



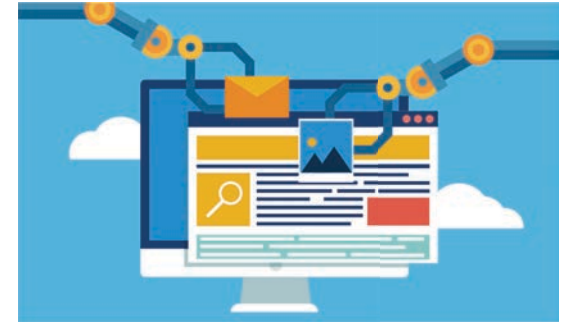
# Work in the digital era

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Bucharest, 2019

# What we see today?

- Biggest taxi company has no cars – UBER
- Biggest media site does not create any content – FACEBOOK
- Biggest hotel company has no hotels – AIRBNB
- Biggest software seller doesn't make any software – APPLE
- Biggest movie distributor has no cinemas – NETFLIX
- Biggest retailer has no inventory – ALIBABA
- Biggest telecom company has no networks – SKYPE
- The bank with the most rapid development holds no money – SOCIETY ONE



# Digitalization: a new industrial revolution

- "Digitalization and computers will do to cognitive work what the steam engine did to physical work", Industry 4.0
- "Digitalization means connecting any human to any object, anywhere anytime by using technology"
- We live an exponential phase of technological development!
- Brings a huge potential to enrich the quality of life, productivity and huge opportunities;
- It can also bring increase in social inequalities, distortions in the labor market and a new economical paradigm: "winner takes all" model;

# New world of work!

- No work place will remain the same
- The current social model is in danger: indefinite duration labor contracts, collective negotiations, social protection
- The rise of platform economy: ultra-flexible work, no contracts, no social protection, no unions, no collective agreements
- New forms of employment: crowdsourcing, collaborative work, job sharing, employee sharing
- The reality of the workplace today is that it is more demanding than ever
- Key is education, preparing people for the digital era, increase our creative skills: being adaptable!

# New organizational model

- Companies will transform: production switches from "closed" to open, interconnected, beyond any physical limitations;
- All sectors move towards a digital economy and especially the services sector
- The informational space, the network, becomes a production space;
- Increase in the degree of control and monitoring of workers
- From services to industry: Google car, Apple watch
- We see a new world of work with great challenges for workers...

# What about the impact on labor market?

- The impact on labor market can be significant but differentiated between sectors
- An estimated more than 50% of jobs could be eliminated
- New jobs will be created but not workers loosing a job will necessary take them: inequality is a race between education and technology!
- We see 4 directions for the labor market:
  - New type of jobs, new sectors, new industries
  - A change in traditional jobs: digitalization, working with robots, etc;
  - Transformation of jobs: digital platforms
  - Elimination of jobs: part of jobs will disappear

# What about monitoring?

- TPObserve – Call-Center industry
  - Hear what the agent talks with the client;
  - Talk to the agent without the client hearing;
  - See the agent and analyze face reactions;
  - Record conversation;
  - Evaluate agent;



# What about work?

- Service customer agent for delivery companies
  - Artificial intelligence provides automatically different info based on key words ;
  - Reduces worker's tasks and consequently length of conversation;
  - But...increases no of calls...it's basically call after call hence more pressure on workers;





# The robots are coming...to Romania

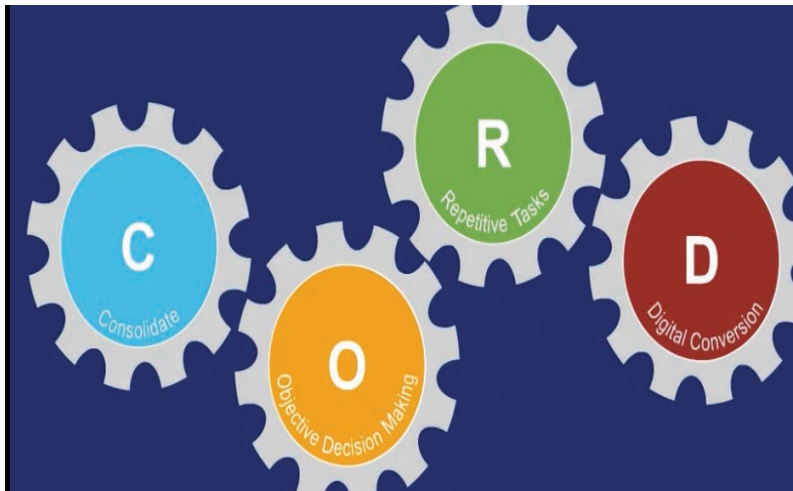


# CObots in Ford



# How automation works now in services?

- RPA or Robotic Process Automation is a technology that mimics the steps of a rules-based non subjective process



- CORD methodology to identify jobs:  
C for Consolidate  
O for Objective Decision Making  
R for Repetitive Tasks  
D for Digital Conversion

# What kind of jobs can RPA replace?

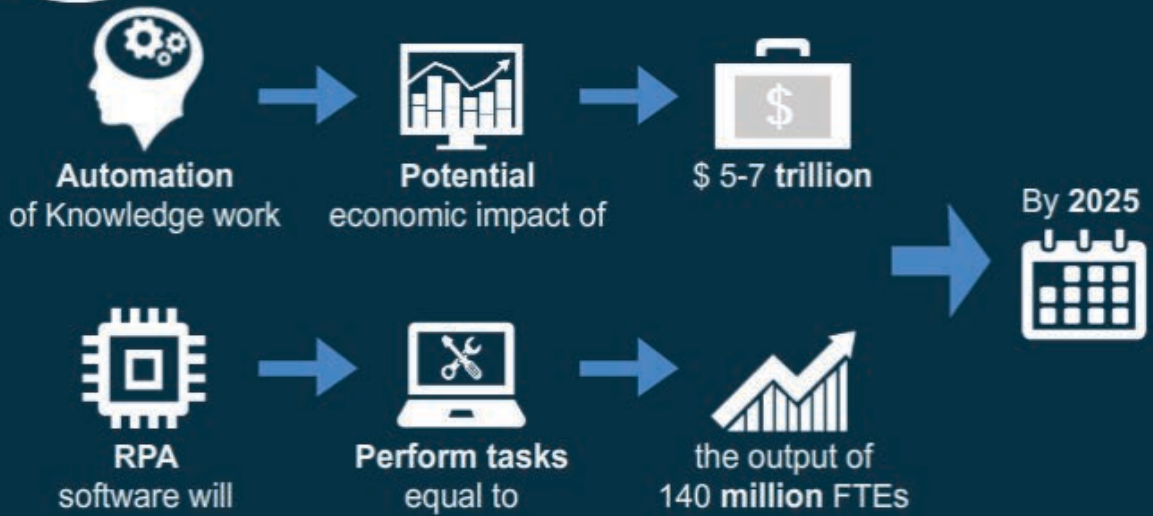
- Finance and Accounting
  - Transactional processes
  - Accounts payable and receivable
  - Analytics and intelligence
- IT services
  - Network services
  - Support services
  - Coding

- HR Services
  - Payroll
  - Stock administration
  - Compliance reporting
  - Recruiting processes
  - Personnel administration
  - Benefits administration
  - Education and training





# The Future of RPA



## ...and Romania is highly vulnerable

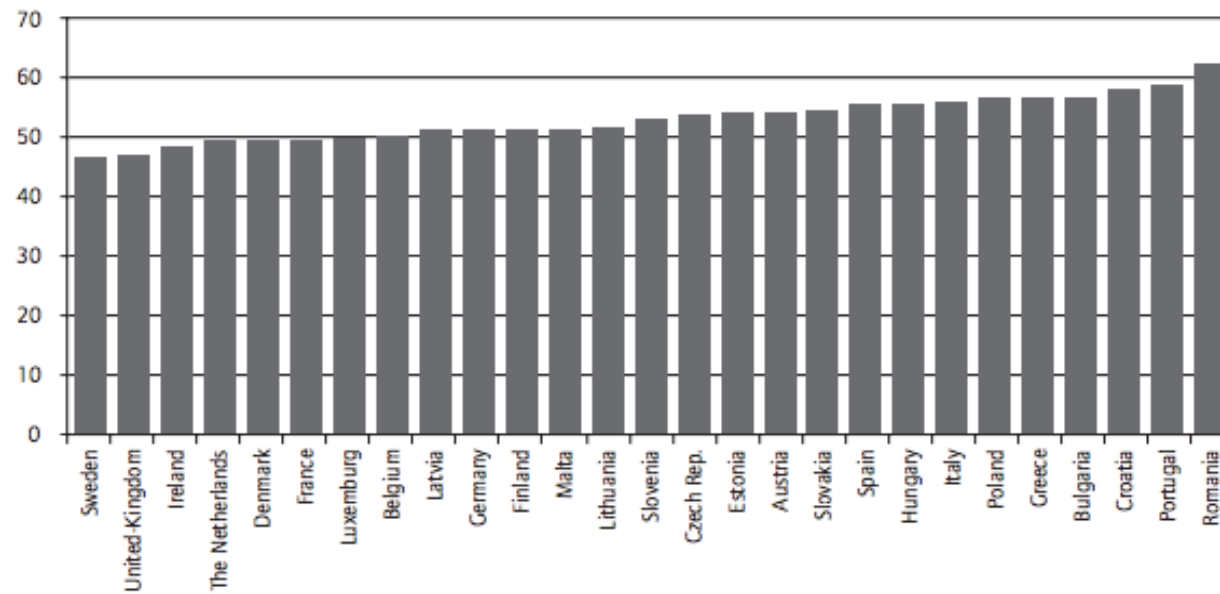
- The economy is highly dependent on the auto industry and offshored services
- These sectors make up more than 20% of GDP
- The auto sector moves more towards electric and that will have a high impact on the production chain
- Increased digitalization of services with high impact on no of offshore jobs: offshore is just a stop on the path of automation!
- No long-term economical strategy to tackle this;
- No long-term educational strategies;

Strike at Dacia, sept 2019:

[https://youtu.be/wXrv\\_PCRHVs](https://youtu.be/wXrv_PCRHVs)

# How many jobs are at risk?

Figure 1 Percentage of EU jobs at risk of computerisation by country



Source: Bruegel calculations based on Frey & Osborne (2013), ILO, EU Labour Force Survey

# Unions in the digital era

- Essential role in this transition for protecting workers and the social model
- Today the direction of digitalization is controlled by a few private companies: decisions follow private interests not democratic ones
- Unions should not oppose to progress but the future needs to be build with consensus of the social partners
- A new union movement to better respond to workers needs?
- How can we include our social model in the new digital era?
- How will collective negotiations look like in 2026?



## Looking ahead...

- No one can predict what the true impact of digitalization will be, but we need to prepare
- There will be a significant impact on labor, workers and the relation labor-capital in its classical sense
- We should not miss the opportunity to influence how the digital era will affect labor and workers

***The choices we make today, will determine how the world will be in the digital future!***

# Thank you!

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