

#### **PANEL 4: Employment forecasts and the digital, green and demographic transitions**

The panel discussed employment effects of digitalisation, greening of the economy and demographic challenges:

##### **On digitalisation of the future of work:**

There are fears that jobs might be increasingly at risk due to the use of machines and intelligent algorithms. The typical questions are how many jobs are automatable? And what are the employment effects of digitization and automation? However a key aspect to clarify is that **automation potential is very different to employment effects** and so far most studies focus on technological feasibility, overestimate automation potentials, they do not economic effects. Hence the importance to consider economic adjustments, Slow diffusion of technologies, the flexibility of workers.

The key question is key question is not **how many** jobs, but **which** jobs we will have. Are workers able to fill these jobs with rising inequalities? Need of policies to ensure further training

##### **On greening of the economy:**

A transition to green growth is necessary, feasible, attractive, it has the potential benefits for employment and more productive workforce. However green jobs use high-level abstract skills, work experience and on-the-job training, significantly more than non-green jobs. 'Green jobs' are difficult to define and the green economy is much broader than the few flagship sectors (e.g. clean energy and clean cars) on which the debate tends to focus.

Greening the economy is not a solution for labour market problems by itself. The scope for creation of 'green jobs' and replacement of 'brown jobs' depends on good complementary policies being put in place: *industrial strategy*

##### **On the demographic transition:**

It is important to think through the consequences for cost of living and income distribution.

If analyses of demographic change are reduced to changes of demographic dependency ratios alone the solution is often an increase of the retirement age. However economic dependency ratios are more relevant for policy-making and help to understand the most important option for politics: labour market policies.

Demographic change can be dealt with if high labour market participation can be achieved – demographic transitions are not a force of nature but a political project

##### **Actions needed:**

Further training is needed to switch from declining jobs to the growing jobs. There is scope for creation of green jobs, but it depends on good complementary industrial policies

Develop appropriate labour market policies, so more people can be brought to employment.

Reconcile family policies and labour policies.