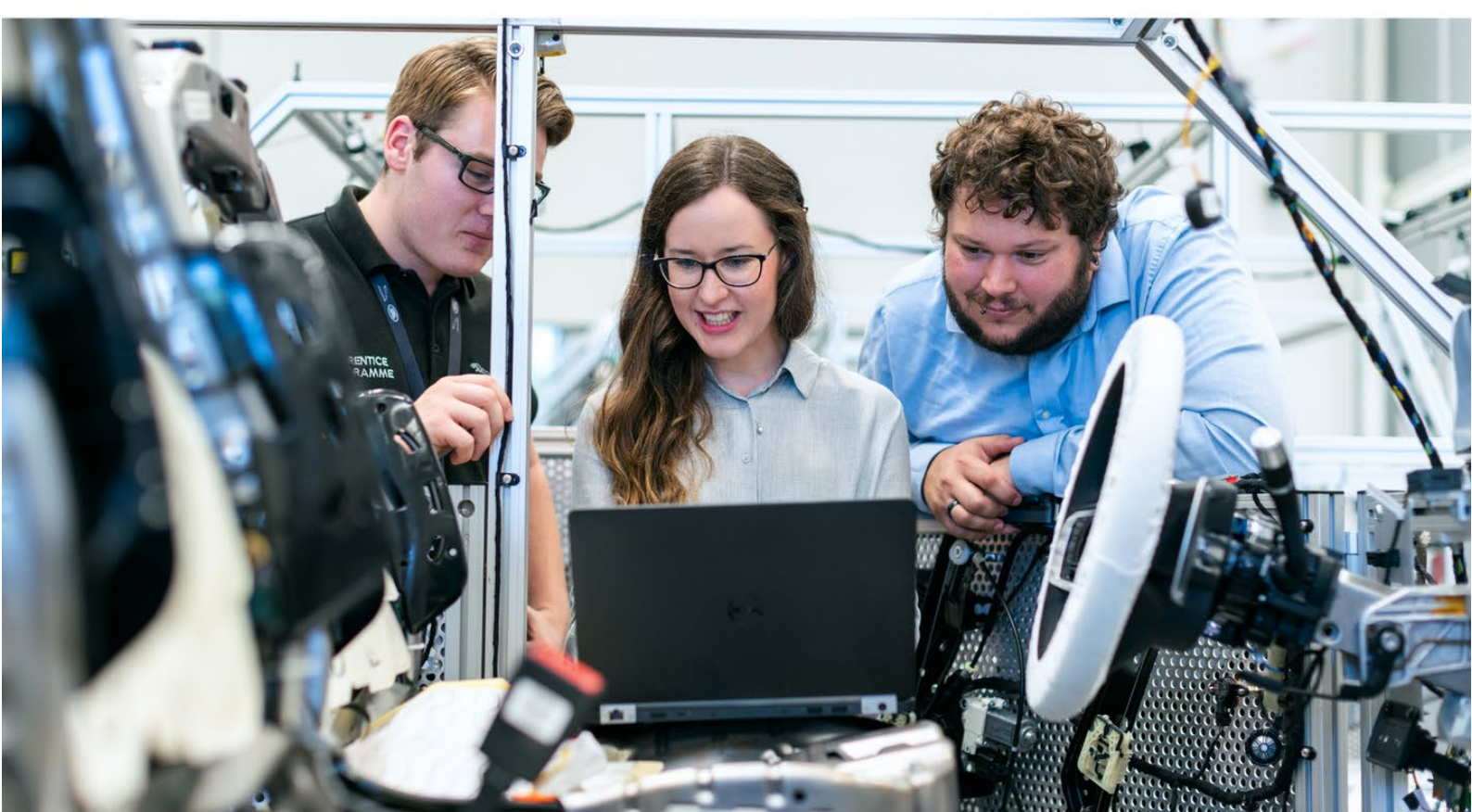




TASK FORCE
WORKING GROUP
REPORT

A RENEWED EU APPROACH FOR JOBS AND SKILLS

Towards a Resilient and Sustainable
Post-Pandemic Recovery



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Task Force Working Group Report

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INTRODUCTION

The Covid-19 pandemic has disrupted the European labour markets. Demand has collapsed in certain sectors, while teleworking has become the norm in others and the use of digital tools has increased considerably. Multiple questions arise around job creation and destruction, up- and re-skilling of the labour force, spatial or sectoral relocation of dismissed workers, and the quality of the newly created jobs.

The EU industrial strategy can play a critical role in addressing some of these challenges. Industry transformations led by the green and digital transitions have the potential to affect the expansion of economic sectors, hence job creation and destruction as well as the demand for skills, but it can also influence the spatial dimension, and the pace and time horizon of economic development. For this reason, a truly EU industrial strategy should be thought out in line with the principles of cohesion and regional convergence enshrined in the Treaties and coherently with the social objective, as defined in the European Pillar of Social Rights and the UN Sustainable Development Goals (SDGs).¹

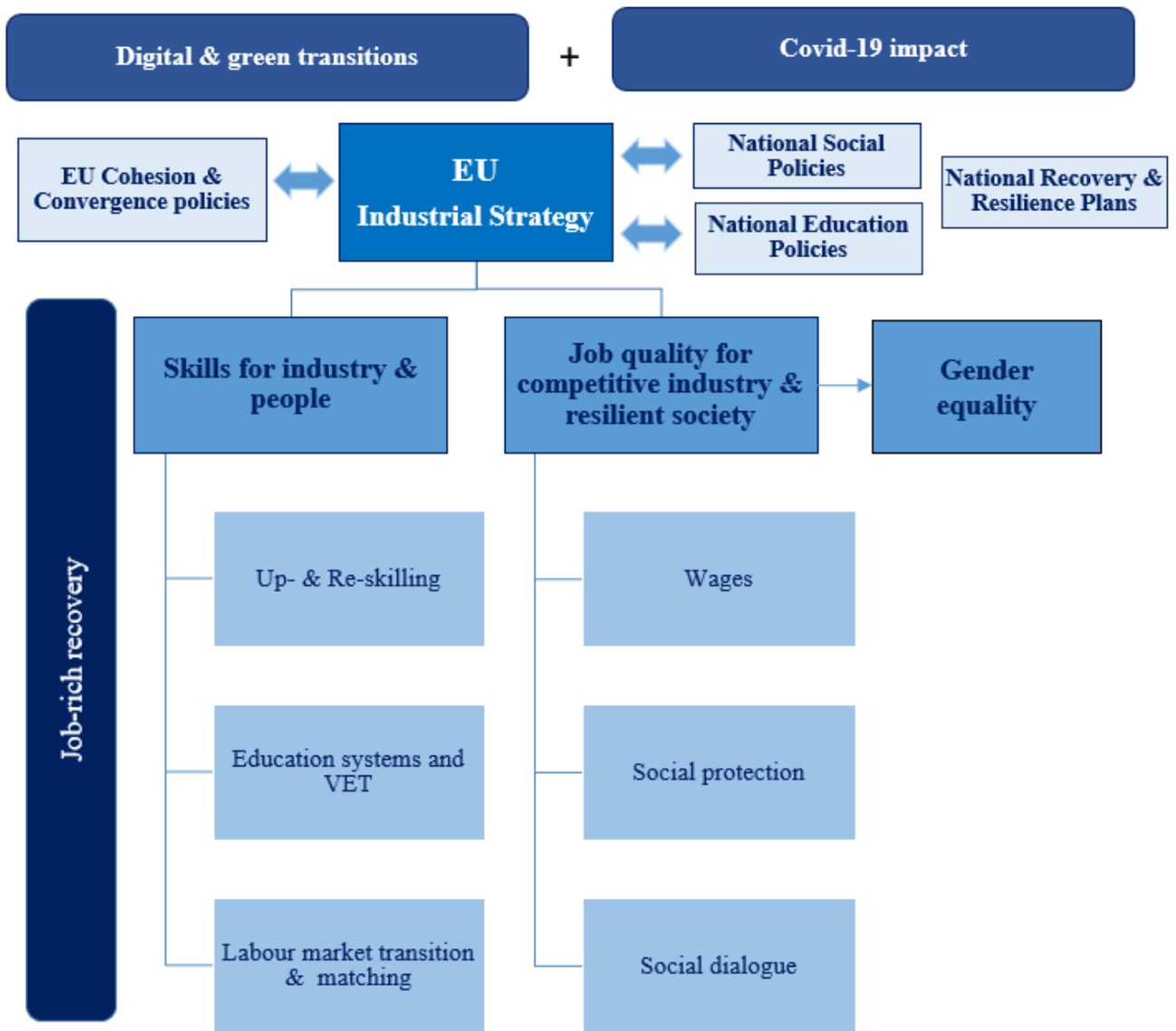
The need for a coordinated policy framework that defines a social dimension for the EU industrial strategy is further strengthened by the importance that national recovery and resilience plans (NRRPs) will have in driving the digital and the green transitions.² Coherence between the plans and the principles of the industrial strategy must be ensured. Finally, for member states to credibly subscribe to the EU industrial strategy, a coherent approach between economic development plans, education policies and social protection will have to be put in place. The latter will have to support those individuals who will not thrive in the transitions and may be left outside

the labour market for long periods of time, or even permanently.

Adding a social dimension to an industrial strategy, whose main objective is improving global competitiveness of the EU industry, will inevitably lead to trade-offs between objectives and hence will require policy choices. From a policy perspective the most important trade-off is likely to be between competitiveness and jobs. Technological change accompanied by digitalisation of processes and automation of industrial production could result in declining use of labour in the production systems, and hence in growing unemployment. While this will be inevitable in some sectors, there needs to be an assessment of whether it is going to be a prominent feature of the EU economies and whether new expanding sectors can generate new jobs. A related policy trade-off is between competitiveness and fair wages. A concept of global competitiveness grounded on wages could lead to downward pressure on wages and, more generally, on labour cost. While more jobs could be saved this could lead to social discontent, working poor and/ or declining social contributions, which would affect both the coverage of social protection and also the sustainability of public finances.

Against this background, **an EU industrial strategy that aspires to enjoy broad support and looks beyond the only objective of competitiveness cannot afford a jobless recovery.** It should rather **put people among its overarching priorities and be coherent with other EU objectives.** This mission requires clear objectives in the areas of skills, job quality and gender equality, with ad hoc policy measures to make their achievement possible (see Figure1).

Figure 1. Framework for policy recommendations on the social dimension of the EU industrial strategy



Source: CEPS (2021).

SKILLS FOR INDUSTRY AND PEOPLE

Skills are already being recognised as a critical factor of growth by companies, individuals and increasingly by governments. Yet concrete actions tend to remain confined in large companies and to target highly educated workers, for which the return on investment in training is usually very high. The acceleration of digitalisation and the wider application of technology brought about by the pandemic, combined with the sectoral restructuring that economies will face, are strongly increasing the need for up- and reskilling for a much larger group of workers.

The EU industrial strategy should aim to enhance and complement the skill sets that can support individuals in labour market transitions, and ease the transfer of skills from declining to expanding sectors and occupations, as well as across regions. Enhanced and adjusted skill sets would allow workers to take up the new job opportunities that will be created, and industry to count on a talented and skilled workforce during the transitions. Skills development should also support workers who stay in the same job, sector or occupation to execute new tasks and address the changing industry's needs in a timely manner. Ultimately, having skills among the priorities of an EU industrial policy means recognising the crucial role of human capital for the EU industry to thrive, and encouraging people to benefit from industrial development.

By acknowledging the strategic importance of skills for economic and social development in the EU and setting out clear targets, the [European Skills Agenda](#) should represent a key reference for the EU industrial strategy. To ensure coherence and develop synergies in EU policy interventions, four policy recommendations, developed in line with specific actions of the Skills Agenda, can make this happen.

R1. Update and future-proof education and training systems.

The pandemic has accentuated the long-term trends associated with educational achievements: the declining employment of low-qualified workers and the rising employment of those who are highly qualified. This is likely to translate into continuing

higher demand for graduates in the labour market and thus for higher education and training.

For the future, a key challenge is how to ensure that young people, in particular those about to enter the labour market, have the right skills to thrive in a digital and green economy. These people will need the most up-to-date technical skills to take up emerging opportunities in a changing landscape. In addition, it will be important for them to have the non-cognitive transversal skills necessary to continue learning, adapt to change and deal with uncertainty during labour market transitions.

While a significant number of measures in this respect will fall under education and training policies, which are to a large extent national, the EU industrial strategy should **foster and create opportunities for industry-led foresight studies to link potential industrial scenarios to educational needs and trends**. These studies, together with constant and refined skills intelligence, should provide a compass for possible industrial developments in the near future and orient the transformation of European education and training systems.

The studies should contribute to developing a **new taxonomy for skills** (especially green and digital skills) that are relevant to new and expanding sectoral industries. With increasing labour market transitions and multiple career paths, the visibility of skills is playing an increasing role in fine-tuning the matching of new entrants in the labour market and fostering skills transferability across sectors and occupations for those already working.

Skills are usually and generally measured and assessed by qualifications resulting from formal or non-formal education and training. Yet qualifications and educational levels might not capture the complexity of skills owned by individuals. They may fail to recognise the 'new' skills needed in expanding sectors and offer little support to employers when making hiring decisions. A framework for disentangling the skills required for (and developed through) certain jobs could tackle current limitations in skills' visibility.

A transparent and detailed taxonomy of skills could be used by firms, individuals and intermediary actors in labour market transitions (e.g. social partners, education and training providers, and public and private employment services). Such taxonomy could start from what is already available in the [ESCO](#) classification and be further developed by skills intelligence exercises. This could help to embed skills requirements that appear in job vacancies, which are thus directly relevant to employers and in labour market transitions, in a common European classification. To ensure that the definitions and classifications of such taxonomy are meaningful and useful to industry, this work should also be informed by the Industrial Forum and similar networks such as the [blueprint for sectoral cooperation on skills](#).

Part of this renewed skills taxonomy should be tailored to strategic value chains (or ecosystems), for example by providing clear definitions and enumeration of so-called green skills, similar to what is already available for digital skills (i.e. [DigComp Framework](#)). Such taxonomy could represent an important step towards assessing existing skills, developing relevant learning opportunities and, most importantly, defining certifications to validate and recognise micro-skills. The skills defined by the taxonomy could also be embedded in the [Europass Portfolio](#), enhancing their visibility in a standard format for the EU labour market and internal mobility.

R2. Create EU incentives for firm-oriented training in strategic sectors.

At firm level, financial barriers including administrative costs and time constraints are major issues that prevent timely and regular investment in employees' skills development. In practice, firms often lack information on which skills are available and which ones are in need, both of which are necessary to make sure that their investment is effective and efficient. These obstacles are particularly serious for smaller companies, which risk lagging behind in skills provision and ultimately in the digital and green transitions. While making skills investment even more relevant than before, the Covid-19 crisis might have increased both uncertainty about future needs and also financial

obstacles faced by firms to making substantial investments in skills.

The EU industrial strategy can and should respond to this situation and make sure that the firms leading the digital and green transition in the EU industry invest in human capital, not only in technology or infrastructure. The EU industrial strategy should include key design features and the provision of **targeted incentives in expanding strategic sectors**. This would help firms belonging to these sectors provide continuous training to their employees, as well as initial training (e.g. apprenticeships and work-based learning) to newcomers. As these firms will be the ones in high and immediate demand for enhanced skills, the incentives would respond to changing skills needs at firm and sectoral level.

Operationally, incentives should cover compensation for employees' time while they participate in training. This would overcome reluctance to halt the production pace in firms. Incentives should also be used to encourage firms to invest in those employees who tend to be excluded for return-on-investment reasons, such as older or low-qualified workers.

Moreover, rather than proceeding blindly, incentives should be guided by and adapted according to ex ante skills audits at firm level, to ensure that the subsidised training responds to the actual skills needs and shortages of the firm and its workforce. In fact, frequent training courses do not fully respond to firms' needs, even when sponsored internally. This is because the training offer often fails to meet the fast-changing and specific skills needs at firm or sectoral level. For this reason, on-the-job informal learning and learning that combines courses with work-based experience should be eligible for these incentives, covering the cost of organising and structuring informal learning paths for employees and validating the skills acquired through this form of learning. These types of incentives would be particularly relevant to micro, small and medium-sized enterprises, given the characteristics of these firms.

Leveraging on the role, function and contacts of social partners, the system of incentives should promote the building of company networks within sectors, especially along strategic value chains (or ecosystems) dedicated to skills enhancement. It

should also encourage existing company networks to focus on this aspect. These networks would allow the different actors to join forces (i.e. for the purpose of information sharing, organisational capacity and financial resources) to foster industry-relevant skills investment and ensure the involvement of smaller firms in upskilling.

R3. Provide individual entitlement to adult education and training.

Over the past decade most EU countries have experienced an increase in non-standard forms of employment, such as self-employed, temporary, casual or platform workers, whose ties with the firm are blurred. Higher barriers hinder investment in skills for these individuals specifically, resulting in their systematic lower participation in education and training in comparison to employees. Individuals with limited financial means, such as the unemployed or those in non-standard employment, cannot be sure that their investment in skills will be rewarded in the labour market, and may find it too risky. In some cases, they simply lack the resources to make this investment. Firms, on their side, cannot ensure that their investment in temporary employees' skills will be recouped before the employee leaves. In addition, increasing returns to scale on skills investment drive its bias towards highly skilled workers, when such investment is made by firms. Until now little or nothing has been done to address such an issue. This leaves low-qualified employees lagging behind, with lower adult learning participation rates than their more educated counterparts.

To support access to adult education and training opportunities, and the acquisition of skills to transit across sectors and occupations, the EU industrial strategy should endorse the **establishment of universal modular entitlement to incentives for individuals to participate in education and training**. This would allow all individuals to enhance skills that are not necessarily linked to their current firm and sector of employment, but could instead prove useful when managing labour market transitions and seeking new job opportunities, securing their career paths in the long term. Incentives granted on an individual basis respond to skills needs, particularly when employers do not tackle them because they do

not respond to their immediate priorities. This is especially relevant to individuals whose ties with their employers are not so strong, and for those at higher risk of losing their jobs. It would also help people who cannot be trained by employers, such as the unemployed, or who are less likely to be trained by employers, such as low-qualified workers. For this reason, the system of incentives should be modular. Universal entitlement is necessary to go beyond eligibility according to employment status, which is likely to change multiple times and more often during an individual's working life, due to an expected increase in labour market transitions. Incentives should be higher for those in non-standard employment or low-qualified jobs, as well as for those who are unemployed or employed in shrinking or disrupted sectors, at high risk of facing (imminent and/or frequent) labour market transitions and being left outside the labour market if not re-skilled and relocated to another sector or occupation in a timely and effective manner.

Importantly, such incentives should also cover an initial assessment and validation of existing skills, along with career guidance for the beneficiaries, to make sure that the investment is well placed to tackle the individual's skills needs and aspirations.

Individual entitlement to incentives for education and training could be reinforced by a monetary credit system conducive to investment in skills. In practice, this implies encouraging credit institutions to issue soft loans to those who would like to top up the amount granted by public subsidies.

R4. Modernise public and private employment services.

To help labour market transitions and skills matching, individual firms and workers (both new entrants and those already in the labour market) will need unprecedented support. Public and private actors can both play a role in managing and smoothing school-to-work and work-to-work transitions.

The rise and decline of different sectors and occupations resulting from Covid-19, digitalisation and the green transition will increase the demand for employment services to avoid frictional

unemployment turning into long-term unemployment and deteriorating overall social conditions and human capital in Europe.

The timely provision of an adequately skilled workforce to industries where new job opportunities arise will need to be supported by an **enhancement of public and private employment services**. This process can leverage on the untapped potential of digitalised labour market services. In cooperation with social partners and through social dialogue, these actors should be made capable of and responsible for advising firms when recruiting and/or providing training for newly created jobs. At the same time, their role will be crucial in guiding and supporting individuals facing labour market

transitions, especially those in need of skills assessment, validation and, perhaps, up- and re-skilling in order to take up new job opportunities. With this aim in mind, the support and guidance function of public and private employment services should be informed by skills intelligence to anticipate labour market trends and orient workers accordingly.

While public and private employment services' work is relevant at local level and their coordination is a national (and sometimes regional) matter, EU cooperation could be strengthened to foster the functioning of the EU labour market and ensure mobility across countries and EU regions. This could leverage on the existing [European Network of Public Employment Services](#) and the [EURES](#) platform.

JOB QUALITY FOR A COMPETITIVE INDUSTRY AND RESILIENT SOCIETY

To ensure the economic and social sustainability of the recovery, as well as the competitiveness of industry and resilience of society, the promotion of job quality should be a key objective of the EU industrial strategy. Newly created jobs need to guarantee fair wages, sufficient job security and adequate working conditions. Supporting quality job opportunities is particularly relevant in the context of ongoing transformations in work organisation driven by the surge in teleworking and rise in non-standard employment. [Decent work](#) is a suitable concept to reflect job quality. This is indeed a multidimensional concept made up of all the characteristics of work and employment that have a causal relationship with workers' health and well-being. In the context of an EU industrial strategy, the risk of deteriorating job quality can be addressed by introducing minimum wages and improving social protection policies, as well as the social dialogue. These three elements are already prominent features of the European social model. The European Pillar of Social Rights explicitly acknowledges that all workers have the right to fair wages that provide for a decent standard of living, and adequate social protection regardless of the type and duration of their employment relationship. The Pillar also recognises the importance of progress on gender equality and in achieving the employment target for the entire working age population. As the new EU industrial strategy explicitly indicates the Social Pillar as a compass for a socially fair industrial transition, a few policy initiatives can make this happen.

R5. Ensure fair minimum wages.

Before the outbreak of Covid-19, real wages had increased in almost all member states. Yet the distribution of gross hourly earnings typically shows significant differences between member states and points to a low share among low-wage earners. In 2018, the highest shares of low-wage earners were observed in the Baltic countries (above 20%) and the lowest in Sweden (3.6%). Low-wage earners, who are traditionally in non-standard or temporary employment, have been particularly hit by the

pandemic, with an income loss three to six times higher than that of high-wage earners. Low-income earners are traditionally also those more likely to have their employment income reduced because of a transition into unemployment rather than reduced working hours. In the EU, the total wage bill received by those in the bottom 50% of the wage distribution is estimated to have fallen by 3.3 percentage points, altering the wage distribution in favour of the highest-earning workers, thereby increasing earnings inequality. This outcome is common to all countries, with little cross-regional variation.

An EU industrial strategy that aims for competitiveness and social fairness should be accompanied by a **legally binding initiative on fair minimum wages across the EU**. The recently proposed EU directive on adequate minimum wages could help address distributional challenges. First and foremost, it would play an important role in preventing in-work poverty and stimulating legal employment. At the same time, by ensuring the compulsory implementation of fair minimum wages in a coordinated manner across the whole of the EU, it would create a level playing field and promote wage convergence, in particular between countries from Central and Eastern Europe and those in Western Europe. Second, a minimum wage can contribute to supporting internal demand, but also national welfare systems. Third, research on the employment effects of an increase in the minimum wage has shown no significant adverse effects. Companies can absorb increased labour costs driven by a minimum wage in other ways than reducing employment. Besides increasing the price of goods and services, they can compress the wage structure and compensate for the wage increases of low-wage workers by postponing wage increases of workers higher up the wage scale, or increasing productivity by reducing staff turnover. A case in point in support of this argument is Germany, where, despite concerns over job losses ahead of the introduction of the statutory minimum wage in 2015, no negative employment effects have occurred.

R6. Put social dialogue at the core of the EU industrial strategy.

Social dialogue, notably collective bargaining, is a key means through which employers' organisations and trade unions can establish fair wages and working conditions, as well as bring about improvements in workers' productivity. The countries with high collective bargaining coverage tend to display a lower share of low-wage workers, higher minimum wages relative to the median wage, lower wage inequality and higher wages than countries with poor coverage.

In the past two decades, collective bargaining coverage has been on a downward trend in many member states, notably in Central and Eastern Europe. Moreover, in several EU countries, collective bargaining has shifted from the national, intersectoral or industry level to individual firms. One of the drivers of this decrease in collective bargaining is the sharp decline in trade union membership, caused among others by the process of employment deindustrialisation and the difficulties experienced by trade unions in organising workers in new establishments. An increase in atypical and non-standard work has indeed contributed to union density decline. This partly results from the practical difficulties in organising these workers, and inherently from their status. The shift in economic activity from manufacturing to private sector services is also playing against unionisation.

In general, the decline in collective bargaining coverage has contributed to downward pressure on wages, including minimum wages, and has been associated with a high share of low-wage earners in a number of countries, and increasing wage inequality overall. This has resulted in a lagging median wage compared to the average wage, especially in Central and Eastern member states, thus further fuelling the cross-country downward competition.

The recent Covid-19 crisis has exposed the importance of effective social dialogue for both workers and businesses. Social partners have exercised commitment in negotiating balanced and wide-ranging measures to protect health, support jobs and preserve the continuity of business operations. At the same time, the crisis has also shown the particular vulnerability of certain categories of

workers and enterprises (including micro and small enterprises), which are less represented in traditional social dialogue channels.

To this end, the new EU industrial strategy should ensure **inclusive governance by involving social partners in the co-design and co-creation of its actions**. To guarantee that the industrial transition goes hand in hand with job quality, the strategy should guarantee workers' information, consultation and participation in transition and restructuring processes. This should ensure effective social dialogue, as well as national and sectoral collective bargaining systems that guarantee the autonomy of the social partners.

R7. Centre EU sustainable business models on job quality.

Social protection in the case of unemployment, sickness, accident, old age, becoming a parent and other life circumstances is a fundamental part of the European social model. Current social protection schemes, however, tend to assume that a person is either in standard employment or unemployed. As a result, people engaged in new and non-standard forms of employment (temporary or part-time contracts), or self-employment often fall between the cracks. Over the past two decades, there has been an increase in job tenure insecurity, though with significant cross-country variation, which is connected to the diffusion of temporary jobs or jobs with fixed tenure. This has been accompanied by a transformation in the quality of work, leading to greater work intensity, less autonomy and a reconfiguration of the relationship between workers and employers. An additional form of insecurity is so-called job status insecurity, i.e. the threat to the working conditions of employed individuals. This refers to aspects of work that can affect individuals in permanent jobs, such as declining benefits or sick-leave compensation, a worsening relationship with management or an unreasonable work-life balance. In addition, the digitalisation of the economy has witnessed the development of a new grey area in the labour market, namely informal work, self-employment or gig economy work. Some of these workers have benefited from ad hoc social protection measures put in place by governments during the

Covid-19 pandemic (e.g. short-time work schemes, sick pay and sickness benefits) but often only to a minor extent, while many remain excluded.

A forward-looking EU industrial strategy should aim to move away from a social protection system that hinges on a person's employment status and towards social protection that is neutral with regard to the form of employment or self-employment. **Social protection benefits should thus be attached to the worker rather than to the job.** To this end, the new EU industrial strategy should promote a **European benchmark for industrial business models based on job quality** rather than on its erosion. Such business models should embed a new balance of the (production and market) risks borne by firms and workers. This entails ensuring neutral social protection against unemployment, sickness and other life circumstances, independently of employment status (European Commission, 2019). Even when adopting strategies to outsource, decentralise and make production more flexible, industrial business models of firms involved in (international) supply chains can promote the definition of clear responsibilities towards their workers, regardless of their employment relationship. This choice is also important from a business perspective, as it would avoid socially responsible companies facing unfair competition from those adopting different practices.

R8. Include job quality in the EU industrial strategy KPIs.

In order to adequately monitor the implementation of the new EU industrial strategy, the European Commission will propose the introduction of key performance indicators (KPIs) to measure the transformation of European industry and its resilience in the aftermath of the pandemic. Job quality indicators should be included in the list of KPIs that will monitor the implementation of the EU industrial strategy. In this respect, it is important to guarantee that the new KPIs will be coherent with two other sets of indicators that the Commission is expected to present by December 2021, namely the revisited Social Scoreboard within the European Semester and the new Recovery and Resilience Scoreboard. The latter will be used to assess the implementation of the NRRPs.

Recent studies focusing on social indicators in the European Semester have highlighted the current partial lack of indicators focusing on job quality. Although new indicators have been added to the Social Scoreboard, such as the rate of people in work at risk of poverty, the rate of involuntary part-time and temporary employment, and the rate of inactivity and part-time work due to personal and family responsibility, additional indicators are still needed.

Against this background, the industrial strategy KPIs should **include adequate indicators to measure job quality**. These could include indicators of employment insecurity and job status insecurity, social dialogue, working time and work-life balance, autonomy, work intensity and work relationships. The indicators are already provided by the European Union Labour Force Survey (EU-LFS) and Eurofound. An EU Job Quality Index (JQI), namely a multidimensional indicator – as proposed by Leschke and Watt (2014) – could be included in EU official datasets and used to monitor job quality in the EU industrial strategy.

By complementing traditional indicators of industry performance and competitiveness with job quality, the social performance of the new EU industrial strategy can also be monitored and assessed.

R9. Ensure the implications of teleworking on workers and businesses are understood.

Teleworking emerged as one of the key novelties of the labour market response to the outbreak of the pandemic. Sectors and occupations that could promptly adopt a teleworking regime experienced a limited impact on employment and hours worked. By contrast, other occupations for which workplace attendance is necessary to be carried out were strongly impacted.

In 2019, teleworkable jobs in the euro area accounted for 33% of employees (mostly in high-paid jobs) and 46% of annual earnings. Overall, teleworkable sectors account for around 30% of total employees in the euro area, while the remaining 70% of employees are spread across industries where remote working is an option for very few. At aggregate level, EU countries exhibit substantial differences in the share of potentially teleworkable jobs, essentially linked to

the economic structure of the economy. It varies from above 50% in Belgium, Luxembourg and Sweden to less than 20% in Greece, Romania and Spain. That said, the percentage of people in potentially teleworkable sectors who reported to have worked from home either “usually” or “sometimes” in 2019 is less than 10%. The large gap between potential and actual take-up rates for teleworking suggests a low degree of preparedness to promptly deploy remote working as a tool to cope with the pandemic, in terms of both digital equipment and social legislation. This explains why the sudden shift to teleworking in 2020 – even though it contributed significantly to preserving jobs – was a dramatic change for both workers and companies. The former experienced new working conditions and had to adapt their skills quickly to a new way of working (above all digital skills, but not exclusively), while the latter faced the challenge of suddenly adapting their work organisation. The effects of this on productivity and innovation performance are still unclear. However, some [surveys](#) suggest that many workers are unwilling to return to the office full time, and some employers are tempted by the cost-saving potential associated with reducing office space. This combination could pave the way to a permanent shift to teleworking in the near future.

Existing research on the hazards associated with working from home focused on rising gender inequalities and psychosocial risks.¹⁶ However, more substantial changes may now emerge, driven by the much larger scope of application of teleworking. These could include the adoption of new forms of contractual distancing¹⁷ between the firm and its ‘remote’ workforce. In practice, some firms may implement large-scale restructuring of existing contracts into more flexible arrangements whereby the worker works remotely, on a more or less regular basis, as a freelancer or independent contractor. Such arrangements could also shift towards platform intermediation, including offshoring.

As the overall impacts are still unknown and highly uncertain, **monitoring and analysis of the implications of teleworking for employer-employee relations, working conditions, innovation and productivity should be a key priority** for the new EU industrial strategy. A structural shift to teleworking

could be informed by defined pilot programmes to understand its overall implications. Such studies should also involve the transformation of working environments into a blended regime of remote and office work (e.g. hot-desking, open spaces), expected to accelerate in the post-Covid era. Social partners can play a key role in managing this shift, as well as in better understanding the implications of teleworking.

R10. Ensure gender equality across sectors and at the workplace as part of the EU industrial strategy.

Promoting equal access to job opportunities and working conditions for men and women across and within sectors is key to improving social inclusion in the EU and can contribute to the EU industry’s assets for innovation and competitiveness. Persisting gender inequality is one challenge that stands out as needing to be addressed, and the Covid-19 crisis has made this more urgent. Women still tend to be concentrated in certain industries and occupations, often low-paid ones, and systematically experience worse labour market outcomes and working conditions than men, often related to the persisting primary role of women as (unpaid) caregivers. Gender equality should be given particular attention in expanding and strategic sectors characterised by an orientation towards the science, technology, engineering and mathematics (STEM) fields and related occupations, in which women are under-represented. Gender-related issues should also be acknowledged and tackled by policies affecting the industries where women are mostly employed, to value their contribution and ensure fair remuneration.

The new EU industrial strategy should **explicitly incorporate the Gender Equality Strategy 2020-2025**, in particular its principles of gender mainstreaming and intersectionality, as stated in the Commission communication of March 2020. The former entails involving members of the Task Force for Equality, created under the GES umbrella, in the policymaking and governance of the EU industrial strategy, to consider the gender perspective in all decisions. Moreover, there are two specific areas of intervention for the EU industrial strategy to act for

gender equality. Gender balance across sectors should be pursued by means of incentives to offer equal opportunities in skills development and employment across fields and sectors that are traditionally segregated by gender. Adopting a gender-responsive approach, the EU industrial strategy should not only enhance the role of women in sectors boosted by the digital and green transition, but also contribute to making the care economy and related industries more attractive to both women and men. As outlined in previous recommendations, this should be embedded in the skills policies, from initial, gender-neutral education, to equitably accessible adult learning in different fields, as well as in the gender-sensitive management of labour market transitions by public and private employment services.

At firm level, the EU industrial strategy should promote business and governance strategies that leverage on diversity, including but not limited to gender equality, and implement anti-discrimination measures, in particular aiming at gender equality across all hierarchy levels. These strategies would entail equality in job quality, including pay and social protection, gender-neutral job evaluation and equal career opportunities with flexible working arrangements for both men and women. Existing EU initiatives and proposals for binding pay transparency measures and the ‘women on boards’ directive should be fully integrated into the EU industrial strategy.

CONCLUSIONS

The Covid-19 pandemic crisis has hit people and the economy at a time when major long-term transformations are shaping the European labour markets. It acted as an accelerator of existing trends such as remote work and virtual interactions, e-commerce and digital transactions, and deployment of automation and artificial intelligence. While the pandemic did not interact directly with the green transition, the policy response to it is likely to increase its scope and pace.

With the risk of a jobless recovery across member states and across sectors, the new EU industrial strategy can play a key role not only in addressing some of the challenges raised by the pandemic but also in making the post-pandemic phase sustainable and inclusive and shaping a new EU economic and social model. To this end, a truly EU industrial strategy should support policies that foster people's skills and preserve job quality. On the one hand, the EU industrial strategy should aim at enhancing and complementing the skill sets that can support individuals in labour market transitions and ease skills transfers from declining to expanding sectors

and occupations, as well as across regions. For this to happen, the EU – within its competencies and in liaison with member states – could foster up-to-date and future-proof education and training systems, incentivise firm-oriented training in strategic sectors, support the establishment of individual-based entitlement to adult education and training and support the modernisation of public and private employment services. On the other hand, the EU industrial strategy should be accompanied by a legally binding initiative to ensure fair wages across the EU, it should put social dialogue at its core, it should include job quality in its KPIs and it should understand the implications of teleworking on workers and businesses. Finally, the EU industrial strategy should aim for gender equality across sectors and at the workplace.

So conceived, a European industrial strategy that fosters competitiveness of companies, and supports policies that foster people's skills and preserves job quality, will enjoy a wider support, and hence promote EU legitimacy.

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LIST OF RECOMMENDATIONS

R1.	Update and future-proof education and training systems.	3
R2.	Create EU incentives for firm-oriented training in strategic sectors.....	4
R3.	Provide individual entitlement to adult education and training.	5
R4.	Modernise public and private employment services.....	5
R5.	Ensure fair minimum wages.	7
R6.	Put social dialogue at the core of the EU industrial strategy.....	8
R7.	Centre EU sustainable business models on job quality.....	8
R8.	Include job quality in the EU industrial strategy KPIs.....	9
R9.	Ensure the implications of teleworking on workers and businesses are understood.	9
R10.	Ensure gender equality across sectors and at the workplace as part of the EU industrial strategy.	10

WORKING GROUP SESSIONS AND SPEAKERS

- Chair: Cinzia Alcidi
- Rapporteurs: Sara Baiocco and Francesco Corti

CHANGING LABOUR MARKETS: DIGITAL AND GREEN TRANSFORMATIONS AFTER THE PANDEMIC

- Carl Benedikt Frey, University of Oxford
- Daphne Ahrendt, Eurofound
- Sanna Markkanen, Cambridge Institute of Sustainable Leadership

PROTECTING AND RELOCATING: WHICH SKILLS, FOR WHOM AND BY WHOM?

- Glenda Quintini, OECD senior economist
- Jasper Van Loo, Cedefop senior expert

SOCIAL DIMENSION OF THE NEW EUROPEAN INDUSTRIAL POLICY

- László Andor, FEPS Secretary General and former EU Commissioner for Employment, Social Affairs and Inclusion
- Christina Behrendt, ILO Social Protection Department, Head of Social Policy Unit

WORKING GROUP MEMBERS

The Working Group Members are comprised of representatives of commercial companies, trade associations, consumer interest groups and individuals from EU Institutions, policymakers, academics, regulators and supervisors. They are participating in the activities of the Working Group in a *personal* capacity.¹

CORPORATE MEMBERS

- Afore Consulting
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- BNP Paribas Fortis
- BusinessEurope
- Cassa Depositi e Prestiti (CDP)
- Facebook
- Huawei
- Microsoft
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- SYSTEMIQ Ltd
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- Uber

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- Banco de España
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- European Bank for Reconstruction and Development (EBRD)
- European Centre for the Development of Vocational Training (CEDEFOP)
- European Commission
- European Defence Agency (EDA)
- European Economic and Social Committee (EESC)
- International Labour Organization (ILO)
- Organisation for Economic Cooperation and Development (OECD)
- United Nations Industrial Development Organization (UNIDO)

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- Foundation for European Progressive Studies (FEPS)
- Humanity of Things
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- Tenman Research Institute on Knowledge-based Economic Systems (RIKES)
- University College Dublin
- University of Birmingham
- University of Cambridge
- University of Ljubljana
- University of Oxford
- Vienna University of Economics and Business

¹ Please refer to Part I of the “Principles and Guidelines for the Task Force and its Working Groups”.

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NOTES

¹ These are formally enshrined in the Treaties. See Articles 151-155 TFEU.

² See for instance Corti and Núñez Ferrer (2021).

³ See for instance Baiocco et al. (2020).

⁴ See definitions at [UNESCO UNEVOC](#).

⁵ See Baiocco et al. (2020).

⁶ See OECD (2019).

⁷ See Eurostat [earn_ses_pub1s].

⁸ See Eurostat (2020).

⁹ See ILO Global Wage Report (2020).

¹⁰ Major concerns about job losses were expressed by the trade unions.

¹¹ For an overview see the German case of Herzog-Stein et al. (2020).

¹² For an overview see Eurofound (2021) and ILO (2021).

¹³ For an extensive account of job insecurity trends in the EU between 2008 and 2014 see Symeonaki et al. (2019).

¹⁴ See Antonucci and Corti (2020).

¹⁵ See ECB Economic Bulletin, [Issue 8/2020](#).

¹⁶ See for instance Oakman et al. (2020).

¹⁷ See Countouris and De Stefano (2021).

¹⁸ See [EIGE Gender Equality Index](#).

¹⁹ See [here](#).

²⁰ See [here](#).