

## TRENDS IN JOB CREATION IN EUROPE

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**Abstract:** The main purpose of this paper is to identify new job creation in Europe and analyzes different findings from literature sources about trends that are currently more active.

With work, we can refer to an activity that is carried out by one or more people voluntarily to achieve payment. And by work trend, we refer to that type of work which has gained a greater expansion and is being worked on more in the European market, not every time it is meant that that work is paid more but that it is simply being demanded more by companies, businesses, institutions private or public.

The methodology used for this paper is a literature review of the latest research and data about job creation in Europe. The labor market in Europe recently started to change a lot, especially during and after the pandemic, thus enabling great growth in the technology sector. Considering that new technologies are constantly coming into this stream, new opportunities are also being made possible. But not always with good results, as AI technology is predicted to replace thousands of workforces in the future. The strongest growth of jobs is predicted in professional, scientific, and services technical, as well as in human health and social work, while the biggest drop can happen in production. Technology has and will continue to create new jobs, recently we can often see calls for training for web-developer, application developers, media managers, influencers, etc.

Therefore, from this research review, we concluded that the main driver of job creation in Europe has been the service sector, which accounts for almost 80% of total employment in the EU. In recent years, the demand for highly skilled workers has increased, mainly due to the increased demand for ICT and other technology-related skills. Additionally, the digitization of manufacturing has led to a demand for workers with technological skills in the manufacturing sector. From all mentioned above it would be highly recommended that the European labor market be more careful about the future steps and invest in the right paths for better development in the future, such as pieces of training, education, diversity, and also on the latest technology trends.

**Keywords:** Job Creation, Labor Market, Employment, ICT Skills, Youth

### 1. INTRODUCTION

As mentioned above, work is any activity a person voluntarily executes for a benefit. A worker is a person conducting a type of work, and as profit for his result, he receives a kind of payment from the employer, which is based on the labor law of each country. In contrast, an employer is the legal entity that offers the work to people that have to perform the services and they pay them when these services are being conducted for the vision of the company. Labor law is built in a way that in all countries no one's rights get violated, everyone is equal, and there shall be no discrimination or violent work, especially with minors not working in severe conditions where their health can be also at risk, etc. Jobs contribute mostly to a country's overall economic growth and development by generating income, increasing productivity, and promoting innovation. Basically, being in the labor market will offer you access to various benefits, like different welfare benefits, health care, and retirement benefits, which are essential to every citizen and their families as well

Since Europe is Diverse, the European market is also extensive, so innovative ideas about job creation are constantly emerging, especially considering how lately the amount of things that technology has changed, but on the other side also how much globalization has influenced not just Europe but the whole world, including technology where no only Europe but the whole world now to look smaller.

In addition to technology, there have also been many significant changes, especially during the last decade, including the pandemic which suddenly hit not only Europe but the whole world, and then also the waves of migrations which have influenced both unemployment and the creation of new work.

According to Gangl (2002), European countries have experienced significant changes along each dimension over the past decade, so each of these developments could potentially have had significant effects on the labor market chances of young people and the structure of labor markets for young people in general.

In addition to technology, education also maintains a vital role in the employment of young people. Research by Beqiri & Selimi (2015) showed that in addition to the gender difference in the labor market, there is another factor which is education, noting that the higher the education, the greater the possibilities for work will be, as these people have more opportunities to be in the active market.

## 2. LITERATURE REVIEW

The right workers must be in the right jobs as they will be more creative, more motivated and will not constantly change careers or leave them. Work is essential, especially in Europe, because it provides individuals with financial stability, independence, and a sense of personal purpose and fulfillment.

According to Beqiri (2016), labor markets with changes and higher competition in the transition process have influenced the increase in unemployment in the economically active population. However, this has had higher consequences for women than men, and some have left the labor market.

From the worker's perspective, labor market outcomes depend crucially on their resource kinship because market mechanisms will generally allocate relatively more attractive workers to somewhat larger positions (Coleman, 1991).

Every individual in the world who meets the laws or criteria of a given country enjoys the right to work. Labor law foresees all the requirements of a job, including the labor relations and other aspects included within it.

In 2022, we all witnessed the beginning of the war that started in Ukraine from the state of Russia, seeing the impact it had there; apart from Ukraine, other European states also suffered economic crises, including Kosovo, with prices rising.

According to Endam & Mbah (2022), it was seen that only days after this crisis, the price of oil experienced a significant rise, and food items also took a downward turn.

In the article by Prohorvs (2022), it is said that in addition to impacting the global economy of Europe, this event will always have its signs on the economy of Europe and other countries abroad. Van Roy, Vértesy & Vivarelli (2018) argued that patented innovations fully display their labor-friendly nature in the new and emerging sectors, characterized by higher technological opportunities, by higher demand elasticity.

'Lifelong learning' or learning during life, according to Beqiri & Mazreku (2020) are things that should be given more importance, especially investment in human capital, seeing the demand for different skills that are coming and as a result of the changes in technologies the new and adaptation that we must do in order not to be left behind.

In research of the 'Cedefop' project done by (Wilson, 2007), different trends are predicted which will be created in the labor market, anticipating a decrease in the shares of those employed in the primary industry and the production sectors. And the increase in employment in services, increase in soldiers, increase in professors, IT people, etc. Findings from Južnik, Kontošić & Bojnec (2019). Boosting SME employment potential depends to a great degree on simplifying the regulatory and policy environment for SMEs and removing the remaining barriers to their development.

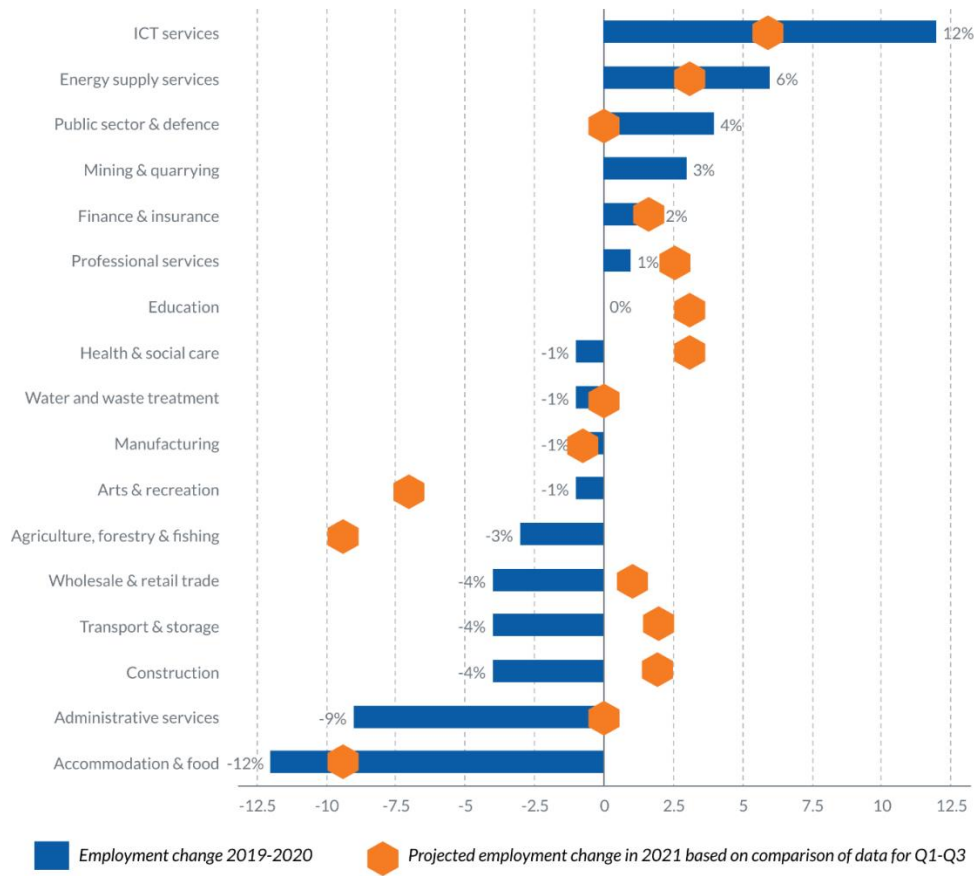
## 3. LABOR MARKET DURING COVID19

While in the period 2019-2021, during the time of Covid19, which shocked not only Europe but the whole world, there were ups and downs in different sectors. (see *Fig. 1*)

In the Cedefop report (2022), in Europe, the most outstanding achievement of jobs was made up of 200 million people. Still, after the pandemic, it suffered a drastic decrease where more than 2.5 million people lost their jobs, % of young people in training and education increased, but that of the oldest decreased.

According to a Eurostat report (2022), the COVID-19 crisis significantly impacted all European Union (EU) labor markets. Except for core workers, there was generally an increase in the number of people who usually worked from home. Other workforce members were affected differently: some were placed on leave schemes, others became unemployed, and some self-employed people lost their income.

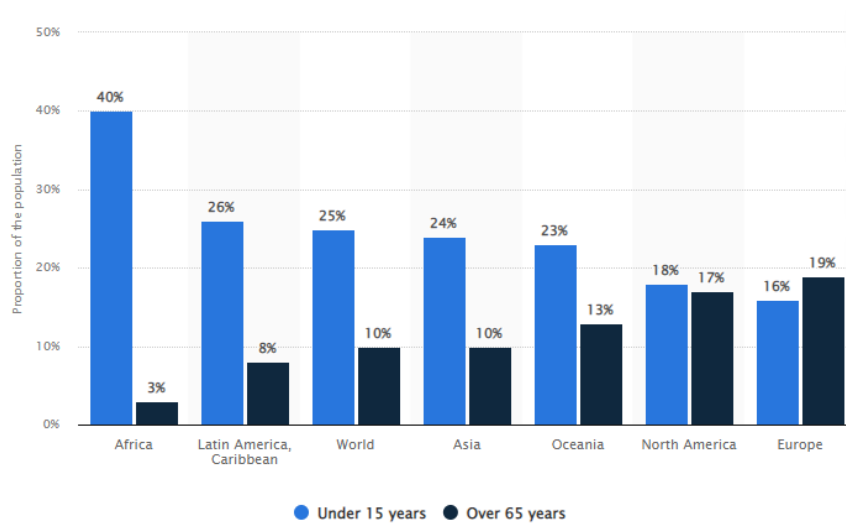
Figure 1 Employment change in the EU by sectors (2019-2020 and projection for 2021, in %) Source: Cedefop



**Data for 2022/23**

According to the latest report from United Nations (2022), the world's population reached 8 billion in November last year and is constantly growing. While only in the continent of Europe, there are close to 1 billion inhabitants. (see Fig.2)

Figure 2 Proportion of selected age groups of the world population and in regions in 2022 Source Statista 2022



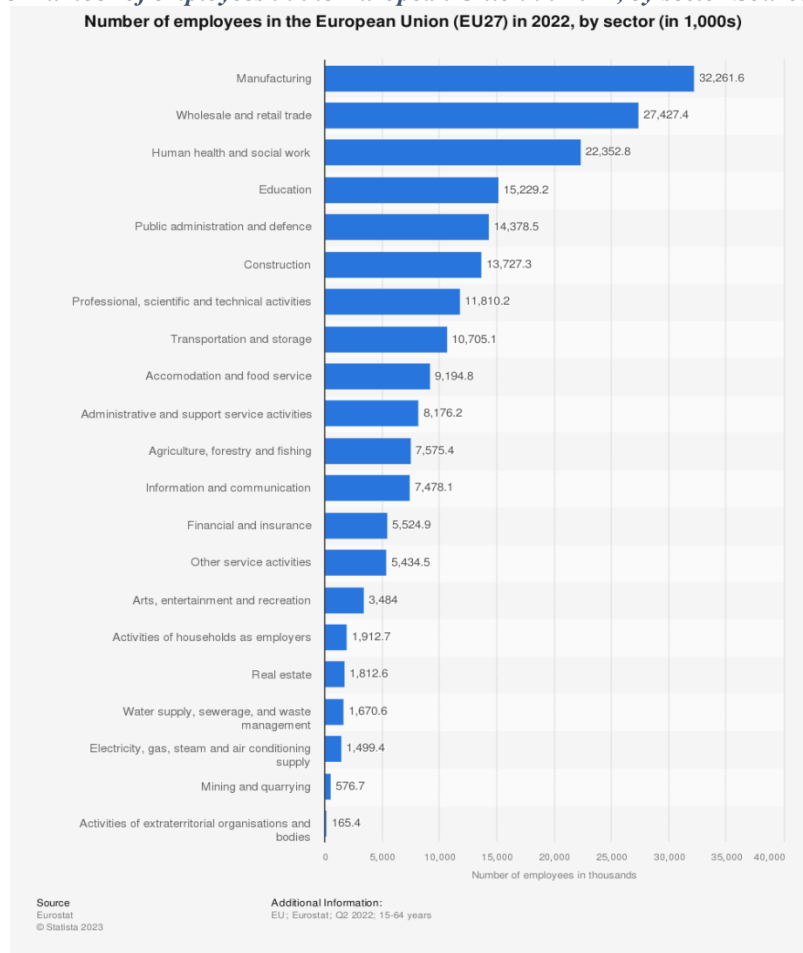
From this entire population, according to the research done recently by the Statista database (2022) “in the European labor market, the employment rate has managed to develop after the pandemic that hit the whole world where it reached 197 million employed people, in the 27 member states of the EU, the employment rate rose to 69.7%, led by the Netherlands, and the unemployment rate, which had increased to 7.7 percent during the pandemic, was only 6.2 percent by January 2022.”

From the sectors that have recorded the most growth, there have been “production and services sectors, reaching 32.2 million; trade, nearly 27.4 million; and human health and social work, which earned a value of almost 22.5 million”. (see Fig. 3). As roughly 80 % of all female employment in the European Union is to be found in the service sector, it is obvious that any analysis of the service sector must focus on its gender dimension Anxo & Storrie (2002).

And according to recent unemployment statistics from Statista (2023) from the European Union, the countries with the highest unemployment are “Spain, 12.5%, followed by Greece, 11.6%, while the opposite is the Czech Republic which has the lowest unemployment rate of only 2.1%.”

In the Republic of Kosovo, In March 2023, according to the latest publication of the Agency of Statistics (2023), “360,436 people were registered as employed with primary salary according to gender, of which 217,978 were men, and 132,495 were women. Meanwhile, 17,335 people have been registered as engaged with a secondary salary according to gender, of which 11,305 are men, and 5,299 are women. Employment according to activities and gender over the age of 15 was more remarkable in Public administration and defense, compulsory social insurance (22.7%); Wholesale and retail trade, repairs of vehicles and motorcycles (21.7%); Manufacturing (11.2%); Construction (6.2%); Accommodation activities and food services (5.5); Financial and insurance activities (5.3%), etc. Meanwhile, registered jobseekers by age group were 27,776 people, of which 15,139 were men, and 12,637 were women”.

**Figure 3** Number of employees in the European Union in 2022, by sector Source Statista



If we think about the future, we can only sometimes know what awaits us, especially when we constantly see changes in the economy, climate, and politics. To make predictions, research or megatrends are often done, which help predict new trends that will continue for years, whether positive or negative.

According to Gaub (2019), in the article about Europe's megatrends and global changes, Florence describes how Europe by the year 2030 will reach an even higher amount of population and the world will get over 8.6 billion inhabitants. Regardless of the growth in the economy of Europe, where a percentage of 3.4% to 3.6% was predicted, although not enough to improve employment, especially for all the young people, where new jobs will be produced but people will be unhappy. The negative side of the knowledge-based economy is not only limited to the job loss in manual work in manufacturing. The new technology has promoted the introduction of a new organization of work with flatter organizational structures and job loss in middle management Anxo & Storrie (2002).

Research by the Mc Kinsey Global Institute (2020) shows a very varied trajectory, including only 48 vibrant cities, home to only 20 percent of the continent's population, that have generated more than a third of jobs and population growth in the EU since 2007. "These cities—including Amsterdam, Copenhagen, London, Madrid, Munich, and Paris—have become the most attractive centers for attracting various workers despite the high cost of living, especially after the pandemic, which increased working from home". "Megacities with more than ten million people each, London and Paris are Europe's largest metropolises with a young workforce with high educational attainment. Workers are attracted to the concentration of high-growth industries (such as information and communications technology; financial services and insurance; and professional, scientific, and technical services). While superstar hubs, these 46 cities, which include Amsterdam, Copenhagen, Madrid, and Munich, also have a significant presence in high-growth industries such as finance and tech".

(2016) MC Kinsey Global Institute researchers show that the nature of work has also changed and will continue to change. Part-time jobs increased significantly in 22 of the 29 European countries. Until the COVID crisis, self-employment — including freelancers, workers for temporary staffing agencies, and gig economy workers — may have contributed 20 to 30 percent of all jobs.

Furthermore, reducing employment protection in almost all countries erodes working arrangements. These trends have contributed to significant changes in the social contract—the implicit relationship between individuals and institutions—over the past two decades.

The most vigorous job growth is projected in professional, scientific, and technical services, as well as human health and social work, while the most significant declines may occur in manufacturing. The Internet is and will continue to create new jobs; recently, we often see calls for training in web developers, application developers, media managers, influencers, etc. Balsmeier & Woerter(2019) found that investment in digital technologies is positively associated with the employment of high-skilled workers and negatively associated with the employment of low-skilled workers, with an overall positive net effect on employment. According to Lin (2011), approximately 4 million new jobs will be created in technology by 2030. Seeing the dominance of technology in the market in recent years, especially by AI in particular, it may require some completely new roles, but also the risk of replacing humans with advanced computer programs.

#### **4. DISCUSSIONS & CONCLUSIONS**

So far, European job creation has been on an upward trend since 2013, and from 2013 to 2018, employment in the European Union increased by 9.1 million, with the employment rate reaching a record high of 73.1% in the third quarter of 2019. Sweden, Germany, the Netherlands, and Denmark scaled the highest employment rates in the EU. These countries adopted policies that promoted flexible labor markets, invested heavily in education and different training, and incentivize businesses to invest and create jobs.

The services sector is a significant driver of job creation in Europe, which accounts for almost 80% of total employment in the EU. This sector also includes parts such as wholesale and retail trade, accommodation and food services, transport, warehousing, and professional and business services.

Another trend in creating jobs in Europe is the shift towards highly skilled positions. Recently we have seen the demand for highly skilled workers especially due to the higher requests for ICT and other skills that are related to technology. \ Even though there are lots of different positive trends, there are still and will be challenging in creating jobs across Europe. Specific groups, like women, the youth, and also people with disabilities, continue to face high levels of unemployment and underemployment. All these challenges need to have specific policies that address skills mismatch, and discrimination in the labor market, and also to have access to education and pieces of training.

In conclusion, Europe, for the past years, has seen steady growth in job creation, the service sector, and highly skilled jobs leading the way. However, there are still some challenges in creating jobs for all groups in society, and concerted efforts are needed to address these issues.

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