

REPORT

Renewed social dialogue for the new world of work. Job transitions & digitalisation in two industrial sectors in CEE countries

Romania, Hungary, Slovakia.



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EXECUTIVE SUMMARY

Labour markets are now in the middle of a digital revolution. Technology and automation, remote and hybrid working models, changing business models, customer expectations or the pandemic have been forcing new ideas around what the workforce needs to be able to do.

The transition to a low carbon economy shall also result in substantial changes in the way companies operate and accelerate the implementation of new technologies.

While technological progress is expected to result in the transformation or disappearance of millions of jobs, with the right strategies in place, digitalisation and automation can lead to employment growth and job retention.

Employer confederations and trade unions from Romania, Hungary and Slovakia joined forces under the WorkTransitionCEE project - a project co-financed by the European Union - to understand the impact of digitization and automation on different occupations and skills, the challenges, and opportunities for the labour market in their countries.

Extensive research was initiated in each of the three countries in October 2021, in the midst of the pandemic, with final reports published in English and national languages in 2022.

Overall, the impact of digitalization on the future of work in Romania, Hungary and Slovakia is complex and multifaceted. It creates both opportunities and challenges for workers and employers. Employees must adapt to a rapidly changing job market and acquire new skills to remain competitive and employers must carefully manage skill shortages, resistance to change, legal and regulatory challenges.

It is important for businesses, workers, and policymakers to work together to ensure that the benefits of digitalization are shared equitably, and that workers have the support and resources they need to adapt to the changing job market.

The following years will be critical for job transition in the new world of work.



WorkTransitionCEE project highlights the importance of a strong European social dialogue and the need to implement the Autonomous Framework Agreement on Digitalisation to optimise the benefits and better deal with the challenges of digitalization.

EUROPEAN SOCIAL PARTNERS FRAMEWORK AGREEMENT ON DIGITALIZATION

The European Social Partners Framework Agreement on Digitization is an agreement between European employers' organizations and trade unions aimed at addressing the challenges and opportunities presented by the digital transformation of work in Europe.

The agreement was signed in 2019 and outlines a common vision and principles for the future of work in the digital age. The digital transformation brings clear benefits for employers, workers and jobseekers alike, in terms of new job opportunities, increased productivity, improvements in working conditions and new ways of organising work and improved quality of services and products. Overall, with the right strategies, it can lead to employment growth and job retention. The framework agreement sets out six key principles for the digitalisation of work:



01

Respect

Respect for fundamental rights and values, including non-discrimination, privacy, and data protection.

02

Quality work

Promoting quality work and decent working conditions, including fair and just remuneration, work-life balance, and health and safety at work.

03

Social dialogue

Encouraging social dialogue and the involvement of workers in digitalization processes.

04

New skills

Supporting the development of new skills and competencies to meet the demands of the digital age.

05

Level playing field

Promoting the development of a level playing field for workers and employers in the digital economy.

06

Digitalization

Ensuring that digitalization is implemented in a sustainable and inclusive manner, taking into account the needs of all workers and regions.

The agreement also calls for the development of national and European level initiatives to support the implementation of these principles, including the creation of training programs, the establishment of social dialogue structures, and the development of regulatory frameworks to address the challenges posed by digitalization.



In conclusion, the European Social Partners Framework Agreement on Digitalisation represents a commitment by European employers' organizations and trade unions to work together to ensure that the digital transformation of work is beneficial for all workers, regardless of their sector or location.

By promoting a balanced approach to digitalization, the agreement aims to support the development of a fair, inclusive, and sustainable digital economy.

Under the WorkTransitionCEE project umbrella, the EOs (Concordia, NUE, BusinessHungary) in collaboration with the TUs (BNS, VASAS, NKOS) coordinated the translation of the "European social partners autonomous Framework Agreement on Digitalisation" into national languages (Romanian, Hungarian, Slovakian) with the support of the Translation Fund of the European Social Partners.

The final versions of the translated document have been made available to the national partners for dissemination and continuously promoted to members and relevant stakeholders through internal channels, national seminars, corporate websites and social media. It has also been published on the dedicated microsite and it is available to be downloaded in ENG, RO, HU, SK.

The joint transnational effort and cooperation of the project co-beneficiaries enhanced the response capacity of the social partners and built the premises for further using the results of this project in other countries, to adapt social dialogue and responsiveness in relation to work transition.

PROJECT OVERVIEW

What will happen to the millions of CEE citizens affected by both automation and the COVID-19 crisis in the following years and what skills we need to develop to keep pace with a constantly changing world of work, are questions that WorkTransitionCEE project tried to find answers for - a project co-financed by the European Union that brings together six representative social partners from Central and Eastern Europe.

By engaging Romanian, Hungarian and Slovakian employers and employees' representatives alike, WorkTransitionCEE underlines how critical the following years will be for job transition in the new world of work. Specifically, our project highlights the importance of a strong European social dialogue and the need to implement the Autonomous Framework Agreement on Digitalisation to optimise the benefits and better deal with the challenges of digitalization.



Project Name: Renewed social dialogue for the new world of work. Job transitions & digitalisation in two industrial sectors in CEE countries –Romania, Hungary, Slovakia.
WorkTransitionCEE



Duration: April 2021 – February 2023



Website: www.worktransition.eu



Project Coordinator: Employers' Confederation Concordia

Co-beneficiaries:

The National Trade Union Block (BNS) – Romania

Business Hungary (MGYOSZ) – Hungary

The Hungarian Metalworkers' Federation (VASAS) – Hungary

National Union of Employers (NUE) - Slovakia

Independent Christian Unions of Slovakia (NKOS) – Slovakia

Associate organisations: BusinessEurope (BE), European Trade Union Confederation (ETUC)

Third Party Organisation: International Organisation of Employers (IOE).



PROJECT TIMELINE

2021


January

February

March

April

May


Kick-off meeting on
26th May 2021



June

July


August

September

October

The microsite
www.worktransition.eu
was officially launched
on 23rd July, 2021


Jobscape research
launched in
September 2021 in
RO, HU & SK


Thematic national
seminar in Romania
was organized by BNS
in cooperation with
Concordia on 29th
September, 2021 in
Bucharest.

Thematic national
seminar in Slovakia
organized by NKOS
in cooperation with
NUE on 21st
October, 2021 in
Bratislava.

Thematic national
seminar in Hungary
was organized by
VASAS in
cooperation with
BusinessHungary on
27th October, 2021
in Budapest.

2022

November

December

January

February

March

2022



April

May

June

July

“Trends Shaping the Future of Work in CEE” report launched on 4th May 2022

Co-creation workshop in Romania on the future of work 20-21st May 2022

Co-creation workshop in Hungary on the future of work 13th June 2022

Jobscape research report launched in Romania 14th June 2022

Co-creation workshop Slovakia on the future of work 17th June 2022

Jobscape research report launched in Hungary 12th July 2022

Jobscape research report launched in Slovakia July 2022

“Guidebook for employers and employees. Navigating the transition to a digital world of work” report launched on 31st July 2022

August

September

October

November

December



National seminar in HU presenting the WorkTransitionCEE studies 24th November 2022

WorkTransitionCEE Consortium workshop 6-7 December 2022

National seminar in RO presenting the WorkTransitionCEE studies 24th November 2022

2023

January

February

Video on impact of digitalization on the world of work in CEE launch 8th February 2023

National stakeholders seminars

THEMATIC NATIONAL SEMINARS

Trade unions, employers and representatives of the national authorities initiated the official discussions on the topic work transition in the new world of work based on equity and productivity by organising thematic national seminars - "Framework Agreement of the European social partners on digitalisation and its perspectives for social dialogue at national level",

Romania



In Romania it was organized by BNS in cooperation with Concordia on 29th September 2021 in Bucharest.



THEMATIC NATIONAL SEMINARS

Hungary



In Hungary the seminar was organized by VASAS in cooperation with BusinessHungary on 27th October 2021 in Budapest.



THEMATIC NATIONAL SEMINARS

The events were attended by national social partners, public authorities with responsibilities related to the labour market, social dialogue, employment, education and training and created the context for reflection and analysis of the digital transformation of the economy and its implications for the labour market.

Slovakia



In Slovakia it was organized by NKOS in cooperation with NUE on 21st October 2021 in Bratislava.



"TRENDS SHAPING THE FUTURE OF WORK IN CEE" REPORT

In May 2022 the consortium launched the "Trends Shaping the Future of Work in CEE" report. The report explores the available pathways to progress and how the CEE countries can become the frontrunners of the digital transformation for the benefit of employers and employees alike.

The purpose of the "Trends Shaping the Future of Work in CEE" report is to spark conversations and generate ideas on how we can ensure that Central and Eastern Europe remain competitive through adaptation and experimentation. How do we build a new balanced architecture? Where do we start from? These are just a few questions that remain after reading this report.

How much automation and digitization will change our jobs in the coming years, what skills we need to develop to keep up with a constantly changing world of work, or how flexible and 'green' employers need to be to attract the best employees, are some of the trends analysed in the report.

In Romania, up to 54% of the working time is allocated to tasks that could be automated. In Hungary, the share is 49%, and in Slovakia between 48% to 53%. 40% of Romanians with higher education live abroad. Between 50 to 70% of those leaving Hungary are young people with a higher education, between 20 and 39 years old, and every 10th graduates leave Slovakia. How will the perception of where and how we work can change for companies and employees alike? Are robots enough to fill the gap or are we looking East for additional workforce? Will age, gender, or country of birth still count in the future as employment criteria?



Trends Shaping the Future Of Work in CEE

Foresight Report by FutureStation.ro



Working time allocated to tasks that could be automated		
Romania	Hungary	Slovakia
54%	49%	48%-53%

This increasing complexity creates new challenges for employees, as well as for employers. Employees will need to engage even more in Long Life Learning (LLL) - keeping up with labour changes and constantly updating their skills to stay relevant in the job market. At the same time, employers will need to pay more attention to the needs of the people in the organization - both to the needs related to the successful fulfillment of their tasks, but also to their personal ones - in order to keep its workforce and increase its attractiveness towards new employees.

The report is focused on 5 key trends that could drive change in the work field of the future in CEE:

01

Human-Machine collaboration

this trend is about the impact of robotization, automatization and digitalisation on the future of work, and the subsequent intertwining of human-machine collaboration.

02

DemograFREE

more diverse and inclusive labour market

03

Business of Purpose

a transition from "Business as usual" to "Business of Purpose". This trend emerges around the belief that purpose and profits can co-exist.

04

DecentralizatiON

the tendency of the labour market towards decentralization, which means that hierarchical structures take on much more flexible forms.

05

Default to transparency

People care more about transparency! How is that reshaping the expectations.

For each trend we are illustrating certain signals of change - examples of concrete manifestations of such trend that we are already observing in Europe / Globally, but also in CEE - focus on Romania, Slovakia and Hungary. In addition, the report is analysing the potential implications of such trends for WORKplace and WORKforce.

The report was launched first in English and after translated into Romanian, Hungarian and Slovakian for a better dissemination of the content.

CO-CREATION WORKSHOPS

Following the launch of the “Trends Shaping the Future of Work in CEE” report, the project national social partners organized co-creation workshops to see how ideas and challenges can be turned into solutions through intense cooperation. Social partners, representatives of firms, non-governmental organizations and politicians with work related experience have explored the areas of lifelong learning, reskilling, intergenerational integration and digital skills. The second day of the workshop was dedicated to the development of solutions, in mixed, multi-disciplinary teams.

Romania



In Romania the co-creation workshop on the future of work was held on 20-21st May 2022

Hungary



In Hungary the co-creation workshop on the future of work was held on 13th June 2022

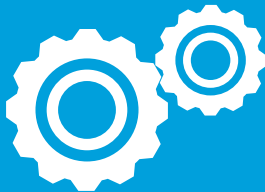
Slovakia



In Slovakia the co-creation workshop on the future of work was held on 17th June 2022



The co-creation workshops were also an opportunity to disseminate and promote the Framework Agreement on Digitalisation.



Press releases were prepared and distributed with the local media by national project partners, published on corporate websites, social media and dedicated project microsite.

The national social partners collaborated with experienced facilitators and used the design thinking methodology to assess the key areas where national-level policymakers have to invest more efforts in exploiting the possibilities and addressing the challenges of labour-market related digitalisation, to turn digitalisation into an advantage to all labour market actors.

The ideas and the projects developed by the participants received feedback directly from politicians, representatives of trade unions and employers who understood how important it is to quickly improve the capacity of the social partners to cope with the future of work and strengthen the national social dialogue.



JOBSCAPE RESEARCH OVERVIEW

Labor markets are in the middle of a digital revolution. The transition to a digitized society has been going on for decades, however technological change has accelerated at a rapid and unprecedented pace in recent years. COVID-19 was also a catalyst for the digital transformation.

The transition to green economies will also lead to substantial changes in the way companies carry out their activity and implicitly in labor markets. In the context of these transformations, it is anticipated that work will undergo a number of changes, in terms of required skills, jobs dynamic and integration of human and digital labor.

Globally it is estimated that technological progress will lead to transformation or the disappearance of millions of jobs, as well as creating completely new jobs.

Such signals indicate the need for authorities and companies around the world to develop solutions - strategies, policies and solid programs to ensure a successful transition to the future of work.

A first step is an understanding of the impact of these trends on the labor force.

Trends shaping the labor market worldwide

Globally, the labour market undergoes a period of deep changes under the impact of mega trends

Technology

Urbanization

COVID-19

Demographic trends

Consumers' behaviour

Climate change

New working ways

Higher geopolitical volatility

Against the background of such transformations, it is estimated that a series of changes in currently necessary skills, jobs and professions shall occur.



Technological progress is expected to result globally in the transformation or disappearance of millions of jobs as well as in the creation of new jobs.

There will be occupations where technology shall take over many tasks or some could be eliminated, but in the same time technology creates new, more productive opportunities or jobs. Adaptability, development of new skills, requalification shall become essential for an efficient transition towards a future in which labour is redesigned and people work alongside machines.

Such signals urge authorities and companies worldwide to develop solutions - sound strategies, policies and programmes in order to ensure a successful transition of workers towards the jobs of the future. The first step is to understand the impact of such trends upon the workforce.

Extensive research was initiated in each of the three countries in October 2021, in the midst of the pandemic, with final reports published in English and national languages in 2022.

The aim of the research projects was to better understand the amplitude of digital transformation in two industrial sectors and to analyse the risks, challenges, and opportunities for job transition in the new world of work, with a deep dive on the ITC skills, and what the necessary measures are to ensure a smooth transition.

In Hungary the study examined the situation of the Hungarian metal and automotive industry at the dawn of Industry 4.0, in Romania it analysed the impact of technology on the Automotive and the Oil and Gas sectors and in Slovakia the food and trade sectors.

Social partners collaborated with subcontractors for the data-collection and analysis report and the management of the national research was handled by the EOs in each country (Concordia in Romania, BusinessHungary in Hungary, NUE in Slovakia).



The subcontractors were selected as a result of a public call for offers in all three countries. Guiding principle were the decent business practice, in each country there were minimum 3 offers collected and the following priorities were considered in the final decision: best price; experience in working with social partners and on social dialogue projects and researches, reputation in labour market researches as well as business environment;

With the help of the companies that joined our initiative, the research team identified a series of jobs at risk of disappearance or heavy transformation due to technology adoption. After, the research teams decomposed these lists of jobs at risk into skills.

Interviews were performed with key decision makers and line managers to better understand their plans and perspective on technology adoption and human resource management.

Questionnaires were distributed to workers performing jobs at risk of transformation or disappearance to better understand their familiarity with different technologies (IOT, automation, AI, etc), their perspective on technology adoption, their job future, skill sets importance in the future and their attitude towards upskilling, reskilling and long-life learning (LLL).

Interviews with key decision makers and line managers, together with extensive desktop research, guided the research team to identify the skill sets that will be less and less required and the ones that will significantly increase in importance in the future.

The reports resulted from the research at national level were first published in English and then translated into Romanian, Hungarian and Slovakian.



JOBSCAPE RESEARCH IN ROMANIA

The Jobscape report was managed in Romania by Concordia Employers Organisation, with the support of The National Trade Union Block (BNS), KPMG & IPSOS and it analysed the impact of technology on the Automotive and the Oil and Gas sectors. The automotive sector is a significant contributor to the Romanian economy, accounting for nearly 10% of the country's GDP and employing over 200,000 people. The petrol-gas sector, on the other hand, is a critical component of Romania's energy sector and is responsible for producing over 80% of the country's energy needs.

Methodology

After identifying a list of potentially vulnerable jobs in scope of the assignment, job descriptions and other documents were collected from the companies involved in the research. The jobs were subsequently grouped into families of jobs for each industry and a list of competencies relevant for each of the two sectors was defined, based on O'Net inventory and taking into account the job descriptions for the analysed occupations.

Interviews were organized with key decision makers and questionnaires were developed for jobholders and direct line managers in order to compare their perceptions on the impact of digitalisation to the world of work.

The analysis was conducted by interviewing 109 managers from the two industries and 1,713 employees and revealed 96 occupations potentially at risk due to the digital revolution in the four participating companies.

Each of the two industries has a number of factors influencing their change. For the automotive industry, electric batteries and hybrid mobility, connectivity and digitization and the semiconductor crisis are some of the trends driving the transformation of the way we work, and for the Oil and Gas sector, an aging workforce, price fluctuations and decarbonisation are among the reasons main.

Labour market in Romania

The labour market experienced significant transformations against the background of macroeconomic trends and of specific challenges

Workforce Deficit

Unfavourable demographic trends

Salary increase continues but the rate is declining

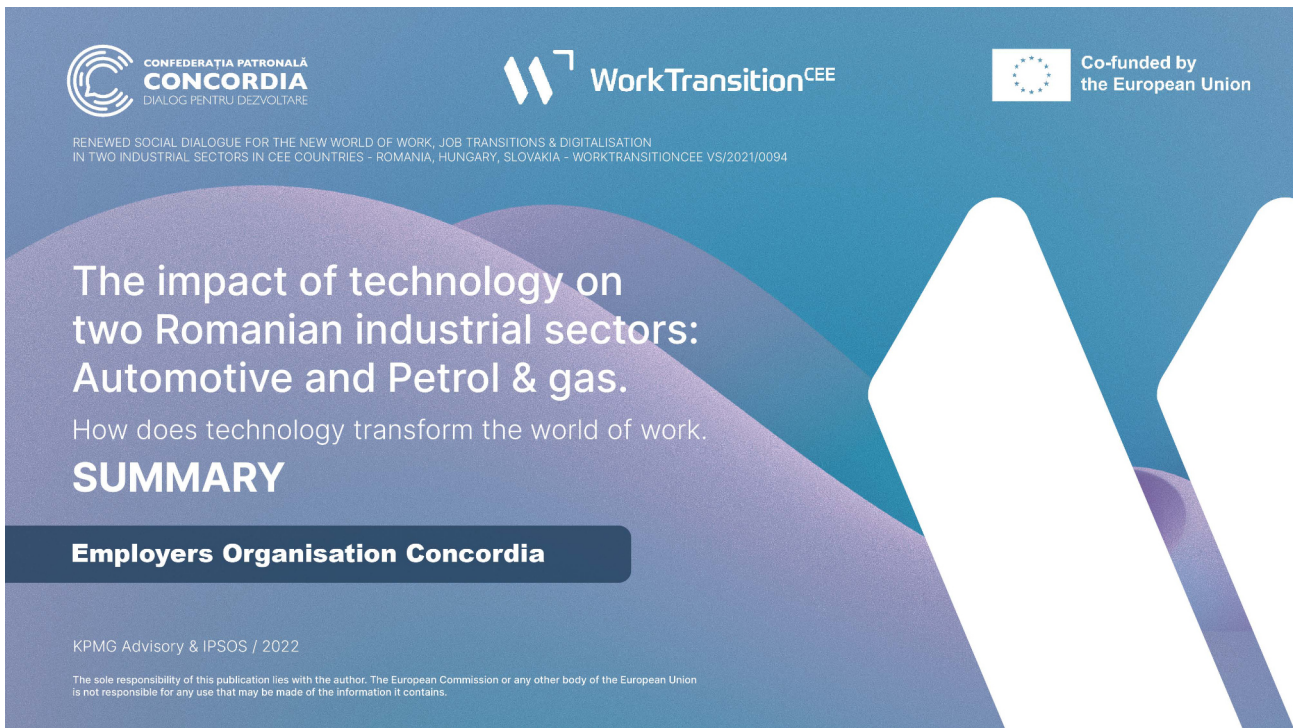
Work productivity remains relatively low as compared to other countries

Disparity between the demand and the offer of skills

Poor performances of the educational system

COVID-19 deepens the labour flexibilisation trend

Despite some progress, Romania is still lagging behind in digitalisation



Although quite familiar with the growing importance of technology's impact on their industries, employees are not fully aware of its impact on their own workplace. Nearly two-thirds (64%) of employees know how important technology is, but only 5% of workers surveyed agreed that their industries may need fewer employees to perform. According to the study, 6 out of 10 employees appreciate the technological change as necessary and that their implementation is done at an appropriate pace. However, more than a third (35%) feel the pace is too fast and less than 10% (mainly in the oil and gas industry) think it is somehow too slow.

The research revealed that in both sectors there will be a decline in manual skills, but also in those related to manipulation, data processing, reporting and those aimed at repetitive activities. The key skills that are expected to be less important in the future in the Automotive industry are: visual acuity, communication, precision control, selective attention, manual dexterity, endurance and monitoring, and the most affected could be jobs in the departments of Logistics, Maintenance and Quality Control.

In the case of the Oil and Gas industry, the skills that will have less and less weight are those related to active listening, coordination, quality control, analysis, critical thinking and persuasion that will drive change in support and administrative operations, in shipping and refinery.

Main conclusions

- The companies are concerned over the digital transformations but the [workforce projections for the future are still limited](#).
- The companies estimate that technology shall influence the workforce structure mainly at a qualitative level.
- The transversal and soft skills grow in importance alongside the digital skills. Some skills associated with manual, repetitive tasks reduce their importance.
- [As the companies adopt more technology, the jobs will go through a transition and a new digital workforce class will develop](#). The provision of a skilled workforce remains a challenge for companies.
- The employees are familiar with the world trends and with the importance of technology for their sectors, but they are not aware of its impact on jobs.
- The employees in the two sectors are open to technology provided that they receive assistance and training on behalf of the employers.

Top skills expected to increase in importance, due to digitalization

Automotive

Oil & Gas

Software utilization, system analysis and evaluation and instructing are among the top skills mentioned in both sectors.



Sources: Direct supervisors survey of the participating companies from the Automotive and Oil & Gas sectors, February – March, 2022

The report notes that there is a need for a coordinated and strategic approach to managing technological change, which involves investment in education and training, collaboration between industry and academia, and a focus on creating a supportive environment for innovation and entrepreneurship. The report also notes the importance of involving workers and their representatives in the process of technological change, to ensure that the benefits of these changes are shared fairly and that the risks of job displacement are minimized.

Overall, the report provides a valuable contribution to our understanding of the impact of technology on the Romanian economy and highlights the need for a proactive and collaborative approach to managing technological change in these critical industrial sectors.

By adopting a strategic and inclusive approach to technological change, Romania can position itself for continued growth and competitiveness in the global economy.

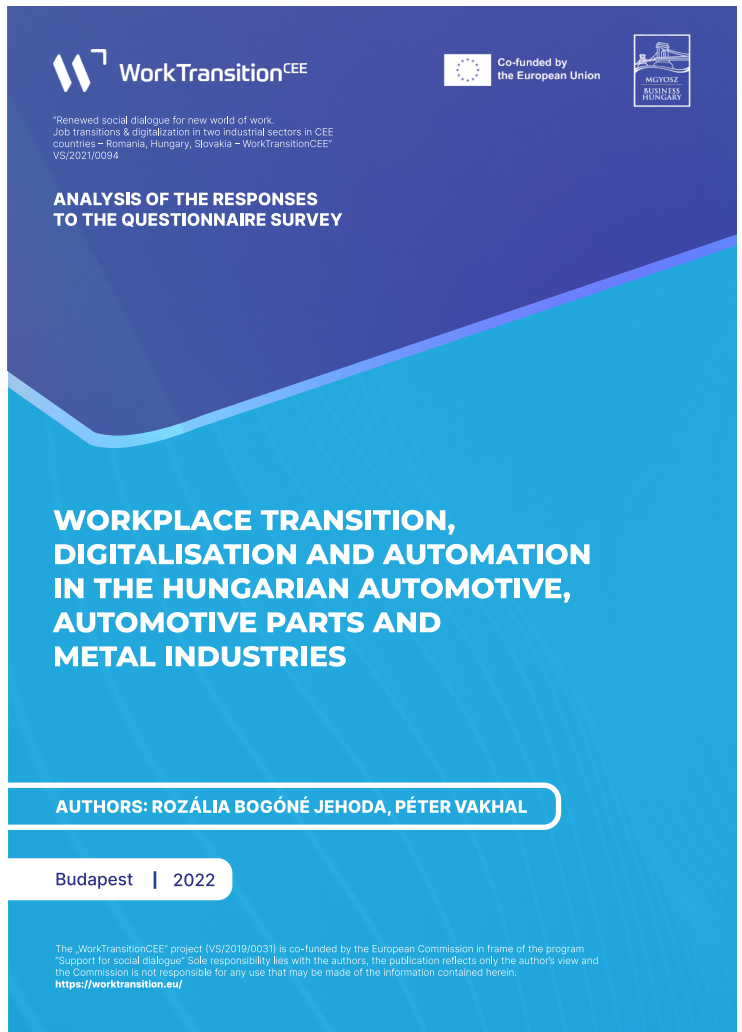
JOBSCAPE RESEARCH IN HUNGARY


The Jobscape report was managed in Hungary by BusinessHungary, with the support of the Iron Trade Union Association, under the leadership of the KOPINT-TARKI Institute for Economic Research. In Hungary the study examined the situation of the Hungarian metal and automotive industry at the dawn of Industry 4.0.

The most important conclusion of the questionnaire survey and interviews with company managers and employees is that **we do not have to fear massive job losses for the time being, but as technical development becomes widespread, the jobs of low-skilled people in the two sectors may be at risk.**

For the time being, there is no development imperative in the two examined Hungarian industries that would accelerate workplace transformation to such an extent that it would put significant pressure on labour demand. There is a strong labour shortage in the domestic corporate sector, and a good part of the developments serve to alleviate this. If the shortage eases, however, there may already be employees whose jobs will be displaced by automation/digitalization. They are mainly low-educated, and perform jobs that rely mainly on their physical abilities.

Another important conclusion of the research is that **the lack of skilled labour can slow down technological development in Hungary in the long term.**



WorkTransition^{CEE} Co-funded by the European Union  

"Renewed social dialogue for new world of work. Job transitions & digitalization in two industrial sectors in CEE countries – Romania, Hungary, Slovakia – WorkTransition^{CEE} VS/2021/0094"

ANALYSIS OF THE RESPONSES TO THE QUESTIONNAIRE SURVEY

WORKPLACE TRANSITION, DIGITALISATION AND AUTOMATION IN THE HUNGARIAN AUTOMOTIVE, AUTOMOTIVE PARTS AND METAL INDUSTRIES

AUTHORS: ROZÁLIA BOGÓNÉ JEHODA, PÉTER VAKHAL

Budapest | 2022

The „WorkTransition^{CEE}” project (VS/2019/0031) is co-funded by the European Commission in frame of the program “Support for social dialogue”. Sole responsibility lies with the authors, the publication reflects only the author’s view and the Commission is not responsible for any use that may be made of the information contained herein.
<https://worktransition.eu/>

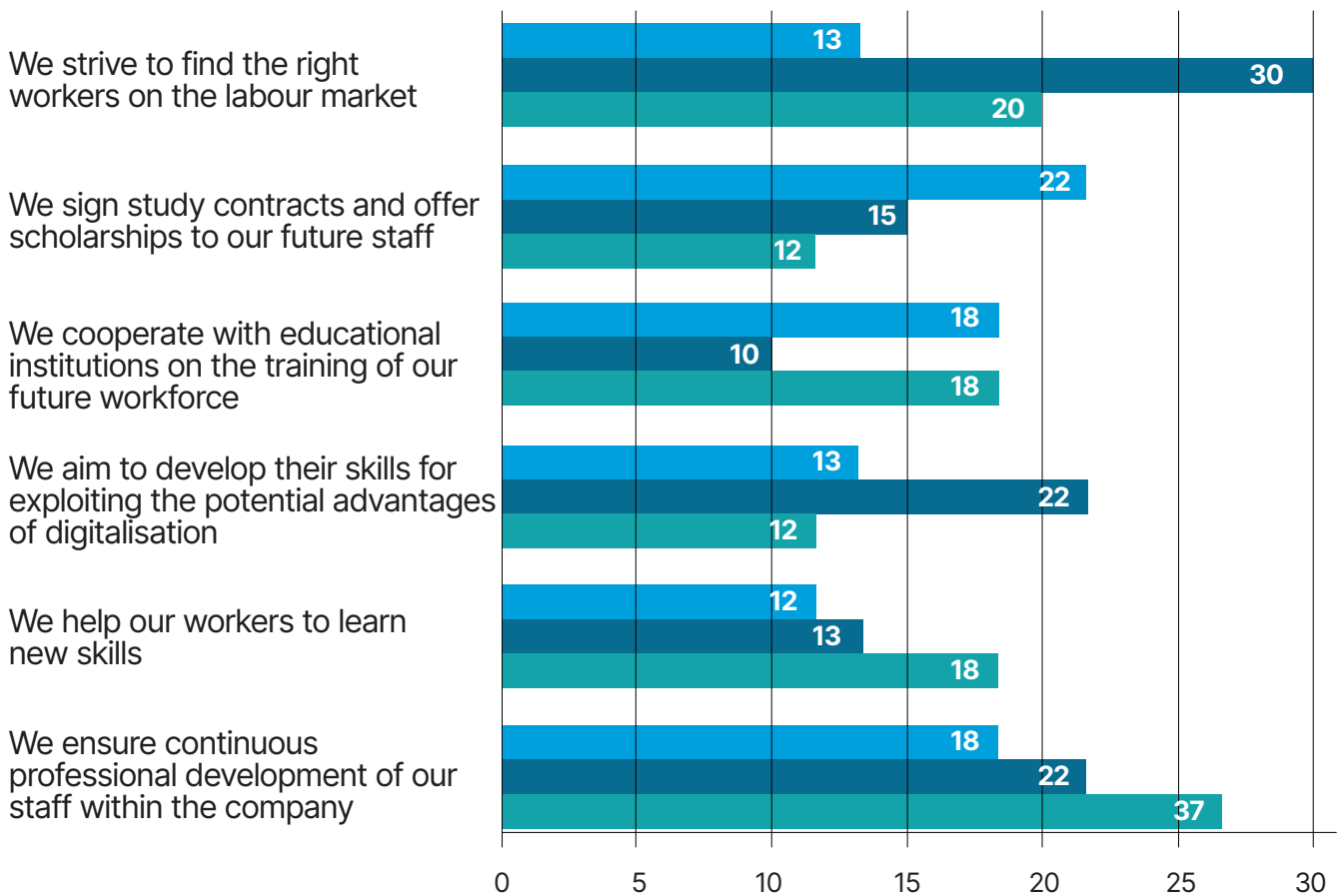
Of the employees of the examined sectors approx.

20%

are poorly educated, and functional comprehension problems (writing, reading, arithmetic, reasoning, etc.) are also common among the professionally qualified.

Their position is most exposed to the direct impact of digitization.

What are you doing in order to ensure your workforce meeting the challenges of the future (Percentage, total respondents = 100%)



Currently, the labour shortage certainly ensures their employment, however, its easing may lead to companies re-evaluating their employment.

The research also examined the skills and skill groups that, in addition to subject knowledge, will definitely need to be developed in the future.

The state is intervening, but at the wrong place and with a delay, because it is much more difficult to train old, skilled employees. The correct teaching of the basics and the introduction of modern technologies (e.g. programming) into basic education is essential for the development of an approach that Industry 4.0 requires and that will be present in Hungary in a few years' time. Without this, Hungary competitive advantage will continue to rely on cheap labour, which will conserve the Hungarian economy on an unsustainable path.

JOBSCAPE RESEARCH IN SLOVAKIA

The Jobscape report was managed in Slovakia by NUE with the support of Independent Christian Unions of Slovakia (NKOS) and it analysed the impact of technology on the food and trade sectors

60+ domestic enterprises and **2,000** employees from various job positions within it

answered a set of questions in order to identify the risks, challenges and opportunities of digitization.

The majority of Slovak employers and employees in the food and trade sectors are not afraid of the massive loss of jobs in connection with the digital transformation. On the basis of the results of the survey carried out using the questionnaire method and a structured interview, we can conclude that neither in the case of the food processing or trade sector clearly employers nor employees have identified jobs that should disappear in Slovakia as a result of digitization and/or automation. In the case of some jobs (in administration, or even in production), the introduction of digitization and automation may lead to a partial reduction in the number of employees, but only to a minimal extent to their complete disappearance. Rather, the expectation is that some less skilled jobs will not be performed directly by their employees but will be outsourced.

The study showed that employers in both sectors consider digital skills to be important, especially in the context of the coronavirus pandemic, which has significantly accelerated the implementation of new technologies and automation of processes. However, in the field of digitization, Slovakia has been pulling the “short end” for a long time – in the Business Digitization Index and the level of digital adoption, our country still lags behind not only Denmark and the Netherlands, but even neighbouring Hungary and the Czech Republic.



The poor structure of the Slovak economy, the weak development of research and development or the low level of digitization of the public sector are some of the attributes, as a result of which Slovakia's level of digitalization development is below the average of the countries of the European Union (EU).

42%

of respondents
from the trade
sector

8.93%

of respondents from
the food sector

perceive the impact of digitalisation on the labor market favorably because they have always tried to keep up with technological developments.

Only slightly less than 0.4% of the respondents consider the impact of digitization on the labor market as negative because their professional skills and competences have proved to be insufficient due to the impact of digitization.

6.92% of employees in trade and 9.78% of employees in the food sector said that digitization and automation had made them redundant in their jobs, with half of both groups finding a job in a company where their expertise and skills were needed. 30.16% of employees in trade have found a new job in a completely different position and around 14% of employees in both sectors have directly developed new digital skills to increase their human potential.

As barriers to digitalization and automation, employers more or less uniformly stated in the interviews that the biggest obstacles are high procurement costs, lack of free financial resources for investment in this area and the time-consuming implementation of new technologies in the production/production process (associated with the need for time for employees who, in addition to their normal work duties, would need to have a certain amount of time allocated for the acquisition of new skills and competencies, which represents a cost increase on the part of business entities).



NAVIGATING THE TRANSITION TO A DIGITAL WORLD OF WORK

GUIDEBOOK FOR EMPLOYERS AND EMPLOYEES

In July 2022 the consortium launched the “Navigating the transition to a digital world of work. Guidebook for employers and employees” report with the aim of providing in one single document a guide for cooperation and steps to follow when adopting new technologies so it can lead to employment growth and job retention.

Digitalization and automation are rapidly changing the world of work as we know it, forcing us to adapt, compromise, and make efforts in the name of long-term benefits for organizations, their employees, and society at large. Despite the many specific strategies we can employ and the isolated actions of change agents to facilitate the transition to the new world of work, digital transformation in the workplace is possible only by means of joint efforts from all the parties involved.

Cooperation, synergistic approaches combining complementary skills and possibilities, responsiveness, attention to others’ needs, and a critical stance are key to the successful integration of technology into our professional activities and day-to-day lives.

Digitalization in the workplace is eventually mutually beneficial, creating a virtuous circle in which more skilled and versatile employees stimulate organizational performance and business profitability, which further lead to higher wages and social, informal rewards. These rewards increase motivation, openness to change and constant growth, making employees more and more valuable.

The transition to digitalization, although laborious, becomes a feedback loop in which every entity is both a change agent and the beneficiary of change.



POLICY RECOMMENDATIONS

National partners from each country (Romania, Hungary, Slovakia) worked together to develop national policy recommendations for improving the labour market with the aim to facilitate the transition of workers from declining industries to emerging ones in Central and Eastern Europe.

The consortium discussed the national policy recommendations during the consortium workshop that took place in December 2022 in Bucharest, and further steps to be taken in order to reach an agreement were considered.

All the national policy recommendations for improving the labour market were grouped in one single document "Policy Recommendations for Romania, Hungary, and Slovakia", providing useful insights into the labour market challenges faced by these three countries and suggesting practical policy solutions for improving the situation.

POLICY RECOMMENDATIONS FOR JOB TRANSITION AND THE FUTURE OF WORK

- Hungary
- Romania
- Slovakia

December 2022

The main challenges faced by these countries, includes a high rate of youth unemployment, a skills mismatch between job seekers and available jobs, and a lack of investment in training and education. All these challenges are particularly acute in the context of the ongoing COVID-19 pandemic, which has disrupted the labour market and accelerated the need for economic restructuring.

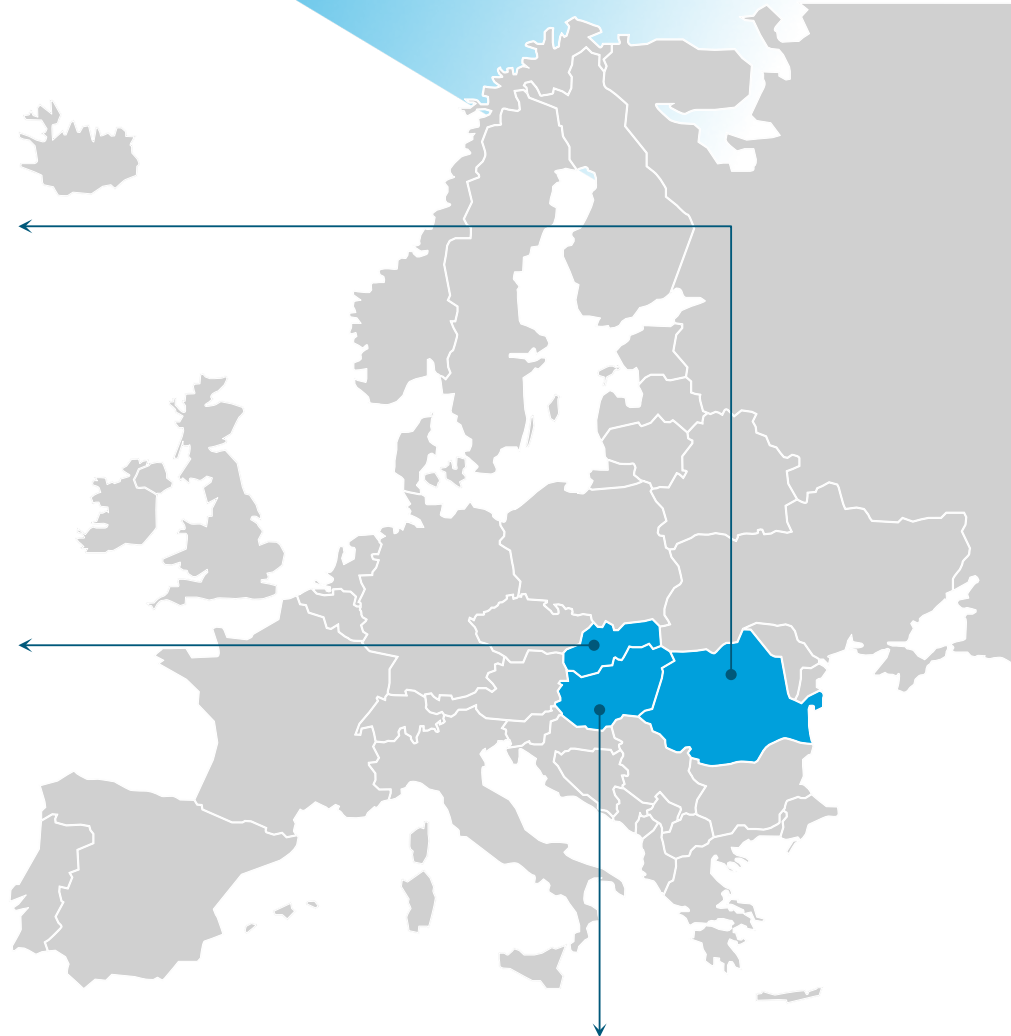
To address these challenges, the national social partners propose a series of policy recommendations for each country.

Romania

In Romania, social partners recommend **increasing investment in vocational education and training, improving the regulatory framework for self-employment, and providing financial support for businesses that are investing in new technologies.** The social partners also recommend improving the coordination between labour market institutions and local authorities to better match job seekers with available jobs.

Slovakia

In Slovakia, improving the quality of vocational education and training, particularly in the IT sector, which has a high potential for job growth, promoting entrepreneurship and innovation, improving the coordination between labour market institutions and employers, and strengthening the role of social partners in the labour market are core recommendations of the national social partners.



Hungary

In Hungary, the recommendations include improving the quality and accessibility of vocational education and training, expanding support for start-ups and small businesses, and promoting more flexible forms of employment, such as teleworking and job sharing. The national social partners also emphasise the importance of strengthening the role of social partners in the labour market and improving the coordination between labour market institutions.

Overall, the consortium partners emphasize the need for a coordinated and strategic approach to labour market policy, which involves the active participation of government, employers, and workers. They also note the importance of investing in human capital, particularly in the context of technological change and the need for a more flexible and adaptable labour market. By implementing these policy recommendations, Romania, Hungary, and Slovakia can better equip their labour markets to meet the challenges and opportunities of the 21st century and to support sustainable economic growth and social progress.

It is important for businesses, workers, and policymakers to work together to ensure that the benefits of digitalization are shared equitably, and that workers have the support and resources they need to adapt to the changing job market.

Organizations anticipate that digitalization and technology will accelerate, but there are differing views regarding the pace of adoption.

There is high acknowledgement of technology advancement benefits. The employees are familiar with the world trends and with the importance of technology for their sectors, but they are not aware of its impact on jobs.

Software utilization, system analysis and evaluation and instructing are among the top skills to gain in importance. The transversal and soft skills grow in importance alongside the digital skills.

The provision of a skilled workforce remains a challenge for companies.

The employees are open to technology provided that they receive assistance and training on behalf of the employers.

Both employers and employees consider that the lack of professionals is due to the inadequate education system. The state is intervening, but at the wrong place and with a delay, as it is more difficult to train old, skilled employees.

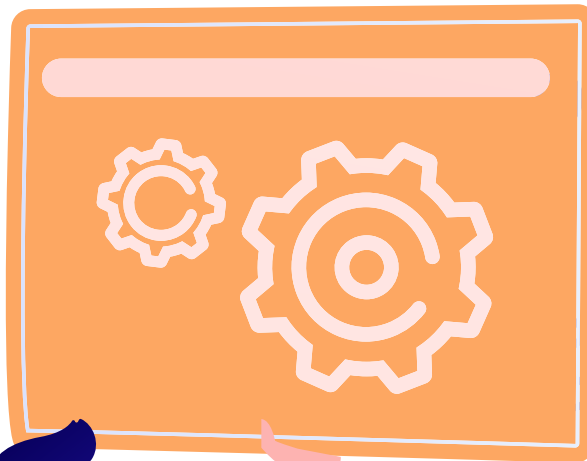


The employees are open to technology provided that they receive assistance and training on behalf of the employers.

As the companies adopt more technology, the jobs will go through a transition and a new digital workforce class will develop.

Software utilization, system analysis and evaluation and instructing are among the top skills to gain in importance. The transversal and soft skills grow in importance alongside the digital skills.

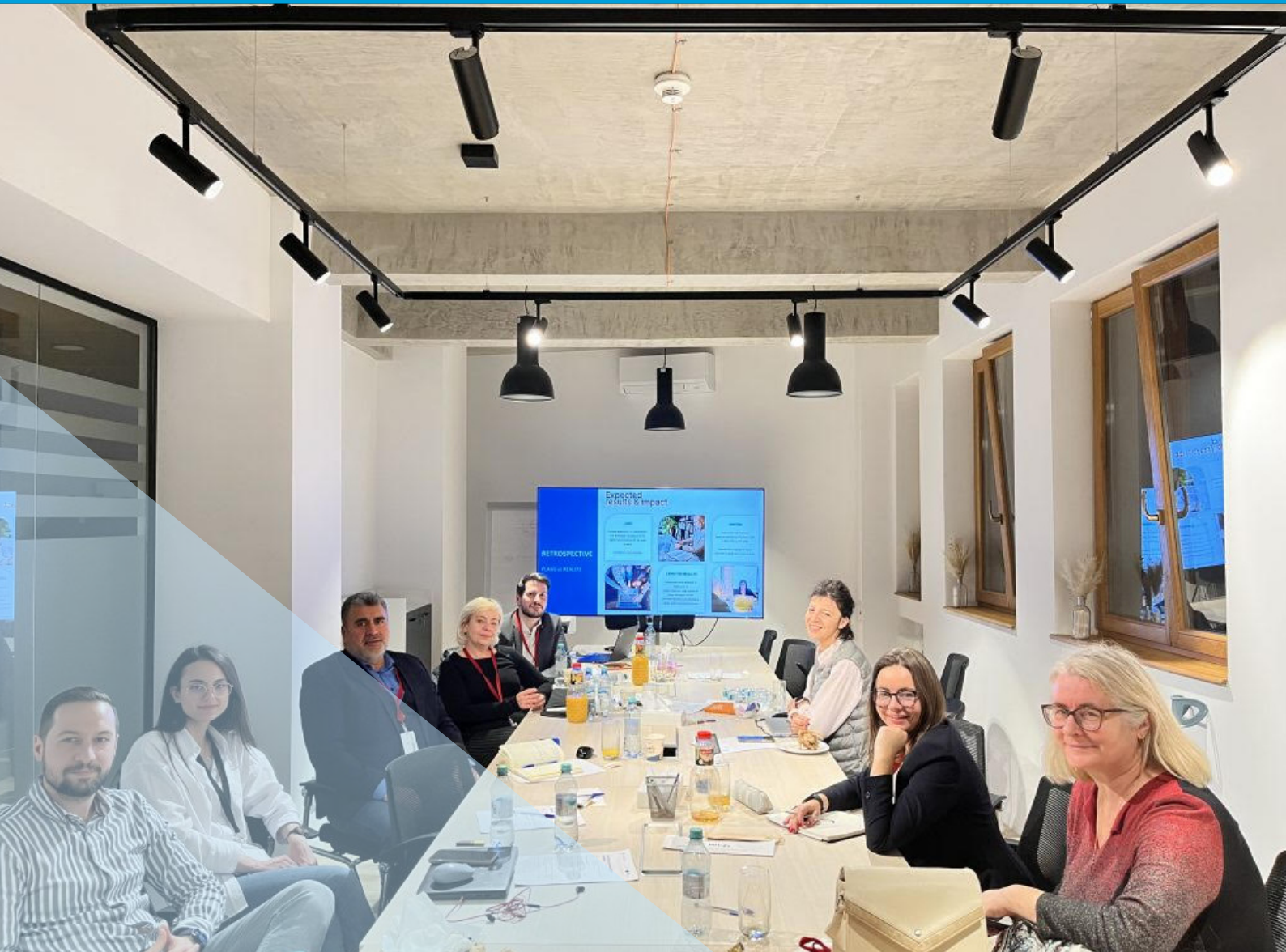
The correct teaching of the basics and the introduction of modern technologies is essential. Without this, our competitive advantage will continue to rely on cheap labour, which will conserve the Romanian, Hungarian and Slovakian economies on an unsustainable path.



CONCLUSIONS

WorkTransitionCEE project was a significant initiative aimed at addressing the challenges and opportunities for the labour market associated with the impact of digitization and automation on different occupations and skills in Central and Eastern Europe. The project was co-funded by the European Union and involved a consortium of partners from three countries in the region - Romania, Hungary and Slovakia - engaging employers and employees' representatives alike.

By engaging employers and employees' representatives alike, WorkTransitionCEE focus was to underline how critical the following years will be for job transition in the new world of work.



CONCLUSIONS

Specifically, the WorkTransitionCEE project highlights the importance of a strong European social dialogue and the need to implement the Autonomous Framework Agreement on Digitalisation to optimize the benefits and better deal with the challenges of digitalization.

Throughout the entire duration of the project, the consortium focus was to underline how critical the following years will be for job transition in the new world of work. Based on the data collected through national research projects, trends analysis, national seminars and co-creation workshops, the consortium developed practical tools and steps to follow when considering technology implementation, trends report on the future of work in CEE, job transition best practices and policy recommendations to stakeholders in the region.

Overall, the WorkTransitionCEE project represents an important contribution to the development of effective partnerships for managing the digitalization and automation implications for the world of work in Central and Eastern Europe. The project's focus on collaboration and partnership between policymakers, employers, and workers' representatives has also been particularly valuable, as it ensures that the needs and concerns of all stakeholders are taken into account in the development of strategies and policies.

The project's focus on practical tools, best practices, and policy recommendations, along with its collaborative and participatory approach, demonstrates the potential of this kind of collaborative and participatory approach to generate positive outcomes for workers and communities in transition, and can serve as a model for future initiatives aimed at addressing similar challenges in other regions. As such, the WorkTransitionCEE project represents an important step towards building more inclusive, sustainable, and equitable labour markets in the region.



This report is developed under the project “Renewed social dialogue for the new world of work. Job transitions & digitalisation in two industrial sectors in CEE countries – Romania, Hungary, Slovakia. WorkTransitionCEE” umbrella, project co-funded by the European Union.

Project Name: Renewed social dialogue for the new world of work. Job transitions & digitalisation in two industrial sectors in CEE countries – Romania, Hungary, Slovakia. **WorkTransitionCEE**

Duration: April 2021 - Jan 2023

Project Coordinator: Employers’ Confederation Concordia

Co-beneficiaries: BNS (RO), MGYOSZ (HU), VASAS (HU), NUE (SK), NKOS (SK)

Associate organisations: BusinessEurope (BE), European Trade Union Confederation (ETUC)

Third Party Organisation: International Organisation of Employers (IOE).



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