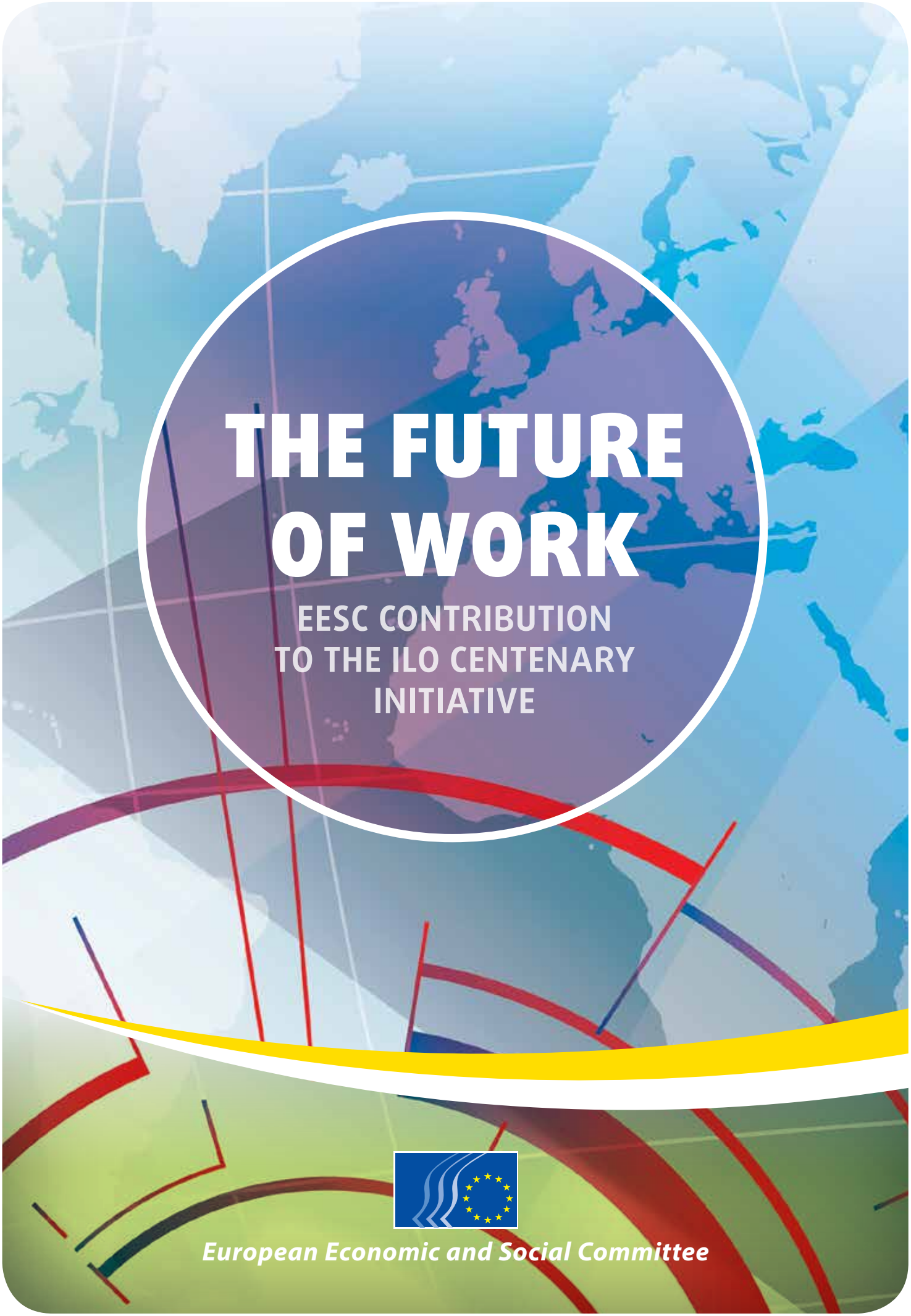
THE FUTURE OF WORK
EESC CONTRIBUTION TO THE ILO CENTENARY INITIATIVE
European Economic and Social Committee

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15 November 2016

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Left: poster of the High-level Conference: The Future of Work we want.

GEORGES DASSIS

President, European Economic and Social Committee (EESC)

Dear colleagues and friends, ladies and gentlemen,

I would like to start by welcoming you to the EESC – home of European civil society - and would like to thank Commissioner Marianne Thyssen most warmly for accepting our invitation to take part in the dialogue we are holding here today, as well as my long-standing friend Guy Ryder, Director-General of the International Labour Office, whom I would like to take this opportunity to congratulate publicly on his recent re-election for a second term. Dear Guy, I would like to assure you of our full support and our commitment to working together with the International Labour Office on this and all other issues of concern to organised civil society, not only in Europe but throughout the world.

Dear friends,

The world of work is changing, thanks to at least four medium- and long-term structural factors which now, more than ever, are influencing the content, nature and organisation of work: demographic change, globalisation, and the economic and technological crises (in particular the digital revolution).

As our Committee has said, "These developments challenge the traditional understanding of employment, working time and place, and companies".

The changes – in particular the developments of the digital age – raise questions of substance on the future and governance of work:

How do we adapt policies on the labour market and institutions?

How do we ensure decent working conditions and acceptable social welfare?

How do we create a favourable environment and a level playing field?

These challenges go beyond our borders. We cannot reflect on the future of work by considering the European context alone.

We need to take into account the impact of these challenges on the way that the EU should manage work, not least because external factors weigh heavily on the European economy: the importance of exports, trade liberalisation, migration flows, etc.

How do we ensure that our workers and businesses can benefit from the legal frameworks which protect them when they develop their activities outside the European Union, for example through proper coordination of the social security systems in the countries concerned by these activities?

«According to the World Economic Forum, the fourth industrial revolution could result in the creation of 2.1 million new jobs over five years. However, if action is not taken in time, it could also lead to the loss of 7.1 million jobs.»

How do we secure human, economic and social rights in the global supply chains, the products of which end up on the European market?

All these elements will have to be taken into account in the debates at this conference.

The European Economic and Social Committee is therefore particularly happy to support the International Labour Office's centenary initiative on the future of work, which focuses on four topics: work and society, organisation of work and production, decent work for all, and governance of work.

In addition, I should point out that the presidents and secretaries-general of the national economic and social councils of the European Union have, with us, welcomed the ILO initiative, devoting their recent annual meeting, in Madrid, to this same topic: "The future of work".

Dear friends,

According to the World Economic Forum – although to my mind, this is not set in stone – the fourth industrial revolution could result in the creation of 2.1 million new jobs over five years. However, if action is not taken in time, it could also lead to the loss of 7.1 million jobs.

The threat of "technological unemployment", which Keynes raised for the first time in 1930, is resurfacing today and is still just as worrying, especially in view of the particularly high level of unemployment, not only in the European Union's Member States, but also in OECD countries.

On this issue, opinions differ. Some believe that a large number of jobs are likely to be replaced; others suggest that existing professions will adapt, that new, complementary jobs will appear and that, for each job created, five new complementary jobs could come into being.

That is why the EESC is calling for more information and analysis, but also for action, stressing that "the challenge is to encourage innovation and creativity

«The Committee has already called for a minimum income level. (...) we must combat extreme poverty and no longer accept that human beings can die of cold and hunger.»

and deliver positive outcomes for a sustainable and competitive social market economy".

One thing is certain: the structure of professions is going to undergo far-reaching changes: flexibility for employers and workers will increase, bringing a risk of greater job insecurity.

Additionally:

- Polarising the structure of professions could increase polarisation in the pay structure, with very highly-paid jobs and very low-paid jobs. Incidentally, CEOs' salaries, in almost all EU countries, are a scandal. I would even add that they are worse than another scandal: the amount that football players earn. There is, in actual fact, a difference: without going so far as to endorse what happens in football, when players stop playing well they stop earning those millions, whereas when the CEOs of large multinationals perform poorly they reduce others' pay but continue to increase theirs. That is what I call a scandal.

- Digital developments certainly do create jobs, but not everywhere: regional disparities and cross-border obstacles also constitute obstacles to growth and job creation.

- Women are under-represented in the field of information technology and communication.

- Changing requirements for skills and work organisation are going to create tensions affecting the quality of jobs, the balance between work and private life, equal treatment and social cohesion.

- The digitalisation of work poses new challenges for both employers and workers, which need to be tackled by clear rules in social and employment policies and by an investment strategy which would enable industries to embrace and anticipate those changes, so they can contribute to job creation, growth and regional convergence.

These are the reasons why, among other things, we are pleased to see that the future of work is one of the key topics in the consultation on the European pillar of social rights which the European Commission launched in March 2016, on which our Committee is currently developing a proposal in the form of an opinion.

We have often discussed the matter here at the Committee, either following a referral from the Commission on our own initiative, and we have sounded an alarm: in addition to the people who are poor because they have no job or income, we are likely to witness the creation of a new category of poor –

workers who have a job but who do not earn enough to make a decent living. The OECD emphasises that the developments I have mentioned might increase the risk of poverty in employment and persistently low income.

The Committee has already called for a minimum income level. This is not, of course, a solution to the issue of decent pay, but it is a reaction to an unacceptable fact, at least if we want to live up to our reputation as civilised people: we must combat extreme poverty and no longer accept that human beings can die of cold and hunger. Our proposal is only a start. We hope it will gain momentum and that there will be genuine policies for combating poverty and, in particular, for securing employment and pay, enabling workers to live a decent life.

In 2015, our Committee delivered its opinion on the effects of digitalisation on the services sector and employment. In 2016, it adopted two other opinions, making the following points:

- We stressed the need to adapt to and take advantage of new developments, to boost job creation, matching skills to jobs and encouraging entrepreneurship.

- We reiterated that EU social dialogue needs to be developed in greater depth at all levels "to discuss labour market consequences as well as adjustments in the field of social and labour law (...) that should ensure protection for the entire workforce".

- Social dialogue itself is encountering difficulties because of digitalisation: changes in employment and work, destructuring conventional collective work spaces or creating new collaborative spaces, challenge the traditional forms of relations between employers and employees and their representative bodies. I have often said it before, and I will say it again: no form of consultation can replace the collective voice in social dialogue.

Dear colleagues, ultimately, work is changing. It is not disappearing. To take three famous economists, it seems that Schumpeter is right, rather than Friedman or even Keynes: we are entering an economy of "creative destruction", an economy that destroys jobs once and for all but which can create others.

That said, in deliberate, targeted digitalisation of the world of work, I also see a real opportunity to create a new working culture in Europe. The initiatives taken in the framework of the ILO centenary provide a basis for discussion and recommendations for securing a better and fitting future for everyone.

It is important for civil society – employers, workers and all people, speaking through the representative associations making up our Committee – to express their views and engage with these important changes.

The search for solutions must therefore be stepped up. The European Economic and Social Committee is committed to this and can provide a forum for discussion and, where applicable, for seeking compromise.

Dear colleagues and friends, in 1762 Jean-Jacques Rousseau published his "social contract", not in France, but in Amsterdam. Today, other philosophers such as Bernard Stiegler are referring to the need for a new social contract, as everything has changed. My friend Bernard Thibault, former secretary-general of the CGT (General Confederation of Labour), has recently published a book entitled *La troisième guerre mondiale est sociale* (The third World War is a social one). Personally, I would prefer there to be no war at all. But perhaps Bernard is right, since this war started quite some time ago. It is the responsibility of decision-makers, European ones but also those in the International Labour Organisation, to take the decisions needed to achieve more social justice, so that there is fairer distribution of the wealth produced on this planet, in order to preserve it and to secure the right to a decent life for people throughout the world. We all have the responsibility – whether we belong to the trade union movement or employers' or other organisations – to take action to persuade decision-makers to take the right path. Otherwise, there is a danger that we might drift towards wars and, I am afraid, perhaps especially, towards a social war.

I hope that through our action, working together closely with the International Labour Office, we will convince our European decision-makers of this – the European Commission to put forward the necessary measures and the Council and Parliament to decide on them – so that everyone can continue to live in peace and relative prosperity.

Thank you for your attention. I am delighted to give the floor to my friend, Guy Ryder, Director-General of the International Labour Organisation.

Georges Dassis

GUY RYDER

Director-General, International Labour Organization (ILO)

Thank you for being here this morning and for engaging in what is perhaps one of the most important debates of our time: the debate on the future of work.

Georges[1], thank you for your kind words about my re-election last week. Not least because I am aware that events in other parts of the world may have overshadowed the media coverage that I might have got! And everything that has happened in the world, particularly in recent times, should focus our minds on a basic proposition, a proposition which dates back to the beginnings of the International Labour Organization.

In the last ten years, there's been a sort of chain reaction in our societies, as the economic collapse of 2008 has generated social consequences and social dissatisfaction that we've been incapable of responding to effectively and that is now feeding into our political lives.

We are also seeing the practical consequences of that rather dangerous chain reaction – a time when the institutions of public life, the actors of public life, national, regional and international, are all being questioned. We've been asked about our legitimacy, we've been asked about our capacity to give credible, effective answers to the great problems of our time.

I hope that it is not egocentric to believe that the future of work is central to constructing our response to these challenges. We are witnessing two extraordinarily important trends in the world of work at the moment.

The first is the feeling that we are witness to a process and a period of transformative change in the world of work, at a speed, scale and extent that we have probably not witnessed before. We're currently thinking and talking in terms of "the internet of things", of "the platform economy", using terms you would probably not have been familiar with ten or five years ago.

So very rapid, profound change; with people feeling that they are not in a position to control that process, that they are spectators, that they are passive recipients of the effects of these changes, and not in a position to shape the direction they are taking.

Linked to that – and this is the second trend that I have detected – is the growing feeling of injustice with the outcomes of processes in the world of work. Yes: we are witnesses to growing inequity, growing inequality, growing injustice and anybody who reads the newspapers or looks at an election result in recent times, will surely understand that these are trends, these are dangers, to which we urgently need to develop answers.

Perhaps I can say that there are few better places than the European Economic and Social Committee to try to develop those answers - because of its membership, because of its role, because of its expertise. Now the ILO has decided to use its 100th anniversary to play its part in spurring on debate on the future of work.

The ILO's 100th anniversary – its centenary – will be in 2019. The first stage in our centenary initiative on the future of work consists of national dialogues which are now taking place in more than 130 of our Member States around the world. Tripartite dialogues from every region – from countries of every level of development – will inform us of what they consider to be the major challenges right now in the world of work.

In 2017, we will be setting up a high-level global commission to digest the outcome of these dialogues, reporting to our centenary conference in 2019 when we will have the option of adopting a centenary declaration which I would hope would enable our organisation to prepare itself to play its role in addressing these challenges.

Now we've tried to give some structure to what is undoubtedly a very broad and a very complex and formidable array of issues, based around four conversations. Your conference is also structured

[1] *Georges Dassis, President of the European Economic and Social Committee.*

around those four same issues, so let me tell you what some of the key issues that we have to address are, from my perspective at least.

The first conversation is one which is absolutely key to what we are trying to do – a conversation about the place of work in society. It is often the forgotten conversation. And yet it seems to me absolutely essential that we all consider just what the social function of work is in our societies.

The background paper prepared for this meeting which talks about work being the glue that keeps societies together is right. Freud said that work is individuals' connection to reality. I think we understand the social value of work when it is denied. The effects on the individual – the feelings of exclusion, demoralisation and worthlessness that come from exclusion and unemployment – that much at least is clear to us.

However, work – at least in the founding text of the ILO – is not simply about material provision, it's not only about providing food, shelter and material wellbeing, although that, of course, is essential. The ILO's founding text talks about self-realisation, about work being an act of self-fulfilment, the feeling of doing something which is bigger than the individual. It is indeed the glue that binds us together, it is what connects us to reality.

So here is the first question that I think we need to ask ourselves: not only the challenges of exclusion and unemployment which have to be foremost in our minds, but as we see work transformed, as we see the diversification of work forms, as we see the advent of precarious work situations, as we see the advent of the platform economy, what does this say about the socialising effects of work? Many observers worry about the atomisation of our societies, and increasing individualisation not as a personal choice but as a condition imposed upon us by our circumstances.

These are things that really matter, issues that we certainly have to begin our conversation by talking about. And let's be clear, we have a problem. 57% of young Europeans, according to a recent Eurobarometer survey, say that they feel excluded from economic and social life due to their poor labour market status.
That's a starting point: what we want from work in our societies. Then we have to move on to the second

conversation which tries to respond to what, at least in my experience, is the most frequently asked question about the future of work. Where are the jobs of tomorrow coming from?

We all know that the United Nations adopted a 2030 Sustainable Development Agenda last September which commits the international community to full employment and decent work for all. It means that we have to create 600 million jobs in the next 15 years. Think about that!

Are we serious, or is it just something that we say on a good day in New York? I think it is something we have to be serious about. I sometimes regret – but must acknowledge – that the debate about future jobs very often comes down to a discussion about the impact of technology on labour markets and, Georges, you've addressed these questions. You've gone back to the critical reference point, Schumpeter and his notion of creative destruction. If it's true – and most people seem to think it is – that we are on the cusp of a fourth industrial revolution, then the question is: are we going to come out ahead, as apparently we have in the three previous industrial revolutions? That is to say, after the turbulence of transition, will technological innovation create more jobs than it has destroyed?

That's a lesson of history, but there is also a strong current of opinion that this time it is different. That this time, the technologies that are coming towards us are going to destroy vastly more jobs than they will create. Now, the first thing to say about this discussion is that we should not fall victim to what I call "techno-determinism", a view that our future will be decided by technology and that we will be unable to intervene.

It has always been the case that technology has within it the capacity for human emancipation, to free us of drudgery and dangerous work, to increase our standard of living, to free us up for better things. The question is not whether or not the technology coming this time is any different – it is not. But this is a policy discussion: it depends upon our determination to manage technological innovation in ways that correspond to our social objectives.

If that is beyond us, it is not the fault of technology, it's the fault of people like us – policy makers who are simply not up to the challenges of the day. By the way, there are many other issues that are involved so I don't want you to think that I am, despite what I've said, entirely obsessed by the technological dimensions.

Colleagues, our third discussion concerns the organisation of work and production. I have said that I think it is wrong to reduce the discussion about technological innovation to this Schumpeterian equation of jobs created/jobs destroyed.

What is definitely new is that the technologies we are now seeing arrive have the capacity to transform the

way in which work is done. If we look at the qualitative nature of work, let me illustrate what I'm trying to say by two examples. The first is the advent of supply chains, the fragmentation of work processes and productive processes that is as it is today because of technology, because of financial liberalisation, because of all the underpinnings of globalisation. It is now possible to fragment production and to organise it across national borders.

We have a very serious discussion, which is new, about how we must manage this fragmentation of production processes, what we need to do to ensure that global supply chains are, as they can be, a vector of improvement in the world of work rather than the opposite.

This type of debate is very closely linked to the notion of due diligence, to the questions that are being discussed in the business and human rights field, but it is certainly one area of the transformative nature of work with which we have to get to grips.

My second example has to do with extreme cases of a platform economy, but the broader question is the nature of the employment relationship. We're seeing – and again technology is one of the drivers of this phenomenon – a growing diversification of work forms. In October 2016, the ILO published a report which I urge you to look at because it is quite important – about the growth of non-standard forms of employment, the growing prevalence of contracts of part-time work of the platform economy.

The question asked is whether this growing diversification of work forms is eroding traditional employment forms of employer/employee relationships, and if that is the case – if we consider it to be an inevitable part of labour market modernity – what we need to do about it, and what the consequences for policy makers must be. It also asks very basic questions about the future of business.

These questions are fundamentally important because if we are moving towards the diversification of work, a break with what we have known over the last 50 or 60 years, it seems to me to follow that we need to re-examine the institutions, the regulations, the processes by which we regulate the world of work.

This may take us – whether we like it or not – into unexplored and uncomfortable territory. And that brings me to the fourth and last of the conversations in our centenary initiative which is - and this is the key debate - about the governance of work.

The ILO centenary initiative is not a paper exercise. It has a very clear objective and that is to try to work out together how we organise the world of work: how we govern the world of work so that it responds to the values for which the ILO stands. And our values are the values of social justice. For the reasons that I outlined at the start, it seems to me that the pursuit of social justice is, today more than ever, the key imperative for democratic politicians and decision makers in every part of the world.

So we have to work out whether, in the light of all the things that I've tried to talk about this morning, the policy instruments of the past, the institutions of the past – in the case of the International Labour Organization, the international labour standards that we have put together over nearly one hundred years of our history – are capable and appropriate for the

task of ensuring that the world of work is a place where social justice is promoted sufficiently in the future.

I don't think that we should back off from these rather existential debates; we have to take them on. There is one thing of which I am absolutely convinced in a discussion with many insecurities and uncertainties – a point that you have addressed, Georges – and that is that to get this right, we are going to need to involve and pool the efforts of all parties in the world of work, the tripartite actors, governments, workers and employers and all other stakeholders with an interest in world of work issues.

I worry that in the general disillusionment that the public institutions are subject to, in the growing doubt by the general public about our capacity to bring credible results to the injustices that people all too often suffer, the notion of tripartism and the value of social dialogue will fall victim to the doubts of our age.

All we can do – all we must do – in these circumstances, I believe, is to recommit to social dialogue. Of course, everyone is here to defend legitimate sectorial interests – but we need to unite our efforts to find the way forward. It's difficult to think of a time when these issues have had greater importance in our societies or when the responsibilities weighing upon our shoulders have been greater.

So thank you for being here because I think you're all doing a job that needs to be done. The ILO will be attentive to the results of your work here. Georges, I want to say that we regard our partnership with this committee as fundamentally important; Commissioner Thyssen, we regard our partnership and friendship with the European Union as fundamentally important; so I thank you for your support, I thank you for your engagement and I wish you good luck in this conference.

Thank you very much.
Guy Rider

MARIANNE THYSSEN

EU Commissioner for Employment, Social Affairs, Skills and Labour Mobility

I would like to thank the organisers for inviting me to open this conference.

I use this opportunity to thank both our hosts.

The Economic and Social Committee, with its membership of employers, employees and civil society, is an essential sounding board for our initiatives and your input is always very useful.

The ILO is an essential partner in fighting for decent work around the globe.

So thank you both for the quality input and expertise you have provided and continue to provide for our work.

A quality that I can see already in the title of today's conference: "The Future of work we want" – where the emphasis is on "we want".

Dear friends, the topic today is not just on the new models of work. This is a very fashionable subject right now. There are many reports analysing the effects of digitisation, automation, globalisation and so on.

But the essence of this conference is normative: "what do we want". And to answer this question, we have to be clear on our values and on our principles.

This is a question for all of us. Many of the solutions depend on public policy, but many are in the hands of employers and employees. Hence the need for all stakeholders, all of us to discuss the future world of work we want. We all have a role to play.

In the new world of work, as we well know, there are new risks but there are also new opportunities. But our guiding principle has to remain that economic and social progress go hand in hand. We need to harness the new opportunities to improve the lives of our citizens.

This European Commission, under the leadership of Jean-Claude Juncker, has engaged, from the beginning of our mandate, to a new start for Europe, focusing on jobs, growth and fairness for all. We are determined to use every chance we have to turn economic opportunities into jobs.

From the outset – and this is a key mandate I received – I have worked hard to strengthen the social dimension of the European Semester. This is one way in which we are giving meaning to social fairness as a political priority of this Commission.

These efforts are yielding results:

- Since the beginning of the mandate, almost 5 million new jobs have been created.
- There are more people in work in the EU than ever before. In fact if the trend continues – which I hope – then the 75% employment target for 2020 will be in reach.
- Unemployment has been gradually but consistently coming down reaching now 8.5% in the EU.
- Also a downward trend has started for poverty and social exclusion. But having said so, 20 million people should still be lifted out of being at risk of poverty to reach the EU 2020 target, a number similar to when the Europe 2020 strategy was launched.

Indeed, there is no reason for complacency. Unemployment still remains too high and the economic recovery has not yet been felt by many people across Europe.

That is why we will continue to focus our attention via:

- The Youth Guarantee and the Youth Employment Initiative to further reduce youth unemployment;

- Support for an integrated approach to help the long term unemployed to regain access to the labour market;

- Support to people in Europe to develop their skills through the Skills Agenda I tabled in June.

I will also continue to progress on my legislative programme:

- I hope in a swift agreement of the co-legislators on my targeted proposal to review the directive on the posting of workers, so that workers doing the same job side by side can receive the same remuneration.

- In the same vein I will propose a revision of the social security coordination to facilitate labour mobility across countries.

- and I will continue to push for improved health and safety at work for all workers, also helping SMEs to comply with existing legislation.

This is the essence of the European social model: one that effectively contributes to the competitiveness and progress of our societies, securing relatively high living standards, addressing inequalities and opening up opportunities for all.

But this resilience is far from uniform and there are economic divergences both between and within our Member States. Across Europe, we frequently hear concern expressed due to offshoring of jobs, automatisation and quick shifts in professions, increased migration and diversity in our societies. This can cause division in labour markets and ultimately, in our societies.

Data shows that most of our workplaces have improved. Jobs have become more interesting and engaging. And, the share of workers receiving paid training grew from 26% to 38% in 10 years.

Of course, this is essential because during the same period, the share of workers who declare that they face complex tasks at work increased by a corresponding 50%.

We are also faced with more digitalisation of the workplace. While this creates opportunities for more inclusive participation, new forms of work can also be linked to lower and less predictable incomes.

The European Foundation for the Improvement of Living and Working Conditions published in 2016 a survey on working conditions. I can give you the gist of it. It concludes that while many workers have a positive working experience across various dimensions of working life, one in five workers has what we would define a poor quality job with disadvantageous features across many dimensions.

While young people may be quick to embrace new flexible forms, they too – like the generations that came before - share the aspiration to progress towards stable careers and income stability.

Therefore, we must avoid fragmented and "unfair" practices. We should join forces to make more dynamic labour markets – where young and old, workers and employers feel safe to take risks.

Ladies and gentlemen, this is the rationale behind a European Pillar of Social Rights, on which the Commission launched a broad consultation last March. Again I would like express my appreciation for the expertise input you both have provided into the consultation process.

The Pillar identifies essential principles for labour markets and welfare systems that are fair and that function properly.

The Pillar outline has generated much debate on the future of work and welfare, and has mobilised expert input from across the EU. There is a strong demand for policy answers which address the broad agenda of social fairness.

Let me give you two examples:

I am preparing the modification of the so called 'written statement' directive which spells out what the contractual rights are of an employee.

Since its adoption, the world of work has changed tremendously. Today, more Europeans work in casual jobs or under atypical contracts. New technologies transform the way we organise work. And careers are no longer straight trajectories.

Also nowadays, employment on atypical contracts and in new forms of dependent self-employment constitute a rising share of job opportunities, notably for the young and the lower skilled.

New business realities create opportunities. But in a social market economy, which is part of our European DNA, we must ensure that those opportunities do not lead to new vulnerabilities and inequalities and to a lower awareness of rights.

On the contrary, we must seek to strengthen trust and predictability between workers and employers. That is what is at stake in modifying the rules underpinning employment contracts.

A second example concerns social protection. I am preparing an initiative to bridge our values of social

protection to the new social risks- but also to existing gaps. For instance, how do we ensure facilitating more secure transitions between different stages in working life and throughout the life-cycle? How can we ensure everyone in work can benefit? And how do we ensure our systems are well funded?

Once again, these are not easy questions. And I am sure that the answers will not be easy either.

Overall, the Pillar of Social rights should be a compass for upwards convergence. This will lead to employment and social systems that are more resilient to economic shocks. It will help create a more level playing field and so, improve the functioning of the Internal Market. And also, crucially, it will work better for more people.

Ladies and gentlemen,

There is growing consensus that we are witnessing a fundamental transformation of the world of work. We need to look closely at these changes and ask ourselves the difficult question: How can we reinforce our labour law, social protection and labour market institutions to stand the test of the digital economy?

I believe digitalisation, if steered correctly towards our main social principles, can be a force for improvement of the quality of work, unleashing higher productivity and helping to finance more and better social security.

We need to go beyond the illusion of preserving the status quo built in the heyday of manufacturing: And instead, think how to better reap the benefits of new, global, digital and collaborative economies for Europe's citizens.

Thank you.
Marianne Thyssen

SESSION 1
WORK AND SOCIETY

15 November 2016

SPEAKERS

Left: Luca Jahier, President of "Various Interests" Group, EESC.

Bottom left: Frank Vander Sijpe, Director of HR Research, Securex Belgium.

Bottom right: Wolfgang Greif, EESC Member, Employees' Group.

LUCA JAHIER

President of "Various Interests" Group, EESC

SESSION 1 | CONCLUSIONS

1. The challenges of technological transformation need to be accepted and transformed into opportunities. We must look for work security, stability and sustainability, while preserving the principles of the European Social Model and maintaining collective bargaining through adapted formulas.

2. The digital market will cater for about 80% of jobs, but 50% of the workforce will be excluded from it. The first expected effect of digitalisation is a loss of jobs, especially mid-qualification ones. The second effect is an income gap leading to social polarisation. The labour market should not work against social inclusion and cohesion; it should be as inclusive as possible.

3. The "platform economy" can cut costs but can also circumvent rules and labour rights as we know them now. It should therefore be ensured that the new digital jobs are fully covered by social security systems. The EESC is ready to reflect on how to finance the necessary social security arrangements. Furthermore, the benefits of digitalisation should flow into redistributive measures through taxation. Equitable options would be to use the "digital dividend" to finance a minimum income for people in need or even an unconditional basic income for everyone. The latter needs to be further discussed.

4. The austerity policy has been affecting education and training in many countries, when the opposite is necessary: we need to invest in training for the groups that are still able to join the digital labour market (such as women) and keep upskilling them throughout life.

5. Alternative training to increase general employability and personalised support to join the labour market and decent jobs must be offered to all groups that will be excluded from the digital labour market. These are special tasks for the social partners.

6. Adequate social protection should be ensured for all, in particular to groups discriminated against on the grounds of sex, age, race, handicap, belief, etc.

7. Jobs need to be created "around people", not the other way around. A good example of "businesses around workers" is the social economy sector – which has proved to be the most resilient to the crisis.

8. Migrants can bring benefits to both host and origin countries, especially in the context of the circular economy. However, migration should not be limited to a utilitarian or purely economic logic.

9. Although the integration of migrants and refuges is paramount for these individuals and their host countries, migration alone will not solve Europe's demographic problem – there is still need for public policies encouraging birth, the reconciliation of work-family life, longer maternity and paternity leaves, greater public childcare networks, free public education, etc. – in a word: policies that support Europe's welfare states.

FRANK VANDER SIJPE

Director of HR Research, Securex Belgium

The context of work is changing

At this very moment our society is undergoing changes. These frequent changes quickly follow one another, crossing national and international borders. Some experts are convinced that we are approaching another **economic pivot point**, comparable with the industrial revolution at the end of the 19th century. Back then, people left agriculture *en masse* to work in factories.

Today, industry is keeping fewer and fewer people in work, while the number of jobs in the services sector is growing. We are evolving into a knowledge economy in which tailored services and innovation are crucial, and in which the required level of education is, on average, higher than ever before. At the same time, we are being confronted with a number of drastic **technological evolutions** that, for example, allow us to work regardless of place or time. This creates the possibility of flexible working hours, working from home or from diverse locations: the so-called New Work. Communication is now taking place 24 hours a day, seven days a week. Large multinationals have more power than certain states, and are directed from headquarters that have long since moved away from their countries of origin on the European continent.

We are now seeing that the biggest changes are due to a **dual demographic evolution**. On the one hand, the **baby boomer generation** (born between 1945 and 1965), the generation with the largest numbers ever, is leaving the labour market **progressively** and in **great numbers**, without a qualitative or quantitative response being offered by the following generations. On the other hand, the **life expectancy at birth** is rising, meaning this departing generation will also live longer than the last one. This puts an unusually heavy demand on pension financing and healthcare costs.

From research, it is especially apparent that employees still have the intention of leaving the labour market prior to reaching the legally stipulated retirement age, and they are often beginning their professional careers later in life.

This cocktail of changes, in combination with the **difficult 'matching' of labour market supply and demand**, makes it highly challenging for companies and governments to achieve the economic growth required whilst keeping the costs of social security financially manageable. This is the challenge for the next 10 to 15 years.

New securities?

Is there no longer any security? We are always on the lookout for beacons with which we can orient ourselves in these economically and politically uncertain times. And yes, these securities are definitely there … but they are no longer the ones they once were.

We will need to use these securities to make the careers of the future even more **unpredictable** than those of today[2]. On one hand, we will make more forced career transitions than previously because organisations don't exist for as long as they used to[3], and on the other hand, we will (have to) work longer because the content of a job is in constant transition. Furthermore, we expect that organisations will include more flexibility in the staff they employ so as to quickly respond to the rises and falls of market demand. Experts expect that in the future, in specific segments of the labour market, permanent contracts will only be created for the happy few. A different, yet progressively increasing number of personnel will consist of freelancers, temporary contractors and interim workers who move in the talent cloud surrounding an organisation. The number of hybrid work statutes will increase whether or not they are chosen by employees. Trade union organisations consider this evolution to be a threat to the quality of work. But we can also see it as an opportunity. For employees, this could be the chance to be in charge of, for example, a better work/life balance.

[2] *De Vos, A.*, Loopbanen in beweging, *Acco, 2016.*.

[3] *Foster, R. and Kaplan, S.*, Creative Destruction, *Penguin Random House, 2001, 381 p.*

«Job security will no longer exist. Henceforth, we will speak of work security.»

We also need to realise that during our careers, we need to **continue learning**. Long ago, J.S. Perelman wrote the visionary words: 'Learning is what most adults will do for a living in the 21st century'. Lifelong learning is crucially important. It needs to be a natural urge for every employee who is in the right job. A need that already exists without duress or obligation if someone is in a work context that is an extension of their talents and interests. At that moment, there is a spontaneous *drive to learn*.

Finally, we need to realise that **job security will no longer exist**. Henceforth, we will speak of work security. The best approach to this is with responsibility shared between employees, employers and the government. In a business context, one example of this would be continuous investments in training and development made by both the employer and the employee. And for the government: no unlimited unemployment subsidies in the event of a lost job, but an active policy that is aimed at bridging a period between two jobs, without loss of income if need be. This is the only way we will avoid unemployment becoming a structural presence in problem statistics.

Employees in the future

People differ from one another. The existence of diversity is a detail that everyone now accepts. In psychology, in sociology, but also in economics and marketing, people used to look for all-encompassing models and typologies to categorise people based on their way of being or doing things. The goal was to understand their behaviour and possibly predict their actions. This urge for structure and simplification has always resulted in so-called 'One size fits all' solutions: if you belong to a certain age group, scope, faith, educational background, etc., you will fit into a certain

specification and respond to this or that need... We now shudder at the idea that everyone needs to fit a certain category based on a few very specific characteristics.

The idea is still alive that people should develop a certain behaviour or preference based solely on the generation in which they grew up. And through this and this alone, they would significantly differ from others. Or, that an age-conscious personnel policy, in which every age category can be secretly linked to stereotypical needs and expectations related to work. Nothing could be less true. An 'effective age' actually has no meaning anymore. Only through the many changes in society, including changing attitudes and behaviours in the areas of personal development and relationships (age of marriage, new composite families, single parents, LGBT relationships, the age at which people choose to have children, second marriages, etc.) is this criterion coming under pressure. In the future, we will also need to create room for individual solutions, besides the existing collective agreements.

What we do share with each other over generations are typically human needs, such as stability, security, an income that guarantees a certain living standard, and work content that is meaningful and able to be performed or is 'workable'. In a world in which the population is ageing on the one hand and people are being forced to work for longer on the other, meeting these basic needs is the best guarantee of our community succeeding against this challenge. Otherwise, we will find that long-term absenteeism and the physical and psychological complaints that, as well as ageing, are at the basis of these evolutions will only increase. The need for flexibility to combine work and private life with each other in a harmonic, meaningful and workable manner presents employees, as well as their individual life choices, with great challenges.

Organisations of the future

Organisations of the future have an eye for this need for individualised flexibility. In the way that they organise work, but also in their values and their cultures, they create a climate in which their success as organisations goes hand in hand with the personal successes of their employees. The managers and leaders act as important levers in this strategy.

First and foremost, work needs to be performed under healthy working conditions. But this in itself is not sufficient. Having an eye for the personalisation of the work, in relation to the time and place in which it is being performed, as well as the job content (via job crafting and i-deals) will ensure that employees feel more involved in the organisation and also radiate this feeling to clients and prospects. It is not just about *being able* to perform a job, but predominantly about *wanting* to do it. What we especially plead for is an open company culture that dares to differentiate on an individual basis in areas such as remuneration, working conditions, and statutes that agree with the needs, life phases and cultural background of the (potential) employees, and does all this within a

framework of fairness, result-orientation and efficiency. An organisational environment that offers room for personalisation, autonomy and initiative.

People differ from each other. We agree on that. But they do have at least one shared ambition: a desire for happiness. And now we understand that this has a different meaning and interpretation for everyone. Wouldn't it be beautiful if organisations could contribute to people finding happiness partially through the way they do their work?

Role of the government

The responsibility for the work of the future is shared between various stakeholders: employees, employers and governments. On regional, national and international levels, the government must ensure that the legal frameworks evolve to meet the demands of business life and of employees in the areas of flexibility, without compromising the necessary security and stability. The work on the legal frameworks, fundamental to this flexicurity, is an admittedly difficult, but necessary exercise. It must be done with respect for the cultures and the identities of every country. It is going to have to form the core of social dialogue, facilitated and supported by the government. The international experiences and experiments of a number of social pioneers (including the Scandinavian countries) can provide meaningful direction in this area.

Conclusions

1. Important trends in society (demographics, economy, globalisation, sociology, technology) ensure that the context of work is changing considerably.

2. A number of certainties from previous times, such as lifetime employment, lifetime knowledge and stable job content are coming under pressure and being replaced with 'new certainties': unpredictable career paths, the need for lifelong learning, and handling job insecurity. Responding to this new situation demands shared responsibility from all stakeholders: employees, employers and the government.

3. From the current context, employees have, besides a collective legal basis framework, a need for the flexibility to link and integrate work and private life with each other in a harmonious fashion. Personalisation of the work and the provision of autonomy are important levers for ensuring that people 'can' work longer, but especially, that they also 'want' to work.

4. Organisations of the future need to be aware that sustainable results are achieved by combining the successes of the organisation with the personal successes of its employees. As there is no universal definition of what 'personal success' can be understood to mean, wherever possible, organisations need to create options for the place and time of the work and the work content.

5. The role of the government is to work on the current legal framework that combines flexibility and security with each other.

Who is Securex?

Enterprise is the basis of economic activity, and employees are the key to its success. Securex supports entrepreneurs in expanding and growing their business, and believes in staff management tailored to the individual and aimed at sustainable employability.

Securex is the partner for start-ups and experienced self-employed people or SMEs, as well as large corporations and public institutions. Our company has everything needed for an integrated HR policy. We offer services in the areas of development and expansion of own business for entrepreneurs, staff administration and payroll calculations, prevention and well-being of workers, talent development and income insurance. At Securex we have everything under one roof.

In 2015, Securex realised a turnover of 258 million euro. The group is active in Belgium, France, Luxemburg, the Netherlands and the Democratic Republic of the Congo, with 1,600 employees across 32 offices. Every day, they give it their best shot and help 83,800 companies, 116,000 self-employed people, 70,000 private individuals and 5,600 privileged partners: bookkeepers, brokers and accountants.

What does HR Research do?

Securex HR Research wants to contribute to the creation and communication of knowledge on the functioning of people in organisations. We do this through the organisation of inspired, applied scientific research, performed in collaboration with academic and professional partners (for independent businesses, SMEs, large enterprises, policy makers and consultants), making use of validated models of measurement, representative survey material and recent academic insights, all with the goal of making organisations and their employees succeed both privately and professionally.

WOLFGANG GREIF

EESC Member, Employees' Group

Digitisation-driven structural change expands conceptual intervention

Recent years have seen major breakthroughs in the development of digital technologies. Computing, storage and transfer capacities are getting faster and cheaper at an enormous rate. Innovation has led to new technical possibilities, thanks to which an ever-greater number of activities can be automated, as well as, increasingly, non-routine and interpretative tasks. The opportunities created in this way are being transformed into new products and services faster than ever before. Incubator centres across the world have access to more resources and better technology in order to fathom out alternatives for new products and services.

Combined with a significant drop in the price of digital technologies and applications, the digitisation of business models and processes is being spurred on in all economic sectors and is giving rise to noticeable changes in the product and service landscape. Existing business models are crumbling and new ones are emerging. Value chains, markets and sectors are changing. Thus the drastic reduction in search and transaction costs is enabling the development of entirely new expansionary business models (e.g. online marketplaces and platforms in the "sharing economy"), which go hand in hand with huge productivity gains.

Under the umbrella of "digital transformation" we are experiencing so much complex development, where technological, social, legal and, not least, economic elements are intertwined at many levels. This is precisely the case for the implications of digitisation for work and employment too, not only in manufacturing, but also in branches of the economy which to a great extent have long resisted technological rationalisation. This trend means that new employment fields are opening up in many areas, and new options for organising work mean that people are finding gainful employment in some respects more accessible, offering greater autonomy. On the other hand, nowadays the impact of digital growth is already becoming more pronounced and picking up in intensity, and this needs to be managed:

- Thus the increasing digital penetration in the world of work for employees working in a context of rapid technological innovation is entailing new challenges and accelerated dynamics towards the acquisition of what are known as "digital skills";
- Through digitisation, work can be flexible in time and place, which is widely associated with the increase in more flexible and less stable forms of employment, which in part fall outside the sphere of traditional labour legislation and social security systems;
- Digitisation is leading to a gradual polarisation of workplace autonomy and wages for work; to a large extent, digitised places of work are either very high or very low in the wage and autonomy distribution;
- With digitisation meaning that employees are more accessible, it can be expected that the intensity of work will rise further, increasing availability and – as a consequence – health and safety risks too;
- Workers in digitised forms of work organisation produce large quantities of personal data, which contain information relating to where employees do what, when and with whom, which means that further incursions into people's privacy are possible;
- Despite the employment effects that can be expected in certain segments of the labour market in view of the high digitisation-driven rationalisation potential, an overall fall in demand for labour, including for employees with mid- to high-level skills, is to be expected.

Indeed, it is impossible to predict with any precision the consequences of the comprehensive technological

change on the labour market and work organisation. It is nonetheless clear that the repercussions of digitisation for employment need to be managed accordingly, with the involvement of all parties concerned, in particular the social partners. Political attention and guidance are needed at national and European levels. Possible progress obtained for employees arising from digitisation cannot be taken for granted with any certainty. For the opportunities generated by digital change to be open to the greatest number of people possible, targeted intervention measures are needed.

Employment effects: "Blind spot" in the EU strategy on the digital single market

With its Digital Agenda for Europe and the Digital Single Market initiative, the EU Commission is building on the Digital Agenda devised in 2010 under the Europe 2020 Strategy. The Juncker Commission has declared the Digital Agenda to be one of the Union's absolute priority projects, with no fewer than seven commissioners being tasked to deal with its implementation. In May 2015, the Commission put forward a comprehensive programme in its communication on a Digital Single Market for Europe[4]. As this title already suggests, this programme is, however, confined to a narrow view on matters relating to the creation of a uniform European economic area and the dismantling of the restrictions on and costs of digital transactions.

«It is impossible to predict with any precision the consequences of the comprehensive technological change on the labour market and work organisation. It is nonetheless clear that the repercussions of digitisation for employment need to be managed accordingly, with the involvement of all parties concerned, in particular the social partners.»

[4] *Digital Single Market Strategy for Europe, COM(2015) 192 final (25.9.2015).*

The digital single market-package just has an influence on the periphery of the sphere of work and employment. Wider reference is only made to the need to keep updating digitally appropriate educational systems. Other employment policy implications of digitisation go unheeded. Thus, questions on the quality of work characterised by digitisation are scarcely addressed. In European policy papers, secondary importance is likewise attached to assessing what the "digital revolution" could mean for labour market development in general and for specific, particularly affected sectors; this relates to effects such as the repercussions of digitisation on work organisation, labour law and social security.

The Commission views the general public as being affected in their capacity as consumers at best, but not in terms of their jobs too. Thus it is to be noted that the Digital Agenda for Europe lacks a targeted strategy for shaping "good digital work". It is therefore all the more welcome that other EU institutions do not share this blinkered view which has hitherto dominated the European debate on digital change:

- Several of the political groups represented in the **European Parliament** have for some time now been calling for digital change in the workplace to be managed at European level as well. A number of parliamentary committees are working on reports and opinions in which they urge the European Commission to recognise and address the employment policy implications of digitisation. One study commissioned by the Parliament and published in January 2015 on the growing wage inequality in Europe established that the growing penetration of digital technologies in all segments of the labour market is ousting middle-income and medium-skilled jobs in particular, and therefore warrants the greatest political attention in labour market policy too.

- The **European Economic and Social Committee (EESC)** has also drawn up several opinions – including several requested by Council presidencies – on digitally-driven changes to work and the major repercussions thereof on the labour market, employment and social security[5]: issues which have hitherto been neglected in the Digital Agenda. These opinions outlined the key challenges for managing this issue in Member States and at European level, and put forward policy recommendations for tackling them.

- These initiatives can really be seen as a response to moves by **European trade union associations**, which have for a long while been pointing to the diverse and pressing need to manage these matters in order to work towards an agenda for digital work which places emphasis on social distributional issues[6]. In concrete terms, the trade union side is urging that digitisation should under no circumstances be seen merely as a

[5] See inter alia the following two EESC opinions: Effects of digitalisation on service industries and employment, Rapporteur: Wolfgang Greif/Co rapporteur: Hannes Leo (16 September 2015; The changing nature of employment relationships and its impact on maintaining a living wage, Rapporteur: Kathleen Walker Shaw (25 May 2016).

[6] See inter alia the conference report by the European Trade Union Institute (ETUI).

technological or market-related issue. Instead, political action is being called for to manage an appropriate transition from traditional to digital jobs in industry and the services economy.

Concrete recommendations by the EESC for political management of digital change

Forward-looking policy-making at EU and national levels must ensure that the potential offered by digitisation is unlocked whilst its pitfalls are avoided. In doing so, the maxim for digital policy should be "Grasping opportunities and avoiding risks".

- In order to equip employees in the EU with the skills they need in this digital age, public and private investment in vocational training must be fostered. In addition, steps must be taken to check whether European measures are needed to ensure that Member States' positive experiences with training leave are made more widespread across the EU.

- Digitised working environments heighten the risk that employees are forced – or feel forced – to be available all the time. Such "work without boundaries" causes stress and burnout. Therefore in these times of ubiquitous digital mobile communications at national and European level, we have to investigate which measures are needed to limit the all-embracing availability and/or accessibility of today's world.

- For forward-looking policy planning, better statistics and investigation are needed to make more precise predictions about labour market developments and the polarisation of work and income, and also about, amongst other things, the spread of and increase in non-standard forms of employment and practices in what is known as the "platform economy".

- In order to counter the rise in income inequalities driven by digitisation, collective bargaining should be promoted at all levels, especially in sectors and businesses that are affected by digitisation.

- Robust provisions on the protection of personal employee and consumer data are needed: European data protection legislation should not keep Member States from going further in their regulations.

- The EU and Member States, in consultation with the social partners, should consider strategies for adjusting the scope of social and labour standards so that they reflect the conditions of a digitised working environment.

- Political measures and laws should be introduced which secure appropriate levels of mandatory social protection for the entire workforce – including those in new employment conditions.

- In order to bolster employment, despite the decline forecast in the demand for labour, policy solutions need to be developed in line with the needs of individual Member States; this is likewise the case in the domains of public investment and employment-promoting innovation, as well as in the distribution and reduction of work.

- Reforms of the tax systems are needed to ensure that for income generated in both conventionally organised sectors and the sharing economy, similar levels of taxation apply.

- Part of the digitisation dividend has to be used to ensure the sustainability of social security systems in the future and to reduce the burden on the labour force.

SESSION 2
DECENT JOBS FOR ALL

15 November 2016

SPEAKERS

Top left: Irmgard Nübler, ILO Senior Economist.

Top right: Gabriele Bischoff, President of Workers' Group, EESC.

Left: Jukka Ahtela, EESC Member, Employers' Group.

GABRIELE BISCHOFF

President of Workers' Group, EESC

SESSION 2 | CONCLUSIONS

1. The current wave of technological change is taking place in a **context of rising inequalities, increasingly polarised jobs and less social dialogue**. The destruction of low-skilled jobs started even before digitalisation, and the current destruction wave is hitting medium-skilled workers, whose jobs are being taken by highly skilled people.

2. History – and in particular the example of the industrial revolution – shows that phases of job destruction caused by technological development are followed by **job creation** at a slower speed. In this second wave, enterprises create value and new industries are drivers of growth, better jobs and new occupations. Will things be different this time? The current revolution can also lead to a job creation phase, but only if governments and societies succeed in managing the transition from job destruction to job creation. Markets alone cannot achieve this complex transition. Technological change is not deterministic but is driven by markets and socio-political choices. **The future of work needs to be shaped to ensure decent jobs**.

3. Two important aspects of this complex transition are the **sharing of productivity gains, and education and training**.

   - Productivity gains need to be shared, in order to increase fairness and social justice, through fiscal policy measures, subsidies to start ups, effective minimum wages, and the redistribution of working time. Existing institutions and legal frameworks such as regulations on minimum wages, working time and occupational health and safety need to be consolidated and made more effective.

   - Education and lifelong learning need to be taken seriously, as they represent an investment for the future. Policy makers should go beyond tackling skills mismatches, take a different perspective and adopt an approach based on the idea of "capability". This would create a labour force with a combined mix of skills that would serve the new market and be able to innovate and develop new goods and services. Regarding skills, the focus should not only be on IT skills but also on basic, transversal, research and STEM skills as well as on lifelong learning, gender equality with regard to education and training, and the needs of migrant workers and older workers. We should take a global view when reforming education.

Transitions related to digitalisation and climate change are completely intertwined. They need to be managed through a **comprehensive, coherent set of policies** to anticipate change and ensure that the transition is just.

4. As regards labour market policies, **security and the involvement of workers** will be essential. As work becomes more creative and innovative, workers will need more autonomy and independence, which will also affect working time regulations.

5. Indications are already available concerning **future areas of work**. New jobs will mainly come from SMEs, start-ups, spin-offs, social enterprises and cooperation between the private and public sectors.

6. We need a positive project to give people and future generations better prospects. All relevant stakeholders and citizens need to be involved in the process. **Social dialogue and collective bargaining have a fundamental new role to play**.

IRMGARD NÜBLER

ILO Senior Economist

Making technology and innovation work for decent jobs

Decent jobs for all is high on the agenda of European countries. The recent past, however, has seen the loss of many good jobs, and despite the creation of new jobs, many countries have experienced a net decline in good jobs.

New technologies have played an important role in this process. Some argue that the new wave of technological change will continue to destroy jobs, and will also replace good jobs with "bad" ones. In my presentation I will challenge this perspective. I will argue that:

- the future of work needs to be shaped,
- societies and governments have choices,
- governments and social partners have the challenge of making technology work for more and better jobs.

My presentation is divided into two parts. I will first explain the long-term dynamics of technological change. This enables the different phases of a new technological wave to be explained. It will also highlight the role not only of market forces, but also of social and political forces in driving the direction of innovation and the dynamics of job creation. In the second part, and based on this analysis, I will discuss how countries can **manage** the process of innovation and structural transformation for more equality and decent jobs.

Part 1: The dynamics of technological change and job creation

Let me first explain how we understand the link between technological change and jobs. Technological change is a complex and non-linear process. History shows that technological changes come in waves and phases, and that these phases are created by different forces. Most importantly, history shows that phases of job destruction have each time been followed by phases of job creation.

1. The productivity-enhancing phase of process innovations – markets

The first phase of a new technological wave (or paradigm) is dominated by **process** innovations. When enterprises operate in highly competitive markets, they are under pressure to increase productivity and competitiveness. Since the industrial revolution and the emergence of standardised mass production, we have observed two long-term trends of productivity-enhancing innovation: mechanisation/automation and the fragmentation of the production process. These innovations in production processes and business models are largely driven by markets.

The search for higher productivity, and the resulting automation and fragmentation, have created significant **unintended** consequences during the past decades with disruptive effects on jobs and labour markets:

- Jobs have been lost on a large scale, which has contributed to unemployment, and in many countries has particularly affected young and older workers.

It has changed occupational structures. The proportion of highly-skilled occupations has increased and created many new jobs for managers, technicians, engineers and scientists. Since the 1980s, we have also seen a job-polarising effect in many countries. The share of jobs in middle occupations declines, while it increases in low-skilled jobs. A recent publication by **Daniel Vaughan-Whitehead** (2016) from the ILO analyses the erosion of the middle class in European countries.

- The complexity of jobs within occupations has also increased, in particular at the interface between humans and machines. New technologies have transformed the nature of jobs, which increasingly require higher levels of skills as well as different types of competences.

- Wage dispersion has increased as well. At the high end, wages climbed because both demand for higher occupations, and the complexity of

skills in these occupations, increased. As these skills became **more scarce**, wages increased. At the same time, the ILO's **Global Wage Report 2014-15** shows that competition has put pressure on wages in low and middle occupations.

- Finally, the rapid decline of prices for machines, robots and computers drives the capitalisation of economies. This is reflected in a declining labour share, and an increasing share of productivity gains reaped by the owners of capital and skilled workers.

It is the **combination** of all these **unintended** effects of technological change on jobs and occupations that has disrupted labour markets, created unemployment and increased income inequality. And indeed, a recent study by my colleagues **Uma Rani and Marianne Furrer (2016)** at the ILO identifies labour income, and in particular increasing wage dispersion, as the most important factor contributing to inequality.

A high level of competition in global markets will continue to drive productivity-enhancing R&D and technological change. We can already see these emerging technologies such as the internet of things, learning computers with self-improving algorithms, artificial intelligence and industry 4.0.

But does this mean that we are expecting a "job-less" and increasingly unequal future?

2. Transition to a new economy – product innovation and job creation – socio-political choice

Historical experience shows that phases of job destruction have always been followed by a phase of job creation. While the first phase of a new technological wave is characterised by **process** innovations, and driven by **markets**, the second phase is dominated by **product** innovations and driven by **social and political forces**. During this second phase, enterprises create value by developing new products, and new industries replace incumbent industries as drivers of growth. This is the phase **where enterprises create jobs – better jobs – and new occupations**.

Most importantly, markets alone cannot achieve this transition. Shifting into the job-creating phase implies a fundamental transformation of economies, and new consumption and production patterns. And such a shift can only be triggered by new social and political choices. Societies need to forge a new consensus and develop new institutions to drive new consumption and production patterns. Governments need to proactively design policies to promote transformative technological changes. Policies need

to support patterns of innovation and structural transformation that promote good jobs. In other words, **the transition into the job-creating phase needs to be steered and managed, and this requires new socio-political choices**. **Social dialogue** plays a central role in finding a new consensus on the way forward, in developing new institutions and in making technology work for good jobs.

Part 2: The challenge: How to manage innovation and structural transformation for job creation

This leads me to the second part of my presentation. How can countries manage the transition from the first to the second phase of the technological paradigm and facilitate patterns of innovation and economic transformation that create good jobs? We all know that such a transition process is complex, and therefore needs to be supported by a consistent and coherent policy package. I will focus on two policy areas which I consider to be particularly relevant. First, redistributive and wage-related policies to share productivity gains more equally. Second, education and training policies.

1. Sharing productivity gains for decent jobs

Productivity gains arising from new technologies need to be shared widely with workers, consumers and creative entrepreneurs. This will enhance fairness and **social justice** as technological innovations are the result of collective and cumulative efforts of individuals and companies over generations. Each innovation stands on the shoulders of past innovations.

At the same time, sharing productivity gains is central for **creating more decent jobs**. Fiscal redistribution increases workers' and consumers' incomes and purchasing power, and economic demand. Wage policies that ensure wage growth in line with labour productivity growth, and institutions that enforce effective minimum wages, improve the labour income share. Fiscal and wage policies will stimulate growth and contribute to job creation.

Moreover, fiscal policies that provide subsidies to creative entrepreneurs thereby support start-ups, the development of new economic activities and diversification into new industries.

Fiscal policies can also redistribute capital returns by extending the social security system and income protection to non-standard workers, and may create decent jobs in the care economy.

Productivity gains can also be shared in the form of **shorter working hours**. In recent years, working hours have dropped only modestly. This leaves room for further reduction, in particular for full-time workers. Declining working hours create jobs by redistributing work, as well as by increasing leisure time. More leisure time, combined with increased income and purchasing power, has always generated demand for new leisure-related activities and products, and has generated

entirely new industries and jobs in the sport, health, tourism, and creative sectors. As the leisure industry becomes more technology-intensive, it provides the opportunity of good jobs for middle-skilled workers.

2. Education, training and skills development

Education and training policies play a central role in the debate about technology and job creation. One important debate is on **skills mismatch**. New technologies and innovations create new types of jobs and occupations which require more complex skills and sometimes radically new skills and competences. For example, new jobs created due to the internet of things often consist of **hybrid occupations** which combine skills from different knowledge domains. Data architects, for example, need skills in data management and software development, and sector-specific technical knowledge. Education and training policies face the challenge of providing each individual worker with the right set of skills to ensure the efficient use of technologies in enterprises and the employability of workers.

Skills anticipation is one way to identify future skills needs and to guide education and training institutes in terms of the type of skills they need to provide.
Education and training, however, also play another role which is often neglected or poorly understood. Education and training are critical in generating the capabilities that **enable** a country to shift into the second phase of product innovation. Capabilities shape the direction of innovations and define the new industries that can be created. Thus capabilities determine not only the quantity but also the nature and quality of jobs that a country may create in the future.

My recent publications show that capabilities are embodied in the particular **mix** of knowledge and skills the labour force as a whole has accumulated. The more **diverse** and **complex** the knowledge base of the labour force, the wider the range of options for enterprises to **recombine** existing skills in the economy, and to develop new products. My research also shows that countries differ substantially in the share of graduates from primary, lower-secondary, upper-secondary and post-secondary education. Countries with a "strong middle" educational attainment structure have particularly high shares of lower- or upper-**secondary** education, while the share of graduates from **post-**secondary education is lower than from upper-secondary education. A "missing middle" labour force has low shares of upper-secondary, and significantly higher shares of post-secondary graduates. Our research shows that "strong middle" countries have developed higher shares of manufacturing in comparison to "missing middle"

countries. "Strong middle" countries are also associated with lower income inequality.

Education and training policies are therefore instrumental in managing the transition to the second, job-creating phase of technological waves. Policy-makers have the challenge of balancing two distinct objectives. The first objective is to **respond** to technological change and match skills supply to demand. The second goal is to **enable** economies to enter a dynamic process of product innovation by enhancing capabilities in the labour force. Our research[7] also shows that countries that align education and training policies closely with industrial policies to drive investment in new industries are particularly successful.

I would like you to take three main messages from my presentation:

- First, the direction of technological change, innovation and structural transformation is not pre-determined. It is driven by markets, but also socio-political choices.
- Second, the transition process into the job-creating phase of technological waves needs to be managed. Social dialogue, a consistent policy package and institutions are key.
- Third, while history does not always repeat itself, the future will not be job-less. This will not be different from previous waves of technological change – unless societies and policies fail to transform and to manage the transition to a "golden age of job creation".

[7] *Salazar-Xirinachs, J. M.; Nübler, I.; Kozul-Wright, R.,* Transforming Economies: Making industrial policy work for growth, jobs and development*, International Labour Office, Geneva, 2014, 402 p.*

JUKKA AHTELA

EESC Member, Employers' Group

Decent jobs for all

1. Introductory remarks: what is happening in the world of work?

Let me start with some general remarks on where we are and what is happening in the world of work. My introduction is to a large extent based on my experience, especially in the Finnish labour market, economy and society at large, with a particular focus on social dialogue and collective bargaining. However, I believe that these observations can be extrapolated all over Europe. The general and well-known trends that are affecting the Finnish labour market are present all over Europe, to a greater or lesser extent: globalisation, new technologies (especially IT), demographic change and urbanisation. These all have an impact on labour markets, are frequently interwoven, are unpredictable and very often have effects that seem to take us by surprise.

By way of example, as cited in the study conducted by the Research Institute of the Finnish Economy (ETLA), the development cost of the most powerful supercomputer in the world in 1996 was USD 55 million. Nowadays, the cost of the equivalent computing capacity is around USD 500, and the name of that computer happens to be Sony PlayStation.

I will not dwell too much on describing these trends. However, one observation is worth emphasising here: these trends are increasingly having a direct impact on individuals, not only on organisations. They are challenging individuals' capacities and development potential, be it employees or freelance entrepreneurs. The joint impact of globalisation and the introduction of new IT is a case in point here. And this brings the significance of skills policies to the fore. I will return to this later.

2. Attitude matters

Starting from the Finnish experience, I would like to emphasise the importance of the right attitude. Of course, attitude is something you cannot just conjure up, copy or use as a label to put on something. It needs to be learned, and making it happen sometimes takes a long time and hard work. But I can proudly say that the attitude of the Finnish social partners towards the introduction of new technologies and the need to globalise has traditionally been sound: technology and globalisation should not be considered as threats but challenges to be faced, opportunities to be used. This is the legacy of past decades.

As Finland still bears its famous reputation as "Nokialand", I would like to briefly explore what happened to that famous phenomenon. As you all might recall, the heyday of Nokia mobile phones was around the mid-1990s until 2010. Since then, the phones have no longer been produced in Finland but elsewhere, mostly in Asia. But what happened in the city of Oulu and at other Nokia sites was that they moved up in the value chain towards software research and development. To cut a long story short, there are now more people working in the IT sector in Oulu than before Nokia, mostly in start-ups or companies belonging to international networks. There is no other secret to this success than the joint strategy of managing change; maintaining and improving people's know-how and skills and at the same time ensuring that the necessary public infrastructure was fit for new enterprises. All the key players had the same vision and conviction: businesses, universities and other educational institutions, trade unions, local authorities, etc.

Another positive example in the same vein is the story of shipbuilding, focused on cruise ships, in the city of Turku. Shipbuilding has for many years been in decline, a sunset industry all over Europe. But the special know-how was there, in and around Turku. Thanks to a strong desire and joint efforts to save it, shipbuilding has been maintained and developed, including for its hundreds of subcontractors. The shipyard has a new owner and the order books are full until the early 2020s.

I am pleased to be able to use these two cases as positive and encouraging examples. But more than just being examples, these cases portray something that could be useful in other similar instances. What lay behind these results was, first and foremost, a joint analysis of the situation together with a clear, realistic and convincing vision for the future.

To be able to launch a change process of this kind you of course need open and well-functioning dialogue between social partners. And here the key word is trust. You cannot achieve anything overnight; the learning process takes time. It is very often an arduous task, not at all easy. But it is worth doing. As early as the mid-2000s, we launched a pan-sectoral "industrial dialogue" where sectoral social partners identified the particular global, economic and social challenges in their own industrial sectors. This established a solid basis and trust for the hard times to come.

3. Jobs disappear – new ones emerge

We have seen jobs disappearing and new ones emerging since the beginning of the modern industrial history. That is just a fact; it is nothing new in itself. What is new in our times is the speed and unpredictability of events. We cannot decide where and when the new jobs will emerge. Some indications are, however, available. According to World Economic Forum (WEF) research, skills linked to sectors such as IT, architecture, engineering and services of all kinds are needed in the future. On the other hand, you may encounter challenges if you are expecting employment in financing or insurance, office and administration jobs, manufacturing or construction in the future.

An interesting question is where these new jobs emerge. I firmly believe that the organisations that will create jobs in the future differ hugely from the ones we know now. The future will belong to small companies, start-ups, spin-offs, networks of all kinds, platforms, projects, partnerships between the public and private sectors, etc. All in all, the traditional corporate organisation model will be transformed into something lean, agile, mobile, digital, with blurred boundaries in terms of industrial sectors. But that is another story.

4. New approaches and policies needed to unleash productivity potential

4.1. Skills policies

The workplace of the future will predominantly be found between employees' ears. Knowledge-intensive work is no longer a prerogative of high-tech, IT or R&D; it will become ubiquitous. This also brings huge

potential to increase productivity. Let us be clear here: by increased productivity I do not mean working harder, but smarter.

This has a lot to do with digitalisation, which – creatively – destroys jobs on one level and creates them at a higher level in the value chain. And this of course brings us to the current digital skills deficit in Europe which was highlighted in the Skills Agenda of the European Commission launched this year.

We need to walk the talk on education and training policies in Member States. This is a key challenge but also a key solution to managing change in labour markets. There have long been calls to promote life-long learning but little seems to come of them. There are obvious deficiencies in basic and vocational education systems in many countries; the same goes for higher education in many parts of Europe. At the same time, many Asian countries are not only catching up but overtaking Europe as a destination for studies, not to mention the United States.

The room for improvement is huge when we look at the challenges facing the European education and training systems. The underlying challenge of digitalisation makes the challenge even greater. Basic skills, STEM, creativity, problem-solving, communication and languages, cooperation, addressing the special needs of older workers and migrants – this is a familiar list of challenges for everybody dealing with education and training. Suffice it to say, please take this seriously.

4.2. Employment and social policies

There are also huge challenges as regards employment and social policies. A new attitude towards change is needed. This affects us all. All policies should be geared towards facilitating change and transitions in professional life. This is very much linked to tapping the productivity potential that is behind all well-known technological developments: digitalisation, robotisation, nanotechnologies etc.

In terms of the legal framework for professional life, I think that the general message should be to try to ensure the availability of the greatest possible variety of forms of work. The new challenge here is the new kind of work emerging from new sources: various kinds of new organisations, start-ups, networks and digital platforms. It is essential that regulations do not hamper these new sources from creating jobs, while there is evidently a need to clarify social security systems and to adapt them to these new developments. I do not see universal basic income as a solution here, but this does exemplify the wide-ranging discussion that is taking place regarding the future of work.

«Continuous development and innovation should be the new normal in every work place. (...) The outcome matters. Work is less and less frequently measured by the hour, more and more frequently by the end result.»

Innovation is key. To be able to innovate you need room for manoeuvre, and to be flexible and agile, which brings us to the notion of flexicurity. This is often defined as meaning unilateral dictates by the employer, but this is not accurate. Flexicurity means the right balance when adapting the needs of production or services to the needs and security of workers. Based on the experience that I have had in my home country, the recipe for flexicurity is simply trust between the employer and workers: you have to invest in building trust, which takes time and is not always easy but is worth the effort.

My last remark here is about worker involvement. A new approach is needed here as well. I do not mean any new regulations, but once again a new mindset. This is about innovation, continuous development, acquiring and updating skills. The new mindset requires a new kind of involvement by workers in work while also requiring employers to have a new kind of management skills.

Continuous development and innovation should be the new normal in every work place. A skilled and dedicated worker knows best how to do the job; it is for the boss to say what should be done. The outcome matters. Work is less and less frequently measured by the hour, more and more frequently by the end result. This inevitably leads to more autonomy for workers as regards how, when and where a task is to be performed. This also throws up new challenges for employers: setting targets and monitoring outcomes is not always as easy as just monitoring hours.

This new mindset requires continuous dialogue, openness, information, updated skills – and, most importantly, trust. This should all be mainstreamed at work, not regarded as a new procedure.

As the new slogan goes: your workplace is between your ears – it is no longer a place to go to. Look at the various types and possibilities of telework or distance work; in some sectors, this is becoming the new normal. And here again, it is the outcome that counts, not the hours spent.

I think the equation here is clear: the higher the skills demands of the job are, the greater the scope for autonomy of the worker and the greater need and scope for continuous genuine, meaningful and mutually rewarding dialogue between employers and workers.


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SESSION 3

15 November 2016

THE ORGANIZATION OF WORK AND PRODUCTION

SPEAKERS

Left: Vladimíra Drbalová, Vice-President of Employers' Group.

Bottom left: Janine Berg, ILO Senior Economist.

Bottom right: Mario van Mierlo, Senior Advisor for Social Affairs, VNO-NCW.

VLADIMÍRA DRBALOVÁ

Vladimira Drbalovà, Vice-President of Employers' Group

1. Globalization, digitalization, demographics, mobility and the change in organization of work are the key drivers of the rapid change in the world of work, leading to a fragmentation of production and diversification of employment forms and work. Europe must seize the opportunities of Industry 4.0, for growth and job creation. Technological change has the potential to create long term growth and the profound change will develop our creativity.

2. The current changes are affecting the definition of the work place, people's attitudes to work, the independence, autonomy and flexibility of workers, and working relations. The developments are happening so rapidly that neither businesses nor workers are adequately prepared to absorb the change. Work and solutions will become more individualized, with high-skilled workers choosing to be self-employed and developing their own products, protections and health and safety environment.

3. Non-standard forms of employment (NSE) are on the increase in Europe, and for some it can be an explicit choice with positive outcomes, whereas for some of them it could be associated with insecurity. NSE offer both opportunities and challenges for workers, enterprises, the overall performance of labour markets and economies as well as societies at large.

4. The increase of NSE has been facilitated by the emergence of online platforms, crowdsourcing and by the introduction of national legislation which allow forms of flexibility that could lead to precarious employment. Research shows that it is time-consuming to look for short term tasks, which has implications for the productivity of the economy as a whole. Furthermore, companies that are intensive NSE users invest less in new technology, innovation and skills development.

5. Automatization and robotisation stimulate innovation and will impact both work and our way of life. Cooperation between humans and robots will evolve as robots acquire more autonomy, carry heavy duties, perform dangerous work and work in health care services. Ethical and legal questions may arise concerning the interactions between humans and robots and will have to be addressed continuously.

6. Investment in basic and practical skills for the future is necessary. Education and training should be adapted to stimulate Science, Technology, Engineering and Mathematics (STEM) competencies, Vocational Education Training (VET) and entrepreneurship, adaptability and lifelong learning. The introduction of benchmarks for education and training would be beneficial and more transparency on and better recognition of skills are needed.

7. Social protection should be strengthened through effective social security systems capable of protecting the employees in NSE. Employment and social policies to manage social risks and accommodate transitions should also be adopted. However social

protection cannot stand alone; there is a need for plugging regulatory gaps and strengthening collective bargaining to ensure quality jobs, bearing in mind the need of businesses for transparent and stable regulatory frameworks. Social dialogue and collective bargaining should be encouraged, including on online platforms, and should be extended to crowd workers and to the self-employed.

8. The financing of social protection systems and education through taxation should be discussed. Taxation should be considered as one source of public investment, and in this context the issue of tax fairness should be addressed.

JANINE BERG

ILO Senior Economist

Non-standard forms of employment (NSFE) give employers flexibility and can also provide opportunities for workers to gain entry to and access new opportunities in the labour market, as well as to reconcile work with home life. However, non-standard jobs may be associated with greater insecurity for workers. For some it can mean cycling between short-term jobs and unemployment, thereby heightening concerns over when they will work and be paid next. Workers in non-standard jobs may also have lower social security benefit coverage and face greater risks in terms of occupational safety and health. They are also less likely to join a trade union.

And yet it does not need to be this way – non-standard jobs can be "decent" jobs. However, improving the quality of non-standard jobs requires adequate policies.

In our report **Non-standard employment: Understanding challenges, shaping prospects**, we document the trends and consequences of the rise in non-standard employment across the world and offer four main policy recommendations for how these jobs can be made decent.

The first recommendation is to plug regulatory gaps. This could include policies that ensure equal treatment among workers regardless of their contractual arrangement; policies establishing minimum guaranteed hours for on-call workers and giving workers a say in their work schedules; legislation and enforcement to address employment misclassification; and restricting some uses of non-standard employment in order to address abuse, such as not allowing temporary agency workers to replace workers during strikes. For workers in employment relationships involving multiple parties, there is a need to ensure that employers using agency or "leased" workers are held responsible for safety and health and are also liable for the payment of wages and social security benefits if the contracting firm becomes insolvent.

The second policy recommendation concerns another regulatory tool: collective bargaining. Collective bargaining can take into account the particular circumstances of the sector or enterprise and is thus well-suited to addressing the needs both of employers and workers. Collective bargaining should be strengthened by building the capacity of unions to represent workers in non-standard jobs and by ensuring that all workers have access to freedom of association and collective bargaining rights. Where it exists, the extension of collective agreements to all workers in a sector or occupational category is a useful tool for reducing insecurities and improving working conditions in non-standard jobs.

The third policy recommendation is to improve social protection coverage. Here we propose a two-pronged approach consisting of: (1) adapting social security systems to increase the coverage of workers in non-standard jobs by lowering thresholds on minimum hours, earnings or duration of employment, by making systems more flexible with regard to the contributions required to qualify for benefits, by allowing for interruptions in contributions and by enhancing the portability of benefits, and (2) complementing social security with universal policies guaranteeing a basic level of social protection.

Finally, there is a need for comprehensive employment and social policies that support the labour market, including through policies underpinning employment creation and the provision of public care services, but also by giving workers more opportunities to take parental and elderly care leave and to partake in training and life-long learning. These policies help to address shortcomings in the current design of standard jobs, thereby giving workers with family responsibilities greater choice in whether to engage in standard or non-standard work.

Non-standard jobs can offer employers greater options in how they organise work. However, when there are differences between the entitlements that accrue to one contractual form as opposed to another, this creates incentives for employers to use these arrangements as a way to reduce labour costs, rather than as a legitimate response to specific demands in production. There is thus a need to implement measures that reduce the

differences between "standard" and "non-standard" jobs, so that employers' need for flexibility can be met without compromising workers' well-being or fair competition.

Simply providing a universal basic income – as some commentators on the growing casualisation or "uberisation" of work have suggested – is not sufficient, as it does not address the many dimensions of work that affect our daily lives. The labour market needs to be regulated to ensure that our workplaces are safe and healthy, that there are limits on the number of hours we work, that we earn at least the minimum wage, that there is equal pay for work of equal value and that we are protected from discrimination, to name but a few.

In the years ahead, it is clear that new technologies will continue to transform the workplace, adding new jobs that could not have been imagined decades earlier and eliminating ones that exist today. At the same time, our dependence on work for our livelihood and its impact on our overall well-being will not change.

As we look towards the future, we must therefore strive to ensure that all forms of work are decent, as no contractual form is immune to these ongoing transformations.

«Simply providing a universal basic income (...) is not sufficient, as it does not address the many dimensions of work that affect our daily lives.»

MARIO VAN MIERLO

Senior Advisor for Social Affairs, VNO-NCW (Dutch Employers' Federation)

Prediction is difficult, especially about the future.

What we do know is that future labour markets will be different from today's.

The ILO is currently working on a large-scale project on the future of work, addressing four different aspects: work and safety, decent jobs for all, organisation of work, and productivity and governance of work.

In connection with this project, my presentation addresses three different aspects of change in the world of work: technology, skills and flexibility. These aspects are all inter-connected.

The kind of technology we are experiencing is not the kind that is about making products better. The level of technology we have now is about communication, banking services, self-driving cars, services for elderly people, etc. This kind of technology cannot be developed without dedication to high quality standards with regard both to the product and to its users. Without doubt, this kind of technology offers great opportunities for growth and jobs.

This development is also about bringing the best of us to fruition – with 'us' being both employers and workers.

When I say dedication, I mean it in the broad sense, including the human factor and thus adding the social dimension to it.

If we look at the development of new technologies in this way, we might have to look at employer-worker relationships from a different perspective too. Traditionally, we look at the employer-worker relationship as one where employers have to provide the conditions in which workers can carry out their work properly. These relationships will not disappear, but they will change. More and more frequently we will see workers – highly skilled workers – offering their services from a self-employed position. And this means that they will be responsible for their own level of skills and also for their own health and safety conditions.

The first question that arises is whether the worker has the necessary knowledge to perform the task in question. They will sign a contract under which the employer/principal will be liable if they do not provide the proper conditions and take the right measures. This will result in fundamental changes to health and safety legislation, as self-employed workers are currently outside the scope of existing legislation. This approach does, however, fit in well with goal-oriented legislation. It is the right answer to changes in work, changing relationships in the world of work, the diversity of work and the need for proper ways to enforce health and safety legislation.

Businesses find themselves in a global competition involving spectacular technological development. We might even say that our economies and societies are on the verge of large-scale, revolutionary changes as a consequence of ground-breaking developments in ICT, digitalisation and robotisation.

Without doubt, digitalisation is one of the key factors in the growth of jobs. All jobs involve a digital element, and the impact of digitalisation on the labour market is huge. But digitalisation will not only become dominant in our work: it will also have a huge impact on our private lives and at home.

As we know, economies will not follow evolutionary paths of economic development in which companies gradually move from low-skilled to high-skilled forms of production. Neither will education. Traditional methods of education and learning will be challenged.

In the constant search for excellence, digital skills are increasingly a necessity. Both generic skills and specialised e-skills are required. The training of employees varies from sector to sector. A coherent strategy for digital learning and open educational resources should be mainstreamed across all education and training sectors. Both public and private resources could be used more efficiently. Furthermore, this could make a significant contribution to broadening participation in education and training.

In stimulating economic growth, competiveness and job creation as part of our competitive economies, there is a broader need for more people with STEM skills (Science, Technology, Engineering and Mathematics). They can play a key role.

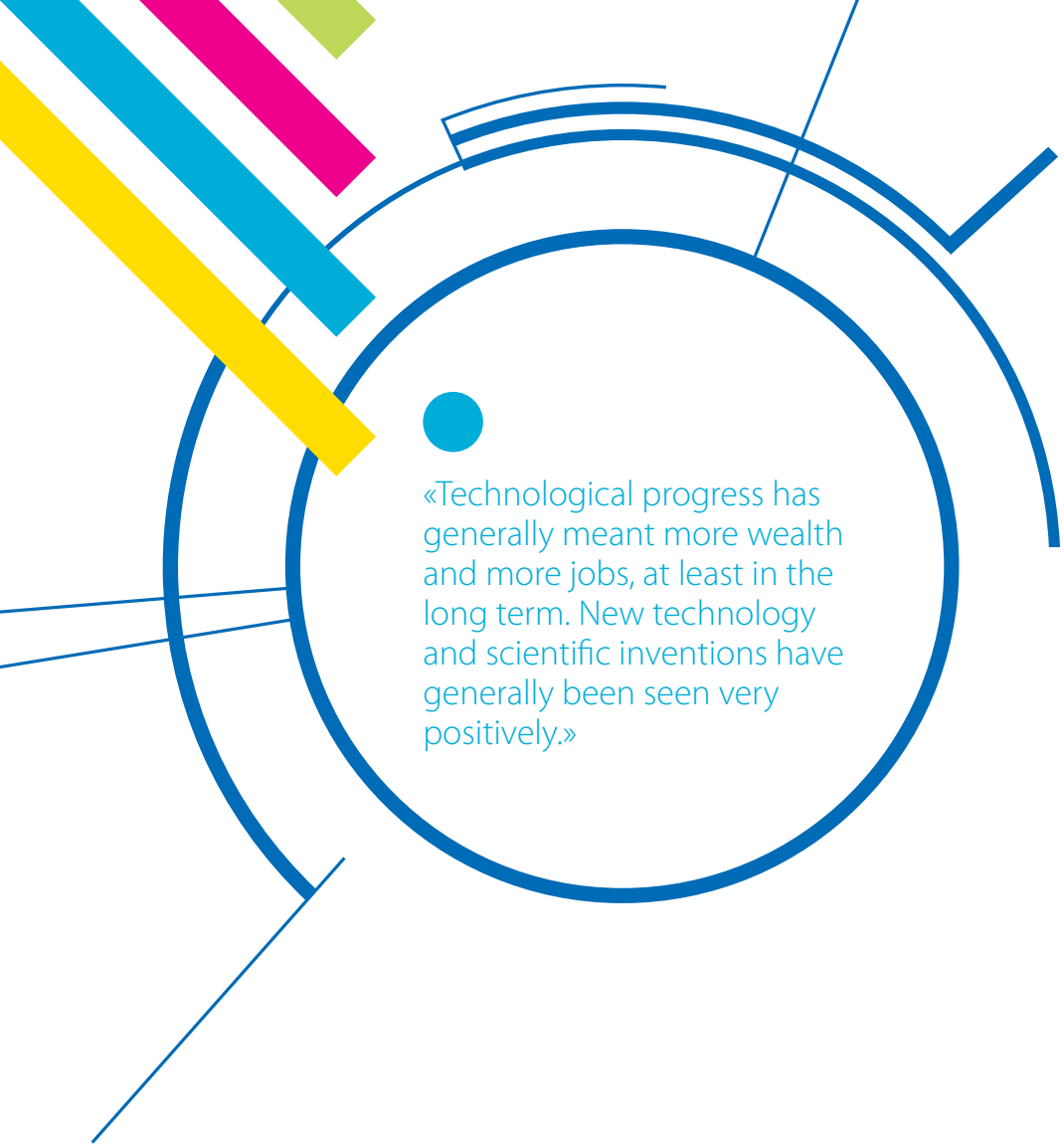
And of course, lifelong learning has a critical role to play in delivering and updating the skills that are required in response to the greening of our economies.

It must be possible to acquire skills, especially basic skills, without any pre-condition. In the interests of older workers and those who are long-term unemployed, no longer have any connection to the labour market and lack basic skills, there should be opportunities for enhancing and better promoting government-funded schemes. This is the responsibility of society as a whole, and government intervention is therefore fully justified. Such schemes should include the option of developing individual job integration agreements, including the provision of further education and training.

Entrepreneurship is vitally important in boosting economic growth by stimulating creativity and enabling people to take responsibility for building lives, careers and companies. Entrepreneurship courses should be part of school curricula and of secondary and tertiary education. Exchanges between countries with the involvement of education ministries, enterprises and organisations of employers and workers can provide valuable knowledge on how to achieve this.

There is a need to collect and monitor data. This will allow us to use labour market intelligence and skills information to anticipate the new types of jobs and thus identify the impact of these new forms of work on labour market statistics. New approaches are needed in order to fill the data gaps that currently exist.

Systems of benchmarking could have particular added value in determining whether education and training provision meets labour market needs.



Finally, cross-border recognition of skills and qualifications is needed in order to allocate labour in a competitive economy. Transparency and recognition go hand in hand. A first step in considering further country-specific approaches could be to gain a better understanding of how learning outcomes are defined and described in various parts of the world.

When looking at the future of work, it is important to consider the extent to which new technologies can replace or complement and enhance human work. Overall, fewer workers will be needed for jobs that are routine or have clearly definable tasks, as they will be done instead by industrial and service robots. As I have highlighted, one result of this technical change will be a relative increase in the demand for highly educated workers and reduced demand for less educated workers traditionally carrying out jobs consisting of routine cognitive and manual tasks.

In discussions on economic growth, arguments based on fear of technology-driven unemployment are sometimes raised. This fear also existed among textile workers in 19th century England. They were afraid of losing their jobs to the new technology of the industrial revolution. However, the fear that developing technology could replace a large proportion of human labour and lead to permanent structural unemployment has been proved wrong. On the contrary, technological progress has generally meant more wealth and more jobs, at least in the long term. New technology and scientific inventions have generally been seen very positively.

As discussed, the spread of new technologies has major implications for the future of work. Robots offer the possibility of maintaining high levels of industrial production in countries with high labour costs. They can also be used in environments that are too difficult or dangerous for humans.

We are facing both challenges and opportunities.

There are certain skills to which humans will be better suited than machines. The question is then how best to combine human and robot skills. The advantages of robotics include performing heavy-duty jobs with precision and repeatability, whereas the advantages of humans include creativity, decision-making, flexibility and adaptability. This need to combine optimal skills

has resulted in collaborative robots and humans sharing a common workspace more closely, and has led to the development of new approaches and standards to guarantee the safety of the "man-robot merger". Some European countries are including robotics in their national programmes and are trying to promote safe and flexible cooperation between robots and operators to improve productivity. For example, the German Federal Institute for Occupational Safety and Health (BAuA) organises annual workshops on the topic "human-robot collaboration".

In future, cooperation between robots and humans will be diversified, with robots becoming more autonomous and human-robot collaboration taking on completely new forms. Current approaches and technical standards aiming to protect employees from the risk of working with collaborative robots will have to be revised.

There are also other challenges related to the future emergence of autonomous robots and service robotics that will have to be addressed. Research has showed that:

- robotics play an important part in healthcare innovation and in providing care for the elderly (including older workers). The introduction of human enhancement technologies places new demands on health and safety management to monitor emerging risks, and also poses new legal and ethical questions;
- the vast majority of people have no experience of interacting with robots, but this is set to change as machine-man interaction at work increases;
- the effects of robotics on workers' and managers' motivation and wellbeing are not widely known. Psychosocial factors related to robotics will require more attention in the field of safety and health;
- differences in maturity levels between application areas mean that it is not possible to provide uniform guidelines for security and risk management. In some applications, security and safety issues have been managed professionally, but there are some robotics applications that may

be less safe. There is a need for further analysis to identify these risky and unsafe activities in autonomous robotics, in particular in the agro and food industries, care services, domestic services, manufacturing sectors, professional services and transportation;

- as professional service robotics is a relatively new area, liability in the event of accidents in a public area is not clear. There is a need for further legal analysis concerning liability issues.

Concluding remarks

New technologies provide new benefits, new costs, new opportunities and new threats, as history has shown. There is a general consensus that change is accelerating. Our future will be faster paced, especially in the field of robotics. And there are benefits to these advances: better health, convenience, productivity, safety, and more useful data, information and knowledge for people and organisations.

Flexibility and flexicurity

There is a great deal of misunderstanding when it comes to flexibility. We should instead speak of flexicurity.

Flexicurity addresses the need to adjust to new circumstances arising from the development of new technologies, which call for different skills and require lifelong learning. The challenge is to make sure people can find work and decent incomes throughout their lifetimes, and are supported by sustainable social security schemes and by labour market agencies – both public and private – that help workers to find a job. Indeed, economic progress and development and the opportunity for every worker to have a job, form the very basis of the European Union. They are two sides of the same coin.

We regard social dialogue as a very important tool for involving social partners in the ever-lasting need for a sustainable investment climate. We encourage projects throughout the European Union to learn from each other with respect to the various cultural backgrounds and traditions. I come from a country with a long tradition in social dialogue. We would never have reached the high level of welfare, stability and progress without it.

Tripartism is based on the idea that workers, employers and government can do more together than each of them could achieve separately. We therefore welcomed the initiative taken by the European Commission to launch a new start for social dialogue. It is indeed the cornerstone of the European social model to promote both competitiveness and fairness.

SESSION 4
THE GOVERNANCE OF WORK

16 November 2016

SPEAKERS

At the top: Heinz Koller, ILO Director for Europe and Central Asia.

Top left: Kris De Meester, representative of International Organisation of Employers (IOE) and BusinessEurope.

Top right: Giuseppe Guerini, President, European Confederation of Services and Industrial Cooperatives.

Left: Esther Lynch, Confederal Secretary of the European Trade Union Confederation.

HEINZ KOLLER

ILO Director for Europe and Central Asia

SESSION 4 | CONCLUSIONS

1. The world of work is changing. Technological changes, digitalisation and innovations are key drivers and pose both risks and opportunities. Such changes and innovations are evolutionary and as such not a novel phenomenon. There are at least three levels that should be taken into consideration when examining these changes and their effects on governance: the individual, the institutional and the societal level.

2. At the individual level, innovative workplace practices in which workers can express their talents, culture and professional skills, are able and willing to do their best work, have autonomy and are allowed the freedom to shape their jobs will be important elements in the future. Tech-assisted working and robot-human collaborations are likely to become more prevalent. For employers it will be even more important to find ways to harness the potential and talent of their workers. Important questions to be addressed are likely to include the work-life balance, including the conciliation of the different needs for flexibility from both workers and employers, life-long learning and occupational safety and health. Working time still remains an important indicator to measure productivity but it no longer represents an employee evaluation criteria.

3. At the same time, it is important that existing rights can effectively be realised at the individual level, particularly at the workplace, and that all forms of existing discriminations are abolished. The individualisation of employment contracts might undermine some of these rights as the inherent power imbalance of an employment relationship in these cases is no longer alleviated by collective agreements and representation.

4. During these years of crisis cooperatives have become a model of enterprise which offers interesting experiences and best practices to learn from in this context, especially in terms of employment growth and social justice and cohesion. However, the future of work and the resulting changes are not happening everywhere at the same time; rather, this is likely to be different for each individual.

5. At the institutional level, issues to be addressed include whether existing international labour standards (and also European and national laws and systems) are still fit for purpose in light of the changes that are taking place. Regulatory standards, including ILO conventions, might have to be adapted to reflect the current changes in the world of work including increased labour migration and the spread of international supply chains. Institutions will have to respond to the need to train people, especially young people for their prospective jobs.

   It is crucial to maintain social dialogue, to ensure it is based on trust and respect, and that it delivers effective results.

6. At the societal level, it is important to find ways to share productivity gains achieved through technology in a manner that reduces social inequalities rather than increasing them. It is essential to demonstrate to citizens how they benefit from globalisation. Recent political developments and an increase in xenophobia have demonstrated that this is key to maintaining and fostering citizens' trust in institutions and our democracies.

7. The work governance instruments (European social model, ILO tripartite and multilateral dialogue, social dialogue at all levels, collective bargaining) should be adapted to the new forms of work.

KRIS DE MEESTER

Representative of International Organisation of Employers (IOE) and BusinessEurope

The world faces a vast array of global economic and political challenges. The structure of the global economy has changed, with emerging markets and countries becoming new centres of growth, consumption and production. In addition, rapid technological change in communications and logistics has enabled an increase in cross-border flows of goods, services and financial transactions as well as the globalisation of value and supply chains. Add to that the financial and economic crisis, sovereign debt problems, the climate threat and conflicts and it's clear that every indicator suggests we are on the verge of a seismic change in the nature of the global economy and industrial relations.

While the forces in the world of work create new opportunities, they also challenge vested interests, demand new skills, and test those less willing or able to adapt. All these changes and challenges present their own set of opportunities and threats, some of which are familiar and some of which are not. Addressing these issues requires an innovative and creative approach that leaves behind preconceived ideas and out-dated paradigms. And most importantly: the Pareto principle comes into play when dealing with opportunities and threats. We have to bear in mind that devoting efforts to tackling threats is likely to only yield a 20% result. We should therefore focus our resources on grasping opportunities. The future belongs to those who see possibilities before they become obvious.

There is a saying and it goes like this: "Opportunity dances with those already on the dance floor". The world of work is moving ahead and will not wait for policy makers to make up their minds first. If you want to shape the future of work, start dancing and explore the opportunities. If not, you will find yourself not dancing at all…

Let's have a closer look at some of the elements in the discussion. Industry 4.0 is the current trend of automation and data exchange in manufacturing technologies. Industry 4.0 creates what has been called a "smart factory". Within smart factories with their modular structure, cyber-physical systems monitor physical processes, create a virtual copy of the physical world and make decentralised decisions. Via the Internet of Things, cyber-physical systems communicate and cooperate with each other and with humans in real time. Via the Internet of Services, both internal and cross-organisational services are offered and used by actors in the value chain. Enormous efficiency gains are possible, reducing environmental impact and exposure to hazardous working conditions at the same time. Yet, a good number of people automatically make a link with the idea that "robots will eliminate jobs".

Industrial and technological revolutions have historically resulted in the growth of economies and productivity, as well as in the creation of new jobs. There is no indication that the situation is different now. With the new and affordable capabilities made possible by automation, a significant number of new job opportunities and new markets will continue to be created. New work roles will emerge to develop and support the new technology. However, we don't know exactly what those jobs will be. At the same time, we do know which jobs are likely to disappear or to be re-designed. That is a situation that a lot of people find very difficult to handle.

Moreover, existing jobs will be redefined and reorganised in the future. The character of some existing work – how much or how little, we cannot know – will be reframed (yet not eliminated) by automation and digital technology. The debate over which jobs will be created or destroyed is useful and worth continuing, but we should be clear that it has no end, and there will be no definitive answer. For now, there are only indicators and traces to suggest an outcome. That outcome will be shaped by embracing opportunities and making choices about technology deployment that turn on entrepreneurial initiative, corporate strategies, and public policies.

Jobs have always been subject to change with or without robots and digital technology around. Years ago researchers already found that 50% of jobs would be new ones or have a different content in a seven year time frame. As for robots, we see that they can substitute for people working in dirty, dull, heavy duty, repetitive, monotonous and unhealthy jobs or in dangerous environments. They can reduce physical,

ergonomic and psychosocial risks. Most likely we will see the rise of situations where robots assist humans or even of human-robot collaborative systems, thus leading to an augmented workforce.

Many have quoted John F. Kennedy before: "Change is the law of life. And those who look only to the past or present are certain to miss the future." So far, no one has been able to prove him wrong. Change is the law of life and it will be the law of work in the future. We need to embrace it, not shield ourselves from it. It's better to be the motor of change rather than to undergo change. Not for the sake of change itself but to continuously improve our operations and achieve better results.

Another element that we have to take into account is the life expectancy of companies. The average lifespan of an SME in Europe is only 6 years. The average of Standard & Poor's top 500 companies is 15 years and declining. Given those facts it is clear that the one-job-for-life concept is utopian for a majority of the workforce. We therefore have to focus on a more agile workforce and encourage job transition and mobility. That is the core of the discussion; it should not be about 'standard employment'. Let's be clear. A majority of people will still be working as employees in an employment relationship but there will be a growing group of people in a more flexible relationship, such as self-employed workers, free-lance service providers or manufacturers, crowd workers or a combination of all of the above. This is of course challenging from a legal point of view and some see this evolution as a threat. Once again, however, let's approach it as an opportunity, as a possible improvement. Autonomous, output/results-based and project-oriented tasks and jobs allow people to shape their own career under less fixed structures. It will help them to better find the right balance between their skills, talents, aspirations and their duties and tasks.

In any case, what kind of protection are we seeking from the employment contract? We know from studies that almost guaranteed lifelong employment in public services is associated with higher degrees of absenteeism, harassment at work and less job satisfaction. So, do we focus on the employment relationship or on a stable relationship with employment? Do we seek bogus protection or will we focus in the future on the actual working conditions and fit for purpose protections? Make robust, evidence-based analysis the starting point. Don't start from aspirations or ideologies.

There are also other paradoxes in the world of work. We observe both outsourcing and insourcing; relocation and reshoring at the same time. Reshoring is the practice of bringing manufacturing and services back to the home countries driven by product and producing method innovations and/or an innovative organisation of work.

There is the rise of the "digital platform economy," a term that encompasses a growing number of digitally enabled activities in business and social interaction. If the industrial revolution was organised around the factory, today's changes are organised around these digital platforms, loosely defined. But are they really reorganising the economy and seemingly developing power? According to ILO figures the gig economy still represents a low percentage of the entire workforce and exponential growth is not expected. Some see these platforms as the devil in person; others embrace them for the (job) opportunities they offer. Some advantages are remarkable such as access to work for people who would otherwise be excluded, such as

people with disabilities. The fact is that most of the risks and opportunities associated with platform work are identical to that of 'traditional' employment situations.

What is also remarkable is that newer trends in the world of work are not on the political agenda or in the scope of work-related institutions. This is strange because phenomena like intrapreneurship, extrapreneurship and co-creation are being explored and deployed by leading businesses and organisations far from the spotlight and have the potential to become much more important than any platform-based type of activity. They allow for organisational growth and profitability, greater creativity, innovation and satisfaction and a more engaged and better-developed workforce.

Intrapreneurship is the act of behaving like an entrepreneur while working within an organisation. Intrapreneurship is known as the practice of a management style that integrates risk-taking and innovation approaches, as well as reward and motivational techniques that are more traditionally thought of as being the province of entrepreneurship. Workers are allowed to take direct responsibility for turning an idea or their own ideas into reality. Extrapreneurship is a form covering a situation in which an employee, as the initiator of a project, operates a new activity, close to that of his former employer or develops the project with colleagues of another employer. Co-creation is a management initiative, or form of economic strategy, that brings different parties together (for example a company and a group of customers, a group of entrepreneurs, workers from different companies, etc.), in order to jointly produce a mutually valued outcome. Co-creation brings the unique blend of ideas, which in turn gives a plethora of new ideas to the organisation.

Another paradox can be found in the speed of change. It's a common belief that the speed of change is surging. However, this does not mean that these changes are distributed evenly throughout organisations and among individuals. Some businesses still operate in a 1975 mode whilst others are using 'state of the art' approaches. In twenty years from now there will still be a market for handcrafted products for example and in other branches of the economy a lot of people will also still be working in exactly the same way they did 20 years before.

Some state authorities have invested in modern infrastructure, others in their governance structures. If we were to look at them solely from the infrastructure versus the governance point of view, the conclusion would be either fast progress or standstill for the same state. The picture is therefore fragmented. Each organisation and individual is affected differently by change in terms of the nature, extent and speed of

change. If your workplace were a time machine we would all be at different points in time. It is therefore clear that we are witnessing an evolution in the world of work and not a revolution!

So, what approach should we take? What is our business case? If we launch programs and policies, it is with the aim of having an impact. If we want impact, we should not go for standard employment, filling regulatory gaps, health and safety, etc. Instead, we should aim for a 'great place to work'. The key question is 'How to create an organisation where people are able and willing to do their best work?' A great workplace is one built on trust. Trust drives sustainable engagement and engagement drives business performance. The benefits speak for themselves for both employer and workers. Trust is not something which is merely "touchy-feely" or "nice-to-have". Rather, trust is a hard-nosed business asset that can deliver quantifiable economic value. When trust is high, the speed of execution goes up and costs go down. For that and other sound reasons, it makes good financial sense to consistently find ways to enhance trust levels, both within and outside an organisation.

The starting point for creating an organisation where people are able and willing to do their best work is to continuously seek to achieve a balance between the individual worker and his or her capacities, skills, personality, values, aspirations and working situation. The elements that constitute the working situation are the work content, the working conditions, the work environment (occupational safety and health aspects) and the work relations as part of the systems and processes that constitute the work organisation. Authentic, supportive leadership, respect and trust are enhancing factors in achieving the above result.

As aspirations, skills, technology, job content, work processes, etc. evolve through time, agility is key. The future is dynamic and so should be our response. A recent survey shows that 52% of workers are not in the job they would like to be doing… That shows where the real challenge is!

The classic approach is to select and train employees to adapt them to the job. A far better way would be to hire for contribution and adapt jobs to people. Job crafting or job engineering for example is a simple yet powerful methodology leading to a more engaged and satisfied workforce and sustainable work. It consists of empowering workers to reconstruct or redesign their jobs according to their own strengths and 'feeling', whilst still aiming and monitoring for the same

individual and/or team result. In general, designing jobs for autonomy, meaningfulness, progress and competence leads to this result. Equally if not more important is to start looking at people's talents.

Talent management is not just another one of those pesky human resources terms. Talent management is an organisation's commitment to recruit, manage, develop and retain workers for their talent(s). This is not about focussing on the most talented and superior employees available in the job market but it is a policy aiming at what I call all-potentials, getting the best out of each and every single worker. This in turn brings us to skills. Talents and skills are often used interchangeably but they are not the same. If our starting point is talent we should develop skills to bring that talent to life and to emphasise and complement it for the benefit of the individual and the organisation.

As was the case in past technological revolutions, it is difficult to predict with 100 per cent accuracy which skills will be more in demand in the future. However, it is becoming clearer that vulnerability to automation will not so much depend on whether the work concerned is manual or white-collar, high or low qualified, but whether it is routine. STEM skills are in high demand but many future tasks and jobs will also require more emotional and personal skills, such as persuasiveness, creativity, empathy, leadership, teamwork capacities and agility. As previously stated, agility to adapt to new situations, new technology, new forms of organisation, etc. will be key. It also means continuous learning, updating skills and making use of those skills. We therefore need to promote innovative ways to organise and stimulate peer-to-peer, workplace, informal, tech-assisted and other more effective ways of learning.

The changes in capabilities and skills needs, the focus on talent, autonomy, mastery and purpose and the transformation in the organisation of work will better cater to the needs of individuals and companies. They will also provide for different work opportunities and more satisfaction, accommodate better work-life balance and provide easier access to income opportunities, wherever they arise.

Another issue that almost immediately pops up when work in the future is discussed is that of working time. Should we really continue to monitor time spent at work to ensure productivity and measure work? Time is a terrible indicator of productivity and a poor measuring unit for work. We should instead manage for results and/or responsibility. Contrary to common belief, managing for results is possible for almost all jobs.

In conclusion, one could say that a lot of organisations are still prisoners of a traditional way of working that we inherited from the industrial era. Their focus should move to:

1. Adapting jobs to people
2. Job crafting/shaping
3. Blended working
4. Results versus time
5. Servant leadership
6. Autonomy, mastery, purpose
7. HRM -> career perspective

Change is the law of life and it will be the law of working in the future. We need to embrace it, not shield ourselves from it. It's better to be the motor of change rather than to undergo change. Not for the sake of change itself but to continuously improve operations and achieve better results for both the company and its workers. The question "How do we create organisations and enterprises where people are able and willing to do their best work?" should be complemented by two other questions: "How do we change fast enough to stay relevant in a turbulent world?" and "How do we innovate boldly enough to stay hands-on?"

Companies need to develop policies for the early adoption of technological and digital opportunities and to embrace good practices that stimulate innovation in the workplace, including innovative workplace organisation for their continuity and continued relevance. From a negative angle you could say 'to avoid being the victim of disruption', with all the subsequent negative impact on company performance and on the job security of employees and their physical and psychological well-being.

It is imperative that the governing institutions in the world of work, policy makers, ministries, social partners and labour institutions, etc. walk the talk and demonstrate exemplary behaviour. ILO director-general Guy Ryder said: "to get the future of work that we all want the ILO and its constituents must be the architects". Well, we are too late. A bunch of architects are already constructing and will continue to do so. The future of work is already out there. Some of us don't see it as it is or pretend not to see it because they don't like the direction it has taken. Either way, we are going to miss out on it if we don't climb out of our silos or if we continue to look at it from a blinkered perspective that is the reflection of how we did things in the past.

The 'Future of Work' offers opportunities to create conditions for sustainable and inclusive economic growth, shared prosperity and decent work for all. All of us have a role to play in working this out, but in order to overcome ideological and mental barriers we first have to build trust. Only a genuine dialogue between all actors, based on trust and respect, can help us to gain control and steer the boat we all share, not to a precise destination, but at least in the direction we want.

«The future of work offers opportunities to create conditions for sustainable and inclusive economic growth, shared prosperity and decent work for all.»

GIUSEPPE GUERINI

President, European Confederation of Services and Industrial Cooperatives

Firstly, I'd like to extend my warmest thanks to the EESC and the ILO for inviting CECOP-CICOPA Europe to take part in this extremely important conference.

The future of work and the changes that are currently under way in companies are a crucial issue for our 50 000 cooperatives and for our 1.4 million workers, most of whom are also members of these cooperatives and therefore entrepreneurs by association. So, for us, to talk about work is to talk about the very heart of what we do.

What we are seeing in the workplace, based on the experiences in Europe's cooperatives, is a process of radical change, and this has been highlighted at this conference. Admittedly, the first thoughts that spring to mind when we speak of "the future of work" are of new technologies, the digital revolution, the information society and automation. I will return to these areas, which others have already talked about, later. But I want to focus on some of the more "social" aspects of the future of work.

As I see it, there are three major drivers of these changes:

- The growing demographic imbalance, with the ageing of the population and falling birth rates, leading to a reduction in the European working age population and a subsequent imbalance in the social security systems in many Member States.

- The radical transformation of the labour market, which has excluded the younger generation in large numbers and, in general, many vulnerable workers and women who remain on the margins of society.

- The growth in inequalities, not only in economic terms, but in terms of training, opportunities to access services and participate in civic life, has further aggravated disparities, as has the financialisation of the economy.

We don't have time to examine these three areas in more detail, but they are issues that pose great challenges for our cooperatives and, more generally, our societies. These issues go hand in hand with – and force us to question – a number of major paradoxes: the working age population is falling, but the number of unemployed increasing; the world's capacity to produce wealth is growing but inequality is also growing; the demand for innovation and flexibility is growing, but young people, who are the group most suited to change, are being marginalised from the labour market.

These paradoxes highlight the fact that one of the major problems affecting work – and economic wealth – is the ability to distribute it and allocate it in the best way. We believe that cooperatives, on the other hand, have shown their superior ability to withstand crises and, above all, to better protect jobs and therefore to distribute economic and human resources more effectively.

There is no doubt that some trends in new types of work made possible by new technology do create new employment opportunities. However, along with these opportunities comes a shattering of employment terms. The processes that have led to the globalisation of our economy and communications have broadened our horizons greatly, but also often greatly weaken the social fabric.

The conduct of the financial economy, multinationals and, more generally, the predominant economic policies have fragmented the real economy and its fabric. The situation could be compared to the extraction of shale oil. Like the rocks that are shattered to extract oil, in this case social ties are shattered in order to extract value from peoples' isolation or the contractual vulnerability of workers.

Take the example of certain e-commerce or transport management platforms, or hotel bookings platforms (which someone has mistakenly included as types of "sharing economy"), which are a new horizon for on-trend businesses. They often manage to maximise the sharing of business risk and capitalisation (by

moving it onto independent worker-suppliers, who often find themselves in a weak position contractually), while optimising and concentrating most of the added value – and therefore the profits – in just a few hands.

This phenomenon, coupled with the "financialisation" of the economy, fuels the illusion that it is possible to generate wealth without working. However, we all know that if a few people manage to accumulate great wealth without working, it's because many people elsewhere are working without earning.

It is difficult for this illusory and damaging dynamic to become established in cooperatives, where workers are also the owners of their company and of their own work. Throughout the problems of recent years, cooperatives owned by their workers all over Europe have been better able to withstand crises, by protecting jobs, often sacrificing part of their profits and assets and drawing on capital reserves and assets accumulated during periods of growth. In "financialised" firms, we have seen the opposite trend, with jobs sacrificed on the altar of dividends and shares.

We certainly do not claim that cooperatives alone can redesign the welfare system or tackle unemployment, but it is vital that someone dreams of a social economy that can deliver sustainable development and social justice – because we are convinced that if we can dream about something, dreaming it together is the best way to achieve it. This is why we want cooperatives to be a means of putting the real economy back on track.

This also explains a certain hostility towards cooperatives that we sense in the attitudes of some political decision-makers and top managers at the institutions, who are more attracted by fashionable trends such as "social business" or the circular economy than by more established forms of social economy based primarily on the direct participation of stakeholders and workers.

This does not mean that we should be afraid of innovation, or of the new technology or the social changes emerging as a result of the hyper-information society and digitisation. On the contrary, we must instead develop the capacity to introduce them

into cooperatives, which have a great potential for collaboration. This could be implemented on a grand scale with the help of new digital technologies. Some cooperatives are trying to develop digital cooperation platforms to relaunch the ideals of mutualism in an information society.

Our challenge should be to promote a welfare 4.0 and a mutualism 4.0 – not just industry 4.0 –, with the cooperative economy as a form of protection and a safeguard for the real economy, work and the social fabric.

Of course, the digital revolution has a considerable impact on the organisation of work. In the years to come, we must commit ourselves fully to protecting the dignity of work. This must begin by assuming the role of guardians – something that many cooperatives do but is still under-recognised and undervalued, as our workers know all too well. More generally, the issue of work will be increasingly concerned with how to support the digital transformation. In many cases, this transformation leads to the disappearance of "traditional" jobs, as well as the creation of new jobs resulting from technological innovations.

However, forecasts for this transformation predict a scenario which will leave a negative balance of millions of unemployed people in Europe if we do not develop different forms of governance for work and the economy. These forecasts are made on the basis of the predominant economic model, which continues to see labour as a cost to contain so that major shareholders can see a growing return on their financial capital.

But what we have to do is to consider the wealth that new technologies allow us to create – even without the contribution of human labour – as something that should be invested primarily in shared assets: welfare, culture and the environment. We therefore need a sustainability revolution to support the digital revolution. This would take the form of investments in renewable energy, reusing materials, caring for the environment, maintaining the landscape and shared cultural assets and, most importantly, caring for people.

These are all labour intensive sectors that cooperatives are already working in successfully and they have a higher percentage of women employees. However, it is essential that citizens, policies and institutions act to convert the economic model and gear it towards sustainability.

We need a "social and ecological industrial plan" that creates the conditions to give work a future, re-establishing it as a key focus for economic development policies. I believe that all of us in the cooperative movement can say or do something to ensure that

people remain at the heart of the transformation currently under way in the economy and the business world.

The United Nations also refers to the need for all people to be able to aspire to "decent work" in the 17 goals that it set out in its sustainability programme. This must be done by making use of the capacity to create new "industry and innovation" through new technology, but also through the development of an economy that factors in environmental awareness and safeguards the environment.

In order to achieve these goals, we need to revise the economic model and keep hold of ideals such as moderation and responsibility, enabling us to make the most of even the simplest of innovations, not just grandiose hyper-technological innovations whose importance is often exaggerated and oversimplified.

We have a great need for these forms of innovation in order to be able to meet growing care and social protection needs and to ensure that welfare in many European countries is financially sustainable enough.

This demand for new services opens up fresh opportunities for cooperatives to engage in social innovation – as the social cooperatives in Italy have done, for example. These Italian cooperatives have managed to align their responses to changing needs with a simultaneous need to support new welfare spending capacity. They have done this through their ability to involve a wide range of stakeholders who are themselves promoters of services and measures and have transcended the role of "user-consumer" to become directly involved in carrying out the services that they themselves identify within their families and local communities.

This ability to innovate and create will be needed more and more over the next few years, as it will be increasingly necessary to share greater responsibility with service users, by increasing levels of participation and sharing, not least so as to ensure the sustainability of services that will probably receive less public funding.

This will require us to look for a diverse range of funding sources for services, relying heavily on the cooperative model and on a revaluation of the mutual model.

This new form of managing work and the economy should be geared primarily to reducing inequalities. These inequalities are discussed at every political and economic forum and they fill up the pages of reports and analyses by the central banks' research centres and institutes. However, they do not attract many tangible proposals.

Small-scale and large-scale innovation that we can increasingly share and make more accessible thanks to new digital technologies, confirm what has come to be termed the knowledge-based and information economy.

We must, however, avoid managing knowledge-based capital (data, information, knowledge and innovation) as though it were money, aiming to accumulate and collect it and ascribing to it a value of its own so that it is no longer a means of exchange. Knowledge-based capital grows only if it is shared and disseminated, not if it accumulates.

This should also apply to the concept of digital knowledge. We need to find a way of establishing a digital-knowledge economy that is able to create shared value, generating a culture of solidarity and a digital economic democracy: a new type of "landlord" is emerging who –instead of owning land – owns enormous amounts of data. The new system of governing work also requires us to make the lion's share of this data accessible and shareable through cooperative forms of governance, thereby avoiding the prospect of adding enormous inequality in access to information to the many other growing inequalities.

We know that it is not within our reach to reduce the inequalities resulting from global finance. But we can take practical steps in response to the growing demand for equity and social justice in our local areas. As is well-known, cooperatives are not businesses that relocate jobs, but – on the contrary – embed them in local areas.

Thinking of regions, cities and local communities as places for interaction is a prerequisite for building work and meeting places for people, and these are the bedrock of social cohesion. Building places to live, not just spaces to reside or work in, but communities where lives meet. To achieve these intentions today, in an era of great change, requires envisaging cooperatives as organisations where people inhabit spaces in order to create social innovation.

We in the cooperative movement feel an increasing responsibility towards people who are in danger of being marginalised. Among those increasingly facing this risk we particularly identify:

- Young people, who, in terms of their access to work, education and training and health and well-being, see the gap growing between those who have a lot and those who have little or nothing.

- Immigrants – without whom the care sector in Italy would collapse –, whom we continue to profile and see in relation to a situation of emergency, and not as a human and economic process which (once again) has its origins in the unequal distribution of income and opportunity between different areas of the world. Immigration also continues to be undervalued in terms of the economic potential that it offers and could offer.

- The unemployed and very low-income earners, who have had even their identity crushed by a revolution in the world of work that has fragmented places and forms of work.

- Women, who are still excluded from the labour market in too many countries.

The cooperatives are ready to insist on and commit themselves to these issues and to become sources of regeneration and a new form of economic and civil humanism. We can reinvent our mission as an economic role in the development of local communities and move from being "resilient" firms to being firms that promote the common good. One of the most precious of common goods is work and cooperatives have proved that they are better able to protect it.

During this transformation of work, cooperatives represent a safety barrier protecting the principle of economic democracy. They are the "rescue" platforms for the real economy, in particular for all the services, production and craftsmanship sectors, and could offer a form of protection that enables the market economy to be saved from the intoxication of finance, which is creating a succession of crises.

This is why, as we have said above, we are convinced of the need for a "social and ecological industrial plan" for Europe and for work: putting cooperatives back on the European agenda is part of this plan that we at CECOP are keen to help build.

ESTHER LYNCH

Confederal Secretary of the European Trade Union Confederation

Europe has changed my life for the better.

As a woman, living and working in the EU brings me important benefits and protections. I have the right to equal pay, to protection from discrimination, I have benefited from maternity leave, the right to holidays, a reasonable working day and all-important health and safety protection. I can travel to study and work across the EU. I can say in all confidence that my working life has been filled with more opportunities, more rights and more respect and dignity at work than that of my parents.

However, there is one thing that my parents had that I don't have – and that is the expectation that the world of work for my child and my grandchildren will be better than mine. This is one of the main areas where the EU in particular is falling short. The brave new future of work in Europe is looking increasingly like the bad days of my parents' past. Workers see not just their standard of living, but their ability to earn a living at all, disappearing. New and emerging developments in the way work is organised are putting pressure on the arrangements we all agreed upon long ago.

Throughout Europe workers are experiencing a hollowing out of the employment relationship. More than half the jobs created in the EU since 2010 have been temporary. There is growing evidence that insecure work and excessive flexibility creates conditions of fear and stress. It is an environment where claiming your employment rights will endanger your job and income. All too often, precarious working arrangements put employees at the mercy of their supervisor, or worse, an algorithm that has the power to decide if and when they will get called into work. Workers know that refusal to work in the exact way demanded will result in their hours being cut back or not being called back into work again.

Online platform work has created a new way for employers to distance themselves from the obligations that arise in the employment relationship. One critical area is the rejection of the employment relationship. This denies workers the opportunity to effectively exercise their employment rights. Workers in disguised employment relationships such as bogus self-employment, online platform workers, undeclared workers, au-pairs, interns and fake posted workers face so many legal burdens that they are left with virtually no means of protecting their rights. Likewise, triangular and subcontracting arrangements all serve to deny workers the effective enforcement of their rights. And all too often, in conflict-of-law situations in the EU, the rights of workers are placed one or two steps behind those of the employer. On-line platforms tell employees that they are not employed but are "on-boarded", that this is not work, it is a "gig" or a "task". Even when the worker can prove they are an employee they face a new hurdle with the online platform denying that they are the employer. They are told that you are not dismissed, you are "deactivated". Sometimes even finding the name and address of the employer who is operating the platform is a real challenge and when this involves cross-border enforcement, this places an impossibly high barrier for workers to overcome.

Threats, loopholes, barriers, expensive and lengthy proceedings and the absence of a clear right for workers to be represented by their trade unions combine with ineffective enforcement mechanisms at Member State level to undermine workers' confidence in their employment rights.

If the future of work programme does only one thing, it should be to address the problem of unrealisable rights – and come up with ways to make employment rights real again, not just for the privileged few but for all workers regardless of their contracts or the type of work they are involved in. This calls for acknowledgement by policy makers that the current situation is not acceptable; workers need to know that policy makers understand that there is a problem and that they are committed to fixing the problem. Fixing this problem calls for a genuine tripartite dialogue; talking about the future without addressing what has gone wrong in the past will not build workers' confidence in our institutions as a place to find solutions. This conversation cannot be put off or held without workers. Ideally, the ILO should invite its member governments

to hold national tripartite discussions on the problems that workers face when exercising their rights for the purpose of identifying agreed recommendations on solutions to be included in the ILO programme on the Future of Work.

The objectives of labour law remain the same today as they have always been. These are:

- to redress the unequal power imbalance which exists between employers and workers;
- to provide protection for workers against arbitrary treatment by employers;
- to outlaw discrimination;
- to protect and promote fundamental rights and freedoms including the freedom of association and the right for trade unions to organise, to bargain collectively and to organise collective action;
- to provide fair and just working conditions for all EU workers;
- to ensure proper implementation and enforcement of existing EU rules and regulations;
- to develop employment and other policies to promote more and better jobs; and
- to promote social dialogue.

There are some other avenues where solutions can be explored. Trade Unions in Europe are hoping that the EU Commission proposals for a European Pillar of Social Rights will address some of the problems experienced by workers. We have stressed the need to fix the foundations because the damage caused by the absence of effective protection is felt not only by workers, their families and communities, but also by

«The wellbeing of the EU depends on our ability to make those who employ workers fully accountable. »

responsible businesses. Employers gain considerable advantage by playing the system and dodging their obligations. The wellbeing of the EU depends on our ability to make those who employ workers fully accountable.

The mistake that many politicians in the EU seem to be making is to conclude that the anger of workers is due to the interference of the EU in their rights. It is true that workers in the EU are angry about the interference in their rights that led to the restrictions and removal of their rights in favour of the employer, for example in the Court of Justice case of Laval, where the right to protect a collective agreement by strike action was limited, thus putting even more power into the hands of the employer. But it would be wrong to then conclude that workers in the EU do not want the EU to take action to ensure that their rights are upheld. It is one of the main causes of concern among workers that the EU does not put as much energy and commitment into standing up for employment rights as it does with employers' rights. Between the weak and strong, the law should protect the weak.

We have called for the EU Commission to put forward legislative proposals under the European Pillar of Social Rights to provide:

1. The right to effective enforcement;
2. The right to presumption of an employment relationship;
3. A better definition of "worker" – consistent with the ILO's Employment Relationship Recommendation, 2006 (No. 198);
4. Protection for certain self-employed people who personally provide their labour;
5. The right to the most favourable conditions;
6. The right to protection against insecurity in employment;
7. The right to reasonable working time;
8. The right to dignity at work, including protection of privacy in an era of new surveillance technologies and physical searches;
9. The right to representation at work in particular in situations of violation of employment rights by the workers union;
10. The right to collective bargaining;
11. The right to freedom of expression, and protection against blacklisting and for workers who blow the whistle on wrongdoing;
12. The right to protection during probation;
13. The right to protection against arbitrary treatment and unjustified dismissal;
14. The right to safe and healthy work;
15. The regulation of on-line platforms to ensure their compliance with employment rights.

It is worth recalling that many of the problems we currently face have already been dealt with and solutions found. For example, the ILO's Home Work

Convention, 1996 (No. 177) has successfully tackled any arguments that work carried out in a person's home is not work. That Convention requires Member States to ensure that homeworkers have their employment rights effectively enforced and regulates homework as: "*…work carried out by a person, to be referred to as a homeworker, in his or her home or in other premises of his or her choice, other than the workplace of the employer; for remuneration; which results in a product or service as specified by the employer, irrespective of who provides the equipment, materials or other inputs used*". This Convention emphasises that national policy should promote "*as far as possible, equality of treatment between homeworkers and other wage earners, taking into account the special characteristics of home work and, where appropriate, conditions applicable to the same or a similar type of work carried out in an enterprise*".

Likewise, the ILO Convention on Agency Work (C181 - Private Employment Agencies Convention, 1997 No. 181) regulates employment agencies as those who provide:

- Services for matching offers of and applications for employment, without the private employment agency becoming a party to the employment relationships which may arise therefrom;

- Services consisting of employing workers with a view to making them available to a third party, who may be a natural or legal person (referred to below as a "user enterprise") which assigns their tasks and supervises the execution of these tasks;

- Other services relating to jobseeking, determined by the competent authority after consulting the most representative employers' and workers' organisations, such as the provision of information, that do not set out to match specific offers of and applications for employment.

For the purpose of this Convention, the term ***workers*** includes jobseekers.

If this Convention were properly applied today, it would already counteract some of the worst abuses associated with on-line platform work: for example, it outlaws charging the worker for finding them work. On-line platform are built on a model of charging workers, deducting a percentage of pay. In the final analysis, this is perhaps one of the most important challenges to be addressed in the new world of work, the recommodification of labour.

Growing inequality is one of the greatest social, economic and political challenges of our time. Europe needs a social contract in which workers can see the bigger picture, a set of collective benefits that make it worth their while to keep the faith with the European project.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