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TECHNOLOGY AND EMPLOYMENT, NEW WAYS OF ORGANISING

PRODUCTION AND LABOUR.

I am young lawyer and social science researcher. My main academic interests are concentrated on social policy and labour law of the European Union. Therefore, I would like to present a paper devoted to the topic:

“The active role of ESF and ETF – answer for effective EU social policy on human resource development”.

The economic policy agenda is currently shaped by the motive of competitiveness, which has been designed as a device to cope with the combined processes of globalisation and regionalisation of economy. As the world's economy becomes increasingly globalized, nation states have had to reassess their comparative and competitive advantages. The best way to do this leads through using new technologies. The great technology progress, which we are witnessing is taking place from day to day at the end of the XX century. Nowadays we are all living in the Information Society based on use of information and communication technology lead by knowledge based economy. By the year 2010, half of all jobs will be in industries that are either major producers or intensive users of information technology products and services. It seems that the turn of the centuries is the most appropriate time for prognostic reflections related to the experiences of how this new technology progress leading to the economic growth affects the labour market.

Since its beginning European Community was competing with USA and Japan on the world market and we are still behind these countries. Last ten years have been for EU the time for creating a culture of stability based on the Single Market and Single Currency – factors which have been so important for the US and Japan economy creating they advantageous position. In just ten years EU have introduced the Single Market, which has replaced 15 different sets of rules with one common set lead by competition rules. At the same time EU has made a remarkable effort by moving from inflation and growing public deficits to price stability and fiscal discipline in order to create a monetary stability by introducing of EMU. These actions have created grounds for EU economy to develop its impact in international competition, competition which most important figures are nowadays posed by new technologies. That is why the development of the Information Society should be a political goal for European politicians for the next decade. This task as the most important political project must gain the same determination and commitment as the Single Market and single Currency enjoyed last ten years.

Opposite to the politicians' declarations research results provide the present negative consequences of technological development for employment. These days employment in the Information Society is becoming, on average, less stable and less certain than in the past and more dependent on high skills and adaptability. The productivity potential of information technology will no doubt lead to reduced employment of less skilled employees. However, unemployment (with current level around 11%) was denounced as “unacceptable” and

appeared to be one of the key concerns of the European Union in the last decade. Economic growth is no more presented as a condition sine qua non for tackling the problems of unemployment and social exclusion. Recent research results confirm that economic growth cannot be proclaimed to be a solution to unemployment as they are very distinct factors. The reason why these new technologies have had rather unprofitable influence on employment and for the same reasons relatively little impact upon productivity increases is because society has not succeeded in matching these advances with necessary innovation in the work place and required by them knowledge of employees which is also missing. . In simple words, new technologies may even increase high today's rate of unemployment unless we start to bridge the arising skill gap. That is why there is the need for developing an "employment intensive growth" strategy in order to create a high level of employment in all Member States.

Unemployment cannot be dealt with by the conventional instruments of economic policy. That is why this is an area, which should be covered by common social policy, using different tools of acting such as: acts of community law, social dialog between social partners (management and labour), financial instrument (ESF).

Social policy, named by some authors involved in these issues as the "Cinderella" of the European Community policies, has played - since the EEC Treaty of Rome 1957 up to the Amsterdam Treaty 1998 - rather the role of a poor sister of the internal market. Nowadays, due to the new social provisions added to the Treaty of Amsterdam, we can explore the possibility of a "happy ending" of this fairy tale - the turning from "Cinderella" into the fabled fairy princess playing an active role in employment promotion, proper social protection, social dialog, the development of human resources and combating exclusion.

At present, new technologies change much more rapidly the demand for human resources in the production systems than it had taken place 30-40 years ago. The importance of the "human capital" component of the national wealth has been widely recognised in recent decades. As advanced economies become more knowledge-intensive, human resources become more central to economic progress. It is almost the fact of common awareness that productivity will increasingly be determined by the knowledge and skills of workers. Today, the crucial role of human resources in the full utilisation and diffusion of new technology is generally recognised but there is still the question of how to prepare the workforce, labour for meeting the needs of international competition and challenges posed by, used in this

competition race, new technologies. At the micro-economic level, a new model integrating new technology, work organisation, and skill formation, with emphasis upon flexibility and the quality of human resources is now replacing an old one of corporate management and organisation of the workplace. New technologies make available new options for work organisation and human resources development. But we cannot forget that newly created jobs, based on this new technology, demand employees with higher levels of skills. The main emerging skill structures are: multi-skilling, customer-oriented communication skills, problem-solving and entrepreneurial skills.

It arises a question, whether existing system of education and training is adequately equipped to meet increasing international competition posed by new technologies. National institutions of formal education and training seem to be too slow in responding for rapid enterprises changes in demand of workforce. Without a complex reform of an education system we won't solve this problem. Present education system in Europe is focused primarily on the individual and her or his personal development as a citizen, member of a family and a community and only then as a "worker". The needs of Information Society can no longer support such education system. Schools can not be anymore isolated from the world around them and particularly from the work environment if we don't want to increase rates of youth unemployment (people under 25 years of age). The curriculum in initial education must become a stepping stone for further education and training emphasising transferable basic skills (problem solving, entrepreneurial skills, reasoning, communications skills and ability to learn new skills).

These changes require a global education reform. But we can not forget about the second - next to technology - of factors for economic and social changes in Europe – demography. Addressing the issue of human resources development the changing demographic situation must also be taken into account. The research results show that while the technology is getting younger the workforce is getting older. As goes from Director General for Employment and Social Affairs Allan Larsson speech presented during Summit on Technology, Innovation and Skills Training there will be 12 million less young people with new skills and competencies on the labour market in the next ten years. At the same time there will be 13 million people more in the age group between 40-60. That means that in 2010, about 80 % of the workforce will have an education and training that would be older than ten years. And at the same time 80 % of technology would be new. It will have replaced the technology we are using today.

We are already witnessing the competition for young people between companies. Modern enterprises find it advantageous to employ young people and give them education and training before they have finished formal education in order to secure the renewal of their work force. As a reaction to challenges of the knowledge-intensive economy many companies are as well be forced to look for workers among group they have once ignored. Today enterprises education and training efforts lose the ad hoc characteristic and become a permanent feature of enterprise's business strategy focused on developing multi-skilled workers capable of performing many different tasks. This is called on-the-job training and its become the rule. For these reasons common policy towards adult education, training and retraining is gaining considerable importance nowadays. Today when the quality of the total work force is of vital importance lifelong learning system becomes necessary to ensure attainment. Although there are signs that enterprises have started dipping deeper into the pool of trainable workers because of fears of labour shortages, it is nevertheless obvious that it won't solve the problem of improvement of the employability of work force within the EU

The improvement of adult learning opportunities is a place for an active role of financial instrument of common social policy, which is European Social Found and created by the Commission special structure to support Union activities in the field of vocational training – European Training Foundation. Lifelong learning has become the essential prerequisite for the knowledge-intensive economy to be ensured by the close co-ordination at the social policy level of all Member States. It requires the building of networks and partnerships between different public and private providers of education and training for young and adults, which would enable a more effective use of limited resources and facilitate the development of adequate supplies of human resources.

Let us now have a closer look at how common social policy is prepared to play an active role in realisation of this ambitious new strategy to promote employment and skills for the knowledge based economy and to overcome already existing skill gap.

Provision of the social nature has been part of Community Law since 1957 EEC Treaty of Rome. However we can not say that this is the most intensively developed area in the common policy provisions. When the Treaty of Rome was signed, the dominant political philosophy was market driven. Although there were Articles 123 – 127 of EEC Treaty dedicated to creation of the European Social Fund (ESF) it is only since mid-1970s that the

Community has sought extensively in social policy area and the questions started to be raised concerning the human resources development, a factor until that time almost unseen. The Rome Treaty set up the Fund, which was to be administrated by a Committee under the supervision of the Commission and governed by its own statute. Even though the provisions connected with the ESF were laid down in a separate title, the scope of the Fund was not as wide as one would expect. The aim of the Fund was limited to “the task of rendering the employment of workers easier and of increasing the geographical and occupational mobility within the Community”. The real purpose of the ESF was to provide financial assistance, by providing fifty per cent of the expenditure incurred by a state or a body governed by public law for the purpose of re-employment of workers or relief of temporary unemployment resulting from the conversion of an undertaking to another type of production. As we can see from these above, when the European Community was established the policymakers were not aware of a necessity of investing in human capital as a requirement of international competition posed by new technologies. But as soon as the problem has arisen and the development of life long learning system in order to bridge the skill gap has become Member States everyday problem Community changed its wait and see policies of the past and started to act more intensively in this area. Since that time the European Social Fund became the EU's main, financial tool for investing in people using a joint-funding principle to add to what Member States do to improve people's job prospects and help develop their skills. For over 40 years the mission of this Fund was to help prevent and fight unemployment in order to make Europe's workforce and companies better-equipped to face new challenges and to prevent people losing touch with the labour market.

The European Union has new mandates to face the new millennium. During the last decade it was recognised that although Europe has created jobs, it has had little effect on the number of people out of work. That is why, one of the top priorities of the EU today is the fight against unemployment, and the need to improve the skills of the workforce so as to improve the competitiveness of the EU. To fight the problem of unemployment at the beginning of XXI century the EU Heads of State and Government agreed the strategy for employment and growth to link European and national employment and economic policy into a rolling programme for more and better jobs. And the ESF became the main financial instrument through which the European Union translates its strategic employment policy aims into an action. The European Employment Strategy is based on four pillars, which are: employability, entrepreneurship, adaptability and equal opportunities for women and men. Their

transposition by the Member States into national action plans for employment (NAPs) provide the framework for financial support given at the EU level by the ESF. The objective of the European employment Strategy is to arrive at a significant increase in employment rate in Europe on a lasting basis. To tackle this problem, the development of the skills and employability of those currently outside of the labour market is essential. The needs of those already in work, especially in exposed or vulnerable sectors, must also be attended to, so that their skills are renewed and updated. So European Social Fund activities should concentrate on bridging arising skill gap by helping people to develop the right skills to get jobs, especially those who face particular difficulties in finding a job, staying in work, or returning to work after an absence. And at the same time its task is to support Member States in their efforts to put an active policies and systems in place to fight the underlying causes of unemployment and to improve skills.

The ESF provides the European Union funding on a major scale for programmes which develop or regenerate people's employability by providing them with appropriate work skills particularly through the life long learning system in the field of information and communication technologies as well as developing their social interaction skills, thereby improving their self-confidence and adaptability in the marketplace.

We can not forget that the ESF is one of the EU's four Structural Funds, which common mission is reduction of differences in living standards between the peoples and the regions of the EU. Together there will be 195 billion of euros available for the period 2000-2006 for investing in infrastructure and people. The task of the ESF is to act as a coherent with others Structural Funds tool, so to channel its support into strategic long-term programmes aiming at upgrading and modernising workforce skills as to foster entrepreneurial initiative in regions across Europe making the same the most effective use of this huge resource for the development of the Information Society.

At the end of this paper some of it I would like to devote to the situation of Poland and other candidate countries from the Central and Easter Europe in the light of their activities within assistance of the European Union in development of knowledge economy and Information Society.

During only last decade those countries have broken loose from the old administrative model of economy to the creation of new market economy. Achievement of this goal was accompanied with variety of changes in the socio-economic and political context leading to creation of democratic governed countries based on traditional market economy. Economy, which accepts capital, land and labour as production factors responsible for its competitiveness. But this classical model of economy is no longer a prescription of the economy success and Central and Eastern European Countries must build up a new type of knowledge based economy. To create this the development of human capital becomes essential not only for their integration with the EU but also in the light of requirements posed by international competition. Within the European Union not only capital, final goods and services are freely migrating among the countries but more rapidly the global labour market is developing, which main competition factors becomes the level of education, person's knowledge and skills.

This development of the knowledge based economy will not be created by the sole performance of the spontaneous market forces. Its creation has to be supplemented and in some fields even guided by consistent set of socio-economic policies designed and implemented at the European, national and regional level. One of the European Union actions taken in order to help remove obstacles posed by changes in labour forces requirements for more and multi-skilled employees is creation of the European Training Foundation supporting vocational training reforms in central and Eastern Europe, the New Independent States and Mongolia and Mediterranean non-Member States.

The European Training Foundation is one of the agencies of the EU, established by Council in May 1990 within the purpose of promoting co-operation and co-ordination of assistance in the field of vocational training reforms in these countries. Today the provisions of the Special Preparatory Program for future membership create frames for an active role of the ETF helping candidate countries in process of preparation their work forces for future existence in a framework of the common labour market of the EU, which requirements are shaped by new technologies. To achieve this aim its main objective is contribution to the reform of the vocational training systems of the candidate countries by providing assistance in definition of training needs and priorities and information of current activities and future needs as well as promotion of the effective co-operation in this field between the EU and the partner countries by examining potential joint training ventures including their designing and preparation or by

dissemination of information and exchanges of experiences. The ETF acts as a catalyst for new approaches of projects, which main priorities are to encourage the Europe-wide transfer of knowledge, sharing of ideas and best practices with Central and Eastern Europe and other countries from its activities area and that the most effective new solutions are incorporated into their national programs to fight unemployment.