TECHNOLOGICAL PROGRESS: CHALLENGES & OPPORTUNITIES

In a context of shrinking working-age population in the EU, technological innovations that increase productivity become ever more crucial, but they also change the organisation of production of goods and services and the world of work. Automation and new business models enabled by technology raise concerns about a possible decrease in standard full-time employment, potential job losses and job quality, especially for routine low-skill tasks, notably in the manufacturing sector.

However, the new trends of the world of work also bring about opportunities. Innovative technologies increase productivity, create new jobs, facilitate inclusiveness on the labour market, and allow for a better work-life balance.

HOW TO REAP THE BENEFITS WHILE MITIGATING THE RISKS?

- Invest in education and the promotion of skills;
- Rethink traditional distinctions made by the social protection systems;
- Involve social partners in adjusting the existing legal framework to the new forms of work.

The European Pillar of Social Rights provides a useful framework for adapting labour market and welfare systems to the new world of work to the benefit of European citizens. While the Pillar should mainly be implemented at national, regional and local level, the Commission launched several initiatives related to work-life balance, transparent and predictable working conditions, and access to social protection. The Skills Agenda aims to upgrade the basic skills, facilitate smoother transitions and reskilling, and promote more and better vocational education and training. And new legislation against exposure of carcinogens at the workplace is a milestone for the health and safety of workers.

RECENT TRENDS

EU UNEMPLOYMENT RATE KEEPS DECLINING

The improving economic environment has had a positive impact on the labour market, with more unemployed people finding jobs.

EU EMPLOYMENT AT RECORD-HIGH: 238 MILLION PEOPLE IN EMPLOYMENT

The employment rate in the euro area is well above the 2008 peak.
If today’s cutting-edge science and technology were applied in production processes, a substantial part of jobs could be automated.

According to the latest data, 16.1 million fewer people experience severe material deprivation (i.e. have difficulty affording items considered desirable or necessary to lead an adequate life) compared to the peak level of 2012.

Workers in non-standard employment face a higher risk of poverty and material deprivation.

Note: Household heads are individuals with the highest income in the household.
TAXES HAVE A GROWING ROLE IN SOCIAL PROTECTION FINANCING

Social protection is increasingly financed by general government budget and less through social contributions (i.e. by the contributions of employers and of the protected persons). Some new forms of work can provide a lower access to social protection, thus further reducing the contribution base.

UNION MEMBERSHIP IS LOWER AMONG WORKERS ON NON-STANDARD CONTRACTS

Social dialogue can help to manage the increased flexibility of work. But non-standard work is less represented in the existing forms of social dialogue.

Source: Calculations based on European Social Survey
Note: Definition: Current members of trade unions or similar organisations among employees who have performed paid work over the last 7 days, by type of contract. For more information, see annex 1. Data years: 2016, except 2012 for BG, CY, SK, IT 2010 for HR, EL, 2004 for LU, 2008 for RO and LV. Data for MT not available.