

# 22nd meeting of the Contact Persons of the European Globalisation Adjustment Fund (EGF)

Santiago de Compostela 18 October 2018



Bienvenue **Tervetuloa** Bienvenidos Vitaite Ongi etorriak Willkommen Добре дошли Bem-vindo Witajcie Merhba Welkom Esiet sveicinati Velkommen Benvinguts Kailko Üdvözöljük Tere tulemast Bun venit Wëllkomm Croeso Dobrodošla Sveiki Fáilte Benvidos Hos geldiniz Benvenuto Welcome Mišto avilan



## 1. Introduction and adoption of the agenda

Ms Fabienne Levy
Head of Unit,

DG EMPL - EGF and Shared Management



## 2. Update on EGF since the last Contact Persons meeting

- Final reports and closures
- Recoveries
- EC Implementation Decision- deadline employment status
- Application received
- Application planned (tour de table)



## 2. Update on EGF since the last Contact Persons meeting

#### 2.1 Final reports

▶ 6 final reports received: 2015 & 2016 cases

| No | Case Number           | MS | Case Title          | Final Report deadline | EGF Contribution Granted |
|----|-----------------------|----|---------------------|-----------------------|--------------------------|
| 1. | EGF/2015/009          | SE | Volvo Trucks        | 16/03/2018            | 1.793.710                |
| 2. | EGF/2015/010          | FR | MoryGlobal          | 19/05/2018            | 5.146.800                |
| 3. | EGF/2015/011          | EL | Supermarket Larissa | 26/08/2018            | 6.468.000                |
| 4. | EGF/2015/012          | BE | Hainaut Machinery   | 17/06/2018            | 1.824.041                |
| 5. | EGF/2016/001          | FI | Microsoft           | 11/09/2018            | 5.364.000                |
| 6. | EGF/2016/002          | SE | Ericsson            | 30/09/2018            | 3.957.918                |
|    | Total EGF amount paid |    |                     |                       | 11.145.959               |



#### 2.1 Closures

> 10 cases wound up - 2011, 2013, 2014 & 2015 cases

| No  | Case number  | MS | Case title                 |
|-----|--------------|----|----------------------------|
| 1.  | EGF/2011/001 | AT | Nieder- and Oberösterreich |
| 2.  | EGF/2011/010 | AT | Austria Tabak              |
| 3.  | EGF/2011/011 | AT | Soziale Dienstleistungen   |
| 4.  | EGF/2013/003 | DE | First Solar                |
| 5.  | EGF/2014/006 | FR | PSA                        |
| 6.  | EGF/2014/011 | BE | Caterpillar                |
| 7.  | EGF/2014/012 | BE | ArcelorMittal              |
| 8.  | EGF/2014/018 | EL | Attica Broadcasting        |
| 9.  | EGF/2015/004 | IT | Alitalia                   |
| 10. | EGF/2015/005 | FI | Computer programming       |



## 2. Update on EGF since the last Contact Persons meeting

#### 2.2 Recoveries

> 5 debit notes sent - 2014 & 2015 cases

| No    | Case number  | MS | Case title            | ESF granted  | Recovered    | Recovery rate % |
|-------|--------------|----|-----------------------|--------------|--------------|-----------------|
| 1.    | EGF/2014/005 | FR | GAD                   | 918.000,00   | 475.250,10   | 51,77%          |
| 2.    | EGF/2014/009 | EL | SPRIDER STORES        | 7.290.900,00 | 4.808.156,71 | 65,95%          |
| 3.    | EGF/2015/003 | BE | FORD GENK             | 6.268.564,00 | 2.756.759,48 | 43,98%          |
| 4.    | EGF/2015/007 | BE | HAINAUT - NAMUR GLASS | 1.095.544,00 | 280.674,24   | 25,62%          |
| 5.    | EGF/2015/012 | BE | HAINAUT MACHINERY     | 1.824.041,00 | 1.097.857,01 | 60,19%          |
| TOTAL |              |    |                       | 17.397.049   | 9.418.698    | 54,14%          |



- 2. Update on EGF since the last Contact Persons meeting
- 2.3. EC Implementing Decision Deadline employment status

Statistics to be sent:

12 months after <u>submission of Final Report</u> (FAQ 11.4)

Feedback from SFC2014 experience: working well.



## 2. Update on EGF since the last Contact Persons meeting

- 2.4 Applications received
- Adopted by the Budgetary Authority (BA):
  - EGF/2017/009 FR/Air France adopted in July
  - EGF/2017/010 BE/Caterpillar adopted in May
  - EGF/2018/001 NL/Friesland, Drenthe, Overijssel adopted early October
- In assessment by BA:
  - EGF/2018/002 PT/Norte Centro Lisboa Wearing Apparel
  - EGF/2018/03 EL/Attica Publishing Activities



## 2. Update on EGF since the last Contact Persons meeting

#### 2.5 Applications planned

#### Tour de table:

Dear participants, it is your turn.

Please indicate which applications are in preparation or in consideration by you.





#### 3. Omnibus Regulation - update

- Regulation (EU, Euratom) 2018/1046
- Adopted by European Parliament and Council on 18 July 2018.
- Available here: <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R1046&gid=1539331794051&from=EN">https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R1046&gid=1539331794051&from=EN</a>
- Relevant articles for the EGF: Art. 274 and 279(4)



#### Main changes

Art. 274(2) → Art. 4, paragraph 2 (EGF Reg.)
 exceptional circumstances

For collective applications involving SMEs, when SMEs are the main or the only type of business in that region, the application may exceptionally cover SMEs operating in different economic sectors defined at NACE Revision 2 division level.



#### Main changes

Art. 274(3) → Art. 6, paragraph 2 (EGF Reg.)
 support to NEETs

#### ✓ Possible until end 2020

Two ongoing cases benefit from this provision and the transitional provision (Art.279(4)):

- Castilla y León mining (NEETs until 15 Feb. 2019)
- Caterpillar (NEETs until 18 Dec. 2019)
- ✓ When redundancies occur in NUTS 2 level regions whose youth unemployment rates are at least 20% (aged 15-24)



#### 4. Communication

- Communication updates
- Member State communication activities



#### 4.1 Communication updates

#### A revamped EGF website.



European Globalisation Adjustment Fund (EGF)

What support can the EGF provide?

Who can benefit?

EGF Regulation for 2014-2020

How does the EGF differ from the EU Structural and Investment Funds?

This topic in detail

Related news

Related documents

Related links

....

#### **European Globalisation Adjustment Fund (EGF)**





# To find the sections 'How to apply' and 'Applications', scroll down to the bottom of the page or click on 'This topic in detail' on the left hand side

European Globalisation Adjustment Fund (EGF)

What support can the EGF provide?

Who can benefit?

EGF Regulation for 2014-2020

How does the EGF differ from the EU Structural and Investment Funds?

This topic in detail

Related news

Related documents

Related links

More on this topic

#### This topic in detail

How to apply?

**Applications** 

#### Related news



02/10/2018

Commission proposes €2.3 million from European Globalisation Adjustment Fund to help media workers in Greece



Commission proposes almost €4.7 million from the Globalisation Adjus help dismissed workers in Portugal



11/09/2018

Commission proposes
almost €4.7 million from the
Globalisation Adjustment
Fund to help dismissed
workers in Portugal

20/07/2018

Commission proposes €1.2 million from the EGF to help dismissed workers in the Netherlands



## The 'related documents and related links' which used to be on the right hand menu are now on the left hand side, below 'This topic in detail'

European Globalisation Adjustment Fund (EGF)

What support can the EGF provide?

Who can benefit?

EGF Regulation for 2014-2020

How does the EGF differ from the EU Structural and Investment Funds?

This topic in detail

Related news

**Related documents** 

Related links

More on this topic

#### European Globalisation Adjustment Fund (EGF)



The European Globalisation Adjustment Fund provides support to people losing their jobs as a result of major structural changes in world trade patterns due to globalisation, e.g. when a large company shuts down or production is moved outside the EU, or as a result of the global economic and financial crisis.



#### **Campaign EU protects**

- DG COMM Corporate communication campaign
- Target 35+ ambivalent
- Message: EU is protecting its citizens from risks such as: natural catastrophes, cyberattacks, terrorism, economic slowdowns, trafficking, food safety etc.
- <u>Concept</u> based on the idea of "chains of heroes": people that at different levels (local, national, European) through their work make sure that this high level of protection in the EU is accessible to all citizens.



## 4.2 Member State communication activities



#### 5. Forthcoming EGF related events

- Next EGF Contact Persons meeting and Networking Seminar, March 2019
- Update on EGF related events planned in the Member States



#### **Keynote presentation:**

# Automation, digitisation and platforms – implications for the future of work

Mr John Hurley,
Research Manager,
European Foundation for the Improvement of
Living and Working Conditions (Eurofound)

European Foundation for the Improvement of Living and Working Conditions

The tripartite EU Agency providing knowledge ig knowledge to assist in the development of better social, employment and work-related policies licies

## Automation, digitisation and platforms – implications for the future of work.

EGF contact persons meeting

Santiago da Compostela, 18/10/18

**John Hurley** 



#### **Outline of presentation**

- 1. What is the digital revolution?
- 2. How is it predicted to affect work and employment
- 3. Eurofound's current research work on the digital age
- 4. A closer look at platform work
- 5. Some concluding remarks



#### The digital revolution

- "a general acceleration in the pace of technological change in the economy, driven by a massive expansion of our capacity to store, process and communicate information using electronic devices"
- Core inventions: microprocessor, networking/internet



#### Eurofound's ongoing work on Digital Age and work

 One of two major areas of transversal research in Eurofound's 2017-20 work programme

Builds on previous work on new forms of employment

Concentrates on three areas of innovation likely to have the biggest impact on

work and employment:

Digitisation

Automation

Platforms



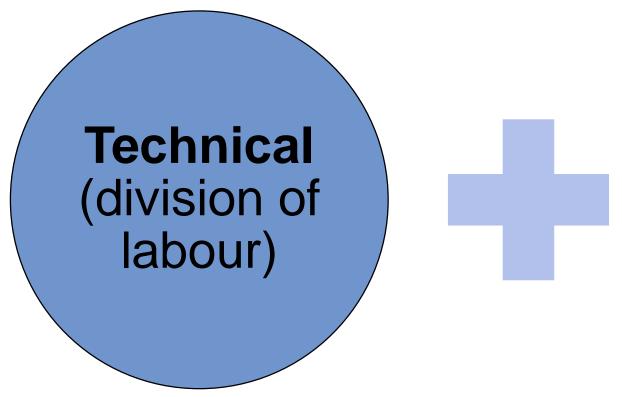
**Furofound** 

#### Some predictions

- Various assessments of the digital revolution
  - the 'second machine age' (Bryjnolfsson/McAfee, 2014)
  - Digital Revolution as the trigger of an evolutionary leap in humankind equivalent to the appearance of the Homo Sapiens (Kurzweil, 2005; Harari, 2016) ... or
  - 'a peripheral set of innovations mostly relevant for leisure industries' (Gordon, 2016)
- And impact on employment
  - Mass technological unemployment, the 'rise of the robots' (Ford, 2015)
  - Technological displacement 47% US employment automatable via computerisation, Frey/Osborne (2013) within 'a decade or two'
  - More recent, more modest estimates 9-14% 'of jobs in OECD countries are highly automatable'. OECD (2018), Arntz et al, (2016)
    - Above assessments based on a technical, 'tasks' approach where occupations / jobs / work are decomposed into sets of discrete tasks



#### **Human input in production process**



= Separation and allocation of tasks to different persons cooperating in an economic process

Social (socioeconomic institutions)

= Social coordination supports the functioning of economic processes by providing stability and by dealing with their external effects



### Four key attributes of digital technologies with transformative potential for economic activity

Flexibilisation of production

Fast and pervasive information availability

Emergence of digital goods with low or zero marginal costs

Strong network effects



#### Digitalisation and employment

What is it?

**Examples** 

Challenges for work and employment

**Automation** 

HR tasks REPLACED by machines Robotics, drones, Artificial Intelligence Job polarisation, work organisation, skill demands

Digitisation

Digital Production PROCESSES

Internet of Things, VR, 3D printing

Fragmentation of jobs, contractual arrangements, privacy

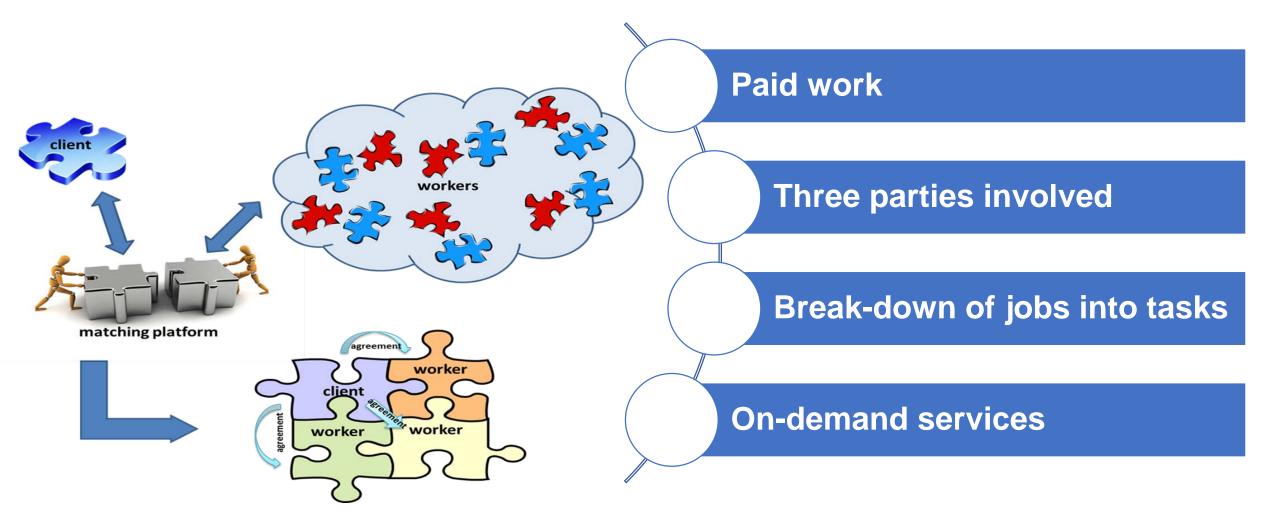
**Platforms** 

COORDINATION
Matching of
supply and
demand

Transport, delivery, online services Work organisation, fragmentation, employment status



#### **Platform work**



Definition: "the matching of the supply and demand for paid work through an online platform"

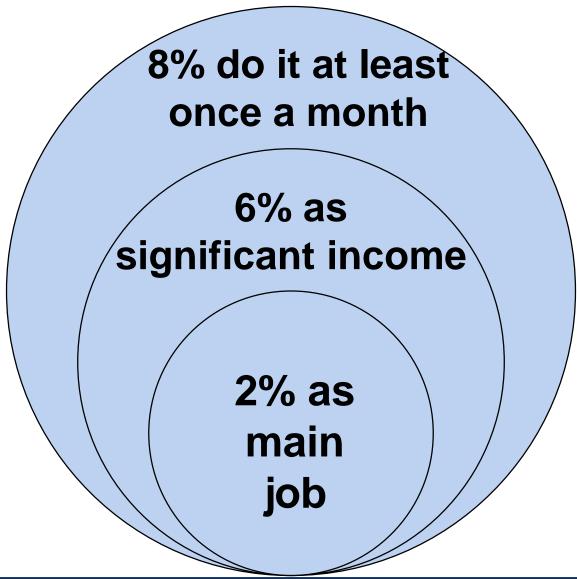


#### Varieties of platform work

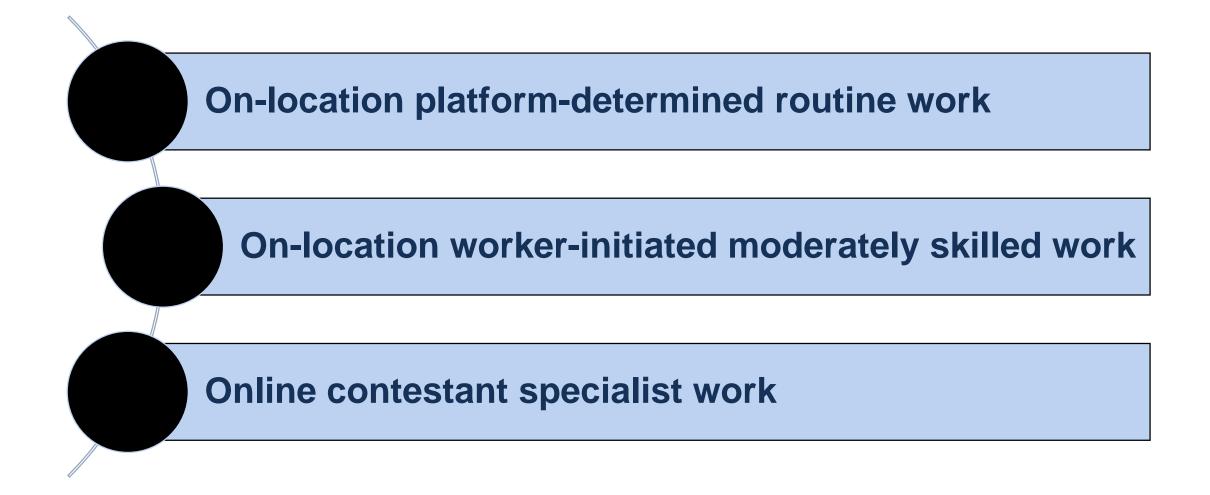
- Delivered online or on location (Amazon Mechanical Turk v Deliveroo)
- Form of matching offer or contest
- Scale of tasks from microtasks to major projects
- Skill levels required
- Selection process who decides who does the work?
- Eurofound (2018) identifies the most important ten types of platform work, accounting for around 98% of current platform employment.
- Methodology: literature review, expert interviews (in 6 MSs) and platform worker interviews (9 MSs)



Scale of platform work



#### Focus on three types of platform work





#### 1. On-location platform-determined routine work:

#### **Main characteristics:**

Low-skilled routine tasks

Delivered in person

Task assignment based on an offer and decided by the platform

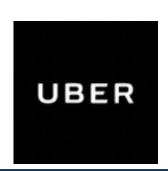


Young, male, highly educated workers



To enter the labour market

To earn additional income





#### 2. On-location worker-initiated moderately skilled work

#### **Main characteristics:**

Low to medium skilled tasks

Delivered in person

Task assignment based on an offer and decided by worker

Male, highly educated workers

Slightly older, more likely to have children

Has another job



Building client base

**Choice of tasks** 





#### 3. Online contestant specialist work

Main characteristics:

High skilled tasks

**Delivered online** 

Task assignment based on contest and decided by client



Male, highly educated workers

Has another job



Building client base

**Choice of tasks** 

Opportunity to use creativity

99designs



# Working conditions

### Flexibility, autonomy and control

- Very limited for on-location platform-determined work:
   schedules, sanctions for decline, monitoring by the platform
- Autonomy in worker-initiated tasks, but monitoring and rating by clients
- High for contests

### Earnings

- Low, but predictable and market prices for on-location platform work
- High unpredictability and potential for unpaid work in contests

### Work intensity and working time quality

- Potentially long, unsocial working hours with limited breaks in on-location platform-determined work
- Dependence on client in worker-initiated work
- Potentially tight deadlines in contests



## **Employment conditions**

### Employment status:

Highest potential for misclassification for on-location platform-determined work

- Labour market access: In general, low entry barriers
- Employability, transitions, career progression:
  - Quasi non-existent within platform work
  - Limited prospects for on-location platform-determined work
  - Portfolio building in contests

### Representation:

- Limited interest of worker-initiated and contestants
- Some activities by traditional trade unions
- Worker initiatives, but rather for information and exchange

On-location platform-determined work

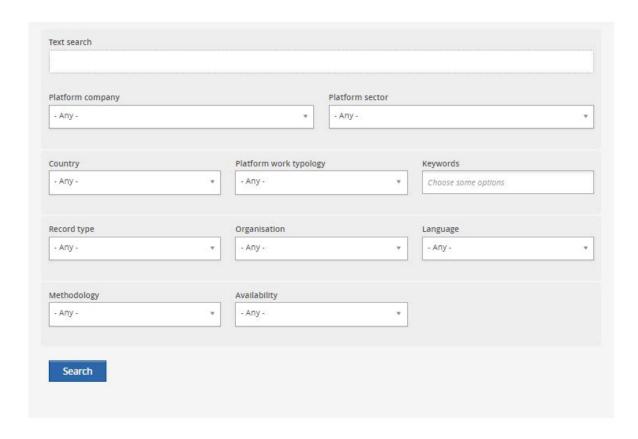


# **Key policy question – Platform work**

- How can we benefit from platforms' coordinating efficiency while avoiding their potentially negative social outcomes?
  - Legitimate concern that some platform workers could combine the worst of both worlds: the more limited social and contractual protection of self-employed workers with the dependence and lack of autonomy of employees
- Their economic activity does not fit existing regulatory frameworks
  - Re employment status, no specific legislation defining platform work as yet in any member state. For the moment, the platforms decide ... and where contested the courts decide.
  - With impacts for social coverage, worker representation, taxation
  - But important to distinguish between different types of platform work.



# New publication database on the platform economy in Eurofound's web repository



http://eurofound.link/platformeconomy

#### Tax challenges arising from digitalisation - Interim Report 2018;

The spread of the digital economy poses challenges for international taxation. This report sets out an analysis of these tax challenges. It notes that because the digital economy is increasingly becoming the economy itself, it would...

Research publication | 05 September 2018

#### Nordic labour markets and the sharing economy

This report presents a preliminary knowledge status about implications of the sharing economy for labour markets and employment relations in the Nordic countries. It also reviews how the Nordic countries and their social partners...

Research publication 05 September 2018

#### The next phase in the digital revolution

Social and political choices determine, in part, whether deployment of intelligent tools and platforms will augment human skills or replace humans as workers. Digital platforms are regulatory and governance structures that set the rules...

Research publication 05 September 2018

#### Accessible crowdwork? Understanding the value in and challenge of microtask employment for people with disabilities

We present the first formal study of crowdworkers who have disabilities via in-depth open-ended interviews of 17 people (disabled crowdworkers and job coaches for people with disabilities) and a survey of 631 adults with disabilities....

Research publication, Case study-worker | 05 September 2018

#### The economics of ride-hailing: Driver revenue, expenses and taxes

We perform a detailed analysis of Uber and Lyft ride-hailing driver economics by pairing results from a survey of over 1100 drivers with detailed vehicle cost information. Results show that per hour worked, median profit from driving is...

Research publication, Case study-worker | On-location platform-determined routine work | 05 September 2018

#### Bargaining with the algorithm

Though companies like Deliveroo or Foodora refuse to recognise them as employees, food delivery riders have taken a lead in organizing workers in the gig economy.

Article On-location platform-determined routine work 05 September 2018

#### Global digital workplace as an opportunity for Bulgarian women to achieve work-family balance

The author seeks to analyze a new form of economic employment - that of teleworking, digital/virtual working in Bulgaria, based on 61 completed online questionnaires (in the period 24 May-30 May 2015), among women registered as "...

Research publication, Case study-worker | Online client-determined specialist work | 05 September 2018



# Will the digital revolution reduce employment?

- 1.In any previous tech revolution, the jobs destroyed were more than matched by those created in new and growing occupations and jobs. Is this time different?
- 2. Because specific tasks are technically capable of being replaced does not mean that people doing them will lose their jobs. They may just be reassigned to new duties high street banks employ similar levels of staff now as before the introduction of ATMs.
- 3. Many jobs are restricted to those with qualifications, subject to occupational licensing, including many very high paid jobs. Technically, computers are probably better now than radiologists with 12+ years of professional training at detecting cancer in a diagnostic scan. Will radiologists become superfluous? Or will they just become better, more accurate, more productive in their principal tasks?



# Will the digital revolution reduce employment? (contd)

- Hard to automate tasks, the three 'hard boundaries':
  - Tasks requiring perception / manipulation, especially in unstructured environments,
  - Tasks requiring creative thinking, new ideas
  - Tasks requiring sociability, interactive communication
  - All socio-technical transformations revolve around new general purpose technologies steam, electricity, digital communication. But humans are still the most evolved, adaptive general purpose technology of them all....
- Current data:
  - Employment and volume of hours worked in EU and USA in 2018 higher than it has ever been
  - Unemployment in some larger developed countries (DE, USA) at lowest level in a generation





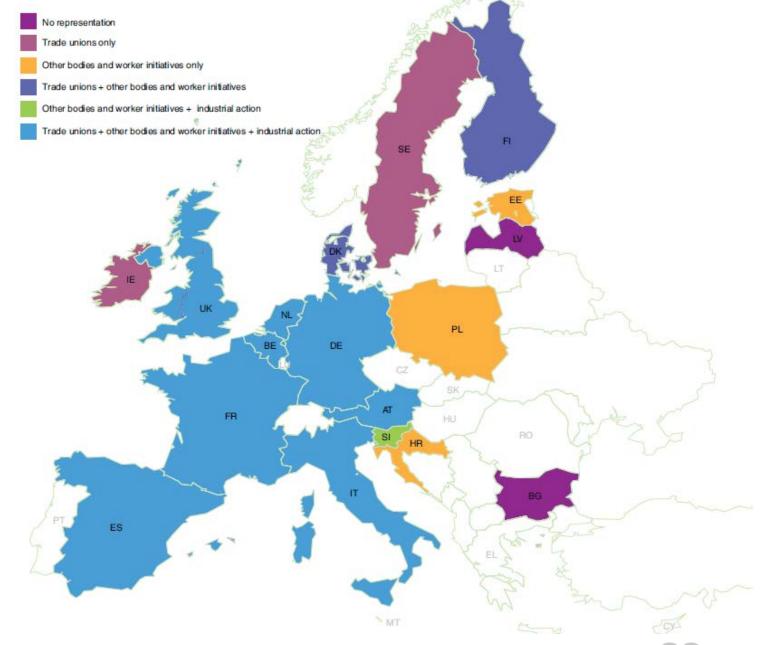
European Foundation for the Improvement of Living and Working Conditions The tripartite EU Agency providing knowledge ig knowledge to assist in the development of better social, employment and work-related policies licies

# Thank you for your attention!

eurofound.link/digitalage



# Representation



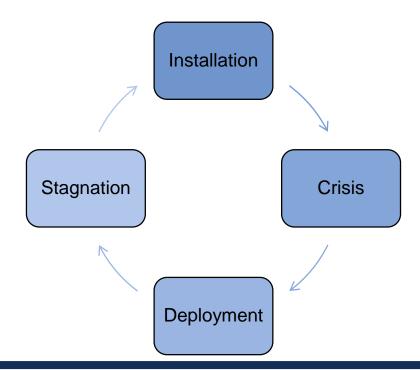


## A paradigm of the roll-out of technological change

Innovation

Socio-economic changes

Institutional changes



- Periodic 'revolutions'
- 2. Time lags
- 3. Institutional framework

Source: Carlota Perez (2002) / Schumpeter





10:40 - 11:00





## EGF-post 2020

Discussion on Art.12 and Art.19 of the draft legislative proposal on EGF-post 2020



# EGF-post 2020 Article 12 - Technical assistance at the initiative of the Commission

|                | 2014 - 2020                                                                                                                                                                                                                                         | Proposal EGF post 2020                                                                                                                                                                                                                                                                                                                                            |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Article        | 11                                                                                                                                                                                                                                                  | 12                                                                                                                                                                                                                                                                                                                                                                |
| Amount         | 0,5% at the initiative of the COMM                                                                                                                                                                                                                  | 0,5% at the initiative of the COMM                                                                                                                                                                                                                                                                                                                                |
| Scope of TA:   | Activities for the implementation of the EGF:  - preparation, monitoring, data gathering and creation of a knowledge base  - control and evaluation activities  - administrative and technical support,  - information and communication activities | Technical and administrative assistance for EGF implementation, such as:  - preparatory, monitoring,  - control, audit and evaluation activities including corporate IT systems,  - communication activities and those enhancing the EGF's visibility and  - other administrative and TA measures                                                                 |
| Implementation | Direct management                                                                                                                                                                                                                                   | Direct or indirect management                                                                                                                                                                                                                                                                                                                                     |
| Provisions     | Commission shall provide:  1. information and guidance to the Member States for using, monitoring and evaluating the EGF;  2. clear guidance on using the EGF to the European and national social partners                                          | <ol> <li>Commission shall provide:</li> <li>information and guidance to the Member States for using, monitoring and evaluating the EGF</li> <li>clear guidance on using the EGF to the European and national social partners. Guidance measures may also include the creation of taskforces in cases of severe economic disruptions in a Member State.</li> </ol> |



# Post-2020 Discussion on Article 19 (ANNEX)

All personal data are to be broken down by gender (female, male, non binary).

### (1) Common output indicators on beneficiaries

- unemployed,
- inactive,
- employed,
- self-employed,
- below 30 years of age,
- above 54 years of age,
- with lower secondary education or less (ISCED 0-2),
- with upper secondary (ISCED 3) or post-secondary education (ISCED 4),
- with tertiary education (ISCED 5-8).



### (2) Common result indicators for beneficiaries

- percentage of EGF beneficiaries in employment (broken down by type of employment contract: full time/part time, fixed term/openended) and self-employment, 6 months after the end of the implementation period,
- percentage of EGF beneficiaries gaining a qualification 6 months after the end of the implementation period,
- percentage of EGF beneficiaries in education or training 6 months after the end of the implementation period.



### **Beneficiary survey**

All personal data to be broken down by gender, age group and education level

- perceived change in employability
- qualitative information on employment found (change in working hours, level of responsibility or change of salary level compared to previous employment; sector)



### (3) Common longer-term result indicator for beneficiaries

 percentage of EGF beneficiaries in employment, including selfemployment, 18 months after the end of the implementation period specified in the financing decision.



# 7. Any other business

**THANK YOU!** 

www.ec.europa.eu/egf



13:00 - 14:00

**Networking lunch**