



The digital economy can't just concentrate on the few says Minister Pedro Siza Vieira

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Host: Kate Lancaster

Speaker: Pedro Siza Vieira

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**The digital economy can't just concentrate
on the few says Minister Pedro Siza Vieira**

Kate Lancaster [00:00:06] Welcome to OECD podcast, where policy meets people. The future of work is now. Digitalisation, globalization, and ageing populations are all rapidly reshaping how we work and live. Thanks to innovations like artificial intelligence, ever more powerful computing, and robotics, routine tasks in factories and offices are increasingly being carried out by machines, while certain more complex tasks are also becoming automated. At the same time, new jobs are being created. Yet they may not be the same either in job type or quality as those that are disappearing. The OECD estimates that 14% of jobs today are highly likely to become automated, while another 32% of jobs are likely to significantly change due to automation. Are we ready for these changes? Not necessarily. For a start, low-skilled workers, as well as older adults, low-income people and those who are out of work, are far less likely to receive the training they need to keep up than are people with higher skills or higher incomes, younger people, or those who are working. But change applies to skilled workers, too. So what new training do we all need? And how can we create an inclusive future of work, one that works for everyone?

Kate Lancaster [00:01:28] I'm Kate Lancaster and you're listening to OECD podcasts.

Kate Lancaster [00:01:32] I'm joined today by Pedro Siza Vieira, minister of the economy in Portugal, in order to explore some of the issues around automation, digitalisation and the future of work. Welcome, Minister Siza Vieira, and thank you for joining us.

Pedro Siza Vieira [00:01:46] Thank you. It's a pleasure to be here.

Kate Lancaster [00:01:49] Let's start then with the big picture. What do you see as the two or three biggest future of work issues today—globally, [and] in Portugal?

Pedro Siza Vieira [00:01:56] Well, I think one of the questions that we are facing is precisely about the insecurity of a lot of workers around the world, and the anxiety which then can translate into societal and political problems. And I think these are the result of topics which you've mentioned in your introduction: the fact that automation and artificial intelligence may make a number of jobs redundant, that people feel uncomfortable about whether their skillset is useful in the future, and also, one topic which is already being noticed, which is the precariousness of jobs. As automation grows, people tend to work in a more precarious way. We see a lot of these jobs in which people have a relation with the platform which either accesses the customer and just ad-hoc purchases services from people, which then translates, of course, to our public welfare systems and how we how we pay for social security going forward, where employers are making less of a contribution.

Kate Lancaster [00:03:07] Let's talk about Portugal then. It's one of 23 countries participating in the EU's National Coalitions for Digital Skills and Jobs project. And, of course, skills are a way to address some of the fears and insecurities you've evoked. And the goal of this project is to raise digital competences of all Portuguese citizens, whether it's people on the shop floor or in management, in the private sector or the public sector, middle-skilled workers or highly skilled workers, [who] need to keep their skills active as well. So, what are you doing to meet this goal? What kinds of investment are you carrying out?

Pedro Siza Vieira [00:03:40] Well, we are putting a lot of emphasis on making a huge investment in education and training, and not only making sure that as children progress through the school system they

are accessing basic skills on IT and coding and programming, but also have an education which is broad, and develops skills across the spectrum. But we're also putting a focus, very significant, on the retraining of older workers to make sure that they're able to scale. Our programme for Industry 4.0 is seeking to retrain and develop 200,000 workers, active workers right now, in the next three years. And finally, I think we have another topic, which is to develop the basic skills of the population at large. Because as the economy becomes more digital—even as clients of services, even as regular citizens—you must be sure that you're not excluded from what's happening. And therefore, as we invest more in digital public services, we also need to make sure that the population is able to deal with that. And that's also a focus.

Kate Lancaster [00:04:59] It's true. We see this in OECD data that six out of 10 adults don't have basic ICT skills, or just don't have a lot of experience using a computer. So, as you say, upskilling, retraining, but also just getting everyone the basic skills. And I imagine you're expecting a lot of return on all this investment. What kind of return do you expect for productivity?

Pedro Siza Vieira [00:05:19] Well, clearly, productivity growth is crucial right now in Portugal. I think we've made significant progress in the growth of the economy by bringing in people who are unemployed. We are the country in Europe where unemployment has decreased faster and in more significant ways. But I think we're getting to a situation where we have full employment these days. So, growth in the economy right now can only come from growth in productivity, which is why continuing to invest in education and training must be crucial. We've made [had] a significant discussion with the European Union in the reprogramming of the European Union funds to Portugal, to make sure that we allocate more resources to education and training than was originally foreseen.

Kate Lancaster [00:06:07] Well, speaking of investing in people, another issue is, of course, attracting the right talent, and not only attracting the right talent, but attracting the right talent to the right places. And I imagine this is a part of what you're doing as you build Portugal's digital future. So tell us a little bit about the initiatives you have in place to bring talent to Portugal, or to help move talent where it's needed within Portugal.

Pedro Siza Vieira [00:06:27] Well, one of the things we are seeing in statistics is that, these past three years, we've been very good at allocating labour to the sectors of the economy where growth is more significant and where productivity is higher. So that reforming of the labour and the economy has been very effective. And it shows then it translates into how our exports and our services, value-added services, are developing those who are more oriented towards our external market. But I think we are also being very successful in attracting foreign talent. We have also a great ecosystem for entrepreneurship and start-ups. We have a vibrant start-up scene, and we facilitate visas for foreign entrepreneurs who come to our cities and develop, find working spaces and a low cost of living to start their own business. And finally, we offer tax breaks for qualified people to come and live and work in Portugal, and they find the reduced income tax for a couple of years, which allows them also to live in the first few years where [when] they are launching.

Kate Lancaster [00:07:37] Well, I'm going to shift focus a little and tell you that here at the OECD we are running an I am the future of work campaign. And right now, we have been asking ordinary people, ordinary citizens from around the world, to share their hopes and concerns about the future of work with us. And one of the themes that has emerged has been people's concerns about having good quality jobs—jobs

with fair wages, good working conditions, adequate work-life balance, a concern both now and for the future, when they think about the future of work. So how do you respond to these concerns and what measures are you taking to improve job quality?

Pedro Siza Vieira [00:08:10] I think one of the things we must to be well aware [of] in the Western world and in Europe in particular, is that we must make sure that the economy works for the benefit of the many. Most people in our countries live out of their work. They work to pay their rent. They work to pay [for] food, transport, and to educate their children. They must trust that work is and will continue to be available, that it pays a decent salary, that it values the contribution of a worker and allows them to live a life which is fulfilling. So I think that in order to show that we are governing for the many, we have to translate that into tangible policies. And these past three years, we made significant commitments to improve the situation of those who live out of their work. We've increased the minimum salaries. We have reduced personal income tax for the low and middle classes, and we have made sure that we improve the social support to those who work and have less of a salary. And I think we've made also a very significant reform in respect of [to] the social security for independent workers. As you know, many of those who present themselves as self-employed actually are delivering services to one entity, or derive the bulk of their income from just one payer. And we have required those in that situation, those single purchasers of their services, to contribute to social security. And we are now providing unemployment benefits and pension benefits, which are more appropriate to those who are self-employed in this manner. We must avoid that the digital economy is a gig economy for those work, and we must make sure that those who benefit from the economy—the major companies, those who thrive in the digital economy—make a fair contribution to the lives of the many.

Kate Lancaster [00:10:10] And there's been some talk in some countries about making benefits portable, so that workers, as they move in and out of different kinds of work—whether more traditional work, gig economy, whether they're temporary, part time or full time—people to [can] take their benefits with them. Is that something you're considering?

Pedro Siza Vieira [00:10:24] It is something we are considering. And I think that both geographically and in the way you move through your work life, through careers and different topics, you must accommodate this. In 20 or 30 years when most of the people working now will be getting into retirement age, the activities that they will have performed will be very, very different. The skills that they will have to learn during this time will be immense. And I think the whole system—the whole economy of public welfare systems—must adapt to this. One of the things we must make sure [of] is that the foundations of society, which have worked for decades for the benefit of many, many millions of people around the world, are adapted to continue to deliver the same promise of solidarity, of a better life for those who live out of the work. And as we have agreed that we need to adjust taxation systems, that we have to adjust the competition rules to make sure that they are adapted to the digital economy, so we must do so in respect of public welfare and how we govern our economy in a democracy. The vote of an Uber driver counts exactly the same as the one of Mark Zuckerberg. And if we don't—there are many more Uber drivers than Mark Zuckerbergs. So you can see how important this must be and how fast and effectively democracies must respond.

Kate Lancaster [00:12:00] So having said that, what advice would you have for policymakers and other OECD countries to help them and to make this happen?

Pedro Siza Vieira [00:12:08] Well, I think that in Western democracies such as the OECD countries, all public servants are servants of the people. We live and we work because of the people and for the people. And this is very obvious that this is [these are] the ones we must bear in mind. I think that these last 30 years of these last 10 years after the global financial crisis have shown that deregulation, globalisation, technology have significantly improved the wealth across the world. But we must make sure that this is this is also for the benefit of the population at large and not just concentrated on the few. Otherwise we can't have vibrant democracies as we all wish to have.

Kate Lancaster [00:12:57] Well, thank you so much for joining us today. It's been a pleasure talking with you.

Pedro Siza Vieira [00:13:01] It's been my pleasure.

Kate Lancaster [00:13:08] I'm Kate Lancaster. Thank you for listening to OECD podcasts. You'll find out much more about the issues we've been discussing today and OECD.org. And to add your voice to the OECD I am the Future of Work campaign. Go to oe.cd/fow.

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