

# Improving the European labour market and European industries Through the digital economy



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**A**rtificial Intelligence, Internet of things, Big Data and online intermediation platforms are among the new technologies that are radically changing our production methods and consequently the outlook of our job market.

On this topic, it is commonly believed that technological change is favourable to high skilled workers and unfavourable to unskilled ones. More specifically, the term “polarization” is used to describe the decline of share of intermediate jobs favouring the share of highly qualified jobs (which cannot be automated) together with an increase in demand for certain low-skilled jobs (where automation would not yet be of economic interest).

In fact, machines automation eventually replace repetitive tasks (manual or cognitive) rather than replacing jobs properly spoken. The criterion here is more functional than organic, all levels of qualification being concerned by the ICT (information and communication technologies) revolution’s effects. This process thus advantage jobs with non-routine tasks that requires a high degree of creativity or personal interactions.

This polarization phenomenon isn’t homogenous in the European Union. But it is worth noticing that the countries with the most developed robot systems are those with the lowest unemployment rates. Automation and robotization generates increase

of productivity, as well as quality gains, and not necessarily result in workforce cuts in fine. For instance the German automotive industry, that is one of the most automated in the world, employs more than 800 thousands workers that is as much as ten years ago and 100 thousand more than 20 years ago.

There are diverging views trying to estimates how many professional activities will disappear at some point in the future, the most commonly acknowledged ones show that only an average of 9% of all jobs have a high risk of automation, whereas for 25% of the other jobs half of their tasks will be significantly modified by automation. We could be discussing the exact number of jobs that these developments will destroy taking Keynes’ idea of “technological unemployment”, but it is far more useful to focus on the current transformation and creation of a great number of job activities. There is a continuous adaptation of the tasks along with technological developments to enhance the worker’s productivity. In some cases, tasks that were previously very demanding in terms of personal skills could be entrusted to people equipped with the appropriate technology. This complementarity between men and machines will multiply the services associated with goods and will favor middle and intermediate qualifications.

In parallel, new “ICT-enabled” jobs are created like coders, developers, maintenance managers. Besides, indirectly ICT is also a job creator by the emergence of new consumption needs and business models like the platform economy.

Most certainly the individual prospect of a whole career spent in the same company is coming to an end. Our legislation must take it into consideration and be adjusted. It needs to be more flexible in order to enable and enhance self-employment as well as multiple jobholding. Moreover, it must be able to encourage entrepreneurship by accompanying business risk-taking.

One can easily say that the digital era poses a number of other challenges for the legislator. To name only a couple, how to bring new skills to the traditional sectors and how to ensure social protection for the digital economy.

Education and lifelong learning needs to better prepare and adapt workers to the

“Industry 4.0”. The rebound of our industry and related services greatly depends on SMEs, yet somehow the entrepreneurs and employees of SMEs aren’t eventually the one benefiting from lifelong training programs. In France for instance we should consider entrusting the responsibility for training policy to the Ministry of Industry, rather than the Ministry of Education, to ensure that these policies reflects the needs of the labor market. In Germany training policies have already been tackling this issue for a few years now by offering new courses such as coding.

Digitalization also enables the development of platforms that provide new job opportunities facilitating the match between supply and demand between stakeholders. However, this new model calls for a legal framework that can ensure the service providers social protection (remuneration, social security, insurance, access to training) without jeopardizing its concept.

The European Union has to invest in this important transition. Funding for research and development is absolutely strategic in the context of a fierce global competition to increase our future industry’s growth potential. It is also its mission to support and coordinate the action of the Member States in this field for the benefit of today’s and tomorrow’s European citizens.