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

Panel 4: Private services industry: at risk or new opportunities?

Participants:

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- Oliver Roethig, UNI Europa
- Miia Järvi, PAM

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European services are the backbone of European economic and social life, and since 2000 their role is growing and employment in the sector has risen. Since 2000 it has grown, creating an ever-rising number of jobs. If this trend is managed correctly, it can lower the rate of unemployment. Yet there is also a manifest danger that increasingly tough competition in the service market could create a downward spiral in wages and working conditions.

EU policies until now have focused exclusively on creating and driving forward the single market for services via a comprehensive liberalisation and deregulation of the sector. This limited approach can damage the service sector by fuelling intense cost pressure and creating volatile markets. As a result, the quality of services that citizens and businesses rely on has dropped, investment needs are unmet which hampers innovation, wages have fallen and jobs have become more insecure. These factors have contributed to rising income inequalities. Meanwhile, new and more volatile forms of work have surfaced eroding the quality of jobs in European labour markets.

Europe's service sector: key trends and challenges

At the ETUI-ETUC Conference, UNI Europa and the FORBA institute released a new report on the key findings and debates in academic research on the service sector in Europe (<http://www.uniglobalunion.org/news/europes-service-sector-key-trends>). Notably, the report finds that digitalisation and related technological change are fundamentally altering the nature of working in the sector. The work force is increasingly polarised between high- and low-skilled jobs as well as suffering from skill shortages. New forms of employment are on the rise, with the risk of a growing number of workers facing precariousness. These new forms of employment raise questions on the societal effects on the individualisation of work. Traditional concepts of 'permanent employment', 'employer' and 'workplace' tend to diminish over time, which might question the (outdated nature) of current social security systems at national level.

Priorities for action

To face the above-mentioned challenges, the panellists stress the following priorities for action:

- Jobs in the fields of care, domestic work or services with direct customer contact need to undergo a re-valuation process by society: the salaries do not often reflect the importance of such work for our society.

- Access to better education must be provided and skill shortage has to be addressed: more and more jobs now require workers to acquire new skills. This request includes lifelong learning programmes as well. Social partners must play a key role in the provision of skills and have to define training needs. A key question to be answered is the financing of training.
- Workers without permanent employment contracts as for instance crowd workers, casual workers or freelancers need to be protected. Trade unions have to support these workers to organise themselves in order to make their voice heard.
- The social security model needs to be reformed. This includes the provision of a revised legal framework that also applies to the digital economy. Such a reformed security model should re-strengthen a trust-based negotiation system between employees and employers.

The key next step to improve EU policies affecting the service sector is the formulation of a shared vision on how to face the challenges linked to digitalisation. Such a shared vision has to be framed by various actors, including representatives from institutions, employers, trade unions and academia. Europe's service sector is at risk. However, there are new opportunities that can be used in such a way that the future growth path and overall development of the economy and labour markets is reflected in a prosperous and social European service sector.