



## Position Paper on the impact of digital transformation: The European Chemical Employers Group (ECEG) calls for a sector-specific approach to anticipate change

The European Chemical Employers Group (ECEG) represents the chemical, pharmaceutical, rubber and plastics industries in Europe. As a Brussels-based social affairs organisation it is a **recognised social partner** and a consultation body of the European Institutions and other stakeholders. With approximately **3.3 million direct employees in more than 94.000 enterprises**, the sector is one of the biggest and most dynamic industries in the EU.

This ECEG position paper is the first step towards our negotiations with our social partner industriAll European Trade Union. We plan to undertake a **joint assessment of digitalisation of work through case based studies** at the level of our national member associations. This is envisaged in the framework of our ongoing joint European project VP/2014/001/0466 called “European Chemical Industry Social Partners Roadmap 2015-2020”.

### Why a targeted sectoral approach for the European chemical industry?

The ECEG considers that a targeted sectoral approach is necessary to analyse the impact of social and employment-related aspects of digitalisation on our sector. The approach is based on our vast experience in sectoral issues regarding employment, health and safety, working time, training and LLL, skills, work-life balance and workers’ mobility.

Moreover, we believe that a **sector-specific position seems imperative** given recent actions and documents by the European Commission, the European Parliament<sup>1</sup>, and ongoing discussions by the European Economic and Social Committee as well as by cross-sectoral and sectoral social partners at all governance levels, which shows that the topic is of concern to many stakeholders.

### Our priorities

#### I. Inclusion of European Sectoral Social Partners in the digital transformation process

The ECEG welcomes the invitation by Commissioner for Employment, Social Affairs, Skills and Labour Mobility, Marianne Thyssen, to work together on the implementation of the New Skills Agenda for Europe.<sup>2</sup>

Launched by Commissioner Thyssen and Vice-President Mr. Valdis Dombrovskis on 20 June 2016, we support the New Skills Agenda for Europe and are ready to get involved in concrete actions, such as the 'Digital Skills and Jobs Coalition' and the 'Blueprint for Sectoral Cooperation on Skills’.

Having in mind major disparities among and within Member States, we are convinced of the **added value** that the **sectoral social partners** play at all levels be it on the EU, national or regional, as well as works councils and company level in mitigating digital transformation processes by raising awareness and exchanging best practices.

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<sup>1</sup> For instance, European Commission Communication ‘A Digital Single Market Strategy for Europe’ (COM(2015)0192), European Commission staff working document (SWD(2015)100 final), European Parliament report on Towards a Digital Single Market Act (2015/2147(INI))

<sup>2</sup> European Commission, “press release: ten actions to help equip people in Europe with better skills”, link: [http://europa.eu/rapid/press-release\\_IP-16-2039\\_en.htm](http://europa.eu/rapid/press-release_IP-16-2039_en.htm), June 2016.



### II. Ensure competitiveness and sound working conditions

The ECEG welcomes that the Slovak Presidency of the Council of the European Union prioritizes the development of the digital single market with the aim to promote the competitiveness and innovative potential of the European economy. We appreciate that the Slovakian Minister of Labour, Social Affairs and Family underlines the significant impact of digitalisation on the labour market.

As a recognised social partner, the ECEG considers that our sector needs **to take advantage of the transformation process and unlock business opportunities** while maintaining decent working conditions and social protection.

We call for raising awareness and share information among Social Partners on the fact that digitalisation is an ongoing, unstoppable process along the entire supply chain and affects blue and white collar workers alike;

We believe that different and complex legal environments hinder innovation in Europe and new legislation needs to be adapted to the reality of the world of work keeping in mind the overall favourable climate for growth, competitiveness, innovation and employment in our industry.

We consider the opportunities and challenges of modern working patterns for employers and workers, for instance digital technologies and flexible working arrangements, such as time and place of work, which

- facilitate global business coordination and adjustments of production, where necessary;

- increase freedom and personal responsibility; and
- are crucial for better managing work-life balance.

We emphasise the positive effects of flexible working time arrangements without expanding overall working time, for instance by using working time accounts.

### III. Contribute to a well-skilled workforce in Europe as key factor to EU's economic and social performance

The ECEG highlights that **Industry 4.0 requires adjustment of education, vocational, job-related training and lifelong learning**, for instance via close involvement of social partners in schooling and curricula, and sector-specific training programmes for workers at company and national levels, which could be facilitated through positive communication and information exchange, based on the experience of digital change in the chemical industry in the 1990s.

We believe that, in addition to e-skills, “21<sup>st</sup>-century skills” are needed, such as abstract reasoning and logical thinking, self-organisation and self-learning competence, creativity, entrepreneurship and collaboration in addition to general soft skills, such as communication and social skills.<sup>3</sup>

We emphasise the importance of promoting STEM - Science, Technology, Engineering and Math - skills both for boys and girls at a very early age.

We underline that those skills are needed for coding, data analytics and automated

<sup>3</sup> FME, TNO, Dutch ministry of economy, VNO-NCW, Dutch chamber of commerce, “smart industry – Dutch industry fit for the future”, link:

<http://www.smartindustry.nl/site/assets/files/1744/opmaak-smart-industry.pdf>, April 2014.



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processes, which are urgently needed in our sector.

We promote that the human being is at the centre of interest and changes need to be put in place together with the concerned workers.

We believe that **sector-specific training of workers is beneficial to the employer as well as to the personal development of each worker**, which includes a joint responsibility and investment to skills development and LLL.

We underline our pledge for the European Alliance for Apprenticeships, and wish to focus future actions on digitalisation and innovation.

We consider that an ageing workforce in Europe will have a serious impact on the labour market, such as need for upskilling and LLL, adjusted workplaces via robotic support etc.

We note that the future employment structure is complex and difficult to predict due to ongoing technological progress and more research is necessary.

### Our actions

The ECEG decided to take on the following actions:

- Engage with the European Parliament, Commission and social stakeholders, and **promote the European Sectoral Social Dialogue as part of the solution**;
- Take an advantage of the social and employment-related impact of digital transformation and perceive digitalisation as an opportunity for our sector;
- **Stimulate a sectoral discussion** at European and national levels in order to raise e-consciousness as well as exchange on future needs regarding re-skilling and re-employing of the existing workforce;
- Provide our support towards European Institutions in the process of digital transformation by delivering sector-specific

data from our member associations, if available;

- Emphasise that the ECEG is ready to provide input on updating of curricula and required sector-specific skills;
- Take on the opportunity to have a positive social and societal impact and to renew work relationships, and to shape the European discussion by underlining the ongoing change of the labour market and the evolution of new forms of life and work;
- **Contribute to the European Digital Skills and Jobs Coalition**, which will be launched end of 2016, together with other stakeholders to tackle the lack of digital skills in Europe and related unfilled vacancies across all industry sectors;
- Share best practices and learn from less successful experiences with the help of case based studies from our national member associations; including the need to investigate how flexible working patterns impact on the employment structure, i.e. individual contracts of employment, self-employment and national collective agreements;
- Pending the approval by the European Commission, **set up a tailor made approach to counter above-mentioned challenges and anticipate change for our sector across Europe**, by implementing together with our Social Partner industriAll European Trade Union the EU-funded project, entitled "The impact of digital transformation and innovation on the workplace: a sector-specific study of the European chemical, pharmaceutical, rubber and plastics industry in Europe" (VP2016/001/0080).

The ECEG wishes thereby to contribute to a constructive sectoral debate on national and European level in order to shape the social and employment-related implications of digitalisation in favour of a competitive and social European Industry.



### Background information: Industry 4.0 and the chemical industry

The ECEG believes that a joint European Social Partners' response to Industry 4.0 is necessary to guarantee high quality standards, which will lead to competitiveness and job creation for Europe's industry. Chemical companies have already invested billions in automation and information technology. We are aware of the fact that digitalisation is a mean, which led and will lead to increased productivity and quality, reduced costs, and will create greater operational efficiency in production and supply chain management.<sup>4</sup>

Furthermore, we acknowledge that our sector is only at the very beginning of launching specific actions to tackle employment-related impacts of digitalisation. We underline that changes at the workplace are as strongly related to technology as to the human being. Concepts such as Industry, Work and Society 4.0 are interrelated and include modern working patterns, intelligent support of workers, interconnection of products, value chains and business models, also called smart manufacturing.

The mismatch between the demand for employees with digital skills and the current availability of ICT professionals and digitally literate EU workforce raises concern. A well-skilled workforce in Europe is key to EU's economic performance, innovation and competitiveness.

As a result of digitalisation and automation, according to scientific research<sup>5</sup>, in European industry, a certain amount of jobs will:

- fall into obsolescence, for instance low-wage and low-skill manual jobs and service occupations as well as jobs including strongly routinized tasks;
- face radical redesigning with the incorporation of new digital technologies, for instance jobs including non-routine cognitive tasks;
- will remain unchanged, for instance jobs including perception and manipulation tasks, creative intelligence tasks and social intelligence;
- be newly created requiring specific and new skillsets.

### Contact details:

European Chemical Employers Group

Diamant Building

Boulevard Auguste Reyers 80

B-1030 Brussels

T +32 2 238 97 74

[www.eceg.org](http://www.eceg.org)

@ [secretariat@eceg.org](mailto:secretariat@eceg.org)

TR ID 38429111298-23

<sup>4</sup> Morawietz, Marcus, et. al., "2015 Chemicals Trends", link: <http://www.strategyand.pwc.com/perspectives/2015-chemicals-trends>

<sup>5</sup> Strategic Policy Forum on Digital Entrepreneurship, "Accelerating the digital transformation of European industry and enterprises - key recommendations of the strategic Policy Forum on Digital Entrepreneurship", March 2016.