated with increasing short-term engagement of labour; that occupational change is associated with labour market disaffiliation; that the increase in 'a-typical' non-standard forms of employment which expresses the temporal flexibility of capitalism is associated with decreasing job tenure and long-term commitment in the labour market.

### **Job Tenure and Long-term Employment**

In labour market analysis a broad range of indicators is available to social scientists to support theses, to test hypotheses or, less ambitiously, to simply gather data that might support or challenge public perceptions about the world of work. In analysing employment stability and/or job security, many analysts favour the use of average or median job tenures, but in the discussion presented later the concern is with long-term employment, measured by the number of people who have been with their current employer for ten or more years. While average or median indicators enable analysis of the distribution of elapsed job tenure, it is suggested here that the focus on long-term employment affords greater insights into compositional, industrial and occupational change within the workforce. It allows finely grained analysis of the long-term workforce *per se* and its relationship to adjustments in the total labour force. In most accounts the

complexity of this relationship has not been fully appreciated and consequently many insights into the nature of contemporary labour market change lie unrevealed.

Debates among labour economists have posited a broad counter-cyclical relationship between employment change and job tenure. Burgess and Rees (1998) suggest that, as a general rule of thumb, the length of average job tenure will increase with the decline in the level of employment. This at first appears to be counter-intuitive, but, when one considers that increased employment opportunities can feed through into the recruitment of new starters, it is not difficult to imagine that downward movements in the business cycle will have the opposite effect and raise the average length of job tenure. As a general statement, while this may be plausible, it is also noted that aggregate employment can change for a variety of reasons with different consequences for the level and rate of long-term employment.

The contours of the so called 'new economy' can be outlined by identifying the sectors that have expanded and contracted in recent times. In turn the profile of the 'new' workforce can be mapped out by considering occupational change and compositional adjustments, while an examination of different forms of employment, particularly part-time and full-time variations, can assist the analysis of labour market attachment. The following tables describe variations in long-term employment in the EU by, *inter alia*, gender, industry and occupation. By studying the intrinsic features of the long-service workforce it will be possible, for instance, to identify the sources of long-term job gains and losses. Furthermore, by examining its extrinsic characteristics in relation to the workforce as a whole, it is possible to gain insights into the differential impacts of industrial restructuring, occupational and compositional change on labour turnover and job stability. Moreover, this particular focus on labour market attachment affords analysis of the critical distinction between adjustment in aggregate levels of employment and variations in the long-service labour force. The relationship between total employment change and long-term employment is more complex than is implied by an expansion of total employment and a decline in long-term employment. Indeed, the evidence below suggests a relatively low correlation between changes in aggregate and long-term employment.

The discussion builds on, and extends, an analysis of insecurity and long-term employment carried out in the United Kingdom (Doogan, 2001). The data is drawn from a 'special extraction' from the European Labour Force Survey for the period from 1992 to 2002. This period was chosen because 1992 was the year in which the earliest data on long-term employment was provided by the Labour Force Survey while, at the time of writing, 2002 was the latest date from which a complete and reliable data set could be generated. Naturally, 1992 predates the accession of Austria, Finland and Sweden and hence discussion is

**TABLE 1**  
**Long-term employment in Europe from 1992 to 2002 (thousands)**

	1992			2002			LTE		Employment	
	LTE	TOTAL	RLTE	LTE	TOTAL	RLTE	Growth 92–02		Growth 92–02	
<i>Female</i>	18046	56653	31.9%	23863	65243	36.6%	5817	32.2%	8589	15.2%
<i>Male</i>	34731	83624	41.5%	37650	87242	43.2%	2919	8.4%	3618	4.3%
<i>EU12Tot</i>	52777	140277	37.6%	61513	152485	40.3%	8736	16.6%	12207	8.7%

*Source:* European Labour Force Survey.

*LTE* denotes long-term employment measured by those workers who were with their current employer for ten or more years.

*RLTE* denotes the rate of long-term employment, the proportion of the total workforce who were employed long term.

*LTE Growth 92–02* records the change in the long-term workforce between 1992 and 2002 in terms of numbers and percentages.

*Employment Growth 92–02* records the change in the level of total employment between 1992 and 2002 in terms of numbers and percentages.

confined to the 12 member states of the European Union at that time, and are referred to as ‘EU12’ in the following discussion. The evidence is presented at EU level and also, where appropriate, at member state level.

Table 1 shows that between 1992 and 2002 the European workforce expanded from 140.2m to 152.4m, an increase of 12.2m, which represented employment growth of some 8.7 percent in this period. This expansion owed much to the increased participation of women in the labour market. Thus, male employment grew from 83.6m to 87.2m, an increase of 3.6m, which represented an expansion in male employment of 4.3 percent between 1992 and 2002. Female employment increased from 56.7m to 65.2m, an increase of 8.5m, representing a rise of 15.2 percent. In this time the total level and the overall rate of long-term employment have both increased from 52.8m to 61.5m and from 37.6 percent to 40.3 percent. Thus, while total employment expanded by 12.2m jobs, indicating an 8.7 percent growth in employment, the long-term workforce expanded by some 8.7m, which represented an expansion of 16.6 percent.

In terms of gender, the level of long-term employment among men rose from 34.7m to 37.6m, while the rate of long-term employment increased from 41.5 percent to 43.2 percent. Thus for men, while total employment has increased by 3.6m or by some 4.3 percent, the increase in the male long-term workforce is 2.9m, an increase of 8.4 percent. For women, the level of long-term employment rose from 18.0m to 23.9m between 1992 and 2002, while the rate of long-term employment increased from 31.9 percent to 36.6 percent. Similarly, for women, the total employment gain of 8.5m represented a 15.2 percent increase in the

female workforce, but the increase of 5.8m long-term jobs represented an increase of 32.2 percent in the female long-term workforce. Thus the increase in the long-service workforce was significantly generated by the additional long-term jobs for women. Expressed differently, between 1992 and 2002 the long-term workforce expanded by 8.72m jobs, and for every additional male long-term worker there are two female long-term workers. While women made up 34 percent of the long-term workforce in 1992, by 2002 they constituted 39 percent.

Table 1 sets the tone for the statistics that follow. In the first instance it is noted that the increase in the rate of long-term employment occurred during a period of overall employment expansion. Thus the increase in the rate of long-term employment from 37.6 percent to 40.3 percent may appear less than dramatic at first sight, but set in a context of increased recruitment, when the addition of new entrants tends to lessen the relative weight of the long-term workforce, the statistical evidence is quite remarkable. In relative terms the growth in the long-service workforce has outstripped the expansion of the total workforce.

It is also noted that the increase also takes place from relatively low levels of job turnover. Comparing European and American experience is facilitated by using data from the European Labour Force Survey with those produced by the Bureau of Labor Statistics (2001) in the United States. Some adjustment is required however, in that long-term employment in the United States is calculated in the workforce aged 25 or over, but when similar age groups are compared, the results show that the long-term employment is considerably higher in Europe. In the United States the proportion of the workforce employed long-term is approximately 31 percent but in the European Union it is approximately 45 percent (Bureau of Labor Statistics, 2001). Unlike the United States, where the increase in long-service employment occurs only in women, in the European Union long-term employment has increased for both males and females. In Europe it is also worth emphasizing that, although the increases have been relatively greater for women, they have not replaced long-term jobs for men, but have added to the total stock of long-term jobs.

### **Employment Change and the Distribution of Long-term Employment in the EU**

The distribution of long-term employment in EU Member States between 1992 and 2002 is set against total employment variation and described in Table 2. Total job gains of 12.2m in the EU were largely accounted for by employment expansion in Spain (3.3m), the UK (2.5m), France (1.9m), the Netherlands (1.6m), Italy (1.1m) and Ireland (0.6m), with Germany the only member state to experience a net decline in employment with 0.25m jobs lost. Employment

**TABLE 2**  
**The distribution of long-term employment in the EU from 1992 to 2002**  
**(thousands)**

	1992			2002			<i>LTE</i>		<i>Employment</i>	
	LTE	TOTAL	RLTE	LTE	TOTAL	RLTE	Growth 92-02		Growth 92-02	
<i>BE</i>	1672	3770	44.3%	1875	4052	46.3%	203	12.1%	282	7.5%
<i>DE</i>	13303	36528	36.4%	14852	36275	40.9%	1549	11.6%	-253	-0.7%
<i>DK</i>	868	2637	32.9%	858	2741	31.3%	-10	-1.2%	104	3.9%
<i>ES</i>	4839	12893	37.5%	6290	16241	38.7%	1452	30.0%	3347	26.0%
<i>FR</i>	9324	21947	42.5%	10541	23885	44.1%	1217	13.1%	1938	8.8%
<i>GR</i>	1802	3680	49.0%	2057	3949	52.1%	255	14.1%	269	7.3%
<i>IE</i>	459	1149	39.9%	581	1750	33.2%	122	26.7%	601	52.3%
<i>IT</i>	8988	20620	43.6%	10372	21757	47.7%	1384	15.4%	1137	5.5%
<i>LU</i>	59	165	35.9%	83	188	44.1%	24	40.2%	24	14.3%
<i>NL</i>	2268	6614	34.3%	2639	8176	32.3%	371	16.4%	1563	23.6%
<i>PT</i>	1816	4509	40.3%	2306	5133	44.9%	490	27.0%	624	13.8%
<i>UK</i>	7379	25766	28.6%	9059	28338	32.0%	1680	22.8%	2573	10.0%
<i>EU12</i>	52777	140277	37.6%	61513	152485	40.3%	8736	16.6%	12207	8.7%

growth significantly exceeded the EU average of 8.7 percent in Ireland (52.3 percent), Spain (26.0 percent) and the Netherlands (23.6 percent). At the other end of the spectrum there was relatively modest employment expansion recorded in Italy (5.5 percent) and Denmark (3.9 percent) with negative growth in Germany of -0.7 percent.

In 1992 the rate of long-term employment was highest in Greece with 49 percent of the workforce in their current employment position for ten years or more while, at the opposite end of the spectrum, in the United Kingdom, the proportion of the workforce employed long term was 28.6 percent. Other countries with the higher rates of long-service employment in 1992 included Belgium (44.3 percent), Italy (43.6 percent), France (42.5 percent) and Portugal (40.3 percent), while the lower rates of long-term employment included Denmark (32.9 percent) and the Netherlands (34.3 percent). By 2002 the situation had evolved such that the lowest rate of long-term employment was found in Denmark which had dropped to 31.3 percent and the Netherlands which had dropped to 32.3 percent, with Ireland at 33.2 percent. Unlike Denmark, which experienced a decline in the long-term workforce, the Irish and Dutch cases are a result of rapid employment expansion in which recruitment significantly eclipsed the increase in long-term employment. Thus the level of long-term employment in Ireland's 'Celtic Tiger Economy' had risen by 122,000 from 459,000 to 581,000, representing an expansion of 26.7 percent in the long-service workforce. Set in the context of total employment gains in Ireland of



**TABLE 3(a)**  
**The distribution of long-term employment among women in Europe from 1992 to 2002 (thousands)**

	<i>Female 1992</i>			<i>Female 2002</i>			<i>LTE</i>		<i>Employment</i>	
	<i>LTE</i>	<i>TOTAL</i>	<i>RLTE</i>	<i>LTE</i>	<i>TOTAL</i>	<i>RLTE</i>	<i>Growth 92-02</i>	<i>Growth 92-02</i>		
<i>BE</i>	585	1484	39.4%	763	1721	44.3%	178	30.4%	237	16.0%
<i>DE</i>	4663	15245	30.6%	5970	16166	36.9%	1307	28.0%	920	6.0%
<i>DK</i>	376	1222	30.7%	367	1282	28.6%	-9	-2.4%	60	4.9%
<i>ES</i>	1289	4211	30.6%	2020	6091	33.2%	731	56.7%	1880	44.6%
<i>FR</i>	3837	9505	40.4%	4633	10822	42.8%	796	20.8%	1317	13.9%
<i>GR</i>	555	1280	43.3%	712	1506	47.2%	157	28.3%	226	17.7%
<i>IE</i>	113	406	27.7%	186	733	25.5%	74	65.8%	327	80.5%
<i>IT</i>	2737	7197	38.0%	3614	8199	44.1%	877	32.0%	1002	13.9%
<i>LU</i>	16	61	25.5%	28	75	37.4%	13	81.6%	15	24.0%
<i>NL</i>	663	2608	25.4%	876	3556	24.6%	214	32.3%	949	36.4%
<i>PT</i>	790	1987	39.8%	1054	2323	45.4%	264	33.4%	336	16.9%
<i>UK</i>	2424	11447	21.2%	3639	12768	28.5%	1216	50.1%	1321	11.5%
<i>EU12</i>	18046	56653	31.9%	23863	65243	36.6%	5817	32.2%	8589	15.2%

601,000, which signified employment growth of 52.3 percent, the rate of long-term employment had declined from 39.9 percent to 33.2 percent. There is a similar trend in the Netherlands where total employment growth of 1.6m overshadows the rise in long-term jobs. Thus the level of long-term employment in the Netherlands increased by 371,000 from 2.3m to 2.6m, representing an expansion of long-term employment of 16.4 percent, while the rate of long-term employment decreased from 34.3 percent to 32.3 percent. In general, however, Table 2 describes a relative and absolute increase in long-term employment across Europe. Thus by 2002 the rate of long-term employment had increased in Greece from 49 percent to 52.1 percent, in Italy from 43.6 percent to 47.7 percent, in France from 42.4 percent to 44.1 percent and in Spain from 37.5 percent to 38.7 percent and, at the lower end of the spectrum, in the UK from 28.6 percent to 32.0 percent. While the expansion of the long-term workforce was 16.6 percent for the EU12, the growth of the long-service workforce was fastest in Luxembourg (40.2 percent), Spain (30.0 percent), Portugal (27.0 percent), Ireland (26.7 percent) and below the EU12 average in Germany (11.6 percent) and Belgium (12.1 percent). With the exception of Denmark, which lost 10,000 long-term jobs, all countries have contributed to the increase in the long-term workforce with large long-term job gains registered in the UK (1.7m), Germany (1.5m), Italy (1.4m), Spain (1.4m) and France (1.2) which together contributed 7.2m of the 8.7m additional long-term jobs.

**TABLE 3(b)**  
**The distribution of long-term employment among men in Europe from 1992 to 2002 (thousands)**

	<i>Male 1992</i>			<i>Male 2002</i>			<i>LTE</i>		<i>Employment</i>	
	LTE	TOTAL	RLTE	LTE	TOTAL	RLTE	Growth 92-02		Growth 92-02	
<i>BE</i>	1086	2286	47.5%	1111	2331	47.7%	25	2.3%	45	2.0%
<i>DE</i>	8640	21283	40.6%	8882	20109	44.2%	242	2.8%	-1174	-5.5%
<i>DK</i>	492	1414	34.8%	491	1458	33.7%	-1	-0.2%	44	3.1%
<i>ES</i>	3549	8682	40.9%	4270	10149	42.1%	721	20.3%	1467	16.9%
<i>FR</i>	5487	12443	44.1%	5908	13063	45.2%	421	7.7%	621	5.0%
<i>GR</i>	1248	2400	52.0%	1346	2442	55.1%	98	7.8%	43	1.8%
<i>IE</i>	346	743	46.6%	395	1017	38.8%	48	14.0%	274	36.9%
<i>IT</i>	6251	13422	46.6%	6758	13558	49.8%	507	8.1%	135	1.0%
<i>LU</i>	44	104	42.0%	55	113	48.5%	11	25.4%	9	8.7%
<i>NL</i>	1606	4006	40.1%	1763	4620	38.2%	157	9.8%	614	15.3%
<i>PT</i>	1026	2522	40.7%	1252	2810	44.6%	226	22.0%	288	11.4%
<i>UK</i>	4955	14319	34.6%	5420	15571	34.8%	465	9.4%	1252	8.7%
<i>EU12</i>	34731	83624	41.5%	37650	87242	43.2%	2919	8.4%	3618	4.3%

In analysing the expansion of long-service workforce in Europe by gender, Tables 3(a) and 3(b) are considered. The former shows that total job gains for women of 8.6m represented an increase of 15.2 percent for the period 1992 to 2002. This total is made up of specific contributions from Spain (1.9m), the UK (1.3m), France (1.3m), Italy (1.0m) the Netherlands (0.9m) and Germany (0.9m). Table 3(a) shows that the countries with a largest rate of long-term employment among women in 1992 were Greece (43.3 percent), France (40.4 percent), Portugal (39.8 percent), Belgium (39.4 percent) and Italy (38.0 percent). The countries with relatively low rates of long-term employment among women in 1992 were the UK (21.2 percent), Luxembourg (25.5 percent) and Ireland (27.7 percent). By 2002 the rates of long-term employment for women had increased particularly in Greece from 43.3 to 47.2 percent, in Italy from 38.0 percent to 44.1 percent, in Portugal from 39.8 percent to 45.4 percent at the higher starting points, while in the UK the rate of long-term employment for women had increased from 21.2 percent to 28.5 percent, showing some degree of convergence on the EU average of 36.6 percent. By 2002 the rate and level of long-term employment among women had increased substantially across most member states. The expansion of the long-service female workforce of 5.8m consisted of contributions from Germany (1.3m), the UK (1.2m), Italy (0.9m), France (0.8m) and Spain (0.7m). Exceptionally, in Denmark the long-service female workforce declined by 9,000 representing a loss of 2.4 percent.

In the case of the Netherlands and Ireland the decrease in the relative rates of long-term employment arises because the rapid expansion of the economy has meant that total employment gains have overtaken the increases in the level of long-term job gains. Thus the level of long-term employment of women in the Netherlands increased from 663,000, which represented 25.4 percent of the female workforce in 1992, to 876,000 which represented only 24.6 percent of the female workforce in 2002, while over the same period, the level of long-term employment among Irish women increased from 113,000, representing 27.7 percent of the female workforce, to 186,000 which represented only 25.5 percent of the female workforce.

Table 3(b) describes the total employment change and the variation in the long-service workforce for men across the European Union. Additional job gains in Spain (1.5m), the UK (1.2m), the Netherlands (0.6m) and France (0.6m), together with large job losses in Germany (1.2m), largely accounted for net employment expansion for men of 3.6m. The higher relative employment growth rates were recorded in Ireland (36.9 percent) and the Netherlands (15.3 percent), with negative growth rates in Germany of (-5.5 percent).

In considering long-service employment in the male workforce the rate of long-term employment in 1992 was significantly higher than the EU12 average of 41.5 percent in Greece (52.0 percent), Belgium (47.5 percent), Italy (46.6 percent) and Ireland (46.6 percent), and significantly lower than the EU12 average in the UK (34.6 percent) and Denmark (34.8 percent). By 2002 the expansion of the male long-term workforce of 2.9m consisted of long-term job gains in Spain (0.7m), the UK (0.5m), Italy (0.5m) and France (0.4m). In terms of the proportion of long-term employment among men, the rate increased in Greece to 55.1 percent from 52.0 percent, the Italian rate increased to 49.8 percent from 46.6 percent, in Luxembourg to 48.5 percent from 42.0 percent and in Germany to 44.2 percent from 40.6 percent. At the opposite end of the spectrum the rates of male long-term employment decreased from 46.6 percent to 38.8 percent in Ireland and in the Netherlands from 40.1 percent to 38.2 percent. However, in absolute terms the stock of long-service jobs in Ireland increased slightly from 0.3 to 0.4m, while in the Netherlands the stock of long-term jobs increased from 1.6m to 1.7m.

Overall, Tables 3(a) and 3(b) reveal strong gender distinctions, in Germany with female employment expansion and male employment contraction, but for most member states, employment adjustment for men and women is positive, albeit with more substantial growth rates recorded for women. In terms of the long-service workforce in most member states, there is a strong association between increases in the rate of long-term employment and the lengthening of job tenure for women.

## **Industrial Restructuring and Changes in Long-term Employment**

To facilitate the analysis of long-term employment and industrial restructuring the following section separately considers the expanding and contracting sectors and explores the implications for the long-service workforce in the EU. Table 4(a) highlights those industries in the European Union that have experienced both a decline in the total labour force and a loss of long-service employment, namely agriculture, fishing, mining and utilities. In the first instance it is noted that these occur in industries with very stable workforces, such that in 1992 more than half the workforce were in long-term employment in agriculture (55.0 percent), utilities (55.1 percent) and mining (51.8 percent), with some 41.8 percent in fishing employed long term. It is also noted that this group of industries constitutes a very small proportion of the European workforce, employing 7.6 percent of the workforce in 1992 and 5.1 percent of the workforce in 2002.

Thus total employment has declined in the agricultural sector, with the loss of nearly 2.2m jobs which represented more than a quarter of the agricultural workforce in the European Union in 1992. Employment in mining fell by some 0.4m jobs or 44 percent of the workforce in the same period, while utilities experienced almost 0.3m job losses which represented almost a fifth of the workforce in 1992. These industries lost a total of 1.3m long-service jobs, with contraction greatest in agriculture which lost over a million long-term jobs. However, the loss of long-term jobs has been eclipsed by the declines in total employment such that the proportion of the shrinking workforces who were long-term employed had actually increased. Thus, between 1992 and 2002 the rate of long-term employment in agriculture had increased from 55.0 percent to 56.9 percent, in fishing from 41.8 percent to 47.4 percent, in mining from 51.8 percent to 55.4 percent and in utilities from 55.1 percent to 60.5 percent.

Table 4(b) describes a process of labour hoarding alongside job shedding. Manufacturing employment declined in the European Union such that some 3.2m jobs were lost between 1992 and 2002 which represented a contraction of some 9.8percent. In respect of the long-service workforce, by contrast, there was a very modest expansion in manufacturing such that the numbers employed long-term increased by 59,000, which represented an increase of some 0.5 percent of the long-service workforce. Thus, by the end of the period, the rate of long-term employment in manufacturing increased from 39.4 percent to 43.9 percent. In the distribution sector, total employment fell by some 1.5m jobs which represented a contraction of some 6.2 percent of the workforce. At the same time the long-service workforce increased by 0.4m or 5.8 percent such that the proportion of the workforce with their employer for ten years or more increased from 30.3 percent to 34.2 percent.

The industrial sectors that experienced employment growth alongside

**TABLE 4(a)**  
**Shrinking sectors and declining long-term employment in the EU from 1992 to 2002 (thousands)**

	1992			2002			LTE		Employment	
	LTE	TOTAL	RLTE	LTE	TOTAL	RLTE	Growth 92-02		Growth 92-02	
<i>Agriculture</i>	4426	8047	55.0%	3346	5881	56.9%	-1080	-24.4%	-2166	-26.9%
<i>Fishing</i>	107	256	41.8%	95	201	47.4%	-12	-11.2%	-55	-21.6%
<i>Mining</i>	453	875	51.8%	271	490	55.4%	-182	-40.1%	-385	-44.0%
<i>Utilities</i>	773	1402	55.1%	687	1137	60.5%	-86	-11.1%	-265	-18.9%

**TABLE 4(b)**  
**Shrinking sectors and increasing long-term employment in the EU from 1992 to 2002 (thousands)**

	1992			2002			LTE		Employment	
	LTE	TOTAL	RLTE	LTE	TOTAL	RLTE	Growth 92-02		Growth 92-02	
<i>Manufacturing</i>	12788	32447	39.4%	12847	29275	43.9%	59	0.5%	-3173	-9.8%
<i>Distribution*</i>	7195	23709	30.3%	7612	22246	34.2%	417	5.8%	-1462	-6.2%

**TABLE 4(c)**  
**Expanding sectors and increasing long-term employment in the EU from 1992 to 2002 (thousands)**

	1992			2002			LTE		Employment	
	LTE	TOTAL	RLTE	LTE	TOTAL	RLTE	Growth 92-02		Growth 92-02	
<i>Construction</i>	3444	10784	31.9%	4147	12071	34.4%	702	20.4%	1287	11.9%
<i>Hotels</i>	1078	5109	21.1%	1482	6374	23.2%	403	37.4%	1265	24.8%
<i>Transport</i>	3911	8499	46.0%	4064	9349	43.5%	153	3.9%	851	10.0%
<i>Financial Intermediaries</i>	1928	4421	43.6%	2465	5211	47.3%	537	27.8%	791	17.9%
<i>Public Admin.</i>	5286	10922	48.4%	6848	11741	58.3%	1562	29.5%	819	7.5%
<i>Education</i>	4038	8831	45.7%	4945	10396	47.6%	906	22.4%	1564	17.7%
<i>Health and Social Work</i>	2854	7886	36.2%	5735	14328	40.0%	2882	101.0%	6442	81.7%
<i>Other Social Services</i>	1971	6793	29.0%	2451	7227	33.9%	480	24.4%	434	6.4%
<i>Private Households</i>	277	1311	21.2%	426	1657	25.7%	149	53.7%	345	26.3%
<i>Real Estate and Business Services</i>	1715	6966	24.6%	3856	13951	27.6%	2141	124.8%	6984	100.3%

\* Due to changes in industrial classification 1993 figures are used and italicized

increases in the level and rate of long-term employment are highlighted in Table 4(c). Job gains were remarkably strong in real estate, renting and business services which reported 7.0m additional jobs representing a doubling of the size of the sector. Similarly, in health and social services 6.4m new jobs were reported, representing employment growth of 81.7 percent. Less spectacularly, but still significantly, employment growth was recorded in education with 1.6m job gains representing growth of 17.7 percent, in construction 1.3m job gains (11.9 percent) and in hotels and catering with additional job gains of 1.3m representing employment growth of 24.8 percent. Employment growth was relatively modest in transport with 0.9m additional jobs representing a 10 percent employment expansion, while in public administration the additional 0.8m jobs represented growth of 7.5 percent in the sector. In 1992 the rate of long-term employment varied between 21.1 percent in hotels, catering and restaurants at the lower end of the spectrum, to public administration with 48.4 percent. By 2002 there were increases in the rates of long-term employment in public administration (48.4 percent to 58.3 percent), financial intermediaries (43.6 percent to 47.3 percent) and education (45.7 percent to 47.6 percent). Whereas at the other end of the scale, significant long-term employment growth from lower base rates was recorded in other social services (29.0 percent to 33.9 percent), in private households (21.2 percent to 25.7 percent) and in real estate rental and business services (24.6 percent to 27.6 percent).

In real estate renting and business services the dramatic pace of employment expansion which doubled the size of the sector and added 7.0m jobs might have depressed the relative size of the long-term workforce. However, there were 2.1m additional long-term jobs which expanded the long-service workforce by 125 percent. The expansion of the long-service workforce has also been extraordinary in health and social services which rose by 2.9m or by 101 percent. Long-term employment in public administration increased by 1.6m representing a 30 percent growth. The expansion of construction was expressed in 0.7m additional long-term jobs which increased the long-service workforce by 20.4 percent. Additional long-term jobs also occurred in education, 0.9m (22.4 percent), financial intermediaries with 0.5m (27.8 percent) and in hotels catering and restaurants, where 0.4m long-term job gains swelled the long-service workforce by 37.4 percent.

### **An Overview of Industrial Restructuring and Long-term Employment in Europe**

The statistical evidence on long-term employment challenges conventional wisdom on several counts. In the first place the evidence indicates that any decline in labour retention was confined to a few sectors, namely agriculture,

fishing, mining and utilities that constituted less than 7.6 percent of the workforce in 1992 and some 5 percent in 2002. In fact, in numerical terms, the decline in long-term employment in the EU largely emanated from agriculture. Moreover, these industries have not declined under the impact of technological developments as the insecure worker thesis suggests. The principal reason for employment decline in these industries was the changes in government policies. The privatization and deregulation of the water, gas, electricity and mining industries have served to reduce total and long-term employment. Changes in EU and central government subsidies for agriculture have accelerated the rationalization of the farming industry with the consequent loss in long-term employment. Labour market attachment therefore declines in relatively small sectors of the economy and for very specific reasons. It is therefore suggested that the loss of long-term employment, such as it is, cannot explain the widespread public perceptions of job insecurity.

More widely, the evidence strongly demonstrates that the expansion of long-term employment is spread across public and private sectors and traditional and modern industries. Long-term employment is increasing in those sectors in which total employment is both expanding and contracting. In manufacturing there is evidence of job shedding and also labour hoarding. At this level of aggregation there is no evidence to show that the new service industries place any smaller premium on the retention of staff than the traditional industries. Long-term employment is increasing relatively and absolutely in industries that have higher rates of labour turnover such as hotels, restaurants and catering, and construction. Contrary to the impressions arising from the flexibility debates, it appears that employers increasingly prioritize the retention of staff. The statistical evidence strongly suggests a generic rise in the tendency to retain workers long term with specific exceptions in a small number of sectors whose fate has been determined by changes in EU and central government policies. If any specific sector can claim to demonstrate the arrival of the 'new economy', it is probably real estate, rental and business services which contains much research and development activities and computing activities. It has experienced very fast employment growth between 1992 and 2002, expanding by 100 percent in this period. However, the long-service workforce in this sector has grown by 125 percent which is one of the clearest signs that the expanding sectors of the new economy place a strong priority on the retention of staff.

### **Long-term Employment and Occupational Change in Europe**

In the eleven years covering the period from 1992 to 2002, employment growth in Europe has been accompanied by occupational change with significant implications for the long-service workforce. Table 5 describes occupational change

within the European workforce between 1992 and 2002 and shows large job gains among technicians (6.7m), professionals (3.4m) and service and sales (4.6m), and job losses among manual occupations and 1m craft jobs lost and 93,000 jobs lost in skilled agriculture. The occupational distribution of long-term employment described in Table 5 shows that labour retention is associated with occupations that have a higher social and technical skills content and, conversely, that labour turnover is similarly higher in low skilled occupations. Thus, at one end of the spectrum, some 27.6 percent of the low skilled workforce in elementary occupations were employed long term in 1992, which was significantly lower than the European average of 37.6 percent. At other end of the range, the higher proportions of the workforce employed long term were found in skilled agriculture (59 percent) with managers (44.9 percent) and professionals (41.5 percent). Moreover, the strong association between skill content and long-service employment increased in the eleven years to 2002. While total employment expansion has been significant among technicians (38.9 percent) sales and service grades (28.1 percent) and professionals (21.7 percent) the increase in the long-service workforce has been even more remarkable such that the long-service employment has increased by 55.9 percent for technicians, by 31 percent for professionals and by 35.6 percent for sales and service. Among elementary occupations the expansion of the long-service workforce has been modest with additional gains of 235,000 (6.0 percent). In similar manner to the case of manufacturing it is revealing that, while total employment of craft workers has declined by 1m or 4.3 percent, the long-term employment of craft workers has increased absolutely and relatively. Thus the number of long-term craft workers has increased by 400,000, representing an increase of 4.6 percent in the long-service workforce in skilled manual occupations.

### **Part-time Employment and the Long-term Workforce**

Precariousness in labour markets has been strongly associated with the rise of what some call non-standard or 'atypical' employment. The normative assumptions underlying the use of this term are barely concealed (i.e. that mainstream employment is rooted in the male full-time labour force). A second feature of discussions of atypical employment is also significant for present purposes. The term suffers from the generalization that is a feature of many contemporary models of the labour market which lump together disparate labour market groups into some core or periphery, or primary or secondary labour market. Thus casual, temporary, self- and part-time employment can be included under one category and located in some marginal position within the labour force. This is particularly unhelpful when considering the position of part-time



**TABLE (5)**  
**Occupational change and long-term employment in Europe from 1992 to 2002 (thousands)**

	1992			2002			LTE		Employment	
	LTE	TOTAL	RLTE	LTE	TOTAL	RLTE	Growth 92–02		Growth 92–02	
<i>Managers</i>	5105	11371	44.9%	5934	12536	47.3%	829	16.2%	1165	10.2%
<i>Professionals</i>	6529	15724	41.5%	8551	19141	44.7%	2022	31.0%	3416	21.7%
<i>Technicians</i>	6523	17162	38.0%	10168	23842	42.6%	3644	55.9%	6680	38.9%
<i>Clerical Workers</i>	6807	19113	35.6%	8195	19718	41.6%	1387	20.4%	605	3.2%
<i>Service and Sales</i>	4653	16384	28.4%	6309	20987	30.1%	1655	35.6%	4603	28.1%
<i>Skilled Agriculture</i>	2854	4836	59.0%	2858	4743	60.3%	4	0.1%	–93	–1.9%
<i>Craft</i>	8733	23080	37.8%	9133	22092	41.3%	400	4.6%	–988	–4.3%
<i>Machine Operators</i>	5137	12447	41.3%	5284	12759	41.4%	147	2.9%	312	2.5%
<i>Elementary</i>	3951	14314	27.6%	4186	14555	28.8%	235	6.0%	240	1.7%
<i>EU12</i>	52777	140277	37.6%	59903	152485	39.3%	7126	13.5%	12207	8.7%

employment and labour market attachment. Part-time workers are 'tarred with the same brush' as temporary or casual staff and are consequently perceived to have only a tenuous connection to the labour market. Part-time workers make up the largest segment of the so-called 'periphery' which is associated with and characterized by the experience of a much smaller number of employees who are precariously attached to the world of work. Moreover, the different forms of part-time work need to be analysed. The young sales staff of fast food outlets who are working to earn additional money while they attend college do not have the same orientation to work as, say, the part-time employee of a local authority education department.

In the first instance, Table 6 records that there have been modest job gains among the full-time workforce which expanded by 4.7m or 3.9 percent to reach 125m in the year 2002. However, the expansion of the part-time workforce was more significant with an increase of 7.6m part-time jobs to reach 27.7m representing an increase of 37.5 percent of the part-time workforce. During the period from 1992 to 2002 the rise in the level and the rate of long-term employment was much more impressive with an expansion of the long-term workforce among full-timers from 47.5m (39.6 percent) to 53.3m (42.7 percent). Expressed differently, while the total job gains were 3.9 percent, the long-service workforce increased by 12.1 percent. Employment growth among the part-time workforce significantly exceeded the expansion of the full-time workforce with part-time job gains of 7.6m increasing the part-time workforce from 20.1m to 27.7m. In terms of long-service part-time workers, the level and the rate of long-term employment increased from 5.2m to 8.2m or from 25.9 percent to 29.6 percent. Expressed differently, whereas the total part-time workforce grew by some 37.5 percent, the long-term part-time workforce expanded by 57.4 percent.

Table 6(a) describes variations in the level of employment by gender among full-time and part-time workers and considers them in relation to shifts in long-term employment. It shows that women working full time increased by 3m between 1992 and 2002, representing an increase of 7.6 percent. Part-time jobs for women increased by 5.5m or by 33.7 percent. Thus the proportion of women working part time in 1992 was 29.1 percent and in 2002 it had increased to 33.7 percent. The rate of long-term employment among women full-timers was 33.7 percent in 1992 which increased to 39.1 percent by 2002. The rate of long-term employment among part-time women workers was 27.2 percent in 1992 and 31.5 percent in 2002. Both full-time and part-time jobs swelled the ranks of the long-term workforce among women. The long-service workforce for women increased by 5.8m of which 3.4m were full time and 2.5m were part time. Expressed differently, while total part-time employment among women grew by 33.7 percent, long-term part-time employment grew by 57.4 percent.

**TABLE 6**  
**Part-time, full-time and long-term employment in the EU 1992–2002 (thousands)**

	1992			2002			LTE		Employment	
	LTE	TOTAL	RLTE	LTE	TOTAL	RLTE	Growth 92–02		Growth 92–02	
<i>Full-time</i>	47566	120150	39.6%	53313	124804	42.7%	5747	12.1%	4655	3.9%
<i>Part-time</i>	5211	20128	25.9%	8200	27681	29.6%	2989	57.4%	7553	37.5%
<i>EU12</i>	52777	140277	37.6%	61513	152485	40.3%	8736	16.6%	12207	8.7%

**TABLE 6(a)**  
**Part-time, full-time and long-term employment in the EU by gender**  
**from 1992 to 2002 (thousands)**

<i>Female</i>	1992			2002			LTE		Employment	
	LTE	TOTAL	RLTE	LTE	TOTAL	RLTE	Growth 92–02		Growth 92–02	
<i>Full-time</i>	13563	40190	33.7%	16921	43236	39.1%	3358	24.8%	3046	7.6%
<i>Part-time</i>	4483	16464	27.2%	6943	22007	31.5%	2460	54.9%	5543	33.7%
<i>EU12</i>	18046	56653	31.9%	23863	65243	36.6%	5817	32.2%	8589	15.2%

**TABLE 6(b)**  
**Part-time, full-time and long-term employment in the EU by gender**  
**from 1992 to 2002 (thousands)**

<i>Male</i>	1992			2002			LTE		Employment	
	LTE	TOTAL	RLTE	LTE	TOTAL	RLTE	Growth 92–02		Growth 92–02	
<i>Full-time</i>	34003	79960	42.5%	36392	81568	44.6%	2389	7.0%	1609	2.0%
<i>Part-time</i>	728	3664	19.9%	1257	5674	22.2%	529	72.7%	2010	54.8%
<i>EU12</i>	34731	83624	41.5%	37650	87242	43.2%	2919	8.4%	3618	4.3%

It is also interesting to note that although women constitute a large majority of the part-time workforce there is a discernible rise in male part-time employment (Table 6(b)). In fact, while male full-time employment increased by 1.6m, the part-time employment of men increased by 2m. The rise in male employment is attributable in significant measure to additional part-time jobs such that the male part-time workforce expanded by 2m or by 54.8 percent. In terms of long-term employment among men, of the 2.9m additional long-term jobs, 2.4m are full time and 0.5m are part time.

**TABLE 7**  
**Long-term employment and demographic change in European workforce from 1992 to 2000**

Age	1992			2000			LTE		Employment	
	LTE	TOTAL	RLTE	LTE	TOTAL	RLTE	Growth 92-00	92-00	Growth 92-00	92-00
15-24	na	20152	na	na	16996	na	na	na	-3155	-15.7%
25-34	6600	38482	17.2%	7200	38965	18.5%	600	9.1%	483	1.3%
35-44	17241	36499	47.2%	19532	41517	47.0%	2291	13.3%	5018	13.7%
45-54	18053	29324	61.6%	21621	34205	63.2%	3568	19.8%	4881	16.6%
55-64	9539	13594	70.2%	10237	14668	69.8%	698	7.3%	1073	7.9%
65+	1192	1838	64.8%	1258	1844	68.2%	66	5.6%	6	0.3%
Total	52713	139889	37.7%	59903	148195	40.4%	7190	13.6%	8306	5.9%

### Long-term Employment and the Ageing of the Workforce

Table 7 describes the changing age profile of the EU 12 workforce between 1992 and 2000 and considers the implications of the life course for long-term employment. Employment expansion and contraction has been age specific such that the share of employment among the younger and older age groups varies over the period. Employment has fallen substantially for young people in the 15-24 age group with a decline of 3.1m jobs or 15.7 percent in this period. This is a function of demographic change with a shrinkage of the younger age group and a change in their labour market participation due to larger numbers staying on in school and in further and higher education. Interestingly, the latter has resulted in the growth of the student labour market in Europe with the growth of part-time employment for students during their school and college years. With older age groups, employment expansion has been significant. The 35-44 group has expanded by 13.7 percent and the 45-54 age group has expanded by 16.6 percent. The ageing of the workforce was such that in 1992 some 47 percent of the workforce were in the 35-54 age range and in a relatively short period of time, from 1992 to 2000, was increased to 51 percent. Employment in the 55-64 age group has shown a slight increase from 13.6m to 14.6m, which represented an increased share of 9.7 percent to 9.9 percent in this period. In the most senior age group, working at 65 years or older, employment has changed little.

The age profile of the long-service workforce reveals that the rate of long-term employment varied from 17.2 percent among 25-34-year-olds to 70.2 percent in the 55-64 group. The same trend was little changed by 2000 with 18.5 percent of the 25-34 group employed long term and 69.8 percent of 55-64 year olds. Yet the expansion of the long-term workforce is best explained by the

increased employment stability in the 35 to 54 age range. Half the expansion of the long-term workforce took place in the 45–54 age group with an increase of 3.6m long-term jobs, such that by 2000 the rate of long-term employment has risen from 61.6 percent to 63.6 percent. Therefore, in this group there was substantial employment growth of 16.6 percent, but this was eclipsed by an increase in long-term workforce of 19.8 percent. The rise in long-term employment among 35–44-year-olds has been significant with a 2.3m contribution to the 7.2m total expansion of the long-term workforce. Statistically, however, this expansion was in line with total employment gains and as a consequence there was relatively little change in the rate of long-term employment at some 47 percent.

The changing age profile of the labour force has sometimes been used to explain away the significance of rising long-term employment, by suggesting the ageing of the workforce includes more older-age workers who bring a greater stability to the labour market. Firstly, while a demographic analysis reveals very high levels of stability as the workforce ages, this has to be considered against changes in participation rates. The rate of long-term employment increases by age, but activity rates start to decline earlier in the life cycle. Secondly, employment expansion is confined to the middle ages and in the case of the 45–54 age group the rise of long-term employment is greater than total employment expansion. In other words, the tendency to retain older-aged labour is not simply a function of their greater supply.

### Conclusion

It is interesting that the *The Economist* recently noted that the first two years of this decade have seen a significant decline in references to the ‘new economy’, particularly in the United States. Arguably, the return to the traditional cycle of labour market recession and business downturn, coming as it did after the collapse of the dot.com boom, does not offer the most auspicious context for discussion of the enchanted world of the new economy. There are, however, wider signs that the discussion, like its precedents, had run out of steam. After all, discussion of the ‘knowledge economy’ is now 40 years old and there are natural limits on the claim to novelty (Drucker, 1969). In such circumstances the discussants can opt for number of paths ranging between revisionism and extremism. The latter route, I would argue, has been taken by a surprising number of people, including, in their own ways, Beck and Castells. Out goes the new economy, in comes the ‘new new economy’ in which the proponents offer more extreme scenarios in which labour markets collapse and corporate structures fragment to such an extent that organizational forms disperse into loosely connected networks of service providers, facilities managers, producers, design-

ers, technicians and sales people. When, in the mid-1990s Bridges (1996) and Handy (1994) talked about 'the end of jobs for life' and careers replaced by portfolios of temporary contracts, it now appears that this too has been surpassed. In the *New Rules for the New Economy*, Kelly (2001) suggests that 'even the sequence of rapid job changes for workers is on its way out'. For Kelly and others such as John Howkins there is a 'Hollywood model' of restructuring in which work will be characterized by 'networks of multiple and simultaneous commitments with a constant churn of new skills and outmoded roles'.

On the basis of the evidence provided here, however, it is possible to conclude that the idea of labour market fragmentation and disaffiliation that is said to attend the emergence of some 'new economy' is implausible. The 'fast capitalist texts' envisage a world in which technology innovates at such breathtaking speed that even the most competitive companies are barely able to keep pace. Furthermore, capital is said to have broken free of its dependency on labour (Bauman, 2001) and in this weightless world of virtual economics the worker is led to fend for her/himself without the institutional support of the conventional labour market. Yet it would seem that European employers increasingly prioritize the retention of labour.

Where long-term employment has declined, it is recorded in the primary industries of agriculture, fishing and mining and also in utilities. These sectors together now account for five percent of the labour market and this experience runs counter to trends in the rest of the economy which have witnessed an increase in the long-term workforce. In these primary industries, labour market adjustment has little to do with technological change and the new economy, but with changes in government policies and state subsidies. The sector that is particularly associated with research and development and information technology, the business services sector has doubled in size and has also experienced a dramatic expansion of the long-service workforce. However, at the opposite end of the spectrum, long-term employment has increased in the high turnover industries of hotels, catering and restaurants and in distribution. This suggests that trends towards '*McDonaldization*' (Ritzer, 2000) are confined, almost literally, to the fast food industries.

Industrial restructuring finds its corollary in the occupational shifts within the workforce. Employment expansion has been rapid in managerial, professional, technical, clerical and sales occupations, but total job gains have taken place alongside a dramatic increase in long-term employment. The occupational shift from manual work has affected total employment rather than long-term employment, suggesting both job shedding and labour hoarding among craft workers. This strongly reinforces the association between social and technical skills and the retention of labour. Other aspects of compositional change include the demographic effects of the changed age profile of the workforce. While ageing

is associated with increased labour market stability, this has to be considered alongside changes in the participation rates. The rise in long-term employment is linked to the middle age groups between 35 and 54 but the tendency to retain older-age workers is not simply a function of their greater supply.

Finally, the evidence presented here strongly suggests that dual labour market models need to be revisited in terms of labour market attachment and numerical and temporal flexibility. The bracketing of part-time and temporary employees as part of some periphery needs to be challenged. This research strongly supports the position of Tilly (1992) that part-time employment presents a mechanism for integration into the labour market as well as marginalization or exclusion. The rise of long-term, part-time employment for women suggests that atypical employment does not lead to labour market detachment but its opposite in the mainstreaming of new employment practices that facilitate the long-term retention of labour.

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