

19 July 2023

CCS(2023)10

Conference

Transition of Jobs: Changing Labour Markets and the Impact on Social Cohesion

Ministry for Social Policy and Children's Rights of Malta and Council of Europe, European Committee for Social Cohesion (CCS)

*14 June 2023
Corinthia Palace, Attard, Malta*

Report

The Council of Europe and the Ministry for Social Policy and Children's Rights of Malta, under the auspices of the European Committee for Social Cohesion (CCS), organised a Conference which brought together national policymakers, civil servants, and other stakeholders to discuss risks and possible policy-level responses to the challenges for the labour market stemming from digitalisation and IT developments as well as the transition to a green economy.

The Conference's main objective was to discuss the changing dynamics of the labour market caused by the transition of jobs. It aimed to reflect on the impact of the transition of jobs on social rights and social cohesion and suggest possible policy-level responses to mitigate the social and economic consequences.

➤ **Opening and Welcome Address**

Mr Joe GERADA, Chairperson of the CCS and Advisor to the Minister for Social Policy and Children's Rights opened the Conference. In his welcome address, Mr GERADA underscored that the transition of jobs was a speedy process and that its magnitude was yet unknown. He noted that speakers at the Conference had not only researched the various aspects of the transition of jobs but also served in the field. Therefore, they would bring a myriad of experiences to help better understand the implications of the transition of jobs. He presented topics speakers would focus on during each panel session and encouraged participants to engage in discussions actively.

Dr Andy ELLUL, Parliamentary Secretary for Social Dialogue within the Office of the Prime Minister of Malta, welcomed participants of the Conference. In his opening words, Dr ELLUL stressed that the labour market was undergoing significant transformations that required policy-level responses to ensure that all workers make use of new opportunities that come with digital progress. He also touched upon the transition to a green economy, stressing the importance of ensuring everyone incorporates environmental considerations in their daily tasks to make the green transition a reality. Dr ELLUL underlined the importance of social dialogue for mitigating new challenges stemming from digital progress and green transition.

Dr Michael FALZON, Minister for Social Policy and Children's Rights of Malta welcomed participants of the Conference. He underscored the Conference's significance in providing a forum for discussions about challenges brought about by digital developments and the transition to a green economy. Dr FALZON stressed that for just transition, it was crucial to ensure equal opportunities for everyone and to invest in education as well as quality health services and policies for active aging. In addition, he noted that for a smooth transition, a sustainable safety net was needed to safeguard and guarantee decent incomes to pensioners and support the unemployed and persons in vulnerable situations.

In his opening words **Mr Jan MALINOWSKI**, Head of the Social Rights Department of the Council of Europe, thanked the Maltese partners for their support in the organisation of the Conference. Mr MALINOWSKI stressed that the speed of the transition of jobs had never been faster, and the scale of new challenges had never been greater, making it necessary to respond urgently. He stated that he looks forward to exploring where the opportunities lie and ways social cohesion could be preserved in the process of transition of jobs.

The Conference consisted of three successive panel sessions.

➤ **Panel Session 1: Transition of jobs: increased use of AI - strategic and ethical issues around it**

This panel was moderated by **Mr Joe GERADA**, Chair of the CCS.

During the first session, the discussions focused on the effects of the transition of jobs. Namely, (i) the impact of digitalisation on platform workers and “atypical workers,” and (ii) challenges for skilled workers stemming from the increased use of artificial intelligence, including strategic and ethical issues around AI.

Mr Mario VINKOVIĆ, a member of the European Committee of Social Rights (ECSR), talked about the work of the ECSR concerning the transformation of the labour market due to digitalisation. Mr VINKOVIĆ highlighted the challenges the platform work had brought to the workers’ access to and enjoyment of a range of rights guaranteed under the European Social Charter. He underscored the importance of ensuring that all workers in new forms of employment, such as platform work, have legal status as workers to avoid abuse of their rights. Furthermore, Mr VINKOVIĆ touched upon risks stemming from using unregulated algorithm-based predictive tools and the challenges it poses for the protection of personal data and prevention from discrimination.

Mr VINKOVIĆ referred to the need to regulate new forms of employment from the tax law perspective. He touched upon digital transformation’s adverse impact on different groups, including domestic workers, persons employed in a gig economy, and migrant workers.

Mr Stefan GRAN, Senior Policy Advisor, European Trade Union Confederation (ETUC), talked about the impact of digital developments on workers’ employability and employment relationships. He noted that digitalisation of the past affected mostly the middle to the lower-skilled workforce. In contrast, the recent AI “revolution” targets highly skilled workers, directing the labour market towards two extremes: on the one hand, low-skilled and low-paid jobs and, on the other, a small number of high-skilled and well-paid elite.

Mr GRAN underlined the risk of dehumanisation of work, lack of accountability on the part of an employer, and challenges of bias due to the use of AI in the decision-making process. He pointed out the need to regulate the use of AI and ban the application of intrusive AI systems in the workplace. Mr GRAN underscored trade unions’ role in developing policy-level responses to mitigate the challenges. Mr GRAN referred to the need to conduct impact assessments before using AI systems at the workplace.

Ms Angelica SALVI DEL PERO, Senior Advisor - Employment, Labour and Social Affairs at the OECD, discussed different aspects of AI’s impact in the workplace. She stated that the OECD planned to publish a new Employment Outlook on 11 July 2023. In this regard, Ms. SALVI DEL PERO talked about some of the findings of the survey run by the OECD in 2022, which looked at AI’s impact on overall employment in companies. Among other things, she stated that about 50% of AI users in finance and manufacturing declared that AI made some of their skills less valuable. She noted that 40% of workers were moderately/very worried about losing their job to AI in the next ten years.

Ms SALVI DEL PERO raised an issue of the trustworthiness of AI and the risks to workers' privacy. She noted that the survey had shown that 23% of workers did not trust their company only to use safe and trustworthy AI, and more than 50% of workers were concerned about data collected on them. Ms SALVI DEL PERO emphasised the need for new policy action to address new risks stemming from digital developments and their use in the world of work.

Dr Valeria PULIGNANO, Professor in Sociology at the Centre for Sociological Research (CESO) - KU Leuven, discussed unpaid labour in the context of digital platform work. She underlined the importance of understanding the different forms and variations of platform work and the types of technologies used by different platforms.

Dr PULIGNANO stated that unpaid labour is a 'feature' of platform work. In this regard, she emphasised the need for employers to be responsible for ensuring that any employment-related decisions assisted by an algorithm are fair, reasonable, and do not harm workers; She further stated that algorithms should not be used as a substitute for human decision making; and that workers should be given full documentation when an employer makes a consequential decision assisted by an algorithm. She stressed the need for a mechanism to regulate the digital market.

Discussion:

The discussion concerned normative challenges in light of digital progress. Speakers reflected on the possible direction drafters of new international legal instruments on AI could take and the degree it should be regulated. Panel speakers discussed obstacles to the full implementation of international human rights standards and possible national policy-level responses in the context of digitalisation and IT developments vis-à-vis the labour market.

➤ **Panel Session 2: Transition of jobs: transition to a green economy**

This session was moderated by **Mr Jerzy CIECHANSKI**, a Bureau member of the CCS.

During the second session, the discussions focused on the (i) transition of jobs vis-à-vis a green economy and the link between environmental and labour policies in relation to social policies. The Conference provided a forum for discussion on (ii) guarantees of social protection for those who will be affected by the transition to a green economy. (III) What arrangements should be put in place to embrace a win-win (for all) approach. who benefits from the positive changes and the gains that are happening and will happen.

Dr Philip VON BROCKDORFF, a Deputy Dean at the University of Malta, stated that the transition would likely create new job opportunities but could also cause job losses in carbon-intensive economic activities. He stressed that the transition would require a considerable investment in the infrastructure, especially in countries heavily dependent on carbon-intensive energy. He remarked that compared to the EU countries, no equivalent financial instrument was available to non-EU European States.

Dr BROCKDORFF underscored the need for impact assessments to determine likely job losses across economic sectors arising from the green transition. He noted a need for a micro-analysis to identify the type of jobs, skills, and competencies required for the transition; the

analysis would allow policymakers to design labour market policies that would respond to the prevailing circumstances in each country.

Dr BROCKDORFF spoke about the role of social partners, employment agencies, and trade unions in achieving the balance between carbon neutrality and the social objectives of the transition. He remarked that trade unions' engagement could help smoothen the transition by, among other things, supporting workers affected by the transition.

Mr David XUEREB, Chairperson of the Malta Council for Economic and Social Development, spoke about the role of collective actions in achieving the green transition. He said collaboration between trade unions, employers, and civil society organisations was vital. He noted that these actors had to support and encourage each other; Mr XUEREB elaborated that the collective actions would help employers make the right choices concerning their investments and human resources. He stated that collaboration would help workers make the right educational investments, upskill, and reskill themselves according to new labour market demands and make the right career choices.

He underscored the importance of changing citizens' behaviour and ways of living. In this regard, he emphasised the role young generations play. Lastly, he stated that the transition to a green economy was inevitable, and it was essential for all stakeholders to act promptly to not be left behind.

Mr Bela GALGOCZI, Senior research officer at the European Trade Union Institute (ETUI), spoke about existing disparities within and among countries. He noted that a particular feature of inequality in the context of green transition and climate change was the existence of multi-layered inequalities.

Mr GALGOCZI stated that millions of new jobs would be created in the transition to a net-zero carbon economy. However, millions would also disappear, and the majority of jobs would go through a fundamental transformation. He elaborated that this restructuring would have unequal effects on many fronts, including based on skills, gender, age, economic activity, and region. He remarked that without new adaptive labour market policies, the green transition would amplify these inequalities.

Mr GALGOCZI underlined an urgent need for skills development and noted enterprises' role in this process. Lastly, Mr GALGOCZI discussed the importance of civil dialogue to achieve a smooth transition.

Discussion:

Conference participants discussed the challenge of the democratic deficit, including the lack of civil dialogue at the national level. Participants also touched upon how volunteering and non-traditional forms of education could enable workers to improve their skills in the context of a green transition.

➤ **Panel Session 3: Transition of jobs: access to the labour market**

This session was moderated by **Mr Riccardo VENTURINI**, a Bureau member of the CCS.

Given the effects of digitalisation and IT developments, as well as the transition to a green economy, during the third session, the participants discussed (i) challenges related to access to the labour market for persons in vulnerable situations. In addition, (ii) the Conference touched upon different models of economic activities, such as self-employment and social entrepreneurship and social guarantees for those.

The last panel started with a presentation by **Mr Lars Michael ENGSTED**, Team Leader, Future of Work, Youth Employment Unit, Directorate General for Employment, Social Affairs and Inclusion (DG EMPL) European Commission. Mr. ENGSTED discussed structural reforms necessary in the labour market. In particular, he stressed the need to strengthen the institutional capacity by, among other things, offering action plans for workers' reintegration into the labour market. He underscored the need to invest in developing skills forecasting systems and engaging employers and other key stakeholders in this process.

Mr ENGSTED discussed the European Commission's proposal for a Directive on Platform Work that aimed at ensuring the correct determination of platform workers' employment status and promoting transparency, fairness, and accountability in algorithmic management. Furthermore, the proposal's objective was to improve transparency in platform work, including in cross-border situations, and at the same time, support the conditions for the sustainable growth of digital labour platforms in the European Union.

Lastly, Mr ENGSTED touched upon the definition of platform work. In this regard, he stated that the proposed Directive defined platform work as an internet-based natural legal person providing a commercial service at a client's request. He noted that according to the European Commission's proposal, the service had to be provided online or in a certain location. Furthermore, to qualify as platform work within the EU, it had to be organised in the EU, irrespective of their place of establishment.

Dr Christophe SENTE, a Fellow at the Free University of Brussels, stated that transitions were likely to disrupt the wage-earning system and aggravate difficulties of access to the labour market. In this context, he stated that a basic income, an employment guarantee, and a reform of public procurement law were complementary policies rather than alternatives.

Dr SENTE stated that the discourse on the future of work focused on digitalisation and climate change challenges. He remarked that in this reality, it was vital to focus on acquiring workers' ownership of small and medium-sized enterprises whose owners were aging, as it was essential in extending democracy to the economic sphere. Dr SENTE said that such an economic democracy would be an ideal framework for employment policies that promote access to the labour market for as many people as possible. Dr SENTE also talked about encouraging entrepreneurs to finance their company's purchases by its employees, not by calling on their savings but by allocating past or future profits. He remarked that this relationship between the political and economic spheres had to be rebuilt if states, societies, and firms were to survive despite crises and benefit from the transitions.

Ms Katerina CHAROKOPOU, Co-Chair of ENNHRI's Economic, social and cultural rights Working Group, spoke about NHRIs' role in mitigating the challenge of the transition of jobs. She noted that the digital "revolution" could affect all fundamental rights and disproportionately impact vulnerable groups. In this regard, Ms CHAROKOPOU discussed NHRIs' advisory, monitoring, reporting, and other functions related to promoting human rights. She emphasised

ENNHRI's role in preparing a comprehensive European legal instrument on AI. Ms. CHAROKOPOU also noted that States must develop a coherent legislative and ethical framework to respect workers' privacy and human dignity and ensure that AI systems do not result in unlawful discrimination, with particular attention to marginalised groups.

The last speaker of the Conference was **Mr Piotr SADOWSKI**, Secretary General of Volonteuropa, former President of the Social Platform, and member of the Standing Committee of the Conference of INGOs. Mr SADOWSKI spoke about ways digitalisation and the transition to a green economy affect different models of economic activities, such as self-employment and social entrepreneurship and social guarantees for them. He noted that self-employment was often a last resort for those who could not engage in the standard labour market, resulting in their limited access to social protection. He stated that workers engaged in digital platforms tend to be persons in vulnerable situations, such as migrants and young persons who sometimes were engaged in multiple jobs to make ends meet.

Mr SADOWSKI touched upon the digitalisation of public services and noted that this type of management could exclude certain groups from receiving services. In this regard, he emphasised the importance of enhancing access to social citizenship, identifying digital deficits that hinder access to digital infrastructure, and addressing not only accessibility and availability of digital public services but also citizens' digital skills. He referred to upskilling also in informal settings and noted that volunteering could be a tool in this process.

Mr SADOWSKI stressed the importance of the social economy. He noted that it played a vital role in providing key services to vulnerable groups and upskilling and reskilling workers. Mr SADOWSKI also spoke about the importance of minimum income schemes, closing regulatory loopholes in platform work, and the importance of social dialogue in shaping an inclusive ecosystem in the world of work.

Discussion:

Conference participants discussed the impact of the transition of jobs on persons in vulnerable situations, especially persons with disabilities, and ways of integrating them into the digitalised economy. They also touched upon the question of in-work poverty and the role civil society organisations could play in supporting vulnerable groups in the context of the transition of jobs.

➤ **Closing of the Conference**

In his concluding remarks, **Mr Joe GERADA**, Chair of the CCS, stated that panel discussions showed the need for policymakers to look into a number of issues critical for the just transition. He stressed that the Conference had proved the importance of investing in education and identifying ways to facilitate workers' learning, upskilling, and reskilling. In addition, he stated that the Conference underscored the importance of ensuring equal opportunities and access to the labour market for all, especially for persons in vulnerable situations. Mr GERADA also noted the role of quality health services and policies for active aging and the need to refit the labour market by increasing social protection and welfare systems.

Among other things, Mr GERADA underlined the importance of the European Social Charter and the role of the European Committee of Social Rights in protecting workers' rights in the context of the transition of jobs. He noted that the Conference had once again proven that

adjusting the labour market to new developments had to be built on the principles of human dignity and the protection of decent work for all.

Mr Joe GERADA, thanked the panel speakers for their valuable presentations and other participants for contributing to the discussions. The Chair also thanked the Secretariat and partners from the Ministry for Social Policy and Children's Rights of Malta for organising the Conference.

Conference

“Transition of Jobs: Changing Labour Markets and the Impact on Social Cohesion”

Ministry for Social Policy and Children's Rights of Malta
and
Council of Europe, European Committee for Social Cohesion (CCS)

14 June 2023, 9.30 – 17.00

Corinthia Palace, Attard, Malta

Zoom:

<https://us02web.zoom.us/j/87390251001?pwd=OTdsNzNpUTZTNnB4bnZUcUNlOFIMdz09>

Meeting ID: 873 9025 1001

Passcode: 801475

PROGRAMME

9:00-9:30 **Registration of the participants**

9:30-10:00 **Opening and Welcome Address**

Mr Joe GERADA, Chairperson of the Social Cohesion Committee of the Council of Europe and Advisor to the Minister for Social Policy and Children's Rights, Ministry for Social Policy and Children's Rights of Malta

Dr Andy ELLUL, Parliamentary Secretary for Social Dialogue, within the Office of the Prime Minister of Malta

Dr Michael FALZON, Minister for Social Policy and Children's Rights of Malta

Mr Jan MALINOWSKI, Head of the Social Rights Department, Directorate of Human Rights, DGI, Council of Europe

10:00-11:15 **Panel Session 1: Transition of jobs: increased use of AI and strategic and ethical issues around it**

The labour market is undergoing significant transformations due to digitalisation and IT developments. These new developments pose challenges to the realisation of workers' labour rights and their legal access to and enjoyment of a range of other rights guaranteed under the Charter. This brings to the fore the questions that arise around the effects of the transition: What is the impact of digitalisation on platform workers and "atypical workers"? How to prevent abuse of labour and other social rights for workers in new forms of employment? What are the challenges for skilled workers stemming from the increased use of artificial intelligence, including strategic and ethical issues? What possible policy responses could address these new challenges?

Moderator: **Mr Joe GERADA**, Advisor to the Minister for Social Policy and Children's Rights, Ministry for Social Policy and Children's Rights, Malta, and Chair of the European Committee for Social Cohesion (CCS)

Speakers:

Mr Mario VINKOVIĆ, Professor of labour law and social security, Holder of the Jean Monnet Chair in EU Labour, Equality and Human Rights Law (2013-2016), Faculty of Law, University of Osijek, Croatia, member of the European Committee of Social Rights

Dr. Valeria PULIGNANO, Professor in Sociology at the Centre for Sociological Research (CESO) - KU Leuven

Mr Stefan GRAN, Senior Policy Advisor, European Trade Union Confederation (ETUC)

Ms Angelica SALVI DEL PERO, Senior Advisor to Director for Employment, Labour and Social Affairs (OECD)

11:15-11:30 **Coffee Break**

11:30-12:45 **Panel Session 2: Transition of jobs: transition to a green economy**

The energy crisis that erupted in the aftermath of the war in Ukraine has put the question of energy supplies in the global spotlight. This goes hand in hand with the broader questions on climate change and underlines the need to think with the consideration of the need to transition to a green economy to make our societies more environmentally resilient: How does the transition to a green economy affect the labour market? What are the challenges for workers' access and enjoyment of their rights

brought about by the transition? How to ensure environmentally sustainable progress during the transition through labour market policies? What major policy decisions are required from Member States to guarantee social protection for those affected by the transition to a green economy? Are current arrangements forgetting a win-win (for all) approach and leading too often to winner-takes-all (for those on the winning side, progressively winning more and broadening the wealth and social divide).

Moderator: **Mr Jerzy CIECHANSKI**, Counselor at the International Cooperation Department Ministry of the Family & Social Policy, Poland, Member of the European Committee of Social Cohesion (CCS)

Speakers:

Dr Philip VON BROCKDORFF, Professor, Council of Europe consultant

Mr David XUEREB, Chairperson of the Malta Council for Economic and Social Development

Mr Bela GALGOCZI, Senior research officer at the European Trade Union Institute (ETUI)

12:45-14:30 Lunch Break

14:30-15:45 Panel Session 3: Transition of jobs: access to the labour market

Effects of digitalisation and IT developments, as well as the transition to a green economy, are likely to vary from country to country, region to region, depending on economic and social variables and vulnerabilities of particular groups. This raises the following questions: In light of these developments, what challenges do people in vulnerable situations face when accessing the labour market? How do the green transition and digital developments affect different models of economic activities, such as self-employment and social entrepreneurship? What are the challenges in terms of receiving social guarantees for them? What are possible policy responses that could address these new challenges?

Moderator: **Mr Riccardo VENTURINI**, Expert Secretariat of State for Health and Social Security; Member of the UN CSD Commission; Member of European Committee for Social Cohesion (CCS), San Marino

Speakers:

Mr Lars ENGSTED, Team Leader, Future of Work, Youth Employment Unit, Directorate General for Employment, Social Affairs and Inclusion (DG EMPL) European Commission

Mr Christophe SENTE, Fellow at the Centre d'Etude de la vie politique at the Université Libre de Bruxelles

Ms Katerina CHAROKOPOU, Greek National Commission for Human Rights, Co-Chair of ENNHRI's Economic, social and cultural rights Working Group

Mr Piotr SADOWSKI, Secretary General of Volonteurope, President of the Social Platform and member of the Standing Committee of the Conference of INGOs

15:45-16:15 **Closing of the Conference**

19 :00 **Gala Dinner**