

Meeting Notes: 8 April 2019

Roundtable on “Digital 4 Jobs”

CEPS, Place du Congrès 1, 1000 Bruxelles

Participants:

Name	Last Name	Organisation
Nabylah	Abo Dehman	UN Principles for Responsible Investment
Mikkel	Barslund	CEPS
Bernedine	Bos	CSR Europe
Christiaan	Boiten	Eurocommerce
Lieza	Dessein	Smart cooperative
Andrea	Glorioso	European Commission
Maarten	Goos	University of Utrecht
Zachary	Kilhoffer	CEPS
Aileen	Koerfer	UNI EUROPA
Katarzyna	Koziol	SMEunited
Lorenzo	Pupillo	CEPS
Andrea	Renda	CEPS
Luca	Scarpiello	EPSU
Tal	Smoller	The Adecco Group
Kristina	Stonjeková	MN
Silke	Van den Bogaert	SMEunited
Fernando	Villamon	College of Europe
Thiébaud	Weber	ETUC
Antonella	Zarra	CEPS
Laurent	Zibell	IndustriALL

The roundtable on “Digital 4 Jobs” was held in Brussels on Monday 8 April 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 transformation of work and the role of data in the labour market; the impact of artificial intelligence and job automation, the evolving meaning of “decent work” in the age of machines, possible future options for the re-skilling of the workforce and the impact on welfare and pension systems.

The meeting started at 10:30 with a tour de table. After welcoming the participants, Mr Andrea Glorioso from the European Commission emphasised that the roundtable is part of a broader debate on the future of work, which needs a joint approach between policy makers, businesses and social partners. Mr Glorioso stressed that the roundtable does not represent a negotiation but an open conversation, and he opened the floor to the discussion, which was moderated by Professor Andrea Renda.

In the first part of the roundtable, participants addressed the following topics:

- The quantity of work, and in particular the impact of AI and job automation on the labour market and on workers' rights;
- The quality of work. What is the meaning of "decent work" in the age of machines? How to shape policies for subjective well-being and sustainable development?

The debate fluctuated between optimistic views and pessimistic ones. Some participants were more pessimistic about automation: even if some companies will be able to successfully automate, keep their labour force, and become more profitable, there may be a problem of **resources, which are now in shortage**. In this respect, flexible working hours could help tackle this problem. On the other hand, some participants emphasised that **implementing a circular economy could help create more jobs** and address the problem of finite resources. Some sectors will benefit more than others from digitisation and automation: for example, the retail sector seems likely to be positively affected, as new jobs will be created (e.g. e-commerce merchants). In some countries, like the Czech Republic, there are big problems with decreased demand for manufacturing – the so-called end of "near-shoring". And seemingly all current efforts with addressing this problem are not very successful. Furthermore, it has been argued that the **quality of jobs is going down due to the introduction of AI**, in particular since some companies have promised full automation but rely on low skilled workers that manually correct mistakes made by the AI system (as in checkout-free stores). Some participants highlighted the need to address the **issue of job polarisation**, as new jobs are either low-skilled or high-skilled.

Among the challenges arising from digitalisation, participants identified three main issues. Firstly, **use of algorithms in the workplace** can lead to problems of control and surveillance, especially when AI assesses workers' performance based on data collected from the workers: these data are also not part of any remuneration, despite the fact that they are produced and shared by workers and contribute to the value created by the company. Secondly, the **concentration in the ownership of AI technology and data** may hinder the distribution of wealth, which calls for proactive competition rules and provisions to enable a fair distribution of the value created by the data economy. Some participants pointed that the EU should adopt strong policy actions to avoid power concentration in the hands of companies. Data remuneration emerged as one of the topics to be considered when reflecting about potential policy actions. Lastly, **digitalisation also affects the organisation of work**, creating a strong dependency of workers on employers/platforms, and of consumers on companies. In this respect, social dialogue and collective agreements need to be part of the solution in the future, as opposed to top-down legislative measures. Some of the participants raised the need for a more open approach to data sharing. Platforms should open their data so that unions can protect workers, detecting the patterns of precarious work and proposing solutions.

Moreover, and relatedly, there are **mental health and stress effects deriving from the flexibilization of work**, which are linked *i.a.* to the lack of long-term relations between workers and employers, but also to the increased complexity of the tasks due to automation of the most repetitive ones. Current contractual forms may lead to further segmentation of the labour force, particularly a deterioration for young people. Instability may generate stress, so providing stability and reducing precarious work to ensure psychological welfare should be set as a priority in the political agenda. It is important to ensure that platform workers, freelancers, gig-workers have guarantees. The EU has a more developed social dimension and ensures a stronger protection to workers than Japan and the US. It was also observed that the creation of unicorns should not be a priority, unless these companies contribute to societal welfare in the long term, in particular through more and better jobs.

The second part of the roundtable revolved around the main issues arising from the Report just published by the High-Level Expert Group on the Impact of the Digital Transformation on EU Labour Markets. Participants touched on the following topics:

- The de-skilling problem and the re-skilling of the workforce
- Collective bargaining
- Mental health and stress at work

Some participants pointed that the **growing skills mismatch**, i.e. the divergence between skills needed and supplied, which may become a permanent market failure or remain a temporary issue. On the corporate side, **re-skilling is seen as a risky investment**, and many companies tend to pay severance packages and re-hire. Part of the problem is to the fact that from an accounting perspective **training is treated as a cost in the company accounts, rather than as an investment in the future**. Moreover, re-skilling is hard as the pool of job seekers does not necessarily have the skills necessary. One of the proposed options is taking a percentage of payroll and making it fund training programs, with no set final benefit per employee, though employees can take their share with them to support continuous learning when they leave. Another option would be a nationwide approach to allocate a personal, portable and transferable training account; from an accounting perspective, companies would pay a percentage of employment costs into an Employability Account using money that would otherwise be used for severance costs. Feasible tax benefits could be another option to explore.

Some raised the issue of re-skilling/up-skilling more seasoned workers and the elderly. If employers dedicated more investment to re-/upskilling more seasoned workers – many of whom already have the soft skills and have adapted to company culture – it would help these workers to remain productive members of the workforce. Also, participants argued that training must be suited for the needs of the future: for example, the emphasis on STEM and coding is somewhat changing towards complementary skills, and soft skills. It has been suggested to set up targeted funds to help people in jobs that are disappearing, thinking specifically about matching skills between old jobs and new ones. For example, skills such as attention to detail, diligence, and even repetitive tasks could be suitable for some of the new professions, such as those involving coding. The HLEG's Report emphasised the **importance of securing that intermediaries participate in the process** in order to accompany workers in their professional development and reskilling, and to orient their career choices. **Co-working spaces can also enhance re-skilling by mutual education and training**. Co-working spaces can be important to help replace some of the infrastructure that is lost with new forms of work, which commonly occur in the home. Co-working spaces bring creative people together, allow them to act collectively. Also, for freelancers, riders, gig workers and artists there are programs where they are given income security when they re-skill/up-skill. Furthermore, the current **lack of transparency on the conditions that apply in the workplace**, and on the degree of protection of workers in a given corporations **hinders the attempt of investors to identify more deserving companies** and avoid investing in less socially sustainable ones.

Gaps in productivity will be more and more important as the economy shifts more and more quickly. **Uncertain markets lead to uncertain relationships between employers and workers**. However, some participants pointed that a stable employer relationship is a relic of a different time. Examples like the "*Loi de Croo*", according to one of the participants, are taking the wrong approach, as it is simply deregulating industries like the care industry. Some suggested that consolidation of welfare state policies is needed, not disruption. Others argued that the "40-hour week" will not come back, as companies need agility. Finally, the discussion moved to the

issue of **part time work**, which should be a holistic discourse, and ensure that part time does not occur because the workers cannot have a full-time job.

At 15:00, Mr Glorioso closed the meeting and stressed the importance to keep the discussion open.