

Vice-President Valdis Dombrovskis: Concluding remarks at the Conference on the Future of Work

Ladies and gentlemen,

I'd like to warmly thank today's participants for the insightful discussion about the future of work.

One clear message from the Conference is that 'the future of work is already today'.

This means that when we talk of the 'future of work', if we want to be correct in our English grammar, we should really be speaking about the 'present continuous of work'.

It's not a question of saying 'labour markets will change'. Rather, it's already clear that our labour markets 'are changing'.

And the 'future'? It's about how we manage this transition.

Here are some facts about the present: Ten years ago, 67% of Europeans worked in the services sector. Today, it is 72%. Ten years ago, 36 million Europeans worked part time. Today, 41 million do. Over the same time period, the number of workers on temporary contracts has increased by nearly 2 million.

Now for the continuous: Some jobs will be lost. Nearly one in ten jobs could be fully replaced by automation, if the newest technology is adopted. And a much larger share of 'tasks' – around 50% – could be automated, as part of this same ongoing transition. At the same time, new jobs will be created as well.

This means almost everyone's work is being affected, in one way or another.

We want to avoid a future in which change comes at the expense of creating "winners" and "losers". And the way to do this is by keeping our social model fit for purpose.

Making the European social model fit for the challenges of the 21st century is precisely the thinking behind the European Pillar of Social Rights. The Pillar sets out the rights and principles that can empower people to manage change successfully. It also provides a framework for future-proofed policies and institutions at EU and national level.

We are, after all, in the seventh consecutive year of economic growth. Public finances and investment continue to improve as a result. Employment is at record levels and the unemployment rate is back to where it was before the crisis. The share of people at risk of poverty or social exclusion has fallen to below pre-crisis levels too.

Yet we know that sunny weather never lasts forever. We need to use these good times to prepare for longer term challenges: the resilience of our economies, the sustainability of public budgets, and the social priorities that demand ever more attention.

With this in mind, I would like to highlight three themes that clearly emerged across the sessions today on how to manage successfully the changing world of work: Adaptability, Fairness and Cooperation.

Adaptability is needed because of the high degree of uncertainty about how exactly the work will continue to evolve. After all, we don't know what tomorrow's disruptive technologies will bring. But on one point we can be fairly certain:

Human workers will be needed to do things robots cannot – think laterally; interact socially and; plan strategically. In every way, work will be more dynamic, varied and interesting. Most of all, workers will need to adapt to constant change. And for this, they will need a skillset that continues to evolve at the same pace as the world of work changes.

So it's no coincidence that the very first principle of the European Pillar of Social Rights is on education, training and life-long learning.

We're delivering on this through the Skills Agenda, which is about anticipating future skills, ensuring people can acquire them and guaranteeing that everyone has access to first-rate education and training.

Adaptability is also important when it comes to social protection. Today, Europe's social protection systems are still largely geared towards full-time open-ended work contracts. Other groups of workers and the self-employed are less well covered. As we just heard it's still hotly discussed among Social Partners. Such workers already represent 40% of the EU's workforce, and this number is expected to grow.

Job mobility is also increasing: from holding maybe one or two jobs over a career span, soon workers might change jobs more than 10 times.

As was said today, what's important is that everyone is covered by social protection and, reversely, contributes to the system, no matter what the working relationship is, no matter what career choices people make.

This is the thinking behind the new Council Recommendation on Access to Social Protection, agreed in December.

Another point on adaptability is how workers can combine their professional and private lives. More than ever before, people are seeking ways to combine work, leisure and family responsibilities.

This is something we target with our new Work Life Balance Initiative, including a Directive that will improve working parents' and carers' conditions, and lead to a higher employment rate for women, better earnings and better career progression.

Finally, we need to see how we continue to protect workers' rights and improve working conditions under changing circumstances.

To tackle this, we have proposed and now agreed a Directive on Transparent and Predictable Working Conditions that will enhance the rights of workers, regardless of their contract type, therefore also protecting the most vulnerable ones.

This brings me to the second common theme from today's discussion: fairness. The digital transformation has the potential to increase economic growth. But it must do more than this. It must bring inclusive growth.

That's a serious challenge. We know that change can risk leaving some people behind, especially the low-skilled and those who belong to disadvantaged groups.

Already today, the richest 20% in some Member States earn more than 6,5 times as much as the poorest 20%.

High income inequality undermines social cohesion. And it also hurts growth, for example when children cannot reach their full potential because their parents can't provide them with quality education.

So how do we manage this?

One way is through investment in quality social services, especially for families. We also need effective and timely active labour market policies. Improving how we match workers to new employment opportunities is especially important in times of rapid change.

Next, we must ensure that work truly pays. This means reducing the tax wedge – and particularly for low earners – by shifting taxation from labour to other tax bases that are less detrimental to growth.

Above all, the key is to keep Europe on the path of upward convergence. It is by winning this 'race to the top' that we can enhance economic and social cohesion across the EU.

This spirit is reflected in the Commission's proposal for the next Multiannual Financial Framework, on which we should find an agreement as soon as possible.

Specifically, the proposed European Social Fund Plus, with up to €101 billion in funding, should help us address EU social challenges of today and tomorrow, including those arising from new technology such as automation and the related new forms of work.

The final cross-cutting theme that came out of today's discussions is cooperation. As was already made clear, we cannot expect to succeed if we act on only one level, or in only one country, at a time.

One important element is to have well-functioning social dialogue, something the European Commission has put great emphasis on. Effective policymaking

relies on inputs from social partners not only to help identify solutions, but also to implement them. We need to ensure social dialogue remains relevant and effective in this, the new reality.

Cooperation and coordination are also needed for sustainable and effective economic governance. This is at the heart of the European Semester. This year we are also improving the link between the national reform priorities and EU funding instruments, to support implementation on the ground.

To conclude, allow me to thank you once again for your constructive contributions. As we heard today, the discussion will be taken forward at the centenary of the International Labour Organisation. The idea the ILO embodies – that peace and prosperity can only be built on social justice – has been one of the most compelling conclusions of the past century. Indeed, this idea found concrete expression in the European social model, and the social market economy developed in the 20th Century.

The world of work is changing. In terms of English grammar, we might say this challenge is both 'present' and 'continuous'. As regards the future, we will need adaptability, fairness and cooperation, if we are to ensure the European social model continues serving economic growth, high living standards and good working conditions for all.