EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR EMPLOYMENT, SOCIAL AFFAIRS AND INCLUSION
DIRECTORATE-GENERAL FOR COMMUNICATIONS NETWORKS, CONTENT AND
TECHNOLOGY

High-Level Experts Group on the Impact of the Digital Transformation on EU Labour Markets

Report of the 3rd meeting of 16 November 2018

The third meeting of the HLG was held in Brussels on 16 November 2018. The meeting was titled "Investing in Skills for the Future". For a full list of attendees, please see Annex 1. For the agenda of the meeting, please see Annex 2.

The first session (9.00 – 12.30) was organised by Vassil Kirov and focused on "Digital Technologies, Skills and the Organisation of Work". Three external experts (Prof. Sabine Pfeiffer – Institut für Soziologie, Friedrich-Alexander-Universität Erlangen-Nürnberg; Mr Oliver Roethig, UNI Europa; Prof. Steven Dhondt, TNO) were invited to contribute to the discussion.

The second session (13.45 – 16.15) was organised by Katarina Ćurković and focused on "Skills Acquisition for the Future". Two external experts (Pedro Moreno da Fonseca, CEDEFOP; Prof. Rachel Mulvey, Acting Dean of School of Psychology at the University of East London) contributed to this session.

In the final discussion (16.15 – 17.00) HLG experts debated the inputs provided during the day and discussed the way ahead.

1st Session

The presentations and discussions during the 1st session of the meeting focused on the following elements:

- It is important to anticipate and teach the right skills, both hard and soft, in the perspective of a world highly impacted by new technologies and instability in skills demand.

- There is a pressing need to re-think industrial relations between social partners. The example of Sweden, where some online platforms are cooperating with trade unions in order to reduce social and economic disruption caused by a change in the paradigm of employment, was made.

- There is a gap between perceived skills-ownership and effective preparedness for labour markets. According to a 2017 Eurobarometer, 80% of respondents claim

Commission européenne/Europese Commissie, 1049 Bruxelles/Brussel, BELGIQUE/BELGIË — Tel. +32 22991111
Office: BU25 01/158 — Tel. direct line +32 229 83243

Tommaso.ALBERINI@ec.europa.eu

they are sufficiently skilled for the demands of labour markets and in order to do properly their jobs. People seem to be confident they hold the right skills to face future work transformations, although manifold studies suggest otherwise.

- Studies on the future of work tend to use only quantitative methods. This is a long-rooted problem in the academic community: quantitative and qualitative scholars do not interact with each other sufficiently. Research needs to combine both, in order to produce nuanced and more accurate analyses and predictions.

- Qualitative methods are too often under-deployed in studies on the future of work, but they can complement the understanding of the nature of jobs and their tasks, thus allowing one to foresee more precisely their automation.

- It was discussed how when a new technology emerges it brings with it a new wave of digitalisation. This means people need to adapt and update their knowledge and expertise. The more complex IT systems become, however, the more people need to be engaged in the process of their implementation. This does not mean that education/training curricula ought to include every detail of arising (and soon obsolete) new technologies. They should focus on providing the right 'mindset' and learning skills which can help workers to best approach re-training and re-skilling.

- It is important to reinforce individual rights and complement these with collective rights and collective representation. It was pointed out that automation is increasingly affecting mid-ranking white-collar jobs, something robustly substantiated by the literature on the polarisation of work. What at first happened in manufacturing is now piecemeal taking place in the services sector.

- Some participants suggested that we ought to move away from a definition of 'worker' that does not reflect anymore the current structure of labour markets, i.e. a person who is directly employed and managed by a company.

- With regard to skills and life-long learning, it was stressed that that companies of different size have different resources: if we leave it to them to organise life-long learning, there will be inequalities in its provision. A company-level framework on the delivery of life-long learning needs to be complemented by a sectoral-level one.

- The risk of "fine-slicing of jobs" was mentioned; meaning how, in a globalised world, specific tasks are easily modularized and movable to other regions/countries/continents. Building on the concept of 'corporate social responsibility', companies at the top of the supply-value chain should be held responsible for the other companies beneath them. Future EU trade agreements should include a labour chapter, which should also be informed by standards envisaged and clearly set out by organisations such as the International Labour Organisation.

- It was pointed out that the problem with mid-career training is that low-skilled people may have less motivation to re-skill. The extent of the problem could be reduced through a greater encouragement/incentive coming from employers/managers.

- Furthermore, the need for life-long-learning may create exclusion. There are some groups of workers that cannot access re-training and re-skilling. We still have a limited understanding of which aspects of the digital transformation affect inter-sectoral mobility of workers and self-employed workers, as well as and how re-skilling would practically and effectively involve self-employed workers. Skill transferability was also mentioned as a potential crucial challenge to training and re-skilling programmes.

- Sometimes trade unions might go in the opposite direction than is needed by workers: e.g. Uber drivers in the UK have joined an Independent Workers Union, the rise of which was opposed by established unions. In the EU national trade unions often cannot provide support beyond their national borders.. E.g. Swedish unions cannot provide legal or fiscal advice for someone with skills that match the French labour market, or the Italian etc. despite the EU having a Single Market.

- The disappearance of Taylorism across Europe (in particular Southern and Eastern European countries) is vastly overestimated. Thus, there is a pressing need for workplace innovation. The challenge is that we need to look at different technologies together, to understand what overarching, holistic effect they may have on society and the economy. Different kinds of tasks (and jobs) are and will be experiencing different repercussions, due to automation and different challenges arising, concerning skills.

- It might be useful to look at how technology enables new forms of social care in Europe. Disruption and drawbacks need not be the only consequences that technology has for welfare.

2nd session

The presentations and discussions during the 2nd session of the meeting focused on the following elements:

- The importance of a "right" use of digital tools in workers' career support services. Good examples all share a user-centred development of tools and technologies. This means paying attention to people's preferences and decisions based on a 'mundane' rationale.

- In this light, it is worth noting that labour markets are to a large extent 'local' and 'regional': people are not so willing to move out of their preferred geographical areas.

- Another important issue concerns the designation of skills-needs: it is sometimes the case that these are not based on 'real' needs but rather on a misplaced 'technological hype'. Hence one must be careful that a given technology actually facilitates procedures, rather than making them more complicated and create a burden for workers.

- Artificial Intelligence can help in providing career-oriented tools, learning 'games' and online courses. Labour market information is useful if and when it is adapted to circumstances and to pedagogical approaches to training policy.

- The results of the study "Low Qualified and Low Skilled: The Need for Context Sensitive Careers Support" were presented. Based on interviews with 105 low-skilled workers in 7 different countries, the study helped understanding their attitudes to, and engagement with, formal learning and qualifications (if any).

- The research revealed several barriers to learning for low-skilled people, including low aspirations, lack of engagement, learning 'scars' from past experience, self-image and identity, and family obligations; as well as important drivers, including security/stability, financial incentives (pay rise/promotion…), the nature of higher skilled jobs (manual vs white collar), the need to settle and start a family, increased mobility (e.g. following a partner abroad).

- The results of this study suggest that social class is not the only dividing line in terms of positive or negative incentives to skill acquisition: gender, ethnicity and personal attitudes also play a very important role. The possible negative influence of certain trade union policies to avoid displacement of workers from one sector to another were also mentioned.

- The group discussed how technology could improve practical, real-life delivery of public employment services. The first highlight was that career counselling success is counsellor support to client, i.e. a human relationship based on trust. In this light, technology has no role in all those aspects of public employment services that are intrinsically human-derived and human-oriented.

- However, there are ways in which (digital) technology can help, for example streamlining repetitive tasks and easing categorization and access to information for job seekers. Furthermore, AI-led training courses could deliver soft skills, languages and entrepreneurial skills cheaply and efficiently. Peer-to-peer learning could also benefit substantially from new technologies.

- Public employment services need freedom to experiment and innovate. Investments must be made in coaching skills, and counsellors should be offered the opportunity to professionalise their career: they have to be valued because what they do is very important. It was stressed that policymakers need to work with employers, understand the skills gap they're facing and support them in bridging such gaps so to reduce employment mismatches due to skills undersupply. The EU could support research at local level to impact on people's behaviour, convictions and mind-set. In that way we could develop methodologies for research and policymaking to tackle the challenges posed by training and skills mismatches.

Final discussion

The chair of the HLG ushered in the final discussion by urging the group to reflect on how new technologies can be used to make labour markets more inclusive. This would be one of the main questions underpinning the HLG's work in drafting the paper for policy recommendations to be issued at the end of February 2019.

The Chair also presented some key concepts/ ideas that could be the basis for drafting the final report:

- What can we do about technological anxiety? Some of it is based on reality, but there is a lot of hype surrounding it.

- It is the case that some downward social mobility for some (middle-ranking) workers is due to job polarisation and technological impact on labour markets.

- There is the need to increase knowledge on how technology affects job creation and job changes, rather than only worrying about how technology destroys existing jobs.

- The scalability of innovation should translate in the creation of more jobs. Thus innovation should be directed into those sectors where more jobs can be created (education, e-health, digital public services).

- The EU should spur reflections to re-think the organisation/taxonomy of skills, (other than the traditional 'umbrella' of education and training) which includes those social values that we believe are important (With this regard, the European social market economy model has to be kept in mind).

- Algorithms could be used for situational testing and evaluation.

- The collection and usage of workers' data is a pressing political issue, as it is profitable for companies. So how do we regulate their management/use? Perhaps policies could be envisage that reward workers for their data usage.

- Enable development of Social Worknets to support workers' organisation in new forms of work

Annex 1 – List of attendees

HLG members

1. Vassil Kirov
2. Gary Shaughnessy
3. Karl McFaul
4. Katarina Curkovic
5. Lucia Velasco
6. Maria Savona
7. Maarten Goos
8. Morten Binder
9. Vili Lehdonvirta

External experts

1. Rachel Mulvey
2. Steven Dhondt
3. Pedro Moreno Da Fonseca (video conference)
4. Oliver Roethig (video conference)
5. Sabine Pfeiffer (video conference)

DG CNECT

1. Fabrizia Benini
2. Andrea Glorioso
3. Tommaso Alberini

DG EMPL

1. Max Uebe
2. Carola Bouton
3. Istvan Vanyolos
4. Michael Horgan
5. Miia Rossi-Gray
6. Roos De Bruijn

INVESTING IN SKILLS FOR THE FUTURE

16 November 2018
Brussels, Belgium

09:00 – 09:30   Registration / coffee

SESSION 3: Digital technologies, skills and the organisation of work (Vassil Kirov)

09:30 – 10:45   **Digital technologies, skills and tasks**

- 09.30 – 10.00 Vassil Kirov: *Introduction*

- 10.00 – 10.15 Prof. Sabine Pfeiffer (Video conference):
  Beyond routine: Digital technologies, skills and tasks

- 10.30 – 10:45 Oliver Roethig, UNI Europa (Video conference):
  Employees' perspectives on skills and HR management in the context of the digital transformation

10:45 – 11:15   Coffee break

11:15 – 12:30   **HR management and workplace organisation**

- 11.15 – 11.30 Vassil Kirov: *Introduction*

- 11.30 – 11.45 Prof. Steven Dhondt: *Smart working and workplace social innovation*

12:30 – 13:45   Lunch

SESSION 4: Skills acquisition for the future (Katarina Ćurković)

13:45 – 15:00   **Investing in skills for the future**

- 13.45 – 14.10 Pedro Moreno Da Fonseca, CEDEFOP (Video conference):
  Digitalisation and intelligence in careers' support. Lessons from the EU

- 14.10 – 15.00 Prof. Rachel Mulvey: *Investing in skills: boosting individual learning and overcoming barriers*

15:00 – 15:30   Coffee break

15:30 – 16:15   Katarina Ćurković
                          Public employment services and their clients in a digital world –
                          micro perspectives on the needs, skills and support needed

16:15 – 17:00   Concluding discussion (with feedback from EC)