

EAT, SLEEP, WORK, REPEAT? – AUTOMATION AND THE FUTURE OF WORK

On March 7, 2019, the European Liberal Forum and the Institute for Politics and Society (IPPS) organized the round table discussion in Prague. Our main speakers were Members of the European Parliament Dita Charanzová and Martina Dlabajová (both ANO / ALDE). Presentation of data analysis was presented by **Jan Klesla**, Associate, Institute for Politics and Society. Statements on the topic were presented by **Wolfgang Spiess-Knafl** (CEO, Next Generation Impact), **Filip Pertold** (Researcher, IDEA), **Bohumil Kartous** (Head of Communication, EDUin), **Vladimír Dlouhý** (President, Czech Chamber of Commerce) and **Michal Mejstřík** (Professor of Economics, Faculty of Social Sciences, Charles University, Director, EEIP). The discussion was moderated by the Executive Director of IPPS, **Šárka Prát**, and the participants were welcomed by the Chairman of the Board of IPPS, **Jan Macháček**.

The challenges of automation for European economies are often underestimated. Czech Republic may become a model country for the whole Europe in finding the right answers for them. Government shall therefore embrace automation, especially in the SME sector, and apply bold policies in education and social systems.

AI and automation will impact not only low and mid-level jobs, but all types of employment. In the future, workplace will be characterized by intense collaboration of human beings with machines. Digitization, robotization and automation will create new opportunities and new types of jobs. However, professions will change, and new skills will be required, making it necessary for everyone to adapt. Bridging the skills gap, access to technology and unemployment will be the main political concerns.

Technology-driven changes in labor market and whole society may cause a definitive shift of economic power from labor to capital and a rise in all forms of inequality. They may result in a fundamental political transformation and instability.

To prevent political disruption in Europe, educational and reskilling systems as well as the concept of social state need to be readjusted.

The Czech Republic will be among the countries significantly impacted by AI, especially in its employment structure. According to a governmental analysis in the five-year horizon technology will be able to replace more than 50 percent of skills in 11 percent of occupations. In the 30-year horizon, automation can replace over 50 percent of skills in the vast majority of current professions.

Professions with middle-level qualifications and income face higher risk of replacement. This can lead to a deepening of economic inequality in the Czech society.

The systems of education, lifelong learning and reskilling need to be adapted to the changing demand of workforce skills. Social security system and safety net need to be strengthened and made more flexible to become a “social trampoline.” That includes the protection of a growing number of self-employed people (gig work) and adjustments in the labor law.

Therefore, the government has to play an important role not only in reshaping the educational system, but also in supporting the adaptation of workers and businesses to new conditions. It shall therefore field-test and implement best practices in education as well as social systems. They shall include bold ideas that can be initially unpopular or difficult to implement but may create significant competitive advantage for the whole economy in the long run.