

SPEECH | 28 October 2016

Keynote speech at the Conference on "Quality Jobs for All" on the role of key stakeholders in tackling future challenges on the labour market, Ljubljana

Ladies and gentlemen,

I am honoured to be here and congratulate Minister Kopač Mrak on organising this event. Debates like this one, feed into the collective effort needed to adapt policies to the challenges of today and tomorrow's labour market. They make an essential contribution to shaping what I hope will be the legacy of this European Commission: a European Pillar of Social Rights.

Today, you have been discussing the quality of work and how to tackle the challenges we perceive in the future. In my contacts across Europe, I hear concerns expressed related to the offshoring of jobs, automatisisation and quick shifts in professions, increased migration and diversity in our societies. I have taken note that also here in Slovenia you have concerns, for instance, over the negative impact of demography on the society and economy: and impact of ICT on eliminating or changing jobs. All this can cause divisions within our labour markets and ultimately, in our societies.

But, in spite of concerns about job quality, data shows that most of our workplaces have improved. Jobs have become more interesting and engaging. And, the share of workers receiving paid training increased from 26% in 2005 to 38% in 2015.

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

We are also faced with the increased digitalisation of the workplace. While this creates opportunities for more inclusive participation: for example, of older workers, workers with disabilities and those with caring responsibilities; these new forms of work can also be linked to lower and less predictable incomes, less autonomy and less access to up-skilling.

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

Youth across Europe, also in Slovenia, have called for a social policy that covers different forms of work more evenly – breaking down asymmetries in social protection: It is unfair that so many young people today have lower incomes, inferior jobs quality and social security.

Therefore, we must avoid fragmented and 'unfair' employment practices. We should join forces to make more dynamic labour markets – where young and old, workers and employers - feel safe to take risks. This is why transitions on the labour market, whether from job to job, to self-employment or to a care role need to be better accompanied and supported.

Ladies and gentlemen, this is a major part of the rationale behind European Pillar of Social Rights. It is a reconnection with the basic principles of our social market economy and European Social Model.

That is a growth model where economic development and social progress go hand-in-hand.

Our social model has effectively contributed to the prosperity and progress of our societies. It is indeed a fundamental element of our growth model: addressing inequalities and social disadvantage; opening up opportunities for all to participate in society and economy; acting as a buffer and stabilising the economy. I should add that social dialogue has always been a cornerstone of that model.

But, the challenges discussed here today – and many more, are putting that model to the test. This forces us to ask *ourselves: Are our policies equipped to face future labour markets and emerging social challenges? Above all, do they uphold social fairness?*

Ladies and gentlemen, on 8th March, we brought forward a draft outline for a Pillar of Social Rights, made up of a series of key principles which we consider essential for labour markets and welfare systems that are fair and that function well.

The Pillar outline has generated much debate on the future of work and welfare, and has mobilised expert input from across the EU. There is a strong demand for policy answers which address the broad agenda of social fairness. From Slovenia we have heard strong pleas for binding provisions when reinforcing social dimension of the Europe. Allow me to outline just 3 emerging ideas relevant to our discussions here today:

1. Support for **professional transitions**, particularly when changing status from self-employed to worker, and vice-versa.

In this regard, the modernisation of social protection through the establishment of individual accounts, possibilities to have portable entitlements are promising avenues for exploration.

2. The need to **up-skill the workforce** in order to address the expected displacement of jobs:

As most workers will need to interact more with machines, many will require re-skilling to cope with changes on the labour market. Collaborative economy platforms are seen as lagging behind in terms of possibilities for up-skilling and access to training.

3. **Reducing asymmetries** between self-employed and employees and between different contract types in social protection systems:

Adapting welfare to new types of work, including working as freelancers on platforms requires broader-based social security schemes: This could, for example be linked to new forms of contributions and taxation.

Some of the more constructive ideas we hear in this regard are about public intervention filling the income gaps of those working on insufficient hours or on insufficient pay. An important dimension of the discussion around the dynamic and productive workforce is on moving from "unemployment insurance" to "employment insurance" by wider use of in-work benefits, earned income tax credits and similar instruments.

Indeed, ladies and gentlemen, I am sure that all of you here have ideas and thoughts to share and I invite you to join the debate to help us ensure that the Pillar of Social Rights is not just ideas and ideals, but results in concrete actions and real benefits for our citizens.

Overall, the Pillar should be a **compass for convergence towards employment and social systems that are less vulnerable and more resilient to economic shocks.**

Such increased convergence in working and social conditions is desirable across the entire European Union, since it helps create a more level playing field and so, improves the functioning of the Internal Market.

Ladies and gentlemen, before we begin our discussion, let me stress my firm conviction: That in order for us to reap the benefits of global, digital and collaborative economies, **our labour markets and welfare systems need to function well and be fairer in all Member States.**

I believe that the European Pillar of Social Rights will help us achieve this upwards social convergence. I look forward to hearing your views.

Thank you.

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