Meeting Notes: 6 May 2019

Roundtable on "Digital 4 Jobs"

CEPS, Place du Congrès 1, 1000 Bruxelles

Participants:

- Sara Baiocco – CEPS
- Miroslav Beblavy – CEPS
- Fabrizia Benini – European Commission
- Stijn Broecke - OECD
- Andrea Glorioso – European Commission
- Zachary Kilhoffer – CEPS
- Wolfgang Kowalsky - ETUC
- Irene Mandl – Eurofound
- Uma Rani - ILO
- Aida Ponce - ETUI
- Andrea Renda – CEPS
- Anette Scoppetta - European Centre for Social Welfare and Reform
- Thiébaut Weber - ETUC
- Barbara Wynne - Accenture

The second roundtable "Digital4Jobs" was held in in Brussels on Monday 6 May 2019 at CEPS. The meeting was organised by Professor Andrea Renda, Senior Research Fellow at CEPS, in cooperation with Professor Maarten Goos, from Utrecht University. The roundtable involved key stakeholders, including social partners and international experts, and was divided into two interactive sessions aimed to discuss issues such as the impact of automation and AI on the labour market and workers' rights, the remuneration of workers' data, the evolving meaning of decent work, the role of social dialogue in the digital transformation and the need of lifelong learning, which increases with the changing nature of work delivered by digitalisation. These issues emerged during the first roundtable and were also based on the High level expert group's report on the impact of digital transformation on the EU labour market.[1] Additional issues emerged during the discussion.

At 10.30 the meeting started with a tour de table and after that Mr Andrea Glorioso from the EC – DG CONNECT gave an opening speech to highlight the purpose and framework of the roundtable. Mr Glorioso recalled that the roundtable was triggered by the organisation of the Digital Assembly to be held in Bucharest on the 13 and 14 of June,[2] which will look at both opportunities and challenges of digitalisation and where one of the four themes will be precisely Digital4Jobs. While recognizing impact in several domains, Mr Glorioso stresses the importance

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[1]   See https://ec.europa.eu/digital-single-market/en/high-level-expert-group-impact-digital-transformation-eu-labour-markets
[2]   See https://ec.europa.eu/digital-single-market/en/events/digital-assembly-2019

to keep the discussion focused on the impact of the digital transformation on work during the roundtable. The aim is to get to specific policy questions to address and to inform the work of the next College of Commissioners. Finally, he reminded that the roundtable respects Chatham House rule and then opened the floor for the discussion, which was moderated by Professor Andrea Renda.

Topics addressed during the first session were:

- Remuneration of workers' data;
- Decent work in digital transformation: working conditions, social security and protection and lifelong learning;
- Role of market regulation and competition law in protecting workers, especially in platform work.

On the first topic, it was highlighted that before we get to the discussion on whether to remunerate workers' data or not, **the definition of what data would fall in the scope of such remuneration should be better elaborated and agreed, to recognise different values of data**, such as economic, public, personal. These data include diverse information and are used in different ways. Data can be collected in the working environment for planning, surveillance and monitoring of workers' performance. In such way, the power imbalance between the company that accesses, collects and owns the data and the employee that produces and provides these data increases with digitalisation. Moreover, workers' data can include also sensitive information, for example related to health conditions of the workers. In this case, ethical issues are involved and remuneration is not the only concern.

Thus, while the data collection has a potential to favour workers, for example by better planning their work or monitoring their health conditions, often there are imbalances in the distribution of the economic value of data, in addition to privacy concerns. Some participants suggested that the GDPR appears to have gaps in this regard. It was acknowledged that data protection of personal data at the workplace is covered in the GDPR, leaving up to the Member States the possibility to regulate more in details. However, it is not clear what is personal and what is not in a working environment. In addition, according to some participants, the Regulation covers the protection of the data but does not recognise the economic value of data. According to the GDPR, personal data can be used by the company when there is explicit agreement from the person to do so, but often, for example in the case of platform workers, a contractual binding to give such permission does not leave free choice to the worker. **Some participants suggested that collective bargaining could help in ensuring fairer conditions to give permission over data, contributing to define clearer rights and obligations on their use.**

The conclusions of this first discussion were that there is a clear de-coupling between data creation and data value extraction, and this needs to be reconciled. To do this however, further research is necessary to better define and break down data produced by workers and their possible use by employers, as each of them may require different policy actions. The following distinction emerged:

- Data that are sensible (e.g. health): there are ethical issues and potential gaps in the GDPR should be identified in these regards

- Data that contribute to the value of the company (e.g. performance): these allow to optimise the production and currently not fully remunerated, so it was suggested that some rebalancing measures are appropriate
- Data that are collected and re-sold by the company to third parties: this is extra value extraction and exploitation of workers' data. However, little evidence exists on this, do further research is needed, also to establish the relevance of the GDPR in this respect.

Discussing the concept of **decent work** in the digital transformation era, it was stressed that such concept is not restrained to the work environment only, but includes also social security and protection, as well as lifelong learning. On the latter, a point made was that **skills development is more and more necessary with digital transformation but it has increasingly become, at the same time, a responsibility (and financial burden) for the worker.** The educational systems do not always provide the precise skills to fit the labour market, with the notable example of digital skills. The employers are sometimes discouraged to provide training because of the temporary and flexible nature of employment relationships, especially in non-standard forms of work. Reference was made to market failures in regards to training, such as the impossibility to recoup and appropriate the entire value of the investment made in education and training by an employer.

In this sense, digital transformation makes skills development necessary, which in turn translates into higher costs to access labour market for workers, who have to take the burden for it. Several participants highlighted how this leads to **continuous reproduction of inequalities**, between those who can afford skills development and those who cannot.

The need for reform of the education system to adapt it to the changing nature of work should be addressed and the evolution towards a lifelong learning model should be developed. **Initial vocational training should not be left at the expenses of workers, so a suggestion was made on banning unpaid internships and traineeships.** On the other hand, **it was not clear how to encourage firms to invest in training that is more short term and content specific. The multiple career transitions should be taken into account when designing policies for training, but, on the other hand, policies such as personal learning accounts still need further research to be considered a valid solution**, as highlighted by some participants. In any case, several participants stressed the urgency to focus on low-skilled workers in "bad jobs", because they are the ones' who cannot afford training and are most likely to be replaced by automation.

The problem of finances was raised and some participants mention that "robot taxes" as a possibly source to pay for investments in training as well as social protection for those left behind by digitalisation. However, more work is needed to better understand the scope, mechanisms and potential second-order effects of fiscal and tax policies.

Regarding aspects of decent work such as social security and social protection, it was recognised that, as digitalisation fosters multiple careers paths in the working life, **transition payments for flexible work and universal coverage are to be pursued for workers' protection, especially for vulnerable groups.**

For working conditions, first, it was highlighted by some participants that Trade Unions have a role to play in shaping what technology is adopted and how it is adopted, but Trade Unions often do cover new forms of work. In fact, the discussion focused on **digital platforms**. These actors appear to have a monopsony powers towards workers, but several participants argued that this

is not only an effect of digital transformation, but also of the functioning of the market. Despite significant heterogeneity across EU Member States and uncertainty about how the platform work regulation will evolve at both EU and national level, it was argued that as the employment relationship is often not recognised in platform work, workers' rights are established by contractual law, between the platform and the self-employed/own accountant. This erodes workers' possibility to unionise and collectively bargaining, possibly because of the **EU competition law**, which might make it more difficult for "falsely self-employed" workers to engage in collective action, given the application of competition rules against horizontal anticompetitive agreements. In addition to labour, law, i**t was suggested that one of the goals of EU competition law should also be to address working conditions and rights, so that one could look at total welfare instead of consumer welfare alone.** Ongoing discussions on the future of EU competition law might offer a window of opportunity to explore viable solutions, which in any case would require breaking the silos of different law fields and having a holistic approach to platform work.

A last point made in this regard was that **market regulation could intervene on working conditions only if transparency of such conditions is ensured**, which does not appear to be the case currently in platform work contracts.

In the second part of the roundtable, it was highlighted that there is need to communicate more clearly about the key challenges faced by policy makers and, in general, by the society. For example, "equity" is a simpler concept than "polarisation", but does not necessarily capture all the dynamics we are witnessing in labour markets and in the EU economy and society at large.

The rest of the discussion tackled mainly three topics:

- Standard employment form *vs* new models of employment in the era of digitalisation;
- The role of digitalisation for workers' reputation and hiring practices;
- Re-skilling.

On the first topic, there was no agreement among the participants. Some argued that **standard employment will remain relevant and prevalent with digitalisation**. Others explained that **standard employment is not universal**, but rather a specific form of work that emerged with industrial revolution in the global north. As such, it does not necessarily represent the only possible model of work organisation and could evolve. A reconciliation of these two positions was that **standard employment will not probably suddenly disappear but with digital transformation the structure of hierarchies may change**. As result, new models emerge, such as online platforms, involving also a transformation of work organisation and employment relations. To understand, address and contribute to develop new models that respect fairness towards workers, according to the participants, **it is necessary to better measure the phenomenon of atypical work,** as platform work is only part of it, that is rather limited in size but relevant *per se.*

In general, even **within standard employment, mobility across different jobs is increasing**, especially for young people. While there are **potential benefits**, instability could be a downside of the phenomenon, having **negative impact in psychological terms** on those who do not choose and are not willing to transit from one job to another. Moreover, increasing mobility during the working life could contribute to **erode the employee/employer relationship,** which is important for example when deciding whether to invest in training or not.

On the issue of reputation, the discussion addressed both rating in online platforms and the broader issue of using workers' data online (e.g. social media) for hiring decisions. It emerged that **GDPR should be relevant for this, to enhance workers' control on their online reputation**. Moreover, **increasing digital literacy, to increase safety and security when using digital tools**, appears very important to raise awareness on how to manage reputation online. On Artificial Intelligence used in hiring practices, some participants argued that it could reinforce the human bias.

Addressing the topic of re-skilling, it was stressed how **re-skilling concerns all age groups**, given the inadequacy of educational systems and continuous changes in the skills needed in the labour market. However, it was remarked that **low-qualified and socio-economic vulnerable groups are those that are more excluded from re-skilling opportunities**. For this, **the role of third parties, such as no profit organisation and foundations was pointed out by some participants**. These actors could focus on diverse vulnerable groups and their specific needs for re-skilling, allowing for tailoring re-skilling opportunities rather than applying one-size-fits-all solutions. In terms of skills needed, all participants agreed on the **priority to foster digital skills, as no job is any more fully analogue.** Some participants also stressed the importance to foster, in the longer term, both **cognitive and non-cognitive skills to navigate increasing complexity that derives from digital transformation**, these being relevant both for work and for life more generally.

Three main conclusions emerged from the discussion on reskilling. First, there is **urgency to raise awareness among workers and employers about the importance of re-skilling**, as existing evidence suggests that adult education and training is not considered necessary by and large. Second, success of education and training is often linked to the **quality of the educators/trainers, which requires significant long-term investment and is hardly replicable**. Third, there is a degree of **uncertainty about the success of existing policies such as personal learning account**, for which lack of awareness and the complexity to get information played a key role in limiting positive impact, especially for vulnerable groups.

At 15:00, Mr Glorioso closed the meeting.