

## **ETUI-ETUC Conference, 27-29 June 2016, Brussels**

### **Shaping the new world of work – The impacts of digitalisation and robotisation**

#### **Panel 2: The future of industry in Europe**

##### **Participants:**

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- Ansgar Baums, HP Inc.
- Andrea Szalavetz, Hungarian Academy of Sciences
- Frank Siebern-Thomas, European Commission, DG GROW

**Discussant:** Luc Triangle, industriAll Europe

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Industry is undergoing rapid change, facilitated by new technologies and forms of organisation. The notion of all activities within one location has been superseded by global value chains. 'Service-type' activities, offering the most secure employment, can be geographically separated from production which can itself be fragmented into distinct tasks undertaken in different countries. This integration across borders was particularly rapid in the EU up to the crisis, helped by the single market and by easy communications and telecommunications. Creation of digital platforms to facilitate this has enhanced the strength of the biggest companies.

##### Open questions:

1. Could production come back to high-wage countries?

If robots can do the job alone, then there is no advantage from cheap labour. However, robots will not replace all workers, not least because, even if possible, it does not make economic sense to do so. However, it is just possible, with modern methods of production not requiring large batches, that there will be a trend for production to come back to higher-income countries, to be closer to markets.

2. What happens in ECE countries which have large manufacturing sectors?

Digitalising can mean disappearance for many jobs, but upgrading is likely for factory economies. The future is less certain for those parts of the EU which have smaller manufacturing sectors.

3. Do we have the skilled workers? Technological change will bring the need for many more highly-skilled jobs, especially for industry-related services. It is unclear that the people are, or will be, available, for these tasks. Low demand levels in the EU may also discourage upgrading.

4. What policy questions for the EU?

There are challenges, both in terms of the kind and degree of regulation required and in terms of the need to improve skill and investment levels, particularly difficult tasks in countries that have seen substantial past decline in manufacturing.