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EIN-A4

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EIN Seminar on the Future evolution of the labour force: The end of an era?

Introduction:

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Chair:

- **György SCHÖPFLIN MEP**, *EPP Group coordinator on Constitutional Affairs (AFCO) in the European Parliament*

Speakers:

- **László LOVÁSZY PhD**, *Expert to United Nations CRPD Committee, advisor for MEP Ádám Kósa*
- **Fons LEROY**, *Managing Director, VDAB*
- **Branislav STANICEK**, *Member, Chatham House, the Royal Institute of International Affairs, London*

- The ageing of our society will reverse the trends of 30 years. Wages will rise, but working people will be locked in political combat with pensioners. Four key, long-running trends in the world economy have continued for more than three decades, and each of them is rooted in demography. Earnings have been slowing, in some cases even falling, in the advanced economies, with very little explanation as to why. Membership of trade unions in the private sector has been falling sharply. Inequality, within countries, though not between them, has risen, with Thomas Piketty, the French economist, famously ascribing this to a tendency for the rate of return to capital to exceed growth. Interest rates have been falling for the last 35 years and this has been often attributed to a decline in investment relative to savings.
- Cost cutting measures by de-localizing production has been undermining the lifetime job security that employees of mostly larger international companies have enjoyed. Disruptive technological innovations now also put a lot of pressure on a growing list of service providers such as Cab drivers, hotels, music stores, etc. People employed in these sectors should be very aware of the fact that their job is on the line. Not in every sector and not in every country, but definitely more and more it is the end of the era of 'job security'.
- Technological innovation is often also a source of growth. For every additional high-tech job that is created, approximately four service jobs follow. More and more, we need to make sure people are prepared the day their job gets 'Ubered' down the drain. Policy measures should support employees in a way that their labour market transitions pay off. Therefore, when their job is scrapped, they do not collapse and have poverty knocking the door, but they take their career in their own hands and go out to find a new and better opportunity.
- There were huge increases in the available workforce from 1970 until now, but in the future the workforce will decline by a few million each year, while the number of old people will explode. The future will have its own difficulties, but they will not be the same as those in the past.

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