

NURTURING THE  
**future**  
**OF WORK**

HOW ORGANIZATIONS EMPOWER TALENT



## NICOLAS SCHMIT

European Commissioner for Jobs  
and Social Rights



# FOSTERING A COMPETITIVE EUROPE

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Nicolas Schmit has been European Commissioner for Jobs and Social Rights since 2019. He is responsible for strengthening the EU's social dimension and developing an action plan to implement the European Pillar of Social Rights. Before starting at the European Commission in 2019, he has held the position of Minister for Labor, Employment, and Immigration in his home country of Luxembourg.

*The Capgemini Research Institute spoke to Nicolas about creating new opportunities for Europeans to thrive in a digitalized, greener economy.*

### What are your key priorities as European Commissioner for Jobs and Social Rights?

— In this role, I must respond to diverse challenges in the labor market in Europe. Firstly, we have to make an enormous effort to reskill and upskill people. Secondly, we need to address labor shortages, which are partly due to mismatches in the labor market, adverse demographics due to an aging society, and labor resignation, although this last issue is easing as people return to the labor market in response to a perceived worsening of economic conditions. We need to support people’s reintegration into the labor market by providing fair conditions and helping them develop the required skills.

We also have to monitor geopolitical developments and their effect, for example with respect to the energy crisis, inflation, etc. We need to monitor market conditions at both granular and big-picture levels.



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European Commissioner for  
Jobs and Social Rights

### European labor market statistics, June 2022

Number of people employed aged 20–64 years	193.9 million
Employment rate of people aged 20–64 years	74.8%, up 0.3 pps QoQ
Seasonally adjusted unemployment rate	5.8%, or 12 million people, up 0.2 pps QoQ
Gender employment gap*	0.2 pps decrease QoQ

\*Difference between the employment rates of men and women aged 20–64; pps means percentage points, or one-hundredths of a whole  
Source: Eurostat, EU labor market – quarterly statistics

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## THE FUTURE OF JOBS

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### What are the biggest trends impacting the European jobs market?

— The biggest trend is the request for certain skills. Digital skills is one significant area: there are an estimated 700,000–1 million vacancies in Europe related to digital skills. To bridge this skills gap, the European Commission (EC) has named 2023 the European Year of Skills. This initiative will help us progress our goals to have 80% of Europeans equipped with basic digital skills and 20 million information, communication, and technology (ICT) specialists in Europe by 2030.

Another focus is cybersecurity; we are aware that this is a growing area in need of expertise and we need to train more specialists.

We also need to address skills shortages in sectors beyond digital, such as hospitality. With the greening of our economy, too, we are focusing on the renovation of buildings which can deliver a great deal of energy savings, but we need more people who are trained to work in this field.



**"We aim to have 80% of Europeans equipped with basic digital skills and 20 million information, communication, and technology (ICT) specialists in Europe by 2030."**

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**What do you see as the main impacts of automation on jobs in Europe?**

— Everybody feared automation, robotization, the idea of a jobless economy. It is true that a lot of traditional roles are disappearing; but it is also true that there are more jobs in today's economy than ever before and a lot of these are more interesting, highly skilled, and strategic roles. So, again, it's not a lack of jobs that is the issue, it's the need for lifelong learning to adapt to new types of jobs.

**How has the concept of labor flexibility developed in the past 2-3 years?**

— In the past, flexibility meant that labor markets must be flexible, which meant short-term contracts; this was too heavily weighted in favor of employers, who could dismiss workers at short notice. We need a system that benefits both sides of the employment equation.

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First, with the technology-driven shift in jobs we have just discussed, we need to support organizations in the up- and reskilling of employees, so that they are ready to take on new opportunities and new roles. We can then help with managing the transition when they do take these on.

We also need to support organizations, through regulatory means and otherwise, in helping people work in a more flexible manner that suits their lifestyles, whether that be through hybrid working or another way.

Working towards both of these improvements is what I call a “positive flexibility” mindset.

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**BRIDGING THE SKILLS GAP**

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**Is the European Commission looking at any specific initiatives to address the shift to digital?**

— Owing to the digital transition, a number of new jobs will emerge in the next 10 years, but we cannot predict exactly the form they will take. This is a challenge, because we have to prepare people for jobs we are not sure about. This means that our education systems have to be more innovative and give people more capacity to learn.

Lifelong learning is one of the major issues. At the European Commission, we have made two proposals. One is called EASE [Effective Active Support to Employment]; this concerns our recommendations on how to design labor-market policy and support role transition, both within and between companies and sectors, to assuage concerns around potential loss of employment.

## Executive Conversations

Another issue concerns European citizens not currently participating in the labor market, which include over 8 million young people . The European Commission launched the ALMA [Aim, Learn, Master, Achieve] program, which offers participants intensive tailored training in their home countries, followed by a supervised stay, including work placement with accompanying mentoring services for 206 months in another EU member state. Upon their return, they will receive ongoing support in applying these newly acquired skills in their home countries to gain employment or further their education.

**"Our education systems have to be more innovative and give people more capacity to learn."**



**How is the European Commission managing the transition to a green economy in relation to jobs in traditional industries, such as oil and gas or automotive?**

— The people aspect must, of course, be considered in the transition to clean energy . Automotive organizations, for example, must prepare their staff to work with new technologies as combustion engines are replaced by electric systems. We created the European Battery Academy to help identify the skills needed in the battery ecosystem

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and how we can reskill and upskill employees through high-quality training.

These are the challenges with the green transition: changing mindsets and, giving people a sense of security. That's also about encouraging positive, productive social dialogue within organizations. Labor unions will play an important role in this transition. We see things going comparatively smoothly in organizations where there is strong social dialogue, focusing on solutions and helping people to transition into new roles.

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### **How is Europe's aging population reshaping the labor market?**

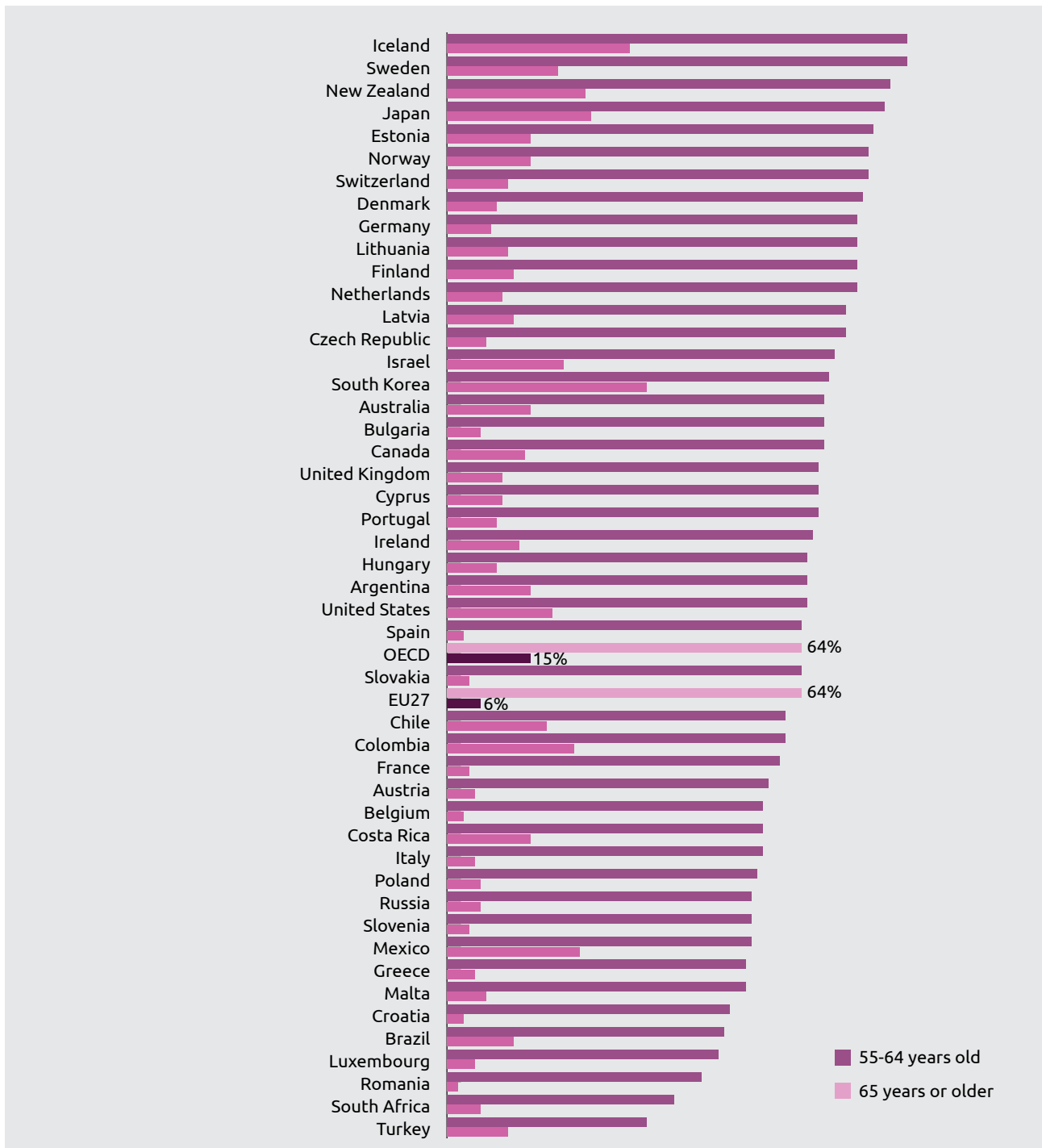
— We have to take a new approach to seniors in the labor market. There are some countries where the number of people above 60 who are still working is low. If you take somebody at 50 years of age, he or she still has more than 10 years, perhaps 15 years to work. These later working years are still an important part of one's active working life.

We cannot consign seniors either to long-term unemployment or simple retirement. This is against the whole premise of lifelong learning, which we are trying to promote. But we need to consider the circumstances of the individual, including their experience and existing skills, and factors such as health, which may influence which work environments are suitable for them and what sort of work they are capable of.

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Figure 1: Labor force participation rate, 2021 - OECD countries



Source: OECD data, Labor force participation rate, 2021

**In European countries, youth unemployment is typically double the overall unemployment rate. What is the European Commission doing to address this?**

— Since the financial crisis of 2008, youth unemployment has become a major issue in Europe. One reason for high youth unemployment is the skills mismatch between education and labor-market demand. We need to prepare young people better for the jobs market by training them in the skills that are in high demand. Digital is a major focus, of course.

One of the instruments that the EC has developed is the reinforced Youth Guarantee program. It constitutes a commitment to ensuring that all young people under the age of 30 receive a good-quality offer of employment, continued education, apprenticeship, or traineeship within four months of becoming unemployed or leaving education. Since 2014, over 36 million<sup>1</sup> young people who were once registered in Youth Guarantee schemes have benefitted from the program.

The EC can also support companies in making sure that young people have the right skills to carry them forward in their chosen industry, or to move into another industry, where those skills might be in greater demand.

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**OVER 8 MILLION  
YOUNG PEOPLE ARE  
NOT CURRENTLY  
PARTICIPATING IN  
THE LABOR MARKET.**

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<sup>1</sup> EC website, “Employment: Commission report shows young people most affected by job losses due to economic impact of COVID-19,” July 12, 2022.

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### IMPROVING WORKING CONDITIONS IN THE PLATFORM ECONOMY

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#### **What are your thoughts on improving the rights and working conditions of people working via digital platforms?**

— My general attitude towards the gig economy is very positive, and digital platforms are one important element. But you cannot allow a new business model to develop outside the established labor market and social protection rules; that's why we have proposed a directive on working conditions for platform workers.

We understand the need for flexibility to make this business model work, and hiring workers does not mean an end to flexibility. Gig-economy workers still require protection in case of accident or illness and to make sure that they are paid properly and in a reasonable timeframe. We have to balance these kinds of social considerations with ambitions fueled by the possibilities that new technologies bring.

#### **Do you think regulation can slow the development of the gig economy?**

— This is not the first such debate on regulation and evolution of industry. When some social rules were introduced in the 19th century about working hours and social protection, a lot of people said: "Well, that's the end of industry. We cannot sustain that. This is dulling our competitive edge," and so on. The same applies to the gig economy. If it is based on essentially sound principles, it will be able to adapt. It is fine for employers to expect the flexibility that the gig economy offers, but this can be combined with a responsible attitude to providing adequate working conditions and sufficient levels of social protection.



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