

17° Congresso BIEN, 25 de setembro de 2017, Lisboa
José Luís Albuquerque e Antonieta Ministro
MTSSS/GEP

Notes for the Welcome Words

First of all, let me thank you the invitation to participate in this congress on such challenging and relevant topic as the implementation of a basic income, as well as the potential and challenges associated to it, namely in the context of the discussions on the future of work and the work of the future, near the ILO centenary, founded just after the First World War, as an instrument of Peace.

As you know, the idea of basic income paid to all citizens is not new and albeit with supporters and opponents, is far from generating consensus. So this type of events is important to discuss, but also to share ideas and concerns between different stakeholders. But, even if it is not new, the idea of an unconditional basic income (RBI, in Portuguese) is now gaining momentum in the media and in the political agenda.

As we all know, with the crisis, the problems of unemployment, underemployment, long-term unemployment, including for young people, inequality and injustice have worsened and, although the situation has progressively improved, including in Portugal, the deterioration of labour market situation has been one of the most important social issues over the past recent years. Also, the rising in inequality and in poverty were and remain a big concern, not only here in Portugal, but across the whole of Europe.

Simultaneously, three ongoing main trends have the potential of significantly modifying the nature of work, albeit with different degrees of intensity and in different ways across countries. I am talking about globalisation, technological progress and demographic change and, linked to them, the changes in values and, also, in preferences of the individuals. Together, these trends are likely to affect not only the quantity, but also the quality of jobs that are available. But, they can affect also how, where and by whom they will be carried out. As you know, this is crucial in a society where the full employment remains the main goal of the economic policy and the main concern for citizens and for the Governments. But we are also worried with the quality of the work, including in terms of working conditions.

Across our societies, productive employment and decent work remain the key elements to achieving a poverty reduction and integration in the society.

So, driven by these trends, the future of work may, even with some uncertain at this moment, offer opportunities, but also uncertainties and apprehension. New technologies and new markets could generate new and more productive jobs, but will also destroy others. It is possible that, in the near future, some workers are likely to have more to say about whom they work for, how much they work, as well

as where and when they work, but others will, probably stay out of the labour market for long periods of time. Such increased flexibility could, even, provide greater opportunities for underrepresented groups to participate into the labour market (women, senior workers and people with disabilities). But could also generate more polarisation and/or more unemployment, more poverty, more inequality and more exclusion from the labour market and, consequently, from the society. The skills required will suffer a change and the frontiers between employment, leisure and private and family life will tend, probably, to be less clear.

While globalisation, technological progress and demographic change may not have had a major impact on employment until now, there are some indications that they are changing the structure and the nature of occupations in some countries (with sometimes huge transition costs) and also the income distribution.

Linked to this, we need to be aware that while production is internationalised, labour market institutions, regulation and procedures remain essentially limited to the national framework. This may have consequences for the future of labour governance. In this framework, universal respect for fundamental principles and rights at work remains an issue that is not fully achieved. The evolution of the world of work, regardless of what each of us think about it, is the result of a diversity of decisions taken at different levels in the public and private spheres and in different domains. In this context, the involvement of the different actors is fundamental to maximise the outcomes for all.

Adjustment costs may be significant namely to the low-skilled people as well as for those currently performing more routine tasks that are more likely to be automated. Combined with a general increase in the demand for higher skill levels, these trends may lead to further increases in inequality and in poverty for some groups. Additionally, the new forms of work that are emerging, including these related to digital platforms, raise serious concerns about the quality of jobs that are created, including in terms of wages and working conditions. Social protection is also a prominent issue in this field.

In this context, it is crucial to reflect, discuss and design labour market institutions (minimum wages; employment protection legislation; unemployment protection; health and safety regulations; status for work via platforms, among other) which encourage employers to seize the opportunities offered by technological change and globalisation, while making sure that the risks are not borne disproportionately by workers in the form of low pay, insecure jobs and poor working conditions.

Briefly, building such adaptable labour markets will impose, among the others:

- i) social safety nets that are tailored to the new and emergent forms of work;
- ii) updated employment regulations that are adapted to an increasingly diverse (and unexpected) range of forms of employment;

- iii) ALMP that help displaced workers back into work quickly;
- iv) skills policies that better prepare young people and give to the adults (workers and jobseekers) the opportunity to continuously maintain their skills, up-skill and/or reskill; actions on career advice and guidance
- v) strong social dialogue and collective bargaining.

But, in this scenario, it is also fundamental to re-think social security systems to help people, by tailoring or adapting them to the new and the future labour market requirements and to the emerging forms of employment.

While many countries were already developing measures to provide adequate cover for workers on non-standard work contracts, the emergence of the platform economy has added new difficulties as an increasing number of workers only work occasionally and/or have multiple jobs and income sources, with no statutory working hours, minimum wages or other working conditions. Many of them do not even have a worker status. Increased difficulties arises from the fact that at least some self-employed have more than one job – one as employee and the other(s) as independent workers. We need to study; learning more and better understand the combination (s) of wages and/or other forms of income, social protection and tax credits for low wage workers.

As we all know, current social security systems continue to be largely based on the notion of a unique employer-employee relationship. So, adapting social security systems to the diversity of work may require a fundamental paradigm shift. Some authors suggest that entitlements for social security need to be linked to individuals rather than to jobs and be portable from one job to the other.

Another idea being discussed in some countries, and what brings us here today, is that of introducing a *basic income guarantee* – an unconditional income transfer that would replace other forms of public transfers without any means-testing or work requirement.

But it is crucial taking into account that in our societies productive employment and decent work, including decent wages, remain the key elements to achieving poverty reduction and social cohesion and, also, social integration.

In this context there is an on-going reflection on the need to better understand the way that individuals perceive the place of work in society and in their own lives. If it is true that work must satisfy material needs, then it is no less true that it must respond to the aspirations of individuals, to their personal fulfilment and to their instinctive desire to contribute something larger than their own well-being and the well-being of its family.

As I said in the beginning, this is not a new subject, but I think that we need to debate that this in a very in-depth way and we can benefit from the experience from other countries. In this context, the Academy plays an important role here,

helping namely in the clarification of the concepts and with concrete policy scenarios, including labour and budgetary scenarios, in examining the possible impacts of a Basic Income in comparative perspective or various country contexts, for example. But this dialogue must be extended to other relevant actors, because this is an issue that presumes a broad consensus in society, which is far from happening.

So, thank you for this opportunity and I hope that this congress provides new ideas and new insights about this theme and I am looking forward to hearing the outcomes.