

Article



The future of work: A centreright perspective

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Abstract

'The end of work'—the vision of large-scale unemployment due to technological progress—has been discussed since the 1970s. But only now can economic growth be imagined as decoupled from the supply of labour. 'Work' as a defining category and organisational principle of modern industrial societies seems to be disappearing, with massive impacts not only on value creation and distribution, but also on social cohesion and human self-esteem. This article proposes a renewed and comprehensive understanding of work which goes beyond the view of work as purely a factor of production, to prepare European societies for the next phase of economic modernisation and societal change.

Keywords

Work, Social security, Life expectancy, Demography, Value creation

Introduction

One recurrent topic in modern post–Second World War economics and sociology is 'the end of work' (Rifkin 1995). The prospect of (at least temporary) large-scale unemployment has loomed over the heads of the working classes since the Industrial Revolution—and even before then. However, only since the 1970s has technological progress made it possible to imagine economic growth as decoupled from the supply of labour. 'Work' as a defining category and organisational principle of modern industrial societies seems to be disappearing, with massive impacts, and not only on value creation and distribution.

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Much of the discussion is still centred around a narrow perspective of work as a factor of production, determined by market forces. However, limiting the concept of work ignores its *multidimensionality* for individuals and societies alike. Any single-dimensional approach does not reflect the challenges for future societies and prevents the development of innovative forms of work. It also ignores Europe's religious and philosophical thinking on work, with its rich discourse including anthropological and social perspectives (Grimstein et al. 2015; Assländer and Wagner 2017). Therefore, ground-breaking transformations in technology, economy and demography, as well as the long-term declining share of value creation related to labour income (Kheng et al. 2023), require a *renewed perspective on work*.

The literature and political debates on this subject show a wide range of positions on how to transform and rethink traditional concepts of work. But those outlooks are often also quite pessimistic. In contrast to those voices, this article pleads for a more *optimistic view of the future of work* from a centre–right perspective. To bring about such a shift in the general view of future developments in this area, however, our current understanding of work, its institutional framework, and its role in our economic and political processes must change.

The following article taps into several dimensions of work, going beyond a purely economic perspective. We limit our consideration to Europe as the situation in developing countries calls for a different approach.

Between surplus and scarcity

Market economy systems, including the 'social market economy' model as embedded in the European treaties (art. 3(3) of the Treaty on European Union), have consistently faced adaptation crises which have economically and politically challenged their foundations and legitimacy. Mismatches between supply and demand are the result of cyclical, frictional or structural developments leading to significant disparities in the resilience of labour markets and the ability of these markets to adapt to those shocks. Many national and regional markets in Europe are far from efficient due to limited mobility, skill mismatches, cultural perceptions (e.g. attitudes towards employing women), legal restrictions, and high entry barriers for youth and disadvantaged groups. Huge regional disparities will therefore persist in Europe in the coming years despite dedicated programmes to mitigate these by the EU and its member states. These imbalances will fuel massive intra-Union migration from the periphery to the economic hearts of Europe, aggravating the problem of Europe's growth remaining below its potential (Smit et al. 2020).

The outlook for European economies in terms of labour supply is rather gloomy. There is an estimated gap in the European workforce of 43 million by 2050 (Kenny and Yang 2021). Tapping into the internal potential, such as women's participation, extending working hours or upgrading skills, can be only one part of the solution—and these options face many institutional and cultural barriers. Migration from

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outside the Union is often seen as an obvious solution. But the last 20 years can hardly be seen as a success story. Unlike other countries, such as Canada and Australia, Europe has never succeeded in a targeted, demand-oriented labour migration policy. Over the last few years only 20% of residence permits have been provided for work (European Commission 2024). Structural differences between EU citizens in their employment—for example, significantly high rates of low-skilled work—clearly show the limitation of solving structural demand problems by migration. That does not mean that more efforts should not be made to facilitate integration for migrants, as well as for other disadvantaged groups.

However, as migration is not a magic wand that can fix the labour shortage, a few other options remain. The most relevant factor is technological change, driven by advanced technologies such as artificial intelligence, machine learning and robotics. However, the capacity for technology to substitute for human labour is limited, in particular in sectors such as personal services, which are rapidly growing in our ageing societies. As a result, changes in the relative prices for human labour might speed up substitution, but providing the necessary labour force will also become increasingly difficult.

Changing work attitudes? From the Baby Boomers to Generation Z

A significant variable in labour supply is the attitude towards work, which results in a significant gap between potential and actual labour supply. This topic is heatedly debated in relation to shifting values across generations. In particular, Generation Z (born between 1997 and 2012) has attracted attention and criticism for being less willing to put work above other personal objectives (Saleh 2023). Whether these complaints are based only on the critics' individual impressions is difficult to judge. There are also good reasons to believe that there is less difference between the generations than is often stated (Brower 2022). Looking at this phenomenon on a macroeconomic level is only one part of the challenge. The more significant challenges involve adapting to a new understanding of leadership as being more respectful of workers and their needs. Many organisations have not yet implemented this approach and therefore have not been able to tap into the full potential of their workforce.

Changing family patterns and redefined roles for women will greatly influence the availability of (currently) unpaid work, which is still mostly provided by women. If these unpaid services are 'marketised', the question of how they will be funded immediately arises, drawing attention to how untenable the current system is as it expects this work for free. These processes of societal modernisation are hardly reversible. Therefore, societies will have to allocate much more in new forms of compensation: for example, in state-sponsored retirement schemes for those who contribute to 'common goods', such as bringing up children, engaging in non-profit activities or taking care of elderly people.

The institutional framework

European labour markets are largely regulated and far from reaching any macroeconomic equilibrium (Benjamin et al. 2021). The reality of country-specific 'work regimes' heavily influences not only the functioning of market processes but also how work is embedded into the broader social and cultural context (Tamesberger and Foissner 2017). Institutional settings, which have co-evolved over decades alongside the expansion of welfare systems, contribute in many ways to rigid labour regimes that will prevent efficient adaptation to the massive changes the European labour market is facing and will have to adjust to. In particular, Southern European labour markets are characterised by high entrance barriers for young people, resulting in a massive brain drain towards Northern Europe and perpetuating the existence of zones of low productivity.

Contrary to common wisdom, there is not necessarily a negative correlation between a strong labour protection regime and economic performance, as the German example has shown over many decades. Cooperative systems can facilitate the necessary adaptation to new demands while maintaining a high level of acceptance among employees. In many other cases, however, the insider/outsider phenomenon is extremely persistent, for example, by keeping young people or migrants out of fair competition in labour markets through legal or extra-legal measures.³

On the European level, we are far from living up to the promises of a single market. Intra-Union labour mobility is low, involving only around 4% of the EU27 labour force and with significant regional differences (Fries-Tersch et al. 2021, 13; Monastiriotis and Sakkas 2021). Administrative hurdles, non-recognition of foreign certificates and a still-low cultural acceptance of foreign employees make it hard to speak of a truly European labour market. These challenges are multiplied in the context of global labour migration. While in overall numbers Europe is the destination for approximately 25% of global labour migration, it performs less well in attracting highly qualified migrants.

One major consequence of these imperfections is illegal employment, which accounts for 15%–20% of overall employment in the EU on average (European Migration Network 2017, 15). This is partly the result of illegal migration both within and from outside the Union. If we leave aside the negative consequences for national revenues, labour standards and fair competition, illegal employment also points to structural weaknesses in the existing regulatory systems. In many cases, it keeps productivity low and delays structural adjustments as, for example, no targeted measures for qualifications can be designed. Instead of integration, it is plausible to expect a further division of labour markets in the coming years in Europe between zones of high productivity and a low-performing periphery.

Towards a comprehensive understanding of work

Given the fundamental changes in the concept of work—both in its material basis and in our perception—any discussion has to reflect also on its (ambiguous) role in human self-realisation and its societal value. The discourse on this topic can be traced back to

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antiquity, to philosophical and religious debates in the Graeco-Roman and Judeo-Christian world, which then became secularised from the eighteenth century on (Cholbi 2023). Due to the terrible conditions of early industrialisation, work became the central concept of the influential Marxist theory of 'alienation'. However, Marxists were not the only ones who called for a more comprehensive understanding of work.⁴ The Christian social teaching, as developed since the nineteenth century, provides an even more elaborated strain of reflection on human work—because it is rooted in a much more comprehensive anthropology (for an overview, see Zimmer 2013). In the early twenty-first century, with traditional forms of employment becoming more fragmented and fluid, assigning value to work solely through market processes has become increasingly inadequate.

As mentioned above, reducing work to its economic function neither reflects the changing demands of modern societies nor the expectations of younger generations. Given that work is an inherent quality of human beings, the doomsday story of the 'end of work' should concern us less than other developments. The real challenge lies in the need to extend the idea of work, 'throwing off' the narrow understanding it has acquired since industrialisation. More than any other region, Europe can tap into diverse social traditions, relatively high levels of qualifications and established political mechanisms to become the testing ground for new, economically feasible and socially acceptable forms of work.

Conclusion

It is no exaggeration to say that we are on the brink of a new era of work. As in the early nineteenth century, technological and societal development has put us on an accelerating track that runs increasingly in contradiction to existing institutional and cultural settings. Even if the debate on the 'new social question' (Rosanvallon 2021) can be traced back to the 1970s, centre-right and Christian Democratic movements have not really engaged in the debate on the future of work in recent years. A strong belief in market processes and the lack of a vision of a future society might have contributed to this conceptual weakness. However, as the rise of populist forces shows, questions of societal justice and cohesion threaten the legitimacy of Western democratic systems. The European welfare state models were a reaction to the grievances of the first wave of industrialisation but also inherited many of its characteristics, such as large-scale bureaucratic apparatuses and rather paternalistic approaches. Modern concepts of work lie across the old lines of labour conflicts, state-market dualism and one-size-fits-all top-down interventions. The rethinking of work as an integral part of human nature from a conservative and Christian Democratic perspective can provide a starting point for a better understanding and to design new and appropriate institutions, giving work back its value and the appreciation it deserves.

Notes

- The labour market elasticity, for instance, is higher in the US than in many European regions. See Beyer and Smets 2015.
- 2. The so-called active labour market policies; see European Commission 2017.
- Syndicalistic trade union systems or public-service-dominated regimes are more likely to protect the incumbent employees.

- However, Marx never elaborated his ideas on human work into a comprehensive Marxist
 anthropology, as he focused too much on work as a production factor and its role in capitalist
 reproduction processes.
- The major challenge lies in assigning value to work in market-based societies. The fierce debate on the incentives of a basic income shows how difficult any widened concept of work is in reality.

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