

# Lesson 2



**GROWTH THROUGH  
TRANSFORMATIONAL CHANGES**  
in the industrial sector influenced by the EU Green Deal and digitalization and  
oactive participation of workers in restructuring the changing working environment

## Digitising the economy



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## Welcome to the second lesson of the GTC tutorial

Today we will focus on presenting the key policies and issues of the digital economy.

Let's start with policies at the European Union level.

The European approach to the digital economy and society focuses on solidarity, prosperity and sustainability. It emphasises empowering citizens and businesses while ensuring the security and resilience of the digital ecosystem and supply chains. Policy makers need to gain the knowledge necessary to address issues related to effective regulation, skills requirements and the provision of comprehensive social protection. In addition, they need to balance the needs of companies, societies and individuals to realise the full potential of digitalisation.

In the context of the impact of digital technologies on the lives of EU citizens, one of the European Commission's key priorities for 2019–2024 is to build a Europe prepared for the digital age. Through its **European Digital Strategy**<sup>1</sup> 2020–2025, the Commission intends to act as a leader in the drive to build digital solutions that are at the same time environmentally sustainable. Launched in February 2020, the strategy aims to prepare citizens for the next generation of technologies, helping to promote a 'just transition' towards a climate-neutral Europe through the European Green Deal.

As a part of the **Digital Services Act package**<sup>2</sup>, published on 15 December 2020, the European Commission has introduced two legislative initiatives to modernise the rules governing digital services in the EU: the Digital Services Act (DSA) and the Digital Markets Act (DMA). These regulations will change the way companies provide and use digital services. In response to the rapid development of platform work, the Commission, after consultation with the social partners, proposed new rules in December 2021 to **protect digital platform workers**<sup>3</sup>. In June 2023, the Council of the EU adopted a position on these proposals, and in 2024 the Member States agreed on the final text of the Directive, which will soon enter into force.

On 9 March 2021, the European Commission published a Communication setting out a vision for **Europe's digital decade**<sup>4</sup>, providing a clear roadmap for a successful digital transition by 2030 in areas such as connectivity, skills and digital public services. In 2020, the European social partners endorsed an autonomous framework agreement on digitalisation<sup>5</sup>. By 2023, the social partners at European level started negotiations on a directive on teleworking and the right to disconnect. However, the negotiations reached an impasse, prompting the trade unions to ask the European Commission to present its own legislative proposal<sup>6</sup>.

1 <https://digital-strategy.ec.europa.eu/en/policies>

2 <https://digital-strategy.ec.europa.eu/en/policies/digital-services-act-package>

3 [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_21\\_2944](https://ec.europa.eu/commission/presscorner/detail/en/IP_21_2944)

4 <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021DC0118>

5 [https://www.etuc.org/system/files/document/file2020-06/Final%2022%2006%2020\\_Agreement%20on%20Digitalisation%202020.pdf](https://www.etuc.org/system/files/document/file2020-06/Final%2022%2006%2020_Agreement%20on%20Digitalisation%202020.pdf)

6 <https://www.epso.org/article/employers-reject-eu-cross-sector-telework-rights-implement-sectoral-agreement>

Digitalisation processes are also reflected in the European Social Dialogue.

The European Social Partners' Framework Agreement on Digitalization<sup>7</sup> is one of the few autonomous initiatives led by social partners at the EU level. The signatories of the agreement were as follows: BusinessEurope, SMEUnited, CEEP and the ETUC (and the liaison committee EUROCADRES/CEC). Finalized in June 2020 by European cross-industry social partners, it applies to employers and employees across the EU/EEA, covering both public and private sectors. The primary goal is to facilitate a consensual transition by successfully integrating digital technologies in the workplace, maximizing opportunities while minimizing risks for both workers and employers, and ensuring the best possible outcomes for both. As the Framework agreement states **an agreed and jointly managed dynamic circular process is a suitable way for implementation of the agreement**, whilst respecting the roles/responsibilities of different actors including workers' representatives. The following stages are proposed for the work of us public policy proposals:

- joint exploration/preparation/underpinning;
- joint mapping/regular assessment/analysis'
- joint overview of situation and adoption of strategies for digital transition;
- adoption of appropriate measures/actions;
- regular joint monitoring/follow-up, learning, evaluation.

The Framework Agreement focuses on key areas such as **digital skills and job security, connection and disconnection modalities, the human-in-control principle in artificial intelligence, respect for human dignity, and monitoring.**

### Telework

Another important aspect of the digital economy that has become popular in recent years is teleworking.

Teleworking became very popular during and after the COVID-19 pandemic. Remote communication technologies allowed some companies to continue operations while maintaining the imposed sanitary regime, which would not have been possible two decades earlier.

First, the overall share of potentially teleworkable employment in the European Union (EU) is approximately 37% (2021), varying from 27% in Romania to 54% in Luxembourg. Second, teleworkable employment is more prevalent among women (45%) compared to men (30%), and it tends to be more common among native-born workers, those with open-ended contracts, and individuals working in large companies and urban areas, as opposed to suburban or rural regions. Third, teleworkable employment is significantly large among white-collar workers

<sup>7</sup> [https://www.etuc.org/system/files/document/file2020-06/Final%2022%2006%2020\\_Agreement%20on%20Digitalisation%202020.pdf](https://www.etuc.org/system/files/document/file2020-06/Final%2022%2006%2020_Agreement%20on%20Digitalisation%202020.pdf)

than blue-collar workers, the latter characterized by physical requirements and location dependence. Among white-collar workers, the potential teleworkable employment ranges from 85% for clerical support workers to approximately 28% for service and sales workers, while the share is less than 2% among blue-collar workers such as craft and trade workers, machine operators, and elementary occupations. Finally, the service sectors with a higher prevalence of white-collar employees, such as financial services (93%) and ICT services (79%), have higher proportions of teleworkable employment. Sectors like healthcare (30%), retail (27%), and accommodation/food services (16%) have lower shares of teleworkable employment. Primary sectors, manufacturing, and construction have relatively low proportions of teleworkable employment, ranging from 10% to 20%. Wage and education levels play crucial roles as determinants of teleworkability. Higher-paying jobs and greater educational attainment are associated with larger shares of potential teleworkable employment, with 74% of the highest-paying jobs falling into this category compared to only 3% of the lowest-paying jobs.

Telework brings both positive and negative aspects to work and its organisation. As for the former, higher quality of work as perceived by workers, flexible work schedule and higher degree of autonomy make remote working an acceptable practice for many workers. Autonomy becomes crucial when focusing on remote working, as it requires a reevaluation of how work is performed and evaluated. As for the latter blurred boundaries between work and private life and the tendency to work longer hours are two of the most relevant problems that teleworking brought about. For instance, the quality of work and life conditions for remote workers is strongly dependent on personal and family circumstances, which are external to the work relationship. This highlights a failure of regulations that should ensure equal conditions for all workers.

Telework has a significant impact on working conditions, leading to reduced commuting, increased work flexibility, greater autonomy, and changes in the organization and content of work. While it provided protection against COVID-19 infection, it also has negative effects on physical and psychological health. The impact on work-life balance is ambivalent, with interviewees reporting contradictory findings, highlighting the existence of a work-life balance paradox. Also, some specific skills in telework are necessary. This includes both digital skills, such as using digital programs, remote drives, and communication applications like Zoom and Teams, and organizational skills related to autonomy, self-discipline, task planning, remote collaboration, and separating work from home activities.

Telework is expected to remain a significant aspect of the work experiences of companies and workers, predominantly in hybrid forms. The long-term consequences of telework adoption are yet to be fully observed in the future.

**The right to disconnect** refers to a worker's right to be able to disengage from work and refrain from engaging in work-related electronic communications, such as emails or other messages, during non-work hours. This concept has developed as a result of advances in communication technologies and their impact on people's. The widespread use of smartphones and other digital devices means that being always 'on call' has become a reality in many workplaces, as continuous remote access can create pressure for employees to be constantly accessible. The

expectation that workers will be available at almost any time for online or mobile communication is now considered potentially hazardous to workers' health.

Prior to the COVID-19 pandemic, telework legislation was already in place in many European countries, mainly as a result of the 2002 framework agreement of the social partners at EU level on telework. In addition, framework agreements on digitalisation were signed during the pandemic and the European Parliament adopted a resolution on the right to disconnection and fair telework, calling on the European Commission to introduce a directive on the matter at EU level. A review and update of the 2002 teleworking framework agreement was planned with a view to adopting legally binding regulations by way of a directive, considering lessons learned in particular during the COVID-19 pandemic. Unfortunately, efforts by the social partners at European level to negotiate the content of a directive on teleworking and the right to disconnect failed in 2023. Following the breakdown of autonomous negotiations between the social partners on this issue in December 2023, the European Commission launched the first phase of consultation on 30 April 2024. Both the ETUC<sup>8</sup> and BusinessEurope<sup>9</sup> have prepared their responses.

### **The impact of digitalisation on working conditions**

The use of digital technologies in the workplace really took off after the outbreak of the pandemic and the associated changes in the world of work, such as teleworking, social distancing and the introduction of a sanitary regime to combat the spread of the virus. We had to find new ways of doing business to control the spread and impact of the virus. It is worth noting that new forms of work did not start with the pandemic. It is becoming increasingly clear that they are here to stay and will become more popular. The pandemic mainly accelerated the shift to digital technology.

The digital revolution is changing a great deal in the way we work. It transforms the nature and content of work, the way we organise our working time and even the way we relate to our workplaces. In this context, phenomena such as stress, mental ill-health and safety risks can be linked to the way work is organised and the way it is done. It is important that workers' representatives work together to make sure that the pandemic and rapid digitalisation do not worsen working conditions. This is to ensure that everyone in the EU is treated the same and that there are no inequalities in working conditions in different countries.

Digitalisation is perceived by workers as an additional factor rather than the cause of fundamental changes in the quality and organisation of work. Moreover, the technological advances made possible by digitalisation reinforce existing trends towards the reorganisation, flexibilisation and individualisation of work (as a result of the New Public Management paradigm, austerity policies and productivity pressures in the private sector).

The table below, taken from Voss and Rego (2019), highlight the main opportunities and threats related to the digitalisation of public services.

8 <https://www.etuc.org/en/document/etuc-response-commissions-first-phase-consultation-european-social-partners-possible-0>

9 <https://www.businesseurope.eu/publications/first-stage-consultation-european-social-partners-possible-eu-action-area-telework-and>

OPPORTUNITIES	THREATS
New jobs (computer engineers and scientists, network experts, maintenance etc.)	Destruction of medium and low-skilled jobs (automation and computerisation)
More 'agile' work organisation; new forms of more flexible and more autonomous work	Intensification of 'anytime, anywhere' work; 'always-on culture'; 'hyper-connectivity' resulting in blurring of the boundary between private life and working life leading to stress and burnout
Abolition of repetitive, low-skill and routine tasks, reduction or elimination of arduous or dangerous work. Improvement of occupational safety and health	Loss of control by workers over their own expertise, know-how and free will (becoming the "tool" of a machine)
Better ergonomics, help in performance of heavy or complex tasks	Digital management, policing of workers, risk of mutual loss of trust between employees and management
New forms of collaboration and cooperation among workers	Depersonalization of work, loss of face-to-face interactions, erosion of social skills at work
Reshoring (return of industries and new 'smart' factories – and jobs – to their regions or country of origin)	Precarisation of jobs and of employment relationships, dependence on 'data masters'; 'servification'
Possibility of new ways of distributing productivity gains (working time reduction)	Weakening of collective action and industrial relations; shrinking of traditional collective bargaining coverage
Possibilities of social emancipation due to a new concept of 'work' and change of economic model based on peer-to-peer relations (where all participants/actors are equal) and common goods	Skills and training/labour demand mismatch
	Exacerbation of inequalities (as regards skills and competences, "core" vs. "peripheral" jobs and positions, etc.)
	Wage level stagnation or decline due to an increase in highly flexible employment relationships and interrupted employment histories
	"Digital Taylorism" and emergence of a class of digital workplace-based workers (crowd sourcing); world competition among workers for all jobs not requiring face-to-face contact
	Erosion of country-based tax base and social insurance financing

Source: Voss and Rego (2019) based on Degryse (2016)



Digitalisation helps make work more efficient and effective. We're looking at some great improvements in the quality of workers' jobs. These include more flexibility in terms of time and space (remote work), more autonomy at work, less routine and repetitive tasks, a better work-life balance, better collaboration, communication and knowledge sharing with colleagues and users, less absenteeism, and better physical and mental health. All these changes are expected to make people more productive and ultimately happier at work. On the other hand, digitalisation can also have a negative impact on workers' well-being. Just to give you a few examples: work intensification, de-personalisation of service tasks ('social time'), individualisation of work relationships with colleagues and managers, control and monitoring of workers and their job tasks, blurring of boundaries between work and private life, physical and mental health hazards.

The ambivalent effects of digitalisation on the nature of work organisation generate paradoxical tensions: workers must cope with these to strike a proper a balance. These tensions include: greater flexibility in time and space vs. respect of effective contractual working hours, work-life balance vs. hyper-connectivity, individualised work vs. team work, enhanced information vs. information overload, increased autonomy vs. increased control, upskilling vs. deskilling, better public services vs. distancing from the users.

