

**TransFormWork Project
VS/2021/0014**

**INFORMATION DAY
DUBLIN**

15 FEBRUARY 2023



Participants in the Information Day

TransFormWork

As part of the TransFormWork European Project, the Irish partner, SIPTU, held this Information Day in the CWU Conference Centre on 15 February, 2023.

Brian McGann, the Project Co-ordinator for SIPTU, the Irish partner in this project, opened the seminar and welcomed all participants and thanked them for their interest in the project. He explained that objective of this project was to examine, in detail, how the *European Social Partners Framework Agreement on Digitalisation* is being implemented by the national social partners in seven EU Member States. As a partner in the project, SIPTU hosted a very successful European Roundtable last October in Malahide and this Information Day is an opportunity to provide an update on the final outcomes, as the project will be completed with a final conference in Sofia on 20 February next.

The Framework Agreement

Project Researcher, *Kevin P O'Kelly*, outlined the objectives of the TransFormWork European Project, the seven partner countries and fourteen organisations across the European Union.

He outlined the background and structure of the *European Social Partners Framework Agreement on Digitalisation*, including the specific focus on four main Pillars:

- *Digital Skills and Securing Employment*
- *Modalities of Connecting and Disconnecting*
- *Artificial Intelligence (AI) and Guaranteeing the Human in Control Principle*
- *Respect of Human Dignity and Surveillance.*

National Report

He gave an overview of the Irish National Report which looked at the history of digitalisation since the 1960s; the support and emphasis of successive Governments through policies to facilitating the provision of a skilled workforce to meet the demands of the technology sector and the application of information and communications technology (ICT) in the Irish labour market.

The study was undertaken through the circulation of four research questionnaires to:

- i) Employers
- ii) Employees
- iii) Trade Unions
- iv) HR Managers

in the participating countries.

However, the responses to these questionnaires from the Irish target groups were disappointing, for many reasons, such as the fact that Irish workplaces are used to working with new technologies and, in line with the timeframe of the project, Irish enterprises were focused on reopening and getting back to business following the COVID-19 pandemic lockdown.

From the small number of completed Irish questionnaires, there were some key findings, such as:

- All responding enterprises had introduced some form of new technology within the past five years, but operatives were only provided with training related to the new technology
- Some of the worker responding expressed concerns about the absence of any safety and health policies related to the new technology
- There were changes to production systems and the re-organisation of work and job rotation in manufacturing enterprises that responded to the questionnaires.

It was clear from the second Pillar responses that remote working and the right to disconnect has become a key aspect of working time arrangements since the COVID-19 pandemic. This aspect of the *Framework Agreement* is covered by a Code of Practice and proposed legislation. Both ICTU and IBEC have been consulted on these Government initiatives.

The third Pillar deals with the introduction of AI and robotics. The main respondents affected by these technologies are in the manufacturing and pharmaceutical sectors and their introduction resulted in:

- Changes to work tasks
- New health and safety rules related to AI
- It is recognised that the final decisions on work output should be taken by the *human* operator
- All responding enterprises agreed that the rules for the use of AI and robotics are covered by the GDPR transposition and by additional Irish legislation.

Finally, Pillar Four (*Human Dignity and Surveillance*) led to some differences in the questionnaire responses. Some employees and trade union replies indicate that there was none, or very little, consultation about issues, such as:

- Work monitoring
- Surveillance
- Data privacy
- The use of personal data, which an employer has access to, by the employer.

However, HR managers said that (in their enterprises) all affected workers and their trade unions are consulted on these issues!!

Recommendations

Among the list of recommendations included in the Final Consolidated Report, which will be launched at the final project conference the following are the key suggestions:

- There is an urgent requirement to update the *EU Occupation Safety and Health Framework Directive, 1989*, to bring it into line with the rapidly changing technology environment and the expected impacts of automation, robotics and AI on EU workplaces
- Under current EU-level legislation (GDPR), transposed into national legislation by the Member States, surveillance is illegal. However, there is a growing concern about the possible use of technology to monitor employees, a trend that is emerging in the USA, in particular. The TransFormWork partner organisations call for specific EU-wide legislation to address these concerns.

The partners support the European Parliament Resolution, adopted in July, 2022, which calls for the EU institutions *to initiate a legislative proposal on the use of AI in workplaces to ensure appropriate protection for workers' rights and well-being, including their mental health and fundamental rights, such as non-discrimination, privacy and human dignity in the increasingly digitised workplaces.*

- The partners in the project call on EU Member State governments to prepare guidelines for employers and employees to guarantee the safety, the protection of human rights and the control of humans over machines and AI, in accordance with national strategies for the successful introduction of digital technology.
- For the effective implementation of the Framework Agreement, social partners in the Member States should designate a formal body with social partner representation to monitor the implementation of the *Framework Agreement*. For example, the Irish National Report recommends that the monitoring of its implementation by the Irish

social partners and the reporting back to the European Social Partners *Joint Monitoring Group*, required in the text, should be the formal responsibility of the Labour, Employer Economic Forum (LEEF)

- Such a designated organisation could also liaise with relevant government ministries regarding funding from, for example, the European Social Fund to ensure the allocation of necessary resources for training on relevant OSH strategies for the digital workplace.

Skillnet Ireland

Within the context of the 1st Pillar of the *Framework Agreement: Digital Skills and Securing Employment* Eamon Devoy, Board Member, Skillnet Ireland, explained the structure of the Skillnet Board.

It is a tripartite Board structure with representatives of employers, trade unions and government with the Chairperson nominated by the Irish Business and Employers Confederation (IBEC) and the other twelve members nominated as follows:

- Six business/employer representatives from IBEC, Chambers Ireland, the Small Firms Association and the Construction Industry Federation
- Three employee representatives nominated by the Irish Congress of Trade Unions (ICTU)
- Three Government representatives nominated by the Minister for Further and Higher Education, Research, Innovation and Science.

Skillnet Ireland's mandate is to support the competitiveness, productivity and innovation of Irish businesses through enterprise-led skills development, so as to ensure a highly skilled workforce and that businesses have the available skills and expertise they need to be competitive in their relevant national and international markets.

As Ireland's only business support agency dedicated to the development of the national workforce, it ensures that enterprises are in control of the process. Therefore, Skillnet Ireland works in partnership with industry bodies that are either sectoral or geographically based and it operates a joint investment model of funding, where Government grants are combined with contributions from enterprises, thus reducing education and training costs and other barriers for businesses. As enterprises play this key role, it ensures that education and training programmes are relevant to the needs of the industrial sectors and to individual businesses. This approach also enables cohesive enterprise networking and the flexibility to respond to ever-changing skills demands through both formal and informal learning.

Treacy Donnelly, Director of Policy and Communications, continued this presentation by outlined the detailed work of Skillnet, including its partnership with seventy-three industry and business networks and she explained how the process of identifying the skill needs of businesses and how to design and provide the necessary training.

In 2022 Skillnet Ireland supported over 21,500 businesses nationwide (85% of these were SMEs) and provides a range of valuable learning experiences to over 82,000 trainees with training and upskilling which enhances their career prospects and career mobility. Of these, it delivered digital skills programmes to over 12,000 workers across multiple sectors, including programmes in cybersecurity, artificial intelligence, blockchain, data analytics and digitalisation of manufacturing. The Skillnet Business Networks also deliver a range of digital literacy programmes which focus on raising the baseline of digital skills to ensure Irish businesses position themselves with the right skills to take advantage of digital innovation.

She said that for 2023 the areas of focus will be:

- i) Digital skills
- ii) Skills for climate action and sustainable businesses
- iii) Management skills and mentoring for the SME sector
- iv) Skill supply for income FDI enterprises
- v) Future skills, research and innovation.

The organisation's budget comes from three main funding sources and for 2023 it is a total of €86 million, as follows:

- a) €44 million from the Government National Training Fund
- b) €25 million from the private sector participating enterprises
- c) €17 million from the EU funding programmes.

Skillnet Ireland has also delivered 9,853 talent development programmes to enable businesses address talent gaps, boost innovation and productivity, and prepare for the long-term implications of the future of work including climate action and digitalisation. It has received international recognition as a *best practice* model from the EU Commission, the OECD and the ILO.

Automation of the Irish Postal Service, An Post

Ian McArdle, Deputy General Secretary, Communications Workers' Union, and Elaine Bermingham HR Director (Commerce), An Post.

This joint presentation took the participants through the major transformation that has taken place in An Post over a number of decades. In the 1970s, the Irish Postal system operated through manual sortation processes and mail was carried on the rail and bus network. Mail was regularly delayed or lost at railway stations and next day delivery was a hopeful aspiration rather than a legitimate expectation on the part of postal users. The parcel service was incurring heavy losses on a regular basis and the retail part of the Post Office business was operating largely on a paper based system. The Irish Post Office, formerly a government department, the Department of Post & Telegraphs, was reconstituted as a commercial semi-state company, An Post, in 1984.

Ian and Elaine outlined, in the course of their presentation, that An Post was a late starter in terms of embracing new technologies, although on the retail side of the business the company developed leading edge computerised transaction system, known as the Counter Automation Programme. Also known as the Riposte system, this system came to be adopted by many other postal administrations.

On the mails side of the business, the operation was divided into a letters business and a parcels business, known as SDS (Special Distribution Services). The company moved its operation from rail to a road based network system using company owned vehicles and company employed drivers. The letters business established processing hubs in four locations, Dublin, Portlaoise, Athlone and Cork (although the Cork hub was closed in 2019). SDS operated on a similar hub system, sometimes sharing the same site as the letters business, but with a separate processing system.

While the parcels business operated entirely in an open competitive market, liberalisation of postal services through the enactment of European legislation, opened up the letters business to the same competitive pressures. Private operators targeted the lucrative elements of the

business and were happy to leave An Post with the high-cost, loss-making elements of the business.

Faced with an uncertain and worrying future, the company decided that something needed to happen to ensure the company's survival. They approached the Unions and a new programme called "Transformation Through Partnership" was agreed following negotiations. This new change programme was based on an approach which ensured that there would be no compulsory redundancies, with agreed voluntary severance schemes and, where relocation/redeployment was required, that it would be on a voluntary basis. The company also agreed to commit to dealing with all staff deployment issues.

The Transformation Through Partnership programme was based on agreed principles which were to:

Build a shared and common agenda

Create a shared understanding

Focus on consensus building

No compulsory redundancies

While this approach yielded many mutual benefits in the early years, a change of CEO in An Post resulted in a change of approach towards the business and staff issues. Unilateral changes were implemented with significant job losses, including the closure of SDS. The Union, in response, showed that it could operate in a confrontational/conflict situation just as well as in a framework of building on a shared agenda. Significant industrial action followed and many of the issues were dealt with by the State industrial relations machinery, the Labour Court. The Unions won all their claims at the Court. A further change in CEO led to a move back towards a collaborative approach based on consensus building.

The company moved then to fully automating its sortation hubs and employed very sophisticated OCR technology. Based on a Union proposal, two automated sorting machines were installed to grow the parcels business. This proved to be a profoundly important strategic move as, with the advent of COVID-19, when people had to buy goods online, the postal service was capable of operating beyond capacity and ensured that goods purchased could be delivered to citizens across the country. Ironically, despite the decision to close SDS, the parcels business has come to be the important element of the postal business as the letters element has consistently declined as electronic forms of communication have become the norm (e.g. email, apps, etc.).

One of the most recent innovations introduced by An Post is the 'Digital Stamp' which can be purchased online. This allows customers to post letters without having to go to a Post Office to purchase stamps.

The business faces further significant changes in the coming years. For a business operating structure based on delivering large volumes of letter with a handful of parcels (sometimes referred to as 'Granny' parcels) on a five-day basis to residential addresses, the focus is now on the parcels business which requires a different approach. The retail business is also changing significantly.

To ensure that the necessary changes can be made and the staff impact addressed (An Post is very much a 'people' business), further transformation will be required. How this is achieved will involve having a robust engagement process and procedures so that the tough conversations can be had with a commitment and investment from both the company and the Union. The Union view, based on their experience so far, is that there needs to be a structure of Regional Officers to deal with issues at a more local level together with a monitoring group and an internal arbitration system. There is agreement that the next phase of transformation must be supported and led by both the company and the Union.

The Digital and Tech Sector in Ireland

Paul Mac Flynn, Joint-Director, Nevin Economy Research Institute (NERI). This presentation was based on the NERI Report 2016 (June 2022), which examined employment in both the information communications (ICT) sector, the digitalisation sub-sector and the distribution of jobs across these sectors.¹

The report shows that in 2021 there were some 166,800 workers employed in the information and communications (ICT) sector in Ireland, an increase of almost 70,000 in ten years. These increases were mainly in the Dublin NUTS region,² where employment in this sector doubled from 45,000 in 2012 to 90,000 in 2021 (53% of all ICT workers). Dublin³ was followed by the South-West (10.8%)⁴ and the Mid-East (10.6%)⁵ regions, both with under 20,000 employees working in this sector.

The OECD has devised a common framework for measuring the digital economy and uses the definition

*The Digital Economy incorporates all economic activity reliant on, or significantly enhances by use of digital inputs, including digital technologies, digital infrastructure, digital services and data. It refers to all producers and consumers, including governments, that are utilising these digital inputs in their economic activities.*⁶

Using this definition, the report lists the sub-sectors where digitalisation is used and the percentage of total employment in each sub-sector (2016 figures) – see Table 1. This Table also includes percentages of total digital employment for the NUTS regions of Dublin, Mid-East and South-West:

As can be seen from Table 1, these three regions dominate digital based employment in all business sub-sectors. In two other sub-sectors, the Mid-West is second to Dublin with 25.5% of overall employment in *Electronic components and boards* and 20.9% in *Other electronic and optical products*.

Table 1: Percentage of employment by 'digital' sub-sectors in IE labour market and by three NUTS Regions

¹ *The Digital and Tech sector in Ireland* Report Series No 16, Nevin Economy Research Institute (NERI), June 2022.

² *Nomenclature of Territorial Units for Statistics* (NUTS) a geocode standard for referencing country subdivisions for statistical purposes

³ The Dublin NUTS Region consists of the counties Fingal, South Co Dublin and Dún Laoghaire-Rathdown and Dublin City

⁴ The South-West NUTS Region consists of counties Kerry and Cork and Cork City

⁵ The Mid-East NUTS Region consists of counties Kildare, Meath, Wicklow and Louth

⁶ NERI op. cit. page 10

SUB-SECTORS	% OF EMPLOYMENT NATIONALLY	DUBLIN	MID-EAST	SOUTH- WEST
Electronic components and boards	8.5	26.8	24.0	10.2
Computers and peripheral equipment	7.5	17.2	12.7	46.2
Other electronic and optical products	3.2	24.3	12.8	9.0
Publishing activities	4.8	48.0	14.5	11.3
Picture, video and television programmes, sound recording and music publishing	4.5	55.3	14.6	7.3
Programming and broadcasting activities	3.9	57.1	13.1	7.0
Telecommunications	13.6	46.4	15.3	7.8
Computer programming, consultancy and information services	51.8	52.6	12.3	14.5
Repair of computers and personal and household goods	2.1	30.4	14.1	14.1

The NERI report also looks at occupations in the 'digital sectors' and Table 2 sets out these occupations and the regions in which they are most prevalent, which show that the employment involving digitalisation is heavily concentrated in the Dublin and the Mid-East regions.

Table 2 Percentage of regional digital employment in three NUTS regions

SUB-SECTOR	DUBLIN	MID-EAST	SOUTH-WEST
IT specialist managers	49.8	16.8	11.5
IT project and programme managers	50.5	15.3	13.0
IT business analysts, architects and systems designers	44.9	13.0	14.4
Programmers and software development professionals	50.4	10.4	12.2
Web design and development professionals	48.0	13.6	9.6
Information technology and telecommunications professionals	55.1	15.2	9.6
IT operations technicians	40.4	15.9	13.9
IT user support technicians	42.4	12.3	21.1
Telecommunications engineers	33.9	15.5	11.4



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IT engineers	42.6	13.2	15.9
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Finally, the report says that *programmers and software development professionals* are the most important digital occupations in all regions, with *IT specialist managers* the second most important occupation in Dublin and the South-West.

Kevin P O’Kelly
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