

Speech by H.E. Karien van Gennip, Deputy Prime Minister and Minister of Social Affairs and Employment, at the opening of the academic year, Delft University of Technology, 4 September 2023

Good afternoon! It's great to be here today with you, the next generation of engineers and scientists. For me, standing here... is a bit of a time warp. When I went to university here in Delft to study physics in 1987, the world was a very different place. The Cold War was raging. A wall divided East and West. Nationally, there were deep fault lines within society. Demonstrations on the *Malieveld* in The Hague. Interest rates were sky high, and so was unemployment. The effects of the oil crisis could be felt throughout the economy and the labour market. We were called the 'lost generation': for us, there would be no jobs. We listened to the Dutch band 'Doe Maar', who sang the fatalistic song 'until the bomb drops'.

Was it a dark time? Maybe, although that's absolutely not how I experienced it. I was emerged in my Delft experience. And if you look back and consider the bigger picture, you'll see that it was during that time that new social patterns and conditions emerged, shaping the Netherlands as we know it today: a society that offers more equal opportunities, where effort and accomplishments are rewarded, with space for innovation, and a safety net for those who need it. A society where people work hard and look after each other. The social fabric that gave our country the resilience it needs to look confidently into the future.

These conditions did not just emerge like that. They were gradually created by people with vision and courage. And people with vision and courage will have to nurture, maintain and defend them. Especially now that some of the conditions are under pressure. I see that as a key responsibility for all of us: for me, and certainly for you as young scientists and engineers. Yes, you! The engineers and scientists of the future.

You think out of the box. You are practical thinkers. And you think logically and creatively. It makes you the problem-solvers of our society we need so much. Especially since we are on the cusp of a new age. A time of great challenges and trends that we'll have to confront together. But it's also a time of opportunity!

What trends and challenges are we talking about?

1. The climate challenge. The Netherlands intends to be climate-neutral by 2050. This demands major investments in knowledge, capital and talent. But it also presents opportunities: in jobs, in innovation. We have to start now. And we simply must meet this goal!
2. Demographic ageing is going to transform society and the economy in the decades to come. We'll see rising demand for healthcare, but also a new market: the 'silver economy'. Innovation and e-health will provide solutions. Here, artificial intelligence is already delivering benefits – for example in medical diagnostics. We need to speed this up.
3. Worker shortages. Demographics, and a mismatch between jobs and skills will continue to squeeze the labour market. Here in Delft, you're working on specific programmes to help tackle this problem, employing design thinking aided or even driven by AI. I saw some examples in Robohouse just now.
4. The exponential developments of AI and robotics will result in marvellous innovations. But it also presents dilemmas in the field of control and ethics, democracy and especially inclusion (even in the Netherlands, some groups lag behind when it comes to digital access and knowledge¹). We need to find a way to include them.
5. New generations – and that includes you – will enter the workplace and take the helm. With different views about how and why you work. Employers have to be aware: new generations generally want different things than their parent. A different work-life balance, you don't have to do it all before you're 40!
6. Then there's deglobalisation: after decades of trade liberalisation, we are now re-thinking our very globalised and very interdependent value chains. We realize there are key areas where we need strategic autonomy, so we're not unduly vulnerable to pressure from countries like Russia or China.

¹ Eurostat: in 2021, the share of people aged 16 to 74 who had at least basic overall digital skills was highest in NL and Finland (79%), the lowest share was recorded in Romania (28%). The EU's Digital Compass sets out an aim for 80% of EU citizens aged 16-74 years old to have at least basic digital skills by 2030.

7. Geopolitical instability: it's never been away, but it is back again. With more and more people on the move across the globe, we need not only strategic economic autonomy but also an effective NATO and EU to guarantee our way of life. We have to continue to make credible investments in defence and innovation.

Each of these trends, and all of them combined, contains the potential for major disruption. But they also present us with opportunities. To do things better, smarter, more effective, more inclusive and more sustainable. And more socially minded. This will demand a lot of us all. It means making choices. It means knowing where we want to go and what's important for our long-term well-being. And what the real costs are of our way of life. Because I strongly believe the Netherlands won't truly prosper unless everyone prospers.

I'd like to illustrate that with something as simple as this small package.

Nothing special, you might think... but actually.... it is. A wonder of ingenuity.

You place an order with a click in an app on your phone.

Google points you to the cheapest, the fastest option.

The next day, or a few hours later – or even ten minutes later –

someone rings your doorbell and hands you a new pair of shoes, a tube of mascara, a bag of cat litter or whatever.

It's great, isn't it?

It's all so easy nowadays.

But I'd like you all to look more closely.

Because it is ingenious, for sure.

But there's so much more to it that I invite you to see.

Behind that one little package may also lie a world of abuses, divisions and inequality of opportunity.

Low-wage jobs performed by people who are often vulnerable.

Bike couriers or night staff in massive distribution centres that pollute the landscape.

Powered by technology that requires vast amounts of electricity and water.

Concealed within that one little package is a tangle of complex issues...

A labour market out of balance, flexibility gone mad, a race to the bottom in terms of employment conditions, shops that can't keep up with this competition, and undervaluation of labour by consumers.

This is what the market can do when we adopt a policy of laissez faire.

But it does not have to be that way.

That is why we need an active government that sets norms and regulations, is present and has vision.

That is why I have proposed a comprehensive labour market reform, restoring security for workers in fields where their position had been unduly eroded.

That's why we need responsible business conduct: it pays to be a good employer. After all, employees are people, commodities.

That is also why all of us need to be engaged citizens and conscious consumers who understand the value of work.

That means we should be willing to pay a fair price for that package to be delivered, so that the courier and all other invisible workers behind him/her all earn a normal wage. And why we needed to raise the minimum wage.

This little package also raises questions about the future:

- What other tasks can and should we hand over to robots?
- How can we use the talent that would be freed up differently or more effectively? How can we facilitate life-long learning?
- Do we know what kind of economy we want to have? And which types of jobs? In any case, we don't want to be a low-wage country. Do we want so many low paid jobs?
- For which sectors do we want to use our scarce land?
- And lastly: where do people fit in? It may sound like a cliché, but the value of human beings cannot ever be replaced. We all know the feeling: the relief when you finally get a real person on the line. A person who is not reading a script but listens to your story and helps you find a solution. Technology can be very useful, but there's a limit to what it can do...

- How can we make sure no one is left behind in our superdiverse and supertechnical society?

These are difficult questions...

Questions that might spoil your fun of ordering your new marcara or shoes online.

But questions that demand answers and action from all of us – not only politicians. And especially from you.

Because being apolitical is a luxury none of us can afford!

Plato was right when he wrote:

‘The price good men pay for indifference to public affairs is to be ruled by evil men.’

Plato, ofcourse, was right. Although today you’d say ‘people’, not ‘men’. That remains true today - also, I hope, at this Technical University.

For me, as Minister of Social Affairs and Employment, it’s important to think about what work will be like in the year 2050.

And what factors and trends will play a role in shaping it.

What I’d like to emphasise is this: designing our future is a task for people.

We – as people – are at the helm. We are the ones plotting the course. Even when it comes to the most advanced technological developments, like AI.

So here is my answer, made up of five elements.

First: a labour market that offers genuine equal opportunities and is truly inclusive. Job security, good employment conditions and good wages must be – and remain – widely available for everyone who makes a serious effort.

We need to curb excessive flexibility in the job market and ensure that employers and employees invest in each other on the basis of employment relationships that suit the nature of the work.

We need to stop relying on migrant workers with low wages and poor working conditions.

Job security must become the standard.

We may also need some kind of “basic job” again, to make sure everyone can continuously grow and invest in themselves.

And... we have to make sure that it always pays to work!

Second: an innovative economy with enough high-quality jobs. This means working productively by making smart use of new technologies, like AI.

AI will replace jobs, but it will also create new ones, and help workers increase their productivity.

And we must make sure not to exclude people who find it hard to keep up with technological advances.

Third: a green economy where circularity is the standard, and zero waste and zero emissions are the goal. This will create huge opportunities, but we must take the lead and guide these transitions carefully and truly together.

Fourth: a country that takes a responsible approach to scarcity, labour and land. We are entering an age where there will be less space and fewer public services. The potential supply of labour, land, nitrogen, will stagnate or decrease as the population ages. Limitations in other areas, like climate, will only amplify the effects. These, too, are reasons to think about how to make the most of human potential.

And lastly: ensuring that AI and robotics work for us.

We need to invest in these technologies to stay at the forefront of progress.

At the same time, we must be aware of the major potential impact of AI systems.

We need to be mindful of the human dimension and ethical considerations.

This requires strong government that actively sets standards.

The EU has taken the lead in this and should continue to do so.

But I believe an active government must stay on top of this too.

This is quite an agenda. But I'm hopeful, especially as I look around this hall.

That's why I'd like to close with a call to action to the new generation: get involved!!!

Trends don't just happen; social fabric does not just fall from the sky.

It's people who make a society.

It's people who lay the groundwork for the prosperity and common good of future generations.

It's people who control large, complex systems like AI and robotics.

It's people who can ensure that the challenges ahead can be confronted in a way that benefits all.

It's people who build an inclusive society.

People like me, people like you, people like us.

Thank you.

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