



## Round table Labour Market.

### Reflection

27-28 November 2018, Prague/Kolín

Michel Albertijn, Tempera

Translation: Tim Buyse, SERV

**In advance.** The round table offered a full program, with the presentation of eight studies, no less than ten other speakers, a final discussion and a visit to the Kolín plant of Toyota Peugeot Citroën Automobile. This text reports on the various contributions.

## 1. We are moving forward on the digitalisation path

Eight studies, each from their own perspective, examined the impact of digitalisation on the labour market: sectoral differences, minimum wage, lifelong learning, digital literacy, disadvantaged groups, etc. The analyses showed, among other things, that the Czech Republic - like other European countries – explores the future open-mindedly:

- Czech employees possess sufficient digital skills according to their own perception. Their employers confirm that.
- Familiarity with digitalisation is growing in all groups of citizens and they are also integrating these into their professional and private lives.
- An overwhelming majority of Czech employees are willing to retrain, even when this implies significantly changing the own job content.

Various encouraging developments can therefore be observed throughout the various presented studies. Czech companies and citizens - and by extension other European countries - are obviously taking big steps on the path of digitalisation. The digital transformation must thus not necessarily give rise to doom thinking.

But the studies also focussed on areas that are lagging behind. Which groups of citizens have more difficulties to cope with the changes and challenges of digitalisation? Who is behind in terms of digital literacy? How can we help disadvantaged groups? ...

The study by **Markéta Nesrstová** about how employees deal with changes in their workplace shows signs of fear among workers. Workers first associate digitalisation with negative side-effects, such as job losses (ten percent of employees think that their own job will no longer exist in ten years' time), fear of a higher work pace and more workload. Overall, the study demonstrates that negative expectations relating to the impact of digitalisation on the working conditions and job content are much more pronounced than positive expectations.

The study presented by **Kateřina Duspivová** underpins that message. Czech employees anxiously look towards the future. Digitalisation is primarily associated with wage cuts and job losses. However, that image does not, according to Ms. Duspivová, correspond to reality. Studies point to job losses in some industries but also to job creation in other industries, combined with higher wages thanks to higher productivity.

## 2. Preventing new inequalities

**Jakub Fischer** explored how different groups of people use digital technology. His evidence showed a direct link between age, educational attainment and internet use. The elderly and the low-skilled make significantly less use of the internet. Ironically, even if low-skilled people have access to the Internet at home, 18 percent does not use it. Mr. Fischer mainly identifies the group of unemployed as problematic, as they are often poorly educated and older on average, and thus accumulate the deferment criteria.

**Maurizio Mosca** of the European Institute for Gender Equality added a dimension to the discussion: in terms of digitalisation, there is a gap between men and women. That gap is first and foremost quantitative. Computer science is a pronounced male sector: 83 percent of IT jobs are performed by men. In exactly the industry that gives shape to the future, women play second fiddle. It is uncomfortable to conclude that a swiftly changing and future-oriented sector such as computer science, is comparable in terms of gender imbalance to the more traditional and explicitly male sectors such as construction or metal. This became even more painful when Mr. Mosca clarified that since 2004 the share of women in IT employment has shrunk.

The digital divide between men and women also shows a qualitative relief. Men and women that study computer technology choose for drastically different careers later in life. Whereas men are employed more in the area of technical informatics; female IT graduates are employed more in the educational sector. The implication is that even stimulating the inflow of female IT students is not enough to evolve into a more gender-equal IT industry.

Mr. Mosca and the European Institute for Gender Equality argue for an action plan at the European level. This starts with an equally simple and significant measure: a systematic analysis of policy and of the underlying statistical material according to gender. It is a simple measure, but the division is rarely made, which means that many gender insights are lacking in policy.

The work of **Pavel Bares** looked at digital deprivation in a different way. Mr. Bares focused his presentation on the labour market opportunities of a group that is struggling in society: ex-prisoners. Through social employment they hope to make the leap towards a regular job.

The added value of the existence of social employment is for Mr. Bares clear. More questions, however, arise about the place in the economic fabric of these types of social employment must have: should it prepare for the regular economic circuit or is it final employment? Is it sufficient to offer workplaces or is additional therapeutic guidance for the employees appropriate? Do displacement effects occur in the normal economic circuit? These are questions that also arise elsewhere in Europe and Flanders and are unfortunately difficult to answer.

**Zuzana Freiborgová** starts from the observation that the gap between basic training and the labour market is growing. Technology is developing ever faster, which also leads to more shifts in the labour market that are difficult to predict. Combined with an aging labour force, this requires additional efforts. Ms. Freiborgová sees three challenges for the Czech Republic: to develop a vision on lifelong learning and to initiate a system to implement and facilitate this; additional efforts to train trainers at a high level and finally make efforts to improve access to and disclosure of available information on the entire territory.

**Marcela Palísková** confirms that the focus on lifelong learning is recent. It helps that young people are on average highly educated and also want to invest in further training. But more focus on further training and retraining throughout the career is inevitable. Ms. Palísková,

however, observes a difficulty especially for lower educated citizens. These citizens hardly engage in further training initiatives, partly because they are not convinced of the added value for them. The tight labour market is currently favourable to this group until further notice. Companies need employees almost regardless of their education. In the longer term, however, this negative training attitude will further weaken this group's potential. Ms. Palísková therefore hopes that specific attention will be given to target groups such as the low-skilled, elderly, women and individuals from disadvantaged regions.

### **3. Low unemployment and high economic growth offer opportunities**

At the conference opening, ASO President **Bohumír Dufek** asked whether Czech workers are ready for the fourth industrial revolution? It is tempting to look pessimistically at the future and to fear that the current socio-economic fabric cannot take the measure of the new requirements by digitalisation.

But Mr. Dufek also pointed to the current situation of low Czech unemployment, which has been below three percent for some time now. Digitalisation poses challenges in 2018, but it does so at a moment when the Czech Republic is characterized by quasi-full employment. Few other European countries achieve the extremely low Czech unemployment rate, but in most other countries, the economy is also growing, the labour market is tight and the proportion of people that are unemployed is falling. This is a good time to deal with the consequences of digitalisation, says Mr. Dufek. Not only in the Czech Republic, but also elsewhere in Europe.

Minister of Labor and Social Affairs **Jana Maláčová** wants to use these favourable circumstances and remain optimistic. Digitalisation can cause job losses, but the Czech government is determined to guide digitalisation in the right direction and to compensate for the negative effects. The Minister announced on the one hand that efforts to strengthen the social dialogue on these topics will be taken in the near future, and on the other hand that more social support will be ensured through higher minimum wages and pensions. The minister also wants look for good practices abroad and analyse how they could be implemented in the Czech Republic.

**Jaroslav Unger** (member of the European Economic and Social Committee) provided a positive message during his intervention. Technological innovation and Industry 4.0 do indeed raise many questions, for instance on how the jobs of the future will look like. These concerns are justified and deserve attention. But Mr. Unger also warns for too negative messages or reports. With an example, he clarified that for the roofs of Prague today still needs roofers and not computer specialists. The Czech Republic also still needs plumbers and people in the car industry. Due to the strong presence of logistics companies in the region, there is also a large demand for truck drivers and warehouse personnel.

The labour market now offers many job opportunities and needs employees with skills that are deployable now. Sometimes these professions and skills are far from 'digital'. Often, having sufficient basic skills is enough for Czech companies. For Mr. Unger, finding

answers to hypothetical questions developments cannot replace finding the answers to the current pressing current economic needs. In other words: we still have time to intervene.

#### **4. International best practices**

The European best practices showed a surprising breadth of how European countries and social partners deal with the labour market risks of digitalisation.

**Peter Eitner** (Qualifizierungsförderwerk Chemie) described how the solar panel company Q Cells at its location in Saxony-Anhalt is committed to involving employees in digitalisation. This is done through collective consultation in the works council but also by involving individual employees in choosing and implementing new technology. Workers test possible technological solutions and digitalisation activities are concretised by linking them to tasks and problems on the work floor. The underlying company vision is that employees should be closely involved in the introduction of new technologies because on the one hand this will improve the integration of that technology into the work processes, but on the other hand it will also prevent a lot of fear for the unknown. Mr. Eitner therefore emphasized the breadth of the approach: Q Cells involves all employees, including, for example, trainees.

**José Juan Lopez** of the Economic and Social Committee of the Comunitat Valenciana stressed the need for re-qualification. The impact of digitalisation is irreversible and deep, which means employees have to brush up their skills and / or have to choose another job. Mr. Lopez illustrated this with two good training practices. Google and the Spanish trade union UGT signed an agreement in which the company commits itself to developing a forty-hour MOOC on digital competencies for professionals. The course informs about how digital tools can be used in daily work and thereby prepares employees for the possible impact of the digital transformation. Google also trains some 200 trade union representatives so that they can pass on the course content to trade union members. UGT and Google strengthen the employability of employees and job-seekers with the course in a low-threshold way. They hope to prevent that digitalisation becomes another cause for exclusion.

A second example of how retraining and digitalisation can go hand in hand arose twenty years ago at the Ford branch in the Spanish Almussafes. A course retrained executive employees to become 'Maintenance Production Operators', who are responsible for machine maintenance. Building on these good experiences, Ford Almussafes created 'versatile employees' from 2012 onwards with a radical renewal operation. Due to these training activities, workers are better prepared for working with and maintaining robots and are more widely employable.

**Michel-Louis Prost** (CESER Auvergne-Rhône-Alpes) showed how the French government provides assistance to companies and sectors that are struggling. The MUTECO call supports companies in retraining employees in jobs that are threatened by digitalisation. Companies can retrain their employees in periods of economic unemployment. In exchange for the financial government support, companies provide employment commitments: MUTECO requires that the retrained employees remain in service and have a stronger position in the labour market.

A second French good practice focuses on the hospitality industry. Again, the government supports companies financially to (re)train their staff with respect to new technologies and digital skills. The measure is a response to the negative economic impact on the French hospitality industry posed by terrorism threats. The weaker economic climate is used to strengthen the hospitality companies with training initiatives. Given the specificities of the industry, many smaller companies enter into the system: 38 percent of the participating companies have less than ten employees.

The Flemish social partners currently discuss the impact of digitalisation within the SERV. **Sam Coomans** outlined the approach that led to more concrete policy recommendations on how Flanders should deal with digitalisation. In supporting the functioning of the future labour market, the Flemish social partners see three important pillars. First, policy instruments must facilitate career changes and ensure a better matching between the supply and demand of labor. Second, the new atypical work organizations that are enabled by digitalisation must ensure qualitative working conditions and social protection that corresponds with existing employment law. Finally, attention must be paid to the impact of digitalisation on organizational structures and workable work.

The new digital technology can also be used by the government as an instrument within labour market policies. **Joris Renard** showed how the public employment service of Flanders (VDAB) uses digitalisation to better support citizens in their job search through an accessible and extensive digital support (tools, self-assessment and job offerings). Digital technology also makes it possible to follow the search behaviour of job seekers more closely, to support them and their job search in different ways and to adjust their behaviour if necessary. Thanks to digitalisation, VDAB can follow the efforts and search results of every job-seeker in a digital way and can simultaneously use personal and intensive face-to-face follow-up for the people who need it most.

# Programme round table digitalisation and the labour market

## 27-28 November 2018, Praag & Kolín

### Monday 27 November 2018

08.30 - 09.00	Registration (Hotel Olšanka)
09.00 - 09.15	Welcome speech – Bohumir Dufek, President, ASO, Member of the EESC
09.15 - 09.35	Presentation of representatives of the Government of the Czech Republic
09.35 - 11.00	Presentation of professional studies: <ul style="list-style-type: none"><li>• Markéta Nersrstová (Trexima): attitudes of employees regarding occupational change</li><li>• Jakub Fischer (Faculty of Informatics and Statistics, University of Economics, Prague): regulating the impact of technological change on labour demand</li><li>• Katerina Duspivová (Trexima): minimum wage in the 4th industrial revolution</li><li>• Marcela Palísková (Faculty of Business Administration, University of Economics, Prague): providing information support in order to increase the motivation of employees to participate in further education</li></ul>
11.00 - 11.15	Coffee Break
11.15 - 12.00	Discussion
12.00 - 13.00	Lunch
13.00 - 14.30	Presentation of professional studies: <ul style="list-style-type: none"><li>• Markéta Nersrstová (Trexima): long-term unemployment and new working positions in the labour market due to technological changes</li><li>• Jakub Fischer (Faculty of Informatics and Statistics, University of Economics, Prague): increasing the digital literacy of employees</li><li>• Pavel Bares (Research institute for Labour and Social Affairs): removing the barriers to the employing persons released from imprisonment in the labour market</li><li>• Zuzana Freiborgová (National Training Fund): the possibilities of raising formal and informal qualifications and skills in older age</li></ul>

14.30 - 15.00	The gender aspects of digitalisation on the work floor – Maurizio Mosca, European Institute for Gender Equality
15.00 - 15.15	Coffee Break
15.15 - 16.15	Experiences and good practices abroad  Presentation by SERV and the international partners from France, Germany and Spain
16.15 - 16.45	Discussion moderated by Michel Albertijn, Tempera
16.45	End of conference
17.00	Transfer by bus to the dinner location
19.00	Joint dinner

#### **Tuesday 28 November 2018**

08.30 - 9.30	Departure by bus from hotel Olšanka to TPCA Kolin
09.30 - 9.45	Welcome at TPCA Kolin
09.45 - 10.30	Visit of the Toyota Motor Corporation plant
10.30 - 11.30	Meeting with HR department and trade union representatives
11.30 - 12.30	Transfer to hotel Olšanka
13.00 - 14.30	Lunch at hotel Olšanka  Group conclusions and organisational plans for the next phases of the project