

Research for Policy

Monique Kremer
Robert Went
Godfried Engbersen



Better Work

The impact of Automation, Flexibilization
and Intensification of Work

Summary

WRR

THE NETHERLANDS SCIENTIFIC COUNCIL FOR GOVERNMENT POLICY

 Springer Open

Monique Kremer
Robert Went
Godfried Engbersen

Better Work:

**The impact of Automation, Flexibilization and
Intensification of Work**

WRR

THE NETHERLANDS SCIENTIFIC COUNCIL FOR GOVERNMENT POLICY

 Springer Open

About the Netherlands Scientific Council

The Netherlands Scientific Council for Government Policy (WRR) is an independent strategic advisory body for government policy in the Netherlands. It advises the Dutch government and Parliament on long-term strategic issues that are of great importance to society. The WRR provides science-based advice aimed at opening up new perspectives and directions, changing problem definitions, setting new policy goals, investigating new resources for problemsolving, and enriching the public debate.

The studies of the WRR do not focus on one particular policy area, but on crosscutting issues that affect future policy-making in multiple domains. A long-term perspective complements day-to-day policy-making, which often concentrates on the issues that dominate today's policy agenda.

The WRR consists of a Council and an academic staff who work together closely in multidisciplinary project teams. Council members are appointed by the Crown, and hold academic chairs at universities, currently in fields as diverse as economics, sociology, law, public administration and governance, health, and water management. The WRR determines its own work programme, as well as the content of its publications. All its work is externally reviewed before publication.

This is a summary of the book *Better Work: The impact of Automation, Flexibilization and Intensification of Work*, available via www.springer.com. The book is a translation and adaptation of the Dutch report *Het betere werk. De nieuwe maatschappelijke opdracht*, published by the Netherlands Scientific Council for Government Policy (WRR) in 2020. The Dutch report can be downloaded free of charge in PDF format from www.wrr.nl.

Content design: Ontwerpwerk, The Hague
Cover image: Steffie Padmos
Figures and tables: Ontwerpwerk, The Hague
Translation: VU Taalcentrum

The automation, flexibilization and intensification of work will have significant consequences for people who still have jobs in the future as well as for the quality of their work. For this reason, the authors of Better Work argue that good work for everyone should become a priority for companies, institutions, employer and trade union associations, and the government. Good work is essential for the quality of individual lives as well as for the economy and society more broadly. The book advances nine policy proposals to promote and facilitate good work for more people. The importance of good work – and the policy recommendations – do not only apply to the Netherlands, but to many other countries both in Europe and beyond, where the COVID-19 crisis has exposed comparable labour market vulnerabilities.

Three developments will determine the future of work

Three core developments will have far-reaching consequences for the amount of work people do, and in particular for the nature of that work. The first is automation through robots, cobots and artificial intelligence (algorithms), no longer restricted to physical labour but spreading to more cerebral tasks that can be performed by and with machines. New technology also makes it possible for online platforms (think of Uber and Airbnb) to function as intermediaries between employers and workers. While technology can indeed cost jobs, it can also benefit workers able to incorporate robots and algorithms in their tasks. A focus on human/machine complementarity is crucial: promoting cooperation between humankind and machine, both in the development of applications and in their implementation.

The second development is the flexibilization of work. Here the Netherlands is a front runner in Europe, with 36 per cent of its working population not having a permanent contract. This percentage has more than doubled in recent decades, meaning that over 2 million people are now on temporary, on-call, or agency contracts while another 1.1 million are self-employed (2018). Almost everyone in the country is directly or indirectly affected by this trend. Flexibilization has weakened the traditional relationship of mutual responsibility binding employers and employees. While temporary contracts need not always be problematic, it requires employers to invest in work-related learning and to guide people into new jobs.

The third trend is the intensification of work – its pace and nature. 38 per cent of working people in the Netherlands say they must often or always rush to get their work done. Especially but not only in the public sector, excessive workloads have become a burning issue. With the growing service economy, much of our work today centres on human interaction, which one in ten people find very emotionally demanding. Intensification of this kind can push people who are unable to meet the high productivity demands out of the labour market, especially if their capacity to work is hindered by a physical or mental disability. The constant intensification of

work also makes it hard for people to return to work after extended sick leave. Greater autonomy at work – more freedom to perform tasks as one sees fit – is one buffer against this intensification.

These three developments will determine not only the amount of work done and who does it, but its quality. The authors of Better Work argue that the quality of work does not currently receive the attention it deserves. While having work is good – for the financial security and self-respect it brings to individuals and for its benefits to society – this applies above all when the work is good work.

Good work is being in control

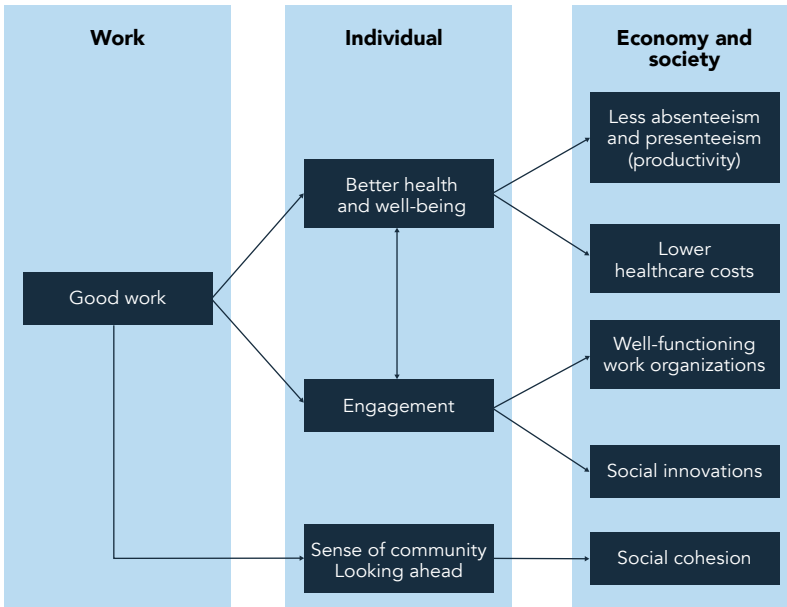
So what is good work? From the academic literature, the authors distilled three key criteria that correspond with the knowledge and service economy and with the wishes and expectations of people in society.

- *Control over income.* Good work provides financial security, also in comparison to others and in the long run.
- *Control over work.* Good work grants people an appropriate degree of autonomy, makes use of their abilities and enables them to maintain good social relationships.
- *Control in life.* Good work allows sufficient time and space to combine work with care responsibilities and a fulfilling private life.

The importance of better work

Income security, workplace autonomy and a healthy work-life balance are the necessary preconditions for work to be considered good. If these criteria are not met, both workers and work organizations suffer, in turn generating social costs.

Figure 1. Consequences of better work for the individual and for economy and society

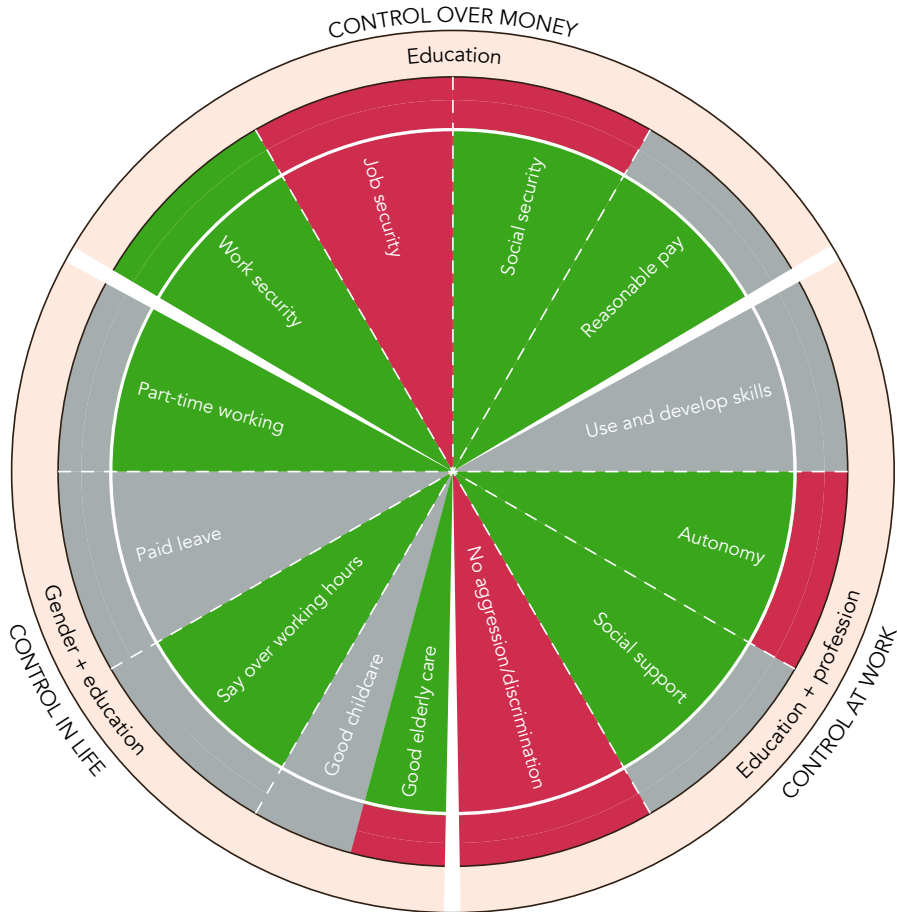


Good work improves people's health and well-being as well as employee engagement, all of which contribute to greater productivity and well-functioning, innovative workplaces. Good work limits the costs of healthcare and helps ensure that people can continue working for longer. Finally, good work for all is better for social cohesion as it helps people to enter into human relationships and society. For optimum social cohesion, it is best if everyone has good work.

Quality of work in the Netherlands could be better

Taking the three criteria for good work together, the Netherlands is not a leader in Europe. According to recent research by the OECD and Eurofound, the Netherlands is more often in the middle bracket. This can and must be improved.

Figure 2 *Quality of work in the Netherlands versus Europe as a whole and over time: 13 indicators*



Slices: The Netherlands versus Europe as a whole
 Inner ring: The Netherlands over time
 Pale pink ring: Most prominent dividing lines

■ Neutral
 ■ Positive
 ■ Negative

Source: WRR, inspired by the Monitor of Well-Being (Statistics Netherlands).

Never before have so many jobs been created in the Netherlands. Most of these jobs, however, are flexible positions with significant disadvantages. For example, people employed on insecure temporary contracts are less likely to give honest feedback, ultimately sapping the innovative capacity of work organizations. There are also negative consequences for society. Workers on flexible contracts often put off having children and tend to lack opportunities to learn on the job and to develop professionally. Employers invest in them the least.

Social security is another important factor in the quality of work. But the system currently in place in the Netherlands has actually become a source of insecurity for many workers. This is especially so for the self-employed, who are not entitled to claim work-related benefits but who are also not required to pay national insurance contributions towards them. As a result, very few self-employed persons are insured against ‘traditional’ risks such as occupational disability and old age or ‘new’ ones like care responsibilities and life-long learning. Nor do the self-employed contribute financially to the current collective social security system. It is therefore necessary to develop a system tailored to the modern labour market – one in which everyone participates, regardless of their employment contract.

About one million people in the Netherlands who are able to work and want to work (or work more) are currently not doing so (2019) while 1.6 million people are receiving benefits (2017). Some of the latter are long-term unemployed with complex problems; fully 60 per cent of people with a disability remain outside the labour market – a proportion that has actually grown in recent years. At the same time, the Netherlands has all but stopped investing in active labour-market policies, certainly in comparison to other European countries. Although the importance of work for personal health and well-being and for national social cohesion is beyond doubt, people without jobs currently receive hardly any training or personal guidance. Given the social and psychological importance of work, we should not simply be ‘fobbing people off’ with benefits. A basic job rather than benefits should be the final piece of the social security structure.

Recommendations

Control over income

1. Eliminate unfair competition between workers with different forms of employment contract.
2. Develop a system of contract-neutral basic social insurance and provisions for all citizens, tailored to the new world of work.
3. Reinstate an active labour-market policy, including a greater focus on personal guidance.
4. Provide people on benefits with little chance of finding work on the open labour market a basic job.

More control over work

Turning to the second criterion for good work, the authors find that almost half of Dutch workers report lacking control over their working hours and conditions. Employers in both the public and private sectors do not always bring out the best in people. Although many workers feel socially supported at work, the Netherlands has a problem with workplace aggression. Particularly public-sector professionals working in education, healthcare and the police have scant control over their duties. This is all the more troubling because autonomy is an important buffer against the intensification of work. The lack of control over one's work largely accounts for the growing number of people with burnout complaints (17, 5 per cent in 2018). Half of all lost working days in the Netherlands are related to the work itself. The National Institute for Public Health and the Environment (RIVM) estimates that unfavourable working conditions in the Netherlands are responsible for about 5 per cent of the country's total burden of disease, a figure comparable to the consequences of obesity.

As well-functioning workplaces are key to the quality of work, employers and trade unions should pay more attention to the workplace itself. Structuring work organizations in such a way that they bring out the best in people is crucial for an economy that relies on "human capital". This is in their mutual interest. In Flanders, the Flemish Social and Economic Council (SERV) monitors the quality of work and has made its improvement a policy goal – an example that deserves to be emulated.

Improving the quality of work is a prominent feature of Finnish government policy as well. Other countries could adopt a similar programmatic approach to the promotion of good work for more people. This could involve various forms of what is often referred to as 'soft regulation': publicity campaigns, setting general goals and standards, establishing frameworks, making recommendations, disseminating information about best practices, education and training for both managers and staff, accessible advice for employers and employees, benchmarking, making binding agreements (initially on a voluntary basis), subsidizing companies to hire external

expertise (in the form of innovation vouchers, for example), and so on. The government, trade unions and employer associations should encourage businesses and other employers to report annually on the quality of the work they offer and what they are doing to improve it.

Control over work

5. Develop a programmatic approach to good work within companies and work organizations.
6. Strengthen the position of workers within work organizations.

More control in life

Turning to the third criterion for good work, one in ten workers in the Netherlands say they are experiencing long-term work-life imbalance. A better work-life balance is mainly achieved by working part-time, as nearly three-quarters of Dutch women do. This, however, means that the costs are borne by the individual – especially individual women. The Netherlands has very limited paid leave arrangements for the care of children and the elderly compared to other countries; nor does it excel in providing high-quality childcare. Finally, only half of the working population feels that they have sufficient say over their own working hours, while new technologies are blurring the boundaries between work and home.

Control in life

7. Create more options for people to choose how many hours they work by, for example, improving the provision of care for children and the elderly and making it easier for workers to demand more hours.
8. Introduce collectively financed long-term leave arrangements for care-givers and allow people more say over the hours they work.

The future of work is in our hands

The automation, flexibilization and intensification of work have the potential to deepen existing divisions in society, particularly along the axes of educational attainment, migration background, occupational disability, and gender. Indeed, they could even create new divisions. But this is not inevitable. The future of work is in our hands and can be shaped to reflect our values and preferences as a society. While automation and globalization are often seen as inevitable, there is no reason why they should stop countries from advancing their own priorities concerning working conditions and terms of employment. The differences between the labour markets of

European countries are considerable and will presumably remain so. The number of flexible jobs and self-employed workers in France, Belgium and Germany – which face the same technological and competitive pressures – are much lower than in the Netherlands. We largely decide for ourselves what our labour market looks like.

Better work is a matter for everyone

Providing good work is primarily the responsibility of companies and other employers. But they can be supported and encouraged by industry organizations, trade unions, local and national government bodies, and other stakeholders. Alongside developing a programmatic approach to the promotion of good work, the central government can certainly do more. It spends considerable sums of public money and can impose quality of work requirements on businesses and institutions competing or tendering for government expenditures and projects. The government is a crucial player in the enforcement of laws and regulations encouraging good work. As a major employer in its own right, it should lead by example in its own personnel policies.

To keep better work and the efforts of policymakers and stakeholders in the public eye, national statistics on the three criteria for good work – income security, workplace autonomy, and work-life balance – should be included in the Monitor of Well-Being. This monitor, which reports on both the prosperity and general well-being of the Dutch population, has been published annually since 2018 on Accountability Day when the national government and its ministries present their annual reports to the house of representatives.

GOOD WORK

9. Make the three criteria for good work and their distribution across the population the basis of government policy and track them in the Monitor of Well-Being.

The automation, flexibilization and intensification of work will undoubtedly continue to put pressure on the quality of work. But with the right effort and choices made by employers, trade unions and the government – and on a more modest scale by colleagues, citizens and consumers – these developments can be harnessed to create better work for more people. That would be good for people, for society and for the economy. Better work therefore needs to be promoted for everyone and by everyone.

Impact

When the report was presented to the Dutch government in early 2020, there appeared to be broad support for making the WRR's main message – to focus on better work – the central theme of labour market policy. The report was well-received by the responsible minister as well as by trade unions, employers' organizations, professional organizations and municipalities. Much of the attention, including during debates in the House of Representatives, was on the recommendations to improve income security and work-life balance. There was less emphasis on the recommendations to improve workplace autonomy, except in HR circles where the report also found a niche. Many of our key points, especially concerning the flexibilization of work and the need for a renewed, active labour market policy, were adopted or elaborated by the Commission on the Regulation of Work (the Borstlap Commission), which also published its final report at the time.

The coronavirus pandemic struck shortly thereafter, realigning the focus of politicians and policymakers. Structural changes to policy – rather than just emergency measures – aimed at better work were put on hold. The report and its recommendations nevertheless remain in the spotlight, witnessed in discussions about the disadvantages of flexibilization, compulsory insurance for the self-employed, better childcare, improving conditions for healthcare professionals, and the basic jobs that more and more municipalities are introducing.

**The Netherlands Scientific Council
for Government Policy**

Buitenhof 34

P.O. Box 20004

2500 EA The Hague, The Netherlands

Telephone +31 (0)70 356 46 00

Email info@wrr.nl

Better work: The impact of Automation, Flexibilization and Intensification of Work

How do we make work better? It's an important question, and one that the Dutch government and the country's social partners are currently grappling with. People work to make money, but work also inspires self-respect, shapes our identity and gives us a sense of belonging – especially when the work we do is *good*. Good work is essential to prosperity in the broadest sense: to the quality of life we experience as individuals, to the economy and to society as a whole.

Work in the Netherlands could be better. That's why, in *Better work: The impact of Automation, Flexibilization and Intensification of Work*, the WRR offers nine recommendations to help all workers gain more control over their money, their work and their lives – the three basic conditions for good work. The primary responsibility for the quality of work lies with employers. But the government can help too, through legislation and regulations, through supervision and subsidies, and in the tenders it issues as an employer.

The publication *Better work: The impact of Automation, Flexibilization and Intensification of Work* is available via www.springer.com. For further information send an email to info@wrr.nl.