



Labour market transitions in an equal 'future of work' *

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Keywords:
Future of work,
labour market,
transitions, policies,
European Social Fund

**Enhanced equality
between specific groups
in society must become
a prime goal**

Introduction

A broad and complex set of global changes is in the process of transforming our societies. The process of digitalisation and automatisisation thereby has profound implications for the world of work (ETUI, 2019; 2018). The last few decades have witnessed, for instance, the rise of non-standard forms of employment in many parts of the industrialised world (Schmid, 2016). Increased digitalisation and automatisisation processes affect the transition phases of individuals such as those between education and work or between work and work. Labour market transitions will therefore gain momentum in the future (European Commission, 2018). This is particularly pressing if we aim at preparing all groups in society, including the most vulnerable, for new jobs and the skills needed.

Current trends show that although the economy is growing, we are making scant progress on creating decent employment, increasing social protection coverage, closing gender gaps, transitioning to the formal economy and decreasing working poverty (Ryder, 2018). More holistic approaches would need to place individuals at the centre of policy concerns, including the coverage of new forms of employment such as platform work. Considering the radical changes driven by the 4th Industrial Revolution and the goal for "Leaving no one behind", as proclaimed by the United Nations (UN) in the Sustainable Development Agenda 2030, to foster a more equal future of work must become a prime goal.

This Policy Brief summarises key trends of labour market transitions and outlines tension fields that are existing due to digitalisation and automatisisation processes to eventually suggest policy recommendations for a more equal 'Future of Work'.

* The results presented here are based on the paper 'Future of Work: Labour Market Transitions in the Spotlight' (Scoppetta, 2019) that was commissioned by the Employment Thematic Network, a network of the European Social Fund/ESF Transnational Platform (on behalf of AEIDL) by order of the European Commission, DG Employment, Social Affairs and Inclusion. The opinions expressed in this Policy Brief are those of the author and do not necessarily represent those of the funding organisation. We are grateful for comments received from Kai Leichsenring and Sonila Danaj. We would also like to thank Willem Stamatou for the editing and layouting of this Policy Brief.

Transitional labour markets

Various phases of paid work (jobs) and unpaid work (training, care, etc.) may become the norm in future

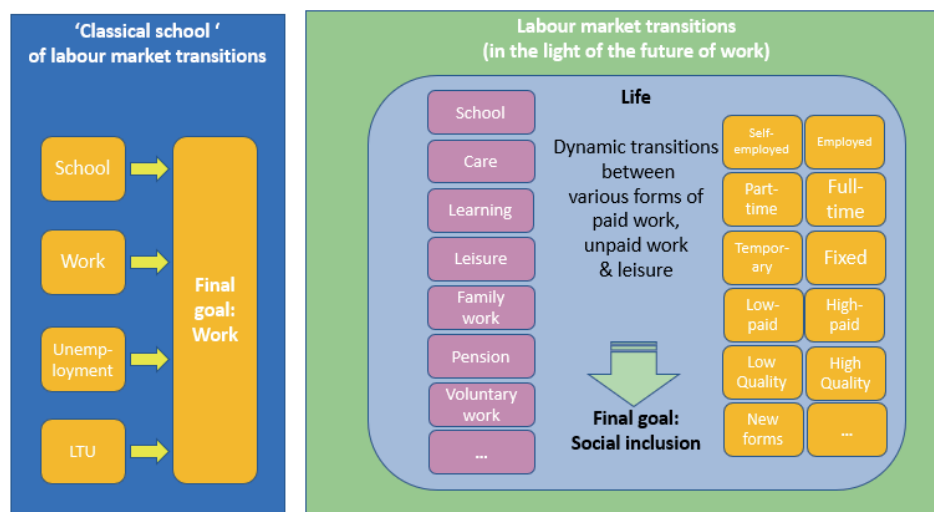
The concept of transitional labour markets considers the labour market as a social institution supporting and ensuring 'full employment' not only in terms of income security, particularly in times of unemployment (freedom from want), but also in terms of the capability to freely choose and develop a career over the life course, including the combination of employment "*with other socially (and to some extent even economically) useful activities*" (Schmid, 1998: iv; see also Schmid, 2017). Indeed, the concept of transitional labour markets is gaining in importance because trends suggest that the frequency of labour market transitions will increase. This rise is noticeable in all professions and sectors (EAPN, 2018; World Employment Confederation-Europe and UNI Europa, 2018). Various phases of paid work (jobs) and unpaid work (training, care, etc.) over the life course may even become the norm in future. "*The effectiveness of future labour market institutions will depend on how they facilitate the myriad transitions*", informs the ILO (2018).

However, these myriad transitions, especially those driven by the opportunities of enhanced digitalisation and automatisisation, are not sufficiently addressed by current policies. Barely any emphasis is put on transitions from temporary to fixed work, from part-time to full-time work, from low paid (mainly low-quality) to adequately paid or high-quality work, from (unpaid) care provision to work, from self-employed to employee, from sabbatical or learning breaks to work and from temporary agency work to permanent employment, amongst others. Yet following the school of 'classical transitions', which focusses on the transition from school and unemployment to work, is short-sighted and bears major pitfalls.

Labour market transitions are not a one-way street

Labour market transitions, moreover, are not a one-way street. Frequently, transitions have a non-linear character, which means that policies need to consider different directions and various forms of activities (care, leisure, learning, family work, etc.). Existing policies often neglect intermediate forms of labour such as part-time informal care provision and/or voluntary work. Individuals' labour market transitions are also dynamic: they may alter within months, combine various forms of work such as employment and self-employment but also work and training, and include fixed and temporary work; some combinations may even apply concomitantly (Figure 1). Social protection systems are often lagging behind in providing appropriate coverage of such situations. In building on the concept presented by Schmid (2017), dynamic transitions between various forms of activities (e.g. paid and unpaid work as well as family and leisure time) would need to be incorporated into public policies to enable individual choice and career development over the life course.

Figure 1: The non-linear character of labour market transitions



Source: Scoppetta, 2019.

Current policies and social security systems furthermore continue to build on age differentiation rather than on age integration: they are grounded on an education phase during youth, paid work when we are middle aged and leisure when we are in pension age. Age differentiation has also been identified as a source of age discrimination and the restriction of opportunities to specific age groups. For instance, while life-long learning by its very nature should take place at equal chances across the entire life course, present (public and private) investments are privileging specific ages, skill groups and a certain sex. Unfortunately, young, highly-skilled men are favoured rather than those in need for training (see, for instance, Eurostat 2016).

Changes in the world of work are not yet echoed in our policy systems

Finally, today's labour market policies follow the goal of bringing people towards being economically valuable and thus towards paid employment. Because neo-liberal *laissez-faire* economics, for instance, do not treat care and other family work equally to paid employment, a gender bias is incorporated as women continue to be the main providers of unpaid care work.¹ Yet the disruptive change we are undergoing has an impact on all areas of society and puts additional pressure on those most in need. Indeed, all people and especially vulnerable groups are expected to prepare and should be enabled for upcoming opportunities by developing new skills for new jobs. However, this will not be feasible without services supporting smooth and dynamic transitions between various forms of paid work, unpaid work, training and leisure and without adapting social security schemes to new forms of employment such as platform work.

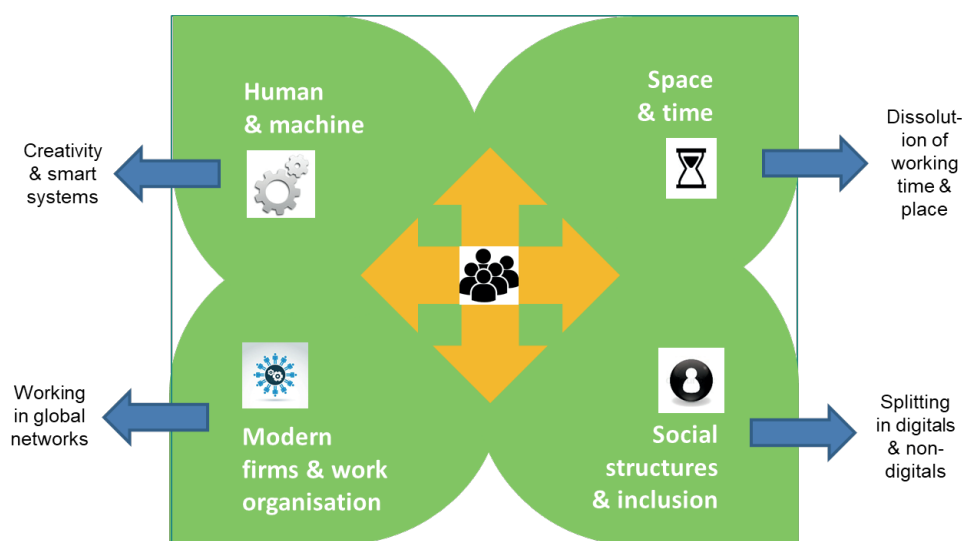
¹ On average, working women in Europe spend 26 hours a week on unpaid care-giving, compared with nine hours for the average working man (Bettio & Sansonetti, 2015)

Traditional concepts of investments in linear transitions with paid employment as the final goal are likely to reinforce inequalities since they do not take on board the transformational changes due to 'Work 4.0'. Public policies oriented towards more equality in the future of work need to define social inclusion as the final goal, as shown in Figure 1.

Tension fields of 'Work 4.0'

In reflecting the trends of the future of work such as automatisisation and digitalisation (ILO, 2019; OECD, 2018; Eurofound, 2017; 2018; Jürgens et al., 2018; EAPN, 2018; ETUI, 2019), four main areas of tension can be distinguished. These areas affect transition phases of individuals and concern the area of 'human & machine' as well as the 'space & time' interface, but also tensions between 'modern firms & work organisation' as well as 'social structures & inclusion' (Figure 2).

Figure 2: Tension fields of 'Work 4.0'



Source: Scoppetta, 2017.

The tension field '*human & machine*' refers to the change of jobs such as new professions, skills and tasks. '*Modern firms & work organisation*' reflects the transformations taking place within companies: modern enterprises today tend to have flatter hierarchies in which peer-to-peer work dominates and self-management becomes a core competence (e.g. micro-labour times and tasks). Modifications are also apparent regarding working time due to increased work availability ("everywhere and anytime") and job locations (e.g. teleworking; tension field '*space & time*'). Boundaries between private life and working life

are thoroughly blurring. Finally, the tension field '*social structures & inclusion*' refers to processes transforming our social structures (family, friends, etc.) and to how we as society want to live together (caring vs. individualistic society, etc.).

Worldwide competition of capital and labour

These tension fields overlap in the centre, i.e. the human being. Today, people often are driven by trends with technology as a strong driver for social change. Changing jobs, for instance, becomes increasingly driven by economic and technological necessities rather than by individual choice. While life-long learning would be key for enabling workers to job changes (Brown & Bimrose, 2014), enterprises are looking for highly-skilled but cheap labour under conditions of worldwide competition for capital *and* labour. The related changes in work organisation to enhance productivity, efficiency and effectivity have resulted in less stable labour contracts with precarious working conditions being on the rise (ETUI, 2019). This vicious cycle needs to be broken to achieve enhanced equality in the future of work.

Conclusions and recommendations

This Policy Brief has outlined key trends and tension fields in labour market policies under conditions of ongoing digitalisation and automatisisation processes. It has been shown that transitions over the life course, into and out of the labour market, will become a decisive feature to gain a more equal future of work as they are likely:

- to take place *more frequently* (they may even become the norm for some groups in society),
- to take place *across the whole life span* (various transitions at all ages),
- to take place mainly between learning, care and work and between work and work (*frequent change of jobs*),
- to include new (*partly even unknown*) transitions (e.g. because of new markets or the emergence of new professions), and
- to have *blurred boundaries* (part-time learning, work, care, new jobs, new sectors, new skills).

The future of work must be equal

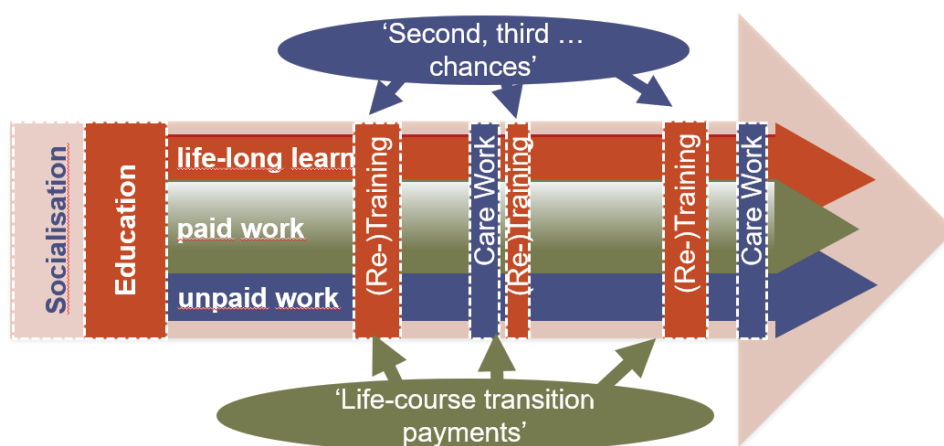
To contribute to a more equal future of work, public policies in Europe – be they at the regional, national or EU level – must adapt to the persistent and upcoming digitalisation and automatisisation processes. Public investments need to be targeted at the most vulnerable groups with the aim of social inclusion, also

acknowledging hitherto unpaid activities and applied by a broader approach to the concept of 'work', including adequate social security.

In considering the challenges faced, we should invest in sustainable work and adapt our policies and social security schemes to safeguard against social exclusion. A key element would be the support of education and training to enhance human strengths such as creativity, creative thinking, communication, collaboration, controlling, decision-making, complex situation management and social skills.

Finally, policies need to be based on a life-course perspective, by enabling labour market transitions and reducing inequalities that are currently embedded in social security schemes. This would include the rearrangement of unemployment benefits towards an 'employment insurance' (Schmid, 2015; 2017), backed-up by 'transition payments' and individual entitlements for second and third chances across life-long careers (Figure 3).

Figure 3: Labour market transitions in an integrated life-course perspective



Source: Adapted from Leichsenring & Schmidt, 2016.

The future starts here

The future starts here. An equal future of work can be achieved by transforming public policies towards becoming more proactive and preventive, integrative, human-centred and holistic. In view of the upcoming challenges of the future of work to achieve the UN 2030 Agenda where no one is left behind, public policies must be targeted at the most vulnerable groups with the aim of social inclusion as the prime goal.

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