

## FUTURE OF WORK

Innovation; globalization; migration; aging; (in-work) poverty and inequality; macro-economic instability including housing bubbles, financial crises or secular stagnation are today's societal challenges that, as of yet, have largely unknown consequences for workers, employers, governments and labor markets as a whole. Drawing on REBO's strengths, the Future of Work is a *multidisciplinary initiative* that supports *research* activities and helps *build a knowledge platform* of scientists, policy makers, public and private organizations and the public at large to analyze these societal challenges, as the top of Figure 1 indicates.

### **1. PERSPECTIVES ON FUTURE OF WORK**

As the bottom of Figure 1 indicates, Future of Work is organized in three interrelated themes, each centered around a) processes that have important consequences for labor markets such as *technological progress* or *globalization*; b) the importance of *inequality* (e.g. in access to jobs or in income) and the role of *diversity* (e.g. in age, gender or ethnicity) on labor markets; c) the *sustainability* of workers (e.g. through education) and of workplaces (e.g. through employer engagement); and d) the importance of labor market *institutions* (e.g. social security).

#### **1.1 The impact of innovation and globalization on labor markets (macro-perspective)**

Theme 1 will explore the societal challenges from innovation and globalization with a focus on labor markets as a whole, i.e. taking a macro perspective. In particular, organizational, economic and legal expertise and methods will be combined to examine the following questions:

- *Will robots kill jobs?* On the one hand, technological progress and globalization increase labor productivity and thereby income for complementary workers, such as workers in STEM (Science, Technology, Engineering and Math) occupations. On the other hand, progress in robotics or artificial intelligence is automating away many substitutable jobs, such as assembly line workers or office clerks. To date, very little is known about which workers are more likely to be complements or substitutes to new digital technologies and globalization. Is technological progress biased towards younger and against older workers or biased towards men and against women, or are the opposites happening? Which government policies (e.g. educational, fiscal, legal and infrastructural) best support stronger complementarities between workers and machines or offshoring?
- Digital progress and globalization are believed to result in a *polarization of the labor market* into high-paid and low-paid jobs at the expense of a disappearing middle class, contributing

to a stagnation of average income in the long-run. This *secular stagnation* of average income due to digitization and globalization is exacerbated by rapidly falling population growth since the 1960s as well as bubbles in real estate, stocks or bond markets and the bursting of these bubbles resulting in liquidity traps and jobless recoveries as happened after 2008. Besides a stagnation of average income, technological progress and globalization are also leading to *rising income inequality*. However, as of yet, very little is known about the precise policy and regulatory trade-offs between ongoing technological progress or globalization and stagnating average incomes or rising inequality. For example, could inequality be reduced without taking away incentives to innovate by making workers co-owners of digital capital at the workplace, rather than rely on government income redistribution policies to reduce inequality?

- In 2015 more than 750 000 *refugees* arrived on EU soil and EU policy makers are failing to effectively allocate those refugees across Member States. Consequently, in-migration into Europe remains largely uncontrolled and unregulated, resulting in *informal economies and sometimes even criminal activities*. However, very little is known about these new hidden populations or their exploitation, and what regulation best protects the interests of workers in sending and hosting countries as well as the interests of migrants. More generally, what policies can help migrants to better integrate into our labor markets, to get better access to goods, services and institutions that is currently restricted and what role is there in this for native workers and employers?
- In Europe, the development of *open and innovation-based communities* encounters many ethical, legal and socio-economic barriers that can only be addressed by *international and European law*. For example, while there is significant public concern that new digital technologies such as robotics, artificial intelligence, nanotechnologies or biotechnologies pose threats to society in terms of labor safety or job security, there is no established framework of policy, legal or technical standards to address these concerns. Another example is the need to build public awareness of the societal benefits of new technologies and openness to allow timely legislative action for the adoption of new technologies and more openness.

## **1.2 Worker skills, worker health and work-life balance (micro-perspective)**

The societal challenges mentioned above are also important in the context of the *sustainability of individual worker skills, worker health, and work-life balance*, i.e. taking a micro-perspective rather than a macro-perspective as is the case in Theme 1 above. In this context, 'work' is understood in a

broad way and can include paid work (permanent contract, fixed-term contract, temporary work, independent work, etc.) and unpaid work (care, volunteer work, etc.).

The central question in Theme 2 is: “*How can various stakeholders promote individual employability and facilitate transitions between education, work and care for individuals, aimed at productive labor, an inclusive labor market, healthy work, and a good work-life balance?*” The questions underlying this central question are: a) *Which legal, economic, and organisational incentives promote a sustainable and inclusive labour market?*; b) *Which responsibilities and activities (interventions) do various stakeholders at different levels (EU, national, organisational and individual) undertake to promote employability and to facilitate transitions between education, work and care?*; and c) *What are the effects of such interventions on productive labour, an inclusive labour market, healthy work, and a good work-life balance?*

These questions challenge traditional notions of job security and career patterns. It asks how new forms of security, in terms of income and work, can be established for all groups on the labor market while promoting employability and facilitating transitions between education, work and care. And what is required from various stakeholders at different levels, such as the legislator (at national and EU level), the social partners, employers, employees, and their representatives to achieve this goal. In particular, organizational, economic and legal expertise and methods will be combined to examine:

- The increasing call for *worker flexibility*. On the one hand this flexibility refers to the increasing occurrence of transitions between education, (paid) work, and care, and the increasing number of self-employed workers, which challenge traditional career patterns and employment relations. On the other hand, this refers to changes in the work organization, such as flexibility in working time and place of work.
- The increasing *diversity of the workforce* and the challenge to create an inclusive labor market for various groups, such as young workers (unemployed, fixed-term contracts), ethnic minorities, older workers, and migrants.
- The *ageing society* in combination with a *rising retirement age* and an *increased need for care*. People have to work up to higher ages, which raises challenges for intergenerational solidarity, workers’ employability and health. The latter is especially topical for workers with physically and mentally demanding jobs.

### **1.3 Workplace practices, workplace relationships and institutions (meso-perspective)**

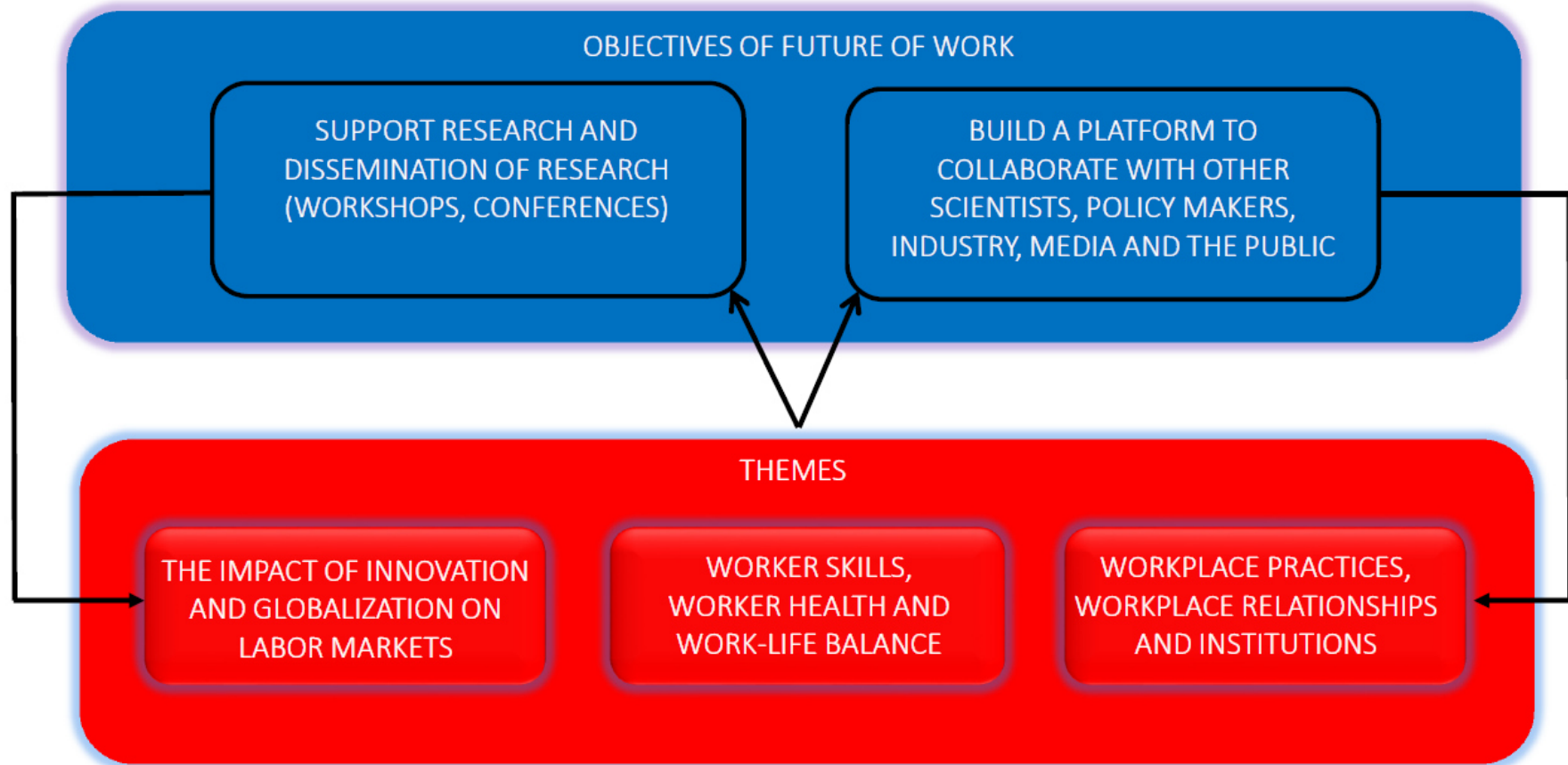
Theme 3 concerns the distribution of responsibilities over the institutions and actors on the labor market. More specifically it addresses the issues whether more diversity of personnel in enterprises and organizations is desirable; whether inclusive personnel policy and inclusive organizations are strived for; and how, in case vulnerable groups have to be given more chances in the labor market, this is to be achieved? Thus there is a close connection with the other two themes above, but with *a focus on workplace practices, workplace relationships and labor market institutions*. The focus of this theme is at meso-level, i.e. more disaggregate than the macro-perspective taken in Theme 1 but more aggregate than the micro-perspective taken in Theme 2.

Major issues that reinforce the need to investigate the distribution of responsibilities at the workplace are the following. The increase of the impact of ongoing technological progress and increased openness may lead – and is already leading - to disappearance of certain types of jobs, to new types of working relations (distance working) that require new skills and frequent updating of knowledge, and to shifting inter-sectoral barriers. This may affect some groups in society more than others and also existing private and public organizations may change. This may lead to growing patterns of inequality in society and some groups may come or remain outside the labor market at large. Therefore, a new view on the roles of the various institutions and actors on the labor market is required, as these will have to support inclusive policies and bring vulnerable persons into the labor market. In this respect sustainability is essential as well: the organization of work and of the workplace must be thus that quality jobs are ensured and workers remain able to work on these until retirement age in a healthy way.

This theme will be elaborated in the following research questions where we will combine, where possible, organizational, economic and legal expertise and methods:

- Which *institutions and legal obligations* exist to bring and keep vulnerable persons (e.g. long-term unemployed, disabled, migrant workers, low skilled persons, older persons) into work and how are these *translated into actual HR practices*? What legal and practical constructions are used for this? Are there tensions with international and European standards and policy objectives?
- More broadly, what *policies and initiatives* are used by (national, regional, local) public authorities, public agencies, social partners, public and corporatist bodies (such as the SER) to stimulate the realization of the objectives mentioned? What legal instruments exist, what (mixes of) policy instruments are used? How do these policies, instruments and initiatives affect organizational personnel and HR practices?

Figure 1: Structure of Future of Work



- What practices exist in work organizations that contribute more to these objectives than legally required? How are they motivated, which form is chosen and what are the effects? For example, the academic literature has paid considerable attention to government policies that target disadvantaged workers and to the agencies and organizations involved in policy delivery. However, hardly any systematic attention has been paid to the role of *employer engagement* in the recruitment, placement and retention of the people that these policy reforms are supposed to 'activate'.
- In which ways do institutions and actors on the labor market cooperate (or fail to cooperate) in order to realize the objectives mentioned supra? Do technological and other labor-market and societal developments require *new institutions or new forms of cooperation* and distribution of responsibilities?

## **2. ACTIVITIES AND DELIVERABLES**

Where possible, Future of Work collaborates with other activities in existing initiatives by REBO faculty. In addition, the following activities are planned over a period of 3 years:

- *Conferences and workshops*. These conferences together must provide a good mix of nationally and internationally oriented audiences and target research as well as valorization activities. Each conference should produce deliverables in terms of discussion papers, journal publications or conference volumes. Conferences should be spread across REBO departments and themes within the program Future of Work.
- A monthly (or otherwise regular) *REBO-wide seminar series 'Future of Work'* will be organized. In this seminar, internal and external speakers present their work in progress. Information about these seminars will be disseminated via a Future of Work web-page.
- There will be an active *visitors policy* of attracting internationally renowned scholars and REBO faculty will be encouraged to visit similar programs outside the UU.
- All activities and deliverables will be communicated via a *Future of Work web-page*.
- There will be an active policy of supporting existing initiatives that are in line with the objectives of Future of Work and of supporting initiatives that sustain Future of Work as a knowledge platform, such as proposal writing for H2020 or NWO, or that build longer-run relationships with stakeholders outside REBO.
- Management of Future of Work will be done by the *Coordination Team*. Before the start of the project, the Coordination Team will agree on a specific timeline of planned conferences and seminars and will jointly do the hiring of personnel for the Future of Work. After the start of the project, the Coordination Team will meet on a monthly basis.