THE RIGHT MATCH

FINDING WORK IN A FLEXIBLE FUTURE

AN INTERVIEW WITH BAS EICKHOUT & ROBBY VANUXEM

One person's freedom is another's insecurity in a job market where some skills are in high demand and others are at risk of replacement. Bas Eickhout, a Dutch GroenLinks MEP, and Robby Vanuxem, an expert from the world of business and managing director of recruitment specialist Hays Belgium, discuss changing attitudes to work, new employeremployee relationships, and the challenge for education and welfare systems.

GREEN EUROPEAN JOURNAL: In a context of digitalisation, mass unemployment, globalisation, and demographic change, what are the contemporary trends of the world of work in Europe?

ROBBY VANUXEM: Within this context, what we see is that human capital remains central. In our business as a recruitment agency, the key words are flexitime and flexible work. The change in mindsets among employers, but also among candidates, is noticeable. The trend is towards other ways of working, of planning careers, and of triggering and sustaining motivation. In other words, people are seeking not only flexibility timewise but flexibility on content and contracts, as seen in the increase of flexible contracts, freelancing, and project-based work.

BAS EICKHOUT: The trend towards flexibility is true for the service sector and I believe it is irreversible. However, flexibility can be a double-edged sword. Most employees would welcome more flexibility, not only in terms of what they do but also regarding their working-time arrangements to ensure a better professional-personal life balance. But employers are also exploiting the ongoing and increasing flexibility trend. One of the results is the fragmentation of the power

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of labour unions and of collective bargaining. Freelancing and self-employment may be there to stay but it's somewhat fake – so far it means employment without the attached protections.

What are the changes in people's values towards work?

ROBBY VANUXEM: Young professionals, especially high-skilled candidates, increasingly care about the mission and the vision of the organisation they would work for and about how it contributes to society. They don't just put their values aside to climb the ladder and collect a good salary. They also seek better training options, work-life balance, and a stimulating work environment.

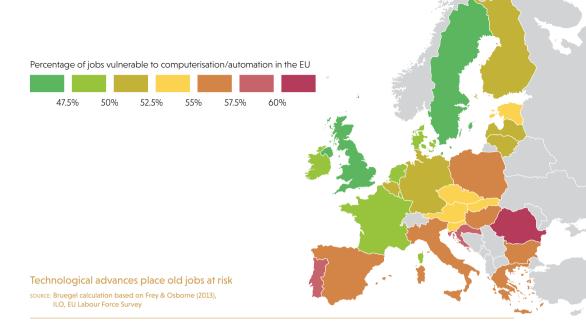
BAS EICKHOUT: I think we're seeing a new combination of formal work and care activities, and by caring I mean men taking more responsibility for childcare and so on. Caring for the elderly will become more important too. Another challenge I see is the changing value of lifelong learning. Employees are more and more expected to continue to learn and develop, so here there is a huge responsibility for employers. Employers cannot just say lifelong learning is something that you have to deliver as an employee.

Are recruitment agencies – which have been mushrooming in the last decade or so – not a thing of the past with the rise of digital platforms and algorithmic decision-making screening candidates?

ROBBY VANUXEM: 15 years ago we had the same challenge when job boards and platforms such as StepStone and Monster were entering the market. Today, social media platforms are replacing job boards. But I see them more as a tool; social platforms and job boards help us do a better job. Ultimately, placing candidates in a job can't be replaced by a robot. If you want a good match between your candidate and client, you always need a human element.

So new professional career paths could see people go in and out of the job market. How do we ensure older workers do not feel treated unfairly, either discriminated against for not having digital skills or for lacking the required flexibility?

ROBBY VANUXEM: It is true that for companies the perfect candidate has often between 5 and 15 years of experience, specific skills, energy, and vision. As an expert recruitment company, we certainly have a role to play in explaining the added value of more senior workers to our clients. But if you really want to face the situation as a society, the government needs to invest in training and lifelong learning.



BAS EICKHOUT: Tackling discrimination is a very difficult one, because it means fighting against deep-rooted prejudices. The government, in addition to employers, should actively invest in skills, especially for older workers. Practical options to address discrimination such as job applications that are anonymous or exclude certain data around age or gender, or greater use of written tests, can help too.

ROBBY VANUXEM: We've already put measures in place and we train our people to tackle discrimination. But we should not underestimate social media or the data available on professional social platforms. You can have regulations around fair recruiting, like Bas is saying, in terms of excluding certain data. However, employers will still find ways to discover the full background of a candidate before they recruit them. Big data and market intelligence is much bigger in terms of its use of personal data than the selection process or the work of recruitment agencies. The European Union can regulate our business using the General Data Protection Regulation, and it

should, but regulating data processes alone is certainly not enough. As we've seen with Facebook, there's a lot of data floating around that creates the risk of profiling. Making the data processes and the regulation around them air tight is not possible, or not yet. So, besides focusing on data security, we have to focus more proactively on lifelong learning and awareness raising. The government should take steps to highlight the strengths of more senior candidates and their added value on the labour market.

There are many other victims of discrimination in the world of work. How should their situation be addressed?

ROBBY VANUXEM: With an ageing population, it's necessary to work on the bottleneck jobs for which skills are lacking. The government needs to offer better support to incoming migrants in terms of integration programmes and, importantly, education for in-demand jobs. The care industry will be one such area for job seekers. The key factors in fighting

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discrimination are the education system and the government's capacity to raise awareness about integration and its positive results.

BAS EICKHOUT: With the levels of migration into Europe, you cannot just have the old policy of "just get on with your job and that's it." Integration is key. It can come through jobs, but integration is also about learning the language and being part of society. We need to support these aspects of integration otherwise there will be divisions within society and the labour force. Regarding the fight against gender discrimination, governments should be absolute role models and I think that quotas for female participation are an excellent and necessary thing.

Moving on to Europe, data shows an increasing job polarisation between low-skilled workers and high-skilled workers. Robby, your business mainly deals with high-skilled job seekers. What do you see as the jobs of the future and how should we address this polarisation?

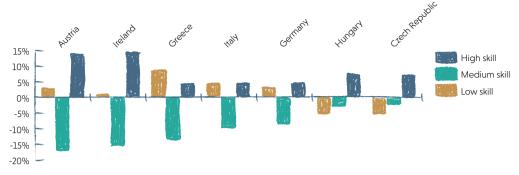
ROBBY VANUXEM: Jobs requiring medium skills will face the most competition from artificial intelligence and robotisation in the medium term, whereas low-skilled jobs will remain and the number of high-skilled jobs will increase. In the service industry, all activities from IT to privacy law to research and development require high-level technical skills. The same applies to engineering and construction, so

these are the jobs of the future. You need people to invent, maintain, and create, but the tasks in the middle can be automated. In Belgium, we face a serious challenge regarding the skills gap on every level of the labour market; there is a real mismatch between the skills available and the skills demanded by the market. In the medium term, we will also need to look at baby boomers and the replacement of their jobs.

BAS EICKHOUT: The political elite has a role to play here, but for now it is giving in to a self-fulfilling prophecy by basically saying that these are unavoidable trends. There are policy measures that are capable of addressing this job polarisation and its consequences. For example, it may sound very simple but if you set and enforce minimum wages at a decent level, then downward competition over wages will be less likely. It would limit the expansion of low-skilled jobs because companies will not be able to focus on low wages to stay competitive.

In a world of freelancing and flexibility where you work for one gig or project for a set fee, how, from an economic and labour market perspective, do you reconcile that with a minimum wage?

BAS EICKHOUT: To make sure existing trends in the labour market go hand in hand with income security, the big challenge is the revision of our social security systems, including welfare



Percentage point change in share of total employment from 1995 to 2015

SOURCE: OECD Employment Outlook 2017

payments, pensions, and so on. We need to upgrade social security for all, and to do that, it should be linked to citizenship and not just jobs, as it is now. The other aspect that needs to change to match increasing flexibility in the labour market is the development and application of much stricter labour law at the European level. At the European level, flexibility often means abuse of employees. On both social security and labour law, Member States are more and more reluctant to regulate while being innovative in their austerity measures. This situation can only create an explosive combination that will result in increasing inequality, in terms of income but also education and lifestyles.

robby vanuxem: There is a lot of talk about 'Generation Y', which is already on the labour market.¹ Generation Y has different expectations than earlier generations and we need to better understand the new flexibility in relations between employees and employers. Labour law and labour market institutions are not fully adapted to this new generation of the workforce. The format of social dialogue also needs to evolve. There are big differences

between countries like the Netherlands and countries such as Belgium or France where the negotiation systems with trade unions in their current form are outdated. Public opinion has less and less tolerance for tactics such as strikes. The hard-fought rights of baby boomers and previous generations are important but the lack of adaptation to the new reality is creating a palpable tension in the world of work today.

What about the future of the company? Are we seeing a sort of hyper-fragmented company – with outsourcing, offshoring, and global value chains – and the end of big firms with their economies of scale and lower transaction costs?

BAS EICKHOUT: Globalisation has the potential to fragment the entire value chain even further. But global competition means outsourcing to cheaper manufacturers and a potential race to the bottom for wages. Europe and its politicians have been naïve in thinking that further globalisation is an unavoidable and even trend. Globalisation produces winners and losers. I don't say it very often but Donald Trump has a point here. He is basically saying

¹ Sometimes also referred to as 'millennials', Generation Y generally refers to people born between the 1980s and the early 2000s.

that global competition is not being done in a fair way and that the US should be more critical, protect its own industry (meaning the jobs and the skills that go with it), and therefore talk more to employers and employees. The current situation highlights once again that the EU lacks an industrial vision and has not answered the question of what do we want to produce ourselves and what sectors and professions do we want to develop.

From a Green political perspective, it is more urgent today than ever to think of ways to protect industrial manufacturing and actually lead globalisation, rather than just suffering it. The potential for Europe to lead globalisation and become pioneers of green industrial sectors such as the circular economy and the relocation of some production is huge and untapped. It will not be fulfilled as long as we have a Europe with one labour market and one internal market but with 28 taxation systems, each fighting the other with tax incentives and exemptions to attract investors and companies. As part and parcel of the future of work in Europe, we need to push for a single European corporate tax rate.

How does the service industry fit into this picture? Will it also suffer from the global competition that technology allows today?

ROBBY VANUXEM: For at least the last decade, there has been a trend of service sector companies resorting to service centres abroad

and globalising their services by outsourcing to more or less far away countries such as Poland, Turkey, and even further away in Asia. But over the last five years, we have also started to see companies from Belgium and the Netherlands rolling back and relocating to Europe. Service companies see that customers are very demanding and do not want to waste time or lose quality by having to deal with people who are not aware of their reality or do not speak their language.



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