



## INTERNATIONAL SEMINAR “FUTURE OF WORK IN THE CONTEXT OF TECHNOLOGICAL CHANGES”

*30 September 2016, Artis Hotel, Vilnius*

### SUMMARY

The Ministry of Social Security and Labour, implementing the Future of Work initiative of the International Labour Organisation, on 30 September 2016 organised an international seminar **Future of Work in the Context of Technological Changes**. The seminar was attended by the representatives of the Ministry of Education and Science, the Ministry of Economy, the Qualifications and Vocational Education and Training Development Centre, the Lithuanian Labour Exchange, the Department of Youth Affairs, organisations of employers and workers and youth, academics from Vilnius University, Institute for Social Policy and Labour Market Research Institute, experts from Poland, Latvia, and Estonia, representatives of the International Labour Organisation and the Organisation for Economic Cooperation and Development (the list of participants enclosed). During the seminar, the participants discussed the trends of employment and the impact of changes brought about by technological innovations on the labour market and labour relations, challenges faced by business and workers, the role of international cooperation and the experience of neighbouring countries.

#### **Employment Trends and Changes**

The global crisis of qualified labour supply is more and more relevant in the world, youth unemployment is growing, while the shortage of qualified labour is increasing. Technologies cause the dematerialisation of production and increasing efficiency, restriction of time and space in production, growing role of human capital, creative powers. According to Director of the Labour Market Research Institute Boguslavas Gruževskis, technological innovations and improvement of labour relations increase flexibility and efficiency, speed up economic development, however, higher acceleration increases the instability.

It was emphasised that, first of all, growing efficiency should serve to ensure social development: new types of employment, more investments for education, higher flexibility in labour relations. It is important to promote international initiatives, solidarity and collaboration of different social groups, to make investments into cultural life. There is a need to create more attractive workplaces as well as flexible labour relations.

In order to increase employment, the aspect of gender equality also plays an important role in the labour market. Sectoral segregation in the labour market is mainly related with a possibility to choose flexible working time, because it is much more important for women seeking to combine work and family responsibilities. Gender segregation restricts economic independence of women, contributes to social

exclusion and poverty rise. It is highly important to include the aspect of gender equality assurance into state policy-making process.

Taking into consideration youth as another vulnerable group in the context of employment, it was noted that Lithuania hasn't reached the employment average rate of the European Union yet. Nevertheless, youth unemployment is decreasing in Lithuania. It can be stated that every fifth jobseeker is young, approximately 35 per cent of them have no professional qualification, which makes their integration into the labour market more complicated, since they usually lack job search skills. Young people are not satisfied with the quality of workplaces, but the shortage of qualifications also causes problems.

Employers expect from young people the skills that help to solve problems, team work and competence. Therefore, we have to invest into proper training of young people and their adaptation to labour market needs. Lithuania is implementing quite a few special projects for youth aimed at increasing their motivation and improving integration. One of the main tasks is to help young people to acquire qualifications that ensure their successful and sustained integration into the labour market.

Ageing society is also one of the major challenges faced by the modern world. The Survey of Adult Skills PIAAC conducted by the Organisation for Economic Cooperation and Development showed that use of IT technologies in everyday life represents a huge problem for older people. Older people are more reluctant to learn and develop their skills. Therefore, it would make sense to search for a motivated group, to apply combined methods – how to develop thinking and sustain employability. Promotion of vocational training and lifelong learning is highly important – people's mentality needs changing. In this context, it is important to mention the growing popularity of third age universities.

### **Ensuring Quality of Jobs for Everyone**

How to bring optimum benefits of technologies for people? First of all, legislation should prevent abuse of the use of digital technologies. Worker has to sustain his/her right to privacy when controlling information flows. Despite the technologies being easily understood by young people, for older workers they are a real challenge. However, technologies are improving and their use in everyday life is inevitable. Therefore, workers need proper motivation for being interested in self-improvement and upskilling. One of the major problems in today's world is legal regulation of labour relations failing to change at the same high speed as the technologies. Instruments improving relations between workers and employers, by guaranteeing workers' safety are needed.

Creation of new technologies is followed by the emergence of new forms of labour relations. In order to satisfy newly-arising and already existing needs of employers and workers, the new Labour Code to come into effect from 2017 in Lithuania stipulates a number of new types of employment agreements, including: apprenticeship, unfixed working hours, project work, workplace sharing and working for several employers. The new forms of employment stipulate new opportunities for more diverse and flexible agreements on legal employment relations on the labour market, therefore, it is likely that maximum advantage will be taken of new opportunities by satisfying the interests of both worker and employer.

As it was noted by employers' representatives, empowerment of legal instruments is highly important by stipulating possibilities for changing work process, helping business to develop and expand, improving workers' productivity. New technologies create new businesses which affect the labour

market as well. Digitalisation requires highly-qualified labour force, but acquisition of the required qualifications takes time, besides, young qualified people migrate. New generation wants different labour relations, therefore assuring greater flexibility in working conditions is very important. According to employers, regulation of labour relations creates the major problem. Lower taxation of labour force, more flexible labour relations would contribute to creation of new jobs and pay rise. People must want to work and improve their skills.

According to trade unions, workers' information and consulting procedures need to be strengthened. The importance of healthy and safe working conditions was also noted, because they cause health problems. Workers must stay on the labour market for as long as possible. In the context of technological changes, workers' data protection and preservation of the right to privacy are also very important.

The impact of remuneration on performance was also discussed at the seminar. It was noted that fair remuneration is related with both quality of work and working conditions. We need to create conditions that that person could work qualitatively. It ensures welfare for a family and home, possibility to realise oneself both at work and in social life, gives mental and economic security. A person's possibility to have quality life and work determines the length of his/her stay in the labour market.

Remuneration is impacted by both external factors (labour market conditions, pay level, cost of living, state influence) and internal factors (value of a specific job, employer's ability to pay wages, economic conditions and competition). Remuneration must ensure quality of work, therefore systems of remuneration for work need to be developed. Remuneration for work should be not only fair but also substantial to satisfy basic needs of life.

### **Employment changes in the regional and international context**

Special Adviser on the Future of Work Initiative of the Director General of the International Labour Organisation Mr. Nicolas Niemtchinow introduced the three-year platform on the future of work of the International Labour Organisation. In 2016, countries are encouraged to organise national dialogues and together with social partners and academic community to discuss possible solutions of future challenges. Common understanding of countries of what is happening and how the world of work is transforming is extremely important. Therefore, the major problems encountered by the global world need to be identified.

The aim of the International Labour Organisation is to create common understanding of what determines changes in the world of work and what impact the changes will have on governments, workers and employers, as well as to identify crucial matters to be included into policy under formation to be capable of dealing with the challenges of the world of work caused by technological changes. The International Labour Organisation is planning to develop political recommendations on the basis of consultations with the member states, which would help to build the future of work we all want.

According to the Organisation for Economic Cooperation and Development, the world of work is changing not because of digitalisation alone, but also because of environmental changes, globalisation, ageing society, global supply chains. Therefore, we have to exert stronger efforts than before in order to requalify the labour force by adapting it to the labour market needs. More jobs are needed for low-skilled professions in the field of services, inequality between the qualified and unqualified labour force is growing. Based on the forecasts made by the Organisation for Economic Cooperation and Development,

automated processes will replace 15 per cent of jobs (Lithuania is below the average – about 7 per cent). According to the Organisation for Economic Cooperation and Development, one of the major problems in Lithuania is the inability of older persons to adapt to workplace technologies. Skills miss-match may become even greater problem in the future – about 19 per cent of workers in Lithuania are overqualified. Workers should assume more responsibility in developing their career which could be adapted to several different jobs.

Poland shared its experience in changing regulation of labour relations – the Ministry of Labour, Family and Social Policy drafted a law to change organisation of work of temporary employment agencies. The Polish Prime Minister formed a labour law codification committee of academics and practitioners, social partners and representatives of institutions. This Committee is assigned to draft a new labour code.

A representative of Estonia shared their practice of increasing employment in target groups with lower employment rates – inclusion of young, older persons. Creation of flexible working conditions had positive impact on employment in Estonia – 12.9 per cent women and 5.7 per cent men have part-time jobs.

A Latvian expert noted the need for the countries to seek inclusion of maximum number of persons into social security system – inclusion of certain employment forms, as for example Uber platform, plays an important role. When adapting to employment changes, integration and requalification of older persons are important. Attention was paid to social partnership framework – representation of small companies is important.

When summarising, it can be stated that the key trends that will impact the future of work include demographic changes, globalisation and rapid technological changes. It is important to understand that progress should not be afraid of but rather adapted to.

In the future, decentralised companies, individualised labour relations, slower labour force growth will promote inclusion of vulnerable groups into the labour market – youth, women, people with disability – in order to achieve higher employment rate, sustaining qualified labour force. Integration of young generation is of very high importance. But it should not be forgotten that older people as well could provide quality services with the use of information technologies, if properly qualified.

Lithuania has joint its efforts towards international commitments, but economic growth needs to be combined with social guarantees.

In order to gain better understanding of labour transformation, challenges awaiting us in the future and their impact on workers, employers and state institutions, we have to listen carefully to the insights and recommendations of international organisations and academics. Without identifying the crucial problems, we will not be able to develop adequate policy to deal with the challenges brought by the changing world of work. Not only national policy and active cooperation with social partners, but also common regional policy and international cooperation, involvement of international institutions are needed.