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# INFORME THE FUTURE OF WORK



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OF WORK

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# INFORME 03|2018

## THE FUTURE OF WORK

## CONCLUSIONS AND PROPOSALS

## The governance of changes from a broad perspective

There is growing concern, uncertainty and rising expectations for the future of work in most societies, with differences according to the level of industrialisation and development of the countries, driven forward by the impact, which is forecast due to the overarching world trends, which are not new, but which are accelerating notably, and which are concentrated in different spheres.

Firstly, the demographic and social changes underway, involving projections which anticipate profound asymmetries in the population structures between different regions worldwide. Secondly, the process of technological change – which is also undergoing full and open acceleration, in particular digitalization, which is changing the foundations of the world economy, and affecting the level and features of employment in many countries. Similarly, the process of climate change, with consequences forecast for the future of employment due to both the risks it entails and the opportunities offered by the policies to combat its progress, insofar as the latter imply energy and economic transition.

And the process of globalization, which has rapidly shaped the economy, society and work over the recent decades. It is a general phenomenon offering advantages and opening up new opportunities, but also generating risks; and, furthermore, its benefits are not equally shared out between regions and people. The present and the future of employment in a large majority of countries is highly dependent on the rhythm and features of globalization, but also on the policies and instruments for its governance. Moreover, the changes in the world of work on a global level are occurring in a different geopolitical context, with a multiplicity of interrelations, a factor that has affected the influence and political capacity of governments and national frameworks.

In the light of these factors, the future of work will be determined by these economic and social macro-trends and obviously by a wide range of policies that must be developed by the international institutions and governments, on multiple levels for decision-making link in to the idea of global governance.

*In this new context, the aim must be to anticipate the changes, harness the opportunities offered to society as a whole and forestall and minimize the negative effects which*

may arise in the short-term, seeking to protect those who are most affected, and ensuring a fair transition for the whole process.

*One essential element will be the advance towards a global macro-economic agenda for employment, growth and development, so as to be able to address the challenges forthcoming from globalization and technological change, establishing the conditions for lasting and sustainable growth, to create jobs, to guarantee an adequate allocation of resources and to facilitate the adaptation of the productive fabric to the changes.*

*The issues with highest potential impact on employment in the present and future include the need to prioritise policies and instruments capable of maximizing the benefits of globalization and minimizing the risks of macro-economic instability of a systemic nature caused by the evident and necessary opening up and interconnection of economies.*

*This will involve finding responses on a global scale based on cooperation between countries and economic blocs. Better global governance will enable more effective management of the consequences of globalization via the rollout of world standards and institutions promoting common solutions in a globalised world, clearly setting fair conditions for competition and preventing anti-competitive behaviour on the markets. To achieve these goals, as we shall see below, there will be a key role for everything related to the governance of work.*

*It is clearly the case that the new technologies in the age of globalization provide a window of opportunity for growth and employment, as long as the changes are managed proactively, efficiently and fairly.*

*And this can be so as long as the challenge of governing the technological and digital transformation and digital is taken up, as was stated by the ESC in its 3/2017 Report on digitalization of the economy, and the commitments in the environmental arena in the context of the Sustainable Development Goals (SDGs), ensuring a higher level of equality and reduced levels of unemployment. To this end, it will be appropriate to implement viable change proposals, harnessing the advantages of said transformation for the benefit of people, and to improve jobs and the competitiveness of companies and countries.*

## **An economic policy framework which promotes sustainable job-creating growth**

The challenge consists of establishing how to govern this transition in terms of the policies to adopt and, in terms of global strategy, how the economic policy framework is situated. Economic efficiency should be promoted, and competitiveness strengthened so as to ensure inclusive job-creating growth. The competitiveness of countries will increasingly depend on their capacity for developing comparative advantages in this new scenario and will require the support of policies favouring the aforementioned competitive effort.

The transformation the world of work is undergoing should form part of this framework via a focus that addresses all the dimensions —economic, human capital and R+D+I—, both in the supra-national field and in national terms, by means of country strategies assuming the future of work and its transformation as a main axis of public policies, in other words, those binding macro-economic policy and sectoral policies to labour market policies.

In this respect, consideration should be given to policies geared towards improvement of infrastructures, guaranteeing access to technologies and to innovation, the potential of the industrial sector, efficient operation of the financial and credit system, or the improvement education and training systems. Betting on a set of policies which will, although not directly focussed on the labour market, contribute to job creation and, thus, to reducing the repercussions in the labour markets of changes on a level global, fostering a greater capacity to take advantage of the opportunities generated by globalization and technological advances.

*In view of the foregoing, the ESC believes that, in the framework of the global strategies for economic growth, in a broad sense, public policies should be adopted to generate employment, develop innovation and its dissemination, to improve the education and training system, reinforce the employability of workers and the competitiveness of companies, and to promote social and territorial cohesion, equality of opportunities and fairness.*

*This will involve rolling out a set of actions geared towards ensuring the labour improves its response to a new environment by becoming able to anticipate and incorporate change, with the goal of guaranteeing solid and inclusive economic growth, capable of creating jobs with rights and well-being for society as a whole.*

*To this end, there is a need to drive forward cooperation between the different levels of decision-making, institutions, governments and social partners, with the participation and engagement of the latter being vital in the design and application of these essential measures so as to achieve full efficacy.*

*This will also require a firm bet on a competitive pattern for growth of activity and employment based on a strategy of R+D+i which is coordinated and adequate for the needs of companies and citizens, reflecting a firm bet on science, innovation and high added-value activities.*

*Moreover, there is a need to drive forward coordinated policies for industry and R+D+i with the aim of reinforcing economic competitiveness and creating quality jobs.*

## The future of employment

Just as the future of work can no longer be addressed from a strictly national perspective, the supply and demand of work should be considered within the framework of globalization and a worldwide opening-up of economies. Any reflection on the

evolution of the supply of jobs must take account of the conjunction of demographic, education and cultural change factors and those in the value system which are already perceptible, and which will set the framework for the size and features of the supply of work in the future. Likewise, there is a need to consider the repercussions of these global trends on the demand for work, given the growing weight of the global value chains, the requirements of climate change or the acceleration of the processes of digitalization and automatization.

### The supply of work in the context of globalization

The job supply, which is falling in most of the regions, is disjointed and unequally distributed throughout the world. Whilst some parts of Africa and southern Asia still have large cohorts of working-age young people with considerably high fertility rates, the reduction of the active population may limit economic growth in the European Union (EU), Japan, China and many other countries worldwide. Amongst the developed countries, the only ones where the potential workforce will continue to grow in the future will be those which maintain a sustained flow of immigrants, as is the case for Australia, Canada and the USA.

The imbalance in geographic distribution of working-age population, may affect long-term economic growth and employment to differing extents, depending on the evolution of factors like technological advances, the migratory movements and the stimulus from education and key competences for the future.

#### *Need to anticipate the consequences of demographic change*

The European Union is facing a demographic decline in terms of growth of the population and an intense ageing process which, with respect to its repercussions on the supply of work, will mean a reduced volume of potentially active population (in these terms it would fall from 61 percent to 51 percent of the population by 2060) and an increase in its average age. The positive aspect of the effects of demographic change on the job supply is that of higher potential productivity acquired by successive generations, given the large reduction in years of working lives lost due to death or early disability, women joining the labour market, and progressive improvement to educational achievements amongst the population.

However, as opposed to what occurred in earlier periods, the demographic trends in the European Union do not point in favour of the perspectives for economic growth in the coming decades, in view of the fact that the slowing down of growth in jobs will entail important consequences for living standards. Of necessity, this will mean there will be an inescapable focus on all the possible reserves

#### *Drive forward labour participation in the equality of all*

of potentially active population, especially vis a vis women, the middle-aged, young people today who are not studying, or working, or seeking employment, as well as migrants.

*Along with the active policies focussing on training and labour market access for the unemployed, which will be referred to below, policies are required to attract to the world of paid work a large section of the population which, while not unemployed, does not participate in the labour market, taking into account the different reasons underlying this non-participation.*

At the same time, aside from the size of the job supply in the future, it would appear evident that diversity will be one of its main characteristics. This will entail significant challenges both for social cohesion and for securing the goal of maximising the impetus for labour market participation in equal conditions for everyone.

In the future, in a series of countries the composition of the workforce will be different and, in certain aspects, more heterogenous than today. A higher proportion of mature workers will converge with a lower proportion of young people, with very different training and cultural backgrounds, as well as a higher number of migrants, for different reasons and from a range of origins, without forgetting the presence of situations of disability amongst the potentially active population. In spite of the advances registered in the field of equality and the fight against all forms of discrimination, many people who share one or more of these traits will have to overcome barriers to achieve full participation in the labour market, as well as to obtain access to development of their skills.

In addition, account must be taken of the fact that women are half of the global workforce, such that it is especially important not to lose sight of a gender-based perspective and the need for extra effort to extend equality between women and men in all spheres of social reality.

*In the world of work, there is a need for greater flexibility in favour of working people, such that both men and women are able to balance their work, personal and family lives, taking advantage of the potential provided by the new technologies and planning to combat the potential risks thereof. For this to occur it will be desirable that collective bargaining continues to drive forward measures in this field.*

*In any event, as the ESC has highlighted in a range of reports on women's socio-occupational participation and status, it should be recalled that equality between women and men requires a transversal focus to engage all public authorities and society at large. To this end, it should be projected in all policies, since it will not be enough to focus efforts solely on the field of work. Rather – without wishing to give an exhaustive list, it must be taken into consideration in the field of fiscality, education, the R+D+i, culture, the digital agenda, urbanism, housing, urban mobility and transport, migratory policies and development aid and, especially, in the sphere of infrastructures and education and care services.*

*In more general terms, the achievement of goal 5, of the Sustainable Development Goals, relating to gender equality, is essential for advancing towards decent work in the*

*world and reducing inequalities between countries. Especially in the case of women, access to education on equal terms is a fundamental requirement so that, on a global scale, progress can be made in achieving decent work for all.*

Additionally, the information and communication technologies contribute to overcoming the spatial and time differences, going as far as to eliminate the need for proximity between the home and the workplace or physically travelling from the former to the latter. This converges with the advance in certain of the policy fields directly affecting the quality of life in towns and cities. Thus, the advance in the goals of decarbonization of the economy, along with development of policies like sustainable mobility, may give rise to more flexible strategies for organisation of work in terms of the times and places where it is done.

*It is expected that in the future part of the improvements in this field will accrue from changes in productive organisation in response to the evolution of the new ICTs and their impact on living habits and social organisation.*

*In this context, even greater importance will lie with the policies geared towards the socio-occupational inclusion of disabled people against the horizon of the future of work, harnessing the potential advantages of automation and the new technologies with inclusive ends.*

*In short, for the goal of decent work for the future to be effective, there must be decisive inclusion of the perspective of equal treatment and non-discrimination for all causes. From the standpoint of job offers in the future, there will be a need to facilitate the participation in paid work of all people who, despite having the potential to be active, remain excluded from the labour market due to the existence of barriers or different types of disincentives.*

Above and beyond the idea of a hypothetical eventual increase in the birth rate, the fact is that amongst the developed countries, the only ones whose potential workforce will continue to rise in the future will be those which maintain a sustained flow inward migrants. It must be recalled that 90% of global poverty is concentrated in the regions with a positive demographic dividend. Eradicating it by 2030, which is one of the United Nations Sustainable Development Goals (SDGs), will require quickening of the pace of demographic transition, a goal that is closely linked to improvement of education and training, access to health, and the advance of gender equality and women's socio-occupational incorporation.

*On a global scale, employability of the workforce in the context of globalization will depend on the impetus given by the international community to the Millennium Develop-*

### *The role of migratory flows*

*ment Goals (MDGs) of the United Nations 2030 Agenda, especially the goal of education for all in 2030.*

Looking to the future, it would be worth considering the capacity of labour mobility to contribute to alleviating the workforce deficit and that of skills in areas like the European Union where free movement of workers exists. However, the similarity of the demographic trends amongst the countries, the advance of economic convergence between regions and the persistence of administrative obstacles limits the mid and long-term potential of geographic mobility to address the requirements of the labour market of the future.

*For the effective development of freedom of movement of workers in the European Union, it will be essential to increase efforts to ensure greater standardisation to remove administrative red tape, in response to the needs of the workers and companies.*

In purely quantitative terms, the arrival in the European Union of migrants from regions with a positive demographic dividend could offset or attenuate the reduction in the population in the receiving countries and reduce the immediate pressure to increase the productivity. However, it should be taken into account that if current profiles and levels of employment of migrants are maintained, they could be more affected than native workers by the changes in future work, given that, as the OECD emphasised, workers of a foreign origin are concentrated in occupations that do not demand specific qualifications and which are dominated by routine tasks, that is to say, those most likely to be at risk of automation.

*It is essential to achieve more advances in the adoption of a migratory, asylum and common refugee policy in the European Union to facilitate the socio-occupational integration, the activation, recognition of qualifications and the development of competences of migrant people.*

Taking everything into account, in the mid and long-term, in line with the European Commission's most recent forecasts, even the most optimistic scenario of increases in employment figures (for example, by means of a theoretical equalling of the employment rates for women and men and even considering scenarios of significantly larger increase in the migratory flows) would not manage to offset in quantitative terms the demographic fall in the volume of those in employment, but, rather, it would only delay its effects. This would appear to indicate that to maintain economic growth and employment at levels similar to pre-crisis levels a substantial increase in productivity will be needed in the European Union. This could largely be

*The inevitable bet  
on an increase in  
productivity*

achieved via new advances in the knowledge-based society, especially in the field of the evolving technologies, automation and artificial intelligence, and a more intense bet on education, training and R+D+i.

The ageing of the European population, as in other regions of the developed world, is one of the most visible manifestations of the economic and social development achieved; and this is also projected in the supply of work in the future. It is forecast that the trend of an ageing active population—which will be especially pronounced in Spain—and the lengthening of the working life will continue in the future, given the progress in terms of health and disability-prevention, and the trend for delaying retirement.

*The process of ageing of the working-age population*

*As long as lifelong learning is adequately promoted, an ageing active population can allow for achieving higher returns from investment in training and from acquired work experience, in coherence with the paradigm of the knowledge-based society which it is believed will dominate the future of work.*

In the OECD framework, and in the European Union's more restrictive one, the promotion of active ageing has become a goal linked to a whole series of initiatives based on an integrated focus on the situations affecting older workers in a differential way, and the mechanisms enabling them to remain in the labour market longer. More intense promotion of health and safety at work, especially in age-related terms, advice and support for acquisition of new competences on the part of older workers, the adaptation and improvement of working conditions (the flexibility of the working day, and a gradual transition to retirement, for example), the strategies for transmission of knowledge and experience between different generations of workers or awareness-raising to avoid age-based discrimination will need to acquire greater priority in a scenario with an older working cohort.

*This will entail an important challenge, both from the standpoint of the management of the skills required for increasingly diverse and complex working environments, and for worker representation.*

In the process of the global competition for talent, in a number of countries the job supply may fall due to the emigration of well-qualified professionals, although it would seem that the “brain drain” is only a serious problem in a very small number of countries. On the other hand, some supply problems over the coming decades may arise due to the retirement of an important part of the workers in certain strategic sectors with very specific requirements vis a vis qualifications, such as in teaching and the health sector and social services.

*It is important to drive forward policies for anticipation, to guarantee and prepare the generational takeover in strategic sectors strategic such as education, health and the social services. These are professions which are facing significant challenges moving into the future.*

Thus, in a context of the ageing of the working population, the health and social services sectors are undergoing a high level of penetration of the new technologies, linked to a growing demand for care services in regard to ageing, and the social and cultural changes. For its part, the teaching profession is facing up to the challenge of teaching the competences and skills which appear essential for the work in the future.

Having the essential skills for work in the future will be decisive vis a vis the likelihood of people's labour market inclusion or exclusion, as well as the capacity of countries to compete successfully in the global market.

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*The skills of the working-age population*

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Projections on the educational achievements of the global population point to significant advances for the future, such that one can appreciate an important trend in the reduction of the volume of the population with no qualifications, and also a sizeable increase in the part of the population attaining the most advanced educational level, principally secondary and post-secondary.

Many countries have made important efforts to increase the proportion of STEM graduates (sciences, technology, engineering and mathematics), in view of the higher rates of employment achieved thanks to these degrees, their role as a driver of innovation and growth, and in anticipation of the higher future demand predicted for them. It is important to recall that these degrees, due to their strong technological component, are also those most exposed to market competition in the global job supply, where a number of Asian countries lead the concentration of graduates in the subjects.

However, emphasis is increasingly placed on diversity in competences along with a good foundation of generic technological competences. Thus, the development of critical thinking, analytical capacity, creativity, teamwork skills and, in general, the non-cognitive skills seem destined to become very significant in the future, such that the arts and humanities disciplines will remain important, although it will be vital to overcome the traditional dichotomy between Sciences and the Humanities.

In the near future, practically all jobs will require a certain degree of digital competence, however in the OECD only a quarter of workers use office software each day, of whom over 40 percent are not fully-competent in terms of effective use of these tools. In almost all countries at least 10 percent of the population lack the most basic digital skills and although the youth population has largely joined the digital world, in certain countries a surprisingly low percentage of young people are able to solve more complex digital problems.

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*The skills of the adult population and the need for ongoing updating*

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*In the context of the global job supply, it will be advantageous for countries to have greater skill diversity, both in their education systems and in the workplace.*

Ongoing updating of skills is becoming consolidated as one of the requirements of the future of work. However, according to the Programme for the International Assessment of Adult Competencies (PIAAC) the participation of adults in lifelong learning activities is very variable and the highest levels of participation are recorded amongst people with a higher educational level, and who already have a higher level of key skills.

Along with the priority role of the educational system in an individual's personal development and the satisfaction of personal aspirations, it is certain that the influence that it also has on the productive fabric and the labour market, just as the ESC highlighted in its 3/2015 Report on *Professional skills and employability*.

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*Young people's skill levels and the importance of the educational system*

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The benefits, individual and social, that accrue from investment in education and training explain why in all developed countries there is a consensus on the need for public authorities to play a decisive role in this field, with aim of meeting the need to improve jobseekers' employability and facilitate a better match between the supply and demand for qualifications and skills.

It will therefore be important to consider the situation in regard to skill levels amongst the population who remain at the obligatory levels of the educational system, because they may well be the potential supply of work for the future. The results of the OECD's Programme for International Student Assessment (PISA) showcase the strategic importance of the education systems and the need to set targets for educational policy looking to the future and with reference to measurable goals.

In addition to the especially good positioning of certain Asian countries in the results in respect of key skills, the PISA Report enables observation of important advances in the preparation of the new generations in comparison with their predecessors. However, it remains a concern that a high percentage of students in the OECD fail to obtain basic reading skills, and also the varying levels of penetration of digital skills in school curricula.

In any event, it should not be forgotten that in addition to the requirements for good professionals from the standpoint of their technical skills and competences, no less important – and yet often overlooked – is the need for citizens committed to society and universal ethical values, and this requires adequate references and the support of robust humanist training.

To this end, as underlined by the ESC in its 3/2015 Report on *Professional skills and employability*, it is necessary to guarantee access to quality education and training at all ages in order to enable the development of the required competences, in a broad sense, in the new work environment.

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*Improving the educational system and strengthening skills*

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*It therefore follows that educational policy should be oriented towards obtaining high levels of educational quality whilst simultaneously guaranteeing equal access, opportunities and educational conditions.*

*This will require greater investment and cost-efficiency, such that the educational system is the basic medium for providing the qualifications required by the people and the workers, and facilitates adaptation to a rapidly changing, global and digitalized environment.*

*At the same time, the education systems must be able to develop in people, right from early learning and above and beyond cognitive knowledge, a set of attitudes and aptitudes which promote an attitude of lifelong learning, and of learning to learn, an element which is key to adapting oneself more quickly to the changes and taking advantage of the opportunities arising from them.*

Furthermore, the dynamics of jobs is bringing about greater demand for integration between theory and professional practice and competence-based management, in response to the transformations impacting upon productive environments. A development of these characteristics should contribute to driving forward the capacity for initiative, entrepreneurship and innovation, contributing to the potential growth of the economy and gradual transformation of the productive model to one which is more knowledge-intensive and with higher added value.

*Thus, the design of a skill-strengthening policy should be based on the forecasts for occupational changes and the competences and qualifications required in the work of the future, improving the inter-connection between the educational system and the needs of companies, as well as consolidating the idea that it is essential to update skills and competences on an ongoing basis.*

Account must be taken of the fact that the speed of technological change means it is difficult for education and training systems to keep up their rate of response, with the inherent risk that studies fall behind in respect of technological advances.

*The challenge for the educational system is, in this case, both ensuring the generalisation of access and the adoption of new capacities and skills for adapting to robotization and digitalization in work environments. At all levels of education new forms of learning should be driven forward which combine and reinforce adequately basic and generic skills with other digital and personal skills.*

*In particular, ongoing training programmes and lifelong learning for the active population should increasingly include improvement of skills for adapting the routines of organisations and work processes to the requirements of the presence of artificial intelligence.*

## Socio-economic and technological changes and the demand for work

There is no doubt that the demand for work will be affected by globalization, climate change and also by increasing digitalization. However, there are variant visions in respect of the net effect that the latter will have in terms of job creation.

The most pessimistic analyses hold that the technological advances of the current era and coming years will produce an unprecedented *substitution effect* in the

*The uncertain future of the demand for work, although short-term losses are predicted...*

future. On the one hand, because said analyses are based on what happened in earlier processes, meaning that their effects in terms of productivity are exponentially greater. Secondly, because the speed of expansion of the technologies is much greater than in previous periods and, moreover, affects all sectors simultaneously. And

because, likewise, and differently from in previous epochs, the technology will not only be able to substitute the routine low-qualified work, but also highly-qualified jobs, via the application of algorithms (like analysis of financial markets, legal reports or surgical operations, amongst others) and even those requiring a high degree of intellectual complexity (via deep learning). However, the studies that have attempted to quantify the substitution effect, given that they used different methodologies, have given rise to very diverse results. Because of this estimates produced until now have to be taken with caution.

At the opposite end of the debate on the future of employment, it is argued that technological advances, due to the *offset effect*, will end up generating more economic growth and employment in the long-term. Digitalization and the consequent automation will generate business opportunities via new production processes, new products and new markets (in the sphere of the green economy, care services or the entertainment industry), certain of which may be promoted and generated by the public sector. At the same time, the reduction in the costs of production will add to the opportunities for SMEs and self-employment, and facilitate the return (reshoring) to the developed countries of productions that had previously been delocalized or sub-contracted to companies located in emerging or developing countries.

As things stand, it is therefore difficult to determine the net impact on jobs in the long-term, given that the projections include a wide range of variables, not all of which can be predicted now, as well as different contexts for institutions and regional and national policies. Moreover, the risk of automation of jobs does not necessarily mean their destruction. In fact, it could be that employment is transformed and new tasks arise which are doable by people, and even that employment continues to rise as a result of increased demand. In short, at least for the short and mid-terms, all the studies coincide in emphasising that jobs will be lost, meaning that there will be a need to face up to the social consequences and facilitate transitions in the labour markets (training and protection).

*It is therefore important to identify the occupations and the workers most vulnerable to digitalization and the new technologies with the aim of minimising the social and economic costs that accompany job losses.*

Over and above employment rates, a majority of studies coincide in indicating that in the mid-term digitalization in the context of globalization will affect the make-up of employment. In other words, more than jobs themselves, it will mean that some of the tasks executed in them will become automated (whether totally or partially), giving rise to a transformation in the nature of jobs and, consequently, the skills and qualifications required to do them.

*...and also effects  
on the composition  
of jobs towards a  
polarized model*

In this regard, there is already extensive empirical and analytical evidence showing that the structures of employment are being transformed towards a polarized model in all activities and in all sectors: with heavier weighting for more highly-qualified posts (professional and technical) but also job categories with medium-level requirements for qualifications (associated with services activities). The offsetting entry would equate to a reduction in the weighting of intermediate-level ones, where this is taken to mean administrative posts and skilled manual labour.

In this process of polarization, it would appear that the growth of employment in the upper echelon of the employment structure is linked with the increased weighting of jobs with STEM contents. In this respect, one of the outstanding aspects is the speed at which new technologies are introduced. This factor may generate difficulties in terms of adaptation of the labour supply and imbalances with the new employment demands. One of the problems on the immediate horizon is therefore attracting and retaining so-called digital talent.

Nevertheless, it is important to underline that, via induced demand, positive effects will also be produced in jobs with a low technological content but with a high human component, especially in the form of face-to-face services. Moreover, very long-range social processes will produce this phenomenon, especially the ageing of the population and the fact that most women have joined the labour market. These factors have already caused a strong increase in the demand for care and attention for children, the elderly, and dependent persons.

This process of polarization will have repercussions, in turn, for workers' incomes: those in non-routine highly-qualified cognitive occupations, will see their higher productivity rewarded by higher wages; on the other hand, there will be a drop in the wages for non-routine manual occupations due to the increase in supply of the workforce available for them, made up not just by low-qualified workers, but also by workers with mid-level qualifications who will have lost their jobs, whether because of new technologies or delocalization.

### *The impact on the demand for qualifications*

In any event, and regardless of the levels of specific qualifications for the new jobs at each end of the occupational structure, trends are occurring which are common to all of the profiles (in the primary sector, industry, construction and services). Routine-type jobs will be reduced, and others will be created which require greater flexibility and autonomy at work. The demand for digital skills will rise in all occupations as it will for other transversal ones which are social and communicative and promote teamwork.

*It is necessary to launch policies focussed on configuring a system of competences to fit with the required demands. As has already been mentioned, this will involve significant work for the education systems, in order to incorporate new training contents and ways of learning.*

*Likewise, it is vital to insist on the importance of ongoing adaptation of workers, in view of the pace at which changes are taking place.*

In short, it is important to service the demand for work in all emerging sectors and activities which, because of the economic, social and environmental changes, can supply new opportunities for job creation. Simultaneously, as has already been observed, there is a need to drive forward an improved match between the competences of the supply and the requirements of these sectors.

### *Harnessing new opportunities for employment*

Along with the opportunities offered by the development of the care sector and the activities linked to STEM competences, there is broad potential for growth in jobs linked with decarbonization and the circular economy, resonating with the need to advance towards environmentally sustainable growth models.

*In this regard, it is important that the required skills are provided for environmental matters, so as to facilitate the success of these transformations that stimulate productivity, growth in employment and sustainable development.*

*Likewise, policies need to be instigated which are designed to ensure that the transition between the “old” jobs which were destroyed, and the “new” ones created in the digital era and circular economy is achieved in an inclusive manner, facilitating the adaptation and vocational retraining of the workers involved, who might otherwise experience negative consequences.*

*More specifically, in the transition towards a decarbonized economy, attention should be paid to the re-skilling of workers who have lost their jobs or who are risk of job loss, in particular those who are most vulnerable due to their employability difficulties, such that access is enabled to new jobs generated in the field of a green economy and with low carbon emissions.*

*Regarding the new employment niches, it will be necessary to ensure the professionalization of these activities, which in the field of active employment policies will mean being able to provide the qualifications and competences needed for the new jobs.*

## The role of employment policy

Employment policy and, in particular, active employment policies, play an essential role in meeting the challenges for the labour markets of the future, especially in order to enable adaptation to the changes in the jobs, facilitate the transitions and transformations in the features of the jobs and alleviate the negative consequences for the quantity and the quality of jobs in the sectors of activity affected.

This context of change represents an opportunity to design employment policies which, above and beyond enabling a match between needs of companies and those of workers, must be refocused towards the creation of stable, sustainable and inclusive jobs.

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*Reorienting  
employment policies  
towards the future of  
the work*

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*It is necessary to bring together the active employment policies in the framework of integral and well-focussed country strategies, including coordinated actions for careers guidance, intermediation and labour inclusion to guarantee a match between the needs of the demand and supply of work and to drive forward an agile and quick transition of adaptation and people re-entering the labour market.*

*All of this should be done whilst ensuring the proactive connection of policies for the improvement of labour market access with protection policies, so as to guarantee maintenance of income levels for the unemployed, and other policies geared towards addressing the challenges for social cohesion.*

*This redesign should have sufficient investment which is efficient for enabling the adequate adaptation of workers to the new productive environment and reversing the trend observed in recent years in some countries of allocating less resources to active employment policies in the context of their labour markets. These policies must be evaluated so as to know their real impact so as to enable the introduction of processes for ongoing improvement.*

The activation and allocation of effective professional skills vis a vis the future of the labour market poses a very significant challenge which will require intense and ongoing work in the active employment policies, so as to design professional degrees adequate to the new needs of the productive fabric, with attention to the capacity for adaptation.

The new technologies will pose demands for the transformation of public employment services, which should evolve to become more dynamic instruments, although it is still not possible to adequately calibrate what changes will be required.

*Therefore, the ESC believes that the public employment services should face up to this transformation towards the search for greater efficiency, detecting the needs of companies and developing tools to enable classification of jobseekers-profiling, the identification of their degree of employability, and personalised treatment. All of this should guarantee access to new occupations and a better matching of the needs of the productive fabric identified, thereby facilitating the transitions via training for skill acquisition and professional retraining.*

*In relation with these objectives, it is important to recall the key role played by vocational careers guidance in the set of active employment policies.*

*The improvement of the mechanisms for intermediation in employment is essential for facilitating transitions in the jobs market. To this end, and as included in some national employment frameworks, including the Spanish one, it is necessary to bolster public employment services and enable public-private partnerships in labour intermediation, and the development of active employment policies. For these improvement goals, it will be necessary to incorporate cutting-edge technologies in the processing of information, and explore the possibilities of networked work, amongst other tools.*

Furthermore, the need to ensure a better match up between the demand and the supply of work will entail the availability of the competences and qualifications as required and requested by the productive sector. Vocational training in the field of active employment policies should be geared towards this goal.

*It is vital to have contemporary design of vocational training which ensures ongoing updates of the competences given the changes in employment. Learning should be adaptive and accessible in an easy and flexible manner. This will entail complementing face-to-face training with the growing trend in favour of online training, within the design of vocational training.*

*Moreover, vocational training programmes should be linked to possibilities for practical experience, enabling on-the-job skill-acquisition work, and which could be backed up with dual training experiences and systems which have achieved good results in certain countries.*

Achieving a better match between the supply of and demand for work requires improved employability of workers and the development of policies from a broad perspective, with the inclusion of those related to education and training, as well as those for employment and economic growth, whilst attempting to guarantee equal opportunities.

The challenge is that of avoiding, in a dynamic scenario of change, that there are imbalances between the supply of and demand for work which act as barriers to

*The improvement of employability as a goal*

job creation, and that unemployment, especially long-term unemployment, becomes structural.

*Thus, there is a need to improve the employability of workers via policies in broad terms, developed by multiple actors: public authorities, workers and companies; and covering different fields, education and training, recognition and improvement of qualifications and professional competences, and active employment policies.*

*A strategy oriented towards the improvement of employability should include as its central planks the implementation of mechanisms to enhance skills amongst the population, the activation of the economically inactive part of the population, and lifelong training strategies.*

*Moreover, in the context of trying to offset the costs of adaptation in the short-term, specific instruments which bring together measures of economic support and activation which facilitate the adaptation to the changes and challenges brought about by adaptation, and which serve to facilitate and quicken the transitions and harness the new employment opportunities. In this respect, one point of reference could be the experience of the European Fund for Adaptation to Globalization, which could extend its objectives or create new instruments oriented to the essential adaptation to digitalization.*

In addition, technological change will have a greater impact in certain more vulnerable groups, such as workers aged over 45, the long-term unemployed, young people with low qualifications or at risk of exclusion or disabled people.

*The public policies should provide a response for these collectives via the active employment policies specifically focussing on their problems and needs, facilitating their suitability for other jobs, ensuring their access to training and skill-acquisition and a new employment opportunities.*

The changes now underway are opening up new ways of accessing self-employment and entrepreneurship, as well as for professional development in companies of the social economy.

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*Supporting self-employment,  
entrepreneurship and the  
social economy*

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*Adequate development of employment policies will require recognition of the diversity of the new forms of employment available and the opportunity these represent.*

*Active employment should have sufficient flexibility to adapt to the new circumstances of labour markets, and contribute to promoting the entrepreneurial spirit, helping the unemployed to reorient their professional careers towards entrepreneurship, as freelancers or as self-employed, as well as providing support for the creation and maintenance of jobs in the social economy companies.*

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*Promoting increased labour market participation of women*

The opportunity for active employment policies to face up to future changes in the labour markets and, therefore, for a new design of them based on a country strategy, should drive forward the full labour market participation of women in equal conditions, as has already been noted.

The even lower labour market participation of women in comparison with men is linked to their relatively higher risk of becoming unemployed, to greater difficulties in retaining jobs, women's voluntary departure from the market, which is linked itself to higher living standards, as well as the working conditions in some of the available jobs, which fail to compensate for the cost of the opportunity for women if they accept them.

The failure to properly recognise the unpaid work women have traditionally undertaken in families is to be found at the basis of many situations of labour market inequality, which also disincentivise or devalue women's labour market participation. It is necessary prevent these cultural biases being dragged forward by inertia into the work of the future, with the aim of bringing gender stereotyping to an end.

*To this end, active employment policies should form part of broader set of public policies and supporting instruments, amongst others in the field of care for people (children and dependent persons) and promotion of co-responsibility between men and women in terms of attention given to the needs involved in achieving work-life balance.*

Special attention should be paid to the effects that the polarization process could have on women's employment. Here, it is important to note that a large part of the care-focussed activities have been mainly carried out by women. Moreover, these are activities traditionally under-valued and linked to low-skilled and low-paid jobs.

*In this respect, it will be important to launch policies focussing on socially dignifying this sector, in view of how important it is to economic development and social well-being. Likewise, and with the aim of enhancing the creation of quality jobs, the care professions and reducing the already high prevalence in them of informal employment, it will be essential to strengthen training policies oriented to the standards of vocational qualifications.*

*In tandem, equality measures should be instigated to promote that care is not a field exclusive to women. At the same time, account must be taken of the growing demand for jobs related to sciences, technology, engineering and mathematics (STEM) when it comes to driving forward and orienting policies to develop women's employability.*

*Additionally, the move to a circular economy could offer an opportunity to try to remedy women's current under-representation in green jobs, especially those related to science and technology, via the development of adequate policies for training and activation in this field.*

## Changes in work, the quality of jobs and labour relations

Throughout the twentieth century, the organisation of the work subordinate to its legal planning has undergone successive phases of construction, institutional development and transformation.

*The need to address the changes from a historical perspective*

From the 1970s onwards, work has undergone profound transformations driven by diverse and complex factors: successive financial and economic crises which led to falls in the rate of employment and increases in unemployment; economic dynamics of productive transnationalisation on a global scale, along with processes of delocalization of low-qualified jobs from the developed countries to low-wage countries; intense technological and organizational changes that denoted the decline of the Fordist system of production with a progressive growth in the importance of the information and communication technologies (ICTs) in the productive processes. Moreover, these transformations occurred in an context of political changes which projected their influence onto the idea of the role of the state and the public sector in the economy and in regulatory policies.

All of this has had repercussions on the labour markets, in labour relations and on social protection, essentially, but not just, in the developed countries, which have applied successive policies of flexibilization in an context of redefining of the foundations of the welfare state.

It is important to take account of the fact that the changes in the economy and in work have not only arisen due to the dynamics of capital, market forces, technical revolutions and the processes of technological revolution, but that political decisions have also played a part, and that the economic and social actors have had an important role, in an ongoing quest for balances between policy and the institutions, on the one hand, and society and the market, on the other.

*Due to all of this it will be appropriate to situate the current changes in the economy and in work, as profound as they are, within a historic perspective that recalls the need to link the factors of change, their nature and effects, with the political decisions that should be adopted in order to ensure they benefit the population at large and enable societies with cohesion and equal opportunities.*

*In this respect, it is opportune to take into account the ILO guidelines it is stressed that responding to these challenges and making principles and fundamental rights at work a reality requires political will, effective governance of the labour market and inclusive social dialogue; all of which is clearly linked to the idea of governance of work, something which is key in order to address the challenges and extend opportunities.*

In recent decades, there has been an increase in atypical employment, as has been stressed by the international organisations (ILO and OECD), which

*Atypical employment and the quality of jobs: evolution and policies*

highlight their expansion in most economies. Although temporary work and part-time work, the two predominant forms of atypical employment, have always existed and serve legitimate organizational and labour ends, the current situation is worthy of greater attention and concern, in view of the trend for growth and an increase in the involuntary nature of these forms of work, linked with the fact that they display less favourable labour conditions than typical labour relations (less job security, wage disparity, and greater difficulties in accessing social protection).

This rise, which is also due to causes related with new business models and new forms of employment, alongside certain of the features of atypical employment, has knock-on effects for companies themselves, given that it limits productivity and innovation, and also for the labour markets, because it generates segmentation, and for society as a whole, since it is common for it to negatively determine ways of life, consumption and the socialization of collectives and groups.

*Because of this, it is essential to monitor the evolution of atypical employment so as to enable the rollout of policies which safeguard the protection of workers, competitiveness, the sustainability of companies and an adequate functioning of the labour markets. It will also be appropriate to go deeper into the knowledge of the links and interactions between different long-term trends, and in particular between the trend towards occupational polarization observed in many economies, and the increase in atypical jobs. Greater attention should also be paid to the links between the proliferation of these and the new forms of provision of work in the context of the digital service economy.*

*In this respect, in the context of the new forms of employment it will be necessary to pay special attention to the evolution and the frequency of certain forms of work, such as occasional and on demand working, amongst others.*

*In this regard, the European Pillar Social Rights states (principle 5d) on secure and adaptable employment) that “Employment relationships that lead to precarious working conditions shall be prevented, including by prohibiting abuse of atypical contracts”.*

*In implementing concrete measures, the policy fields highlighted by the ILO can be a reference with the aim of combatting the shortfall of decent work that may exist in the context of the use of atypical forms of employment: legislative measures with the aim of avoiding legal vacuums in relation with this type of employment, the strengthening of collective bargaining, the reinforcement of social protection and access to it, and policies for management of the situations social risk and transitions.*

In connection with the expansion in atypical jobs, the main and international labour and financial institutions are observing a trend of deterioration in the quality of numerous jobs in many countries, with the consequent concern as to their social effects, on the labour markets and on the sustainability of economic recovery, although

it is the case that said trend is not noted in an identical way in the countries with developed economies as compared to the developing countries.

*In the developing countries, the priority remains driving forward economic and employment policies, promoting the effective application of decent jobs, to deal with a high volume of informal employment which leads to vulnerable work and to extreme situations of precariousness*

In the developed economies the quality of jobs appears to be determined by multiple factors, including the patterns of occupational polarization, and therefore the productivity of work, and the evolution of the characteristics of atypical employment.

*Furthermore, there must be more use of instruments to monitor the quality of employment based on conceptual frameworks and recognised measurement indicators, which are being developed by the different international institutions .*

*And, of course, there is also the issue of the need for economic policy, regulatory and employment measures which are adequate, and which must feature as much consensus as possible.*

Currently, analysis is more focussed on the effects of an intense and accelerated phase of technological revolution (the third or fourth industrial revolution). This is based to a large extent on a series of key characteristics: these include the central role of information, based on rapid penetration of the ICTs in all sectors and the rapid dissemination of the internet as a universal platform enabling total connectivity of people and objects.

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*Technological changes  
and labour relations:  
the opportunities and  
challenges*

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The effects, in particular of the digitalization of the economy, are visible in the organisation of companies and of work, in the rise of new business models and in the appearance of new forms of employment, amongst others. And attention is paid to their potential to generate increasingly profound changes, which also fully affect labour relations, presenting opportunities and challenges for companies and workers. In order to address them it will be vital to take account of the changes in the organisation and management of companies in the context of technological innovations, and in particular the digital technologies.

*It is necessary to optimize and utilise the instruments available to anticipate and govern these trends for change with the aim of facilitating a technological transformation which is inclusive in the field of employment and labour relations. Given this complex and long-term objective, it will be essential to include measures integrated in strategies*

*which are wide-ranging in scope and based on a shared diagnostic, and with broad participation from the social partners.*

Over the years, the social dialogue has addressed some of the main dynamics of the changes in productive organisations and their effects social and labour effects, both in European terms and in the national arenas. On a European scale, this has prevailed by means of a range of self-standing agreements which have set general frameworks for measures dealing with how to respond to the needs of workers and companies.

*In this respect, it is necessary to continue promoting the role of social dialogue and collective bargaining and to enrich the contents thereof in relation to the technological changes and their repercussions on employment and the labour relations.*

*Collective bargaining, due to its nature and functions, is the instrument that can and should facilitate, in particular, an adequate governance of the strategies for technological adaptation of the companies making labour relations dynamic in a proactive sense, staying ahead of the changes and their effects.*

*It will be appropriate that this continues, in order to promote measures in relation with a series of aspects, including: the orientation of training in companies towards the new requirements and capacities produced by the digital economy, facilitating the adaptation of workers; working time and execution of the provision in the new labour environments marked by digitalization and technological innovations; enable work-life balance to allow for new forms of work that can be used in a balanced way between men and women; strengthening monitoring of health at work, in particular vis a vis the onset of new risks arising from technological over-exposure; to drive forward measures for management of diversity at work and adaptation of new work environments to the age and health conditions of workers; enable new forms of management of work and labour relations, involving cutting-edge technologies (social networks, the internet of things, artificial intelligence), that can affect the exercising of workers' fundamental rights, and ensure they are carried out in a negotiated, balanced and transparent manner.*

*All of the above without neglecting the role which must be continued by the instruments for action on the part of public authorities, which should focus their action on labour relations which will be very transformed due to the effect of technological innovations and, in particular, the digital technologies.*

In relation with the role of regulation, from a range of institutions, amongst them the ILO, proposals are starting to be formed for the adaptation of social protection systems so that the new forms of work and employment may access them, in the context of the digital economy, which presents difficult or insufficient coverage. Likewise, a range of newly formulated rights are being defined in relation with the management of the use of technological devices that ensure connectivity and the traceability of work

activity, bringing about organisational and human resource management advantages, but for which usage should be reasonable and balanced. In some instances, these legal interventions are based on a relationship of complementarity with collective autonomy via calls for negotiation with workers' representatives. But, in addition, in some countries exploration is ongoing of new forms of regulation of new ways of provision of subordinate work, forms of mobile employment connected via digital devices in which precise links to work times and places disappear.

*It is necessary, in a very dynamic perspective, for a legislative response to the changes in the organisation of the work, to drive forward knowledge about the development of new forms of provision of work which may require the definition of rights and obligations linked to the use of connectivity devices, and exploration of the needs for adaptation in this sense.*

*For all of the above a suitable reference framework once more would be the general policy areas highlighted by the ILO in relation to atypical employment, with the adaptations required, in particular measures to avoid legal vacuums in relation with these types of employment and the strengthening of collective bargaining.*

In relation with monitoring of compliance with rules and rights protection, certain countries have also commenced rollout of measures in administrative and/or legal arenas in terms of defining legal relations, and the frameworks for rights and corresponding obligations, in new forms of jobs and new business models, in particular in the employment in the platform-based economy.

The expansion of atypical employment and the consequent segmentation of the labour markets has originated a stunting of the typical model of labour relations. Furthermore, the appearance of new forms of employment, in the context of the new digital economy and new business models linked to it, brings into question the relationship of subordinate work and the associated labour rights and social. The acceleration of technological progress and the rapid expansion of certain of these new forms employment increase the concerns regarding this question. In view of the foregoing, some general approaches are viewing as a trend the growing pressure faced by labour relations.

*Concerns about the future of the work*

Work will continue to be a complex reality in which we will witness the co-existence of typical work, in its classic configuration, alongside what has been classified as atypical employment, and along with which new forms of employment are being noted, without forgetting the presence of informal or non-declared work, a phenomenon very seriously affecting developing and emerging countries.

*In this context, it is necessary to recall the value of the right to work as a balancing instrument in labour relations. Moreover, it should offer responses to the new employment realities, providing a legal backbone for the assets, rights and obligations concerned.*

Simultaneously, the intensity and complexity of the changes are stimulating new ways to access self-employment and entrepreneurship, sometimes in formats that are already known but also via new opportunities for economic and labour participation. Moreover, the social economy is present throughout as a form of organisation of the provision of goods and services based around their own principles and values.

*In relation with all of these realities, it will be necessary to adopt efficient, balanced policies maximising their potential to create employment and well-being.*

## The governance of work

### *The role of the international standards and other instruments*

Governing in an efficient and inclusive way the consequences of demographic, social, economic and technological changes calls for initiatives on multiple levels of decision-making and agreement, and implies the existence of both international and national standards. But other instruments are also important in an international sense. These are different from the legal ones contributing to improve the governance of the work, and include those adopted in the framework of the UN.

*It will be important, therefore, to drive forward global responses in the future governance of work. This cannot solely involve national policies given the insufficiency of the state frameworks for addressing the dynamics and trends which, in many cases, are on a transnational scale.*

The ILO system is a pillar of governance of globalization which should be supported and optimized as such. In this respect, the *Declaration on social justice for a fair globalization* (2008) pursues the creation of efficient convergence of national and international policies with the goal of achieving a fair globalization and greater access to decent work.

For this reason it will be essential that the set of ILO conventions and recommendations is broadly applied worldwide, although the lower rates of ratification of certain fundamental conventions (Conventions 87 and 98, respectively, on trades union freedom and the protection of the right to union membership, and right to organize and collective bargaining), and above all the differences in the rates of ratification between regions and countries of the world, project serious doubts vis a vis the possibilities for balanced governance for the future of the work tending to compliance with said objectives. Just as important as the foregoing, moreover, is the problem of effectiveness in the application of the conventions once ratified, in which significant insufficiencies are observed.

*The foundations of the future of the work on a world level must overcome the profound differences which exist in terms of the application of the fundamental principles and rights for work contained in the eight ILO fundamental conventions. Because of this it is necessary to further develop international policies so as to continue strengthening the effectiveness of said fundamental principles and rights.*

*In any event, reflection and debate should focus on the need to redesign the different legal instruments for evaluating the convenience of completing them, adapting them, and in any event on reinforcing the conduits for ensuring compliance with them.*

Monitoring and effective application of the international work standards, especially the fundamental principles and rights, will remain key in a context of international division of work intensely marked by the organisation of production around global supply chains, in which the star role is played by the transnational companies. Thus, the international institutions (UN, ILO and OECD) have adopted instruments with principles and orientations focussing on them in the framework of social business responsibility which feature social and labour objectives.

*On a world level, many of the issues and concerns related with the future of the work will depend on whether there is effective continued promotion and monitoring of the application by transnational companies of the principles and recommendations included in instruments such as the United Nations Global Compact or the OECD Guidelines for Multi-national Companies.*

Additionally, in the panorama of instruments for the governance of work there is a special place for the European Union's social law. EU social law has been a successful experience inasmuch as it has contributed to guaranteeing the conditions for achieving cohesive societies. Nevertheless, EU law and social policy have faced difficulties and they still do. These are more patent in view of the need to address the challenges and the opportunities generated by the profound changes in development. The European Commission recently issued a call in regard to the need to rollout new social rights in the future in the context of digitalization, in order to adapt to the evolution of the world of work.

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*EU social law*

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In this framework, the approval in 2017 of the European Pillar of Social Rights expresses the political commitment of the twenty-seven member states, the European Council, the European Parliament, and the European Commission to work for a social Europe, and consequently to apply and promote the principles and the rights social enunciated.

*It will be necessary, for this reason, to decide what the evolution of European law and social policy will be, given the dual challenge of strengthening social cohesion in the wake*

*of the impact of the last crisis, and to meet the challenges and harness the opportunities arising from the socio-demographic transformations and the technological changes for the labour markets, companies and workers. Reinforced dialogue between the European social partners, moreover, must have a role.*

The social dialogue and collective bargaining, in many cases, are faced with the challenge of remaining relevant instruments in the countries where they have become

*The role of the social dialogue and collective bargaining*

consolidated and to gain new ground, in particular, in the emerging and developing countries. One of the fields for fundamental reflection is that of considering what the social partners could and should do to anticipate the changes and to accompany the transitions arising from them.

In the current debates on the future of the work, there is emphasis on the key role that the social dialogue between the governments and business and workers should have, and it is generally pinpointed as the ideal way to stay ahead of and react to the changes.

In addition to the role that said dialogue should continue to have internationally, greater importance is being attached to the social dialogue in frameworks of regional integration, amongst which the social dialogue between the institutions and the social partners of the European Union stands out.

*The relevance of the European social dialogue, as a mechanism of governance in the future of work exposed to profound changes, will depend on the success of the recent initiatives tending to strengthen its fields (policies and Union-wide legislation, macro-economic dialogue, economic governance etc.), and its results-based orientation with effective application on a national level throughout the member states. And it will be based on its capacity to accompany the transformations needed to facilitate innovation, drive forward employment and contribute to the quality of jobs, to promote the adaptability of companies and contribute to improving the qualifications and competences, amongst other aspects.*

In the national arenas, the main goal of the social dialogue is that of playing a role which is increasingly significant in the definition of socio-economic policy frameworks to facilitate sustainable growth, enabling efficient governance of the labour markets, balanced regulation of labour relations, and sufficient and adequate levels of social protection, all of this in the context of the challenges posed by globalization and the technological revolution.

*The needs for new qualifications and competences, the activation policies, the extension and improvement of social protection, industrial policy and R+D+i, amongst other*

*aspects, appear as key fields when it comes to addressing the future of work, and should receive priority and ongoing attention in the majority of the countries with developed economies.*

*To this end it will be appropriate for the social partners to adopt strategic planning instruments with the aim of projecting said dialogue onto a coherent perspective of subjects, and also of greater continuity and permanence in time.*

*For this purpose it will be vital to rebuild and strengthen the social dialogue in many countries in which, due to the last financial and economic crisis, it has been weakened.*

The significance attributed to collective bargaining as a basic instrument in labour relations is also noteworthy. This is due to the advantages of balanced adaptation it enables, given that the social partners know of the needs of the sectors and the companies, anticipate changes better, and are thus in a position to act more quickly and with greater impact.

Attention should be paid to the importance of the International Framework Agreements (IFA), signed by some transnational companies with international trades union federations, in the already-known context of the large economic and employment size reached by the global value and supply chains. These are instruments seeking to establish binding rules, as well as to exert an influence in the global planning of labour relations with aim of guaranteeing respect for the rights of workers and promoting decent work.

*For this reason, they may constitute an especially relevant instrument in the global system of labour governance.*

Meanwhile, in the national political and legal frameworks, collective bargaining is a key instrument for facilitating the adaptation of companies and workers to current and future changes. For this to occur they must be fully recognised and guaranteed, and include the independent and strong representation of business owners and workers.

*As with the social dialogue, collective bargaining is faced with the challenge of remaining relevant as an instrument for the future governance of labour, and if this is to occur it will need to decisively incorporate tools to facilitate innovation, competitiveness and adaptation, as a guarantee of employment and well-being.*

*It could thus contribute to incorporating management models to everything related to digitalization strategies.*

*It will be especially important to adopt policies to ensure the required conditions and to foster the development of collective bargaining in many of the countries with emerging and developing economies, and with which to enable recovery of the ground lost in some*

*of the countries with developed economies, recovering thus the levels of coverage of this process, amongst other objectives.*

*In this respect, national experiences with legal frameworks promoting collective bargaining are important. They guarantee balance and the spaces pertaining to state regulation and to collective conventions, respectively.*

*All of this should prepare collective bargaining to be the cornerstone of negotiated strategies of adaptation and transition vis a vis the changes in the future governance of work.*

## Socio-economic trends and repercussions for social cohesion

From a macro-economic point of view we are now in a global scenario of consolidation of growth patterns in which there tends to be a weakening of the link between the productivity increases and the results in terms of job creation and wage increases, with there being a continuous fall in labour incomes within the weighting of the national income.

In general, there is intense growth in atypical labour links and new forms of self-employment. In some cases this produces beneficial cases of greater flexibility for both employers and employees, but in other cases it is not voluntary and is associated to lower and less secure and less promising career trajectories.

A growth scenario with poor results in terms of employment in a number of countries poses enormous challenges for social cohesion due to the centrality of work as an axis of social organization, as the source of income for most families, as the generator of rights within the social protection systems, and as the fiscal base of the social states.

Firstly, because long-term unemployment, wage stagnation or reduction in real terms and the precarious operating modes of atypical employment affect women in a differential manner, as well as young people and immigrants, although also groups of mature workers in industrial sectors who lose their jobs or have to face seriously worsened labour conditions as a result of real or potential productive delocalization, or the automation of the productive processes. All these factors are reflected in the generalised trend towards increased economic inequality in all its manifestations.

In addition, the deterioration of the labour market and the loss of economic weighting of incomes from wages is undermining the capacity of the public sectors, both to adequately cover the labour and social risks of all the working population and to develop redistributive policies that efficiently correct the growing inequality ensuing from the market.

This is the case because wage incomes have become the fundamental fiscal base of the taxation systems as a consequence of the global trend of reduction, both legally and due to tax evasion and avoidance, of taxation on capital gains and wealth tax. The reduction of the economic importance incomes from work imposes important

limitations on the tax-raising capacity of the current fiscal systems. This amounts to a sufficiency problem for the public sectors and with it, a problem for their capacity to deploy redistributive policies to efficiently curtail rising inequality, whether via the strengthening of policies for investment in education, health and social services, or by reinforcing the non-contributive pillar of the social protection systems to guarantee minimum threshold of lifelong protection to all citizens, in line with the ILO recommendations.

### Sustainability and the scope of social protection in the future

The future perspectives in the world of work pose an important series of challenges for the different social policy scenarios. One of the initial and most obvious ones is in relation to the future of social protection or of welfare systems as institutional bureaucracies genuinely particular to the European social model and closely linked in how they are conceived to the characteristics of the world of the work of the twentieth century.

The trends underway and the predictions regarding futures changes in the nature of work have only served to add arguments to the debate on the need to reinforce the bases of funding of the public systems, if the idea is to maintain an equivalent level of social protection to that of recent decades.

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*The future of work  
and sustainability  
of social protection  
systems*

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Although it is still unclear how it will play out in the future, there is speculation regarding the counterbalances between positive yields from educational and technological improvements, one the one hand, and the consequences of proliferation of new forms of work and activities in the framework of internationalised and financialized economy, on the other. The latter would fail to feed back into the national mechanisms for redistribution as the classic scheme of full-time work did in the framework of a productive economy that was less complex and less global.

It will be important to anticipate the trend for a decoupling between economic growth and jobs growth that may require new approaches in order to maintain the suitability and sustainability of the social protection systems in the orbit of the European social model. Thus, if the key for the maintenance of growth will be essentially based on achieving increases in productivity in a scenario of a decreasing working-age population, as the reports of European institutions are saying, there are increasingly more questions as to the validity of the funding schemes based predominantly on the imposition of the work factor. The discussion on how to consolidate the sustainability of the public systems of social protection thus intermingles with the debate on the future of work, which may introduce new elements into the discussion on what need to be the different ways of financing the systems of social protection. One of the main keys is to be found in the issue of achieving increased productivity from the technological

and scientific advances, digitalization and the advance of artificial intelligence, feeding back into supporting the public systems for insuring against social risks.

*In any event, the creation of quality jobs whilst ensuring that as large a part as possible of the population joins the labour market (including unemployed people, young people, inactive women, older people and immigrants) are still very firm objectives for maintaining the public social security systems, for as long as there is no conclusion to the debates on possible new forms complementary manners of funding.*

From the perspective of the scope and the sufficiency of social protection, the trend towards proliferation of forms of atypical employment, based, above all, on digitalization and the ICTs, brings with it an increase in the instability and predictability of incomes, and uncertainty as to the obligations of elements producing negative repercussions on workers' expectations and rights of social protection.

*Access to social protection and its sufficiency: atypical forms of employment and self-employment*

*It is necessary to continue to explore options for adaptation of legislation for the changing nature of work and for addressing the gaps in social protection which are arising due to a proliferation of different forms of atypical employment.*

Special consideration should be given to the social protection of freelance workers, dada given that the traditional dichotomy between dependent and non-dependent work may not be sufficient to classify the diversity of situations that may arise in a reality of changing work. Moreover, digitalization and the new technologies may increase the propensity for self-employment in the future. In many European countries reforms are underway, with different orientations, so as to address these challenges.

*Based on an evaluation of the different experiences, it will be necessary to extend improvements to the legislation to reflect the new realities from the perspective of adaptation of the protective laws to the new reality of self-employment.*

In spite of the labour shortfalls that future demographic projections point to, workplace exclusion will continue in the future, as a result of the current levels of long-term unemployment, the growing polarization of jobs, the mismatch between existing skills and those required by companies, the labour market intermittency of forms of atypical employment, and technological unemployment.

*Unemployment protection and income security*

Given these perspectives, proposals of very diverse scopes are arising, ranging from those which are most radical and stress the need to move on from insuring against the

risk of unemployment to the creation of “an employment insurance”; to those arguing for setting up systems of basic universal income, as an instrument to guarantee the security of revenues for all people in the context of the uncertainty of the future of work; to those proposing the generalisation of systems of subsistence-level incomes in all cases of need and; and, lastly, those focussing on improving the efficacy of conventional systems of protection against unemployment and their connection with the social services and with the employability policies, to which reference has been made.

*The seriousness of the problem of long-term unemployment and the perspectives for the future point to a need focus efforts on identifying and implementing from the social protection framework the most adequate instruments to prevent an increase in the risk of poverty and the dismantling of social cohesion, as a consequence of the new social risks linked to unemployment and the polarization of jobs.*

Linked to the foregoing, in the debate on the future of work and the welfare state the question often arises as to the predictable care crisis that will have to be dealt with in the near future. This refers to the insustainability of the traditional models of distribution of the burden of care, predominantly assumed by women. Important challenges and opportunities for the future are arising from this important social change now underway.

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*Anticipating the care crisis*

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*The increase in the demand for long-duration professionalized care services and care for dependent persons, lined with ageing, chronic illnesses and the changes in the social organisation, constitute a challenge for the systems of social protection which the governments must anticipate with mid and long-term strategies.*

*Simultaneously, it is important to emphasise that the so-called “fourth sector” or care professionalised care economy has great potential for growth. The necessary boost for this sector should be based on the concept of quality, both in terms of services provided and in terms of the jobs linked to them.*