



Israeli Industrial Relations Research Association (IIRRA)
International Labour Organization (ILO)
Friedrich-Ebert-Stiftung in Israel

World of Work in the Digital Era
The Economic Benefit and Social Value
in Employing Persons with Disabilities

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Report

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Table of Contents

World of Work in the Digital Era	2
The Economic Benefit and Social Value in Employing Persons with Disabilities.....	2
Chapter 1: The Social Dialog – the Future of the World of Work.....	5
The Action and Reflection Method - General.....	5
The 2017 Conference	7
Trends in the Future of Work in Israel and Worldwide and the Changes Entailed:.....	9
Key Insights	11
Outcomes and Lessons	13
General Comment	14
The Character, Status, and Rights of the "New Workers".....	16
CHAPTER 2: Findings and Insights from the 2017 Conference.....	17
CHAPTER 3: The Social Partners in their Current Activity and Future Prospects for the Labor Market and Social Fabric Improvement.....	24
Achievements and Improvements	25
Recommendations on Industrial Relations	27
The Contribution of the Tripartite Structure to Bridging Gaps in Income	28
Key Recommendations for Team on Social Dialog on the Future of Work in the World	29
Summary	30
ANNEX: Conference Program	31

World of Work in the Digital Era The Economic Benefit and Social Value in Employing Persons with Disabilities

Report on findings of the IIRRA/ILO International Conference held on September 13–14, 2017 at Tel Aviv University

During the annual International Labor Organization (ILO) conference in June 2015 the assembly reached a consensus over a multi-phased program scheduled to last until 2019 – the organization's centennial. The multi-annual plan will focus on the future world of work based in four major areas: work and society, decent jobs, the organization of work, and the production and governance of work.

According to ILO Director General, Mr. Guy Ryder, the topics suggested were broad enough to include other essential areas of interest suggested by some conference delegates.

By 2019 the organization will allocate resources and efforts in collaboration with the member states in order to set up a concrete plan.

As part of this four-year plan, discussions have been held in more than 110 countries and attended by government, employers, and workers organizations. Reports have been submitted to the ILO following and reflecting these discussions, and key findings compiled in a social dialog report. **Israel, via the Ministry of Labor, Social Affairs and Social Services, in collaboration with the Israel Industrial Relations Research Association (IIRRA) has also sent such a report reflecting the findings and insights obtained during discussions held in several conferences attended by representatives of the tripartite – government, employers, and workers organizations.**

During the second phase of the plan, an international committee was set up to examine the issue, consisting of prominent figures and international experts asked to discuss the various topics. Heading the special committee are the President of Mauritius and the Swedish Prime Minister.

International conferences will also be held over the years, and present conclusions and recommendations on the main topic.

The plan underway states that following the completion of this multi-annual process, a historical declaration will be drafted in honor of the ILO's centennial (2019) that will sum up all activities carried out until then. The organization and its constitution are based on the historical Declaration of Philadelphia (1944). The ILO has approved two major declarations – the Declaration on Fundamental Principles and Rights at Work during its 1998 annual conference, and the Declaration on Social Justice for a Fair Globalization during its 2008 annual conference, which is manifest, inter alia, in the Decent Work approach. These declarations, taken unanimously, are considered instrumental in the International Labor Organization's worldview, guiding its activity, and determining where its emphases are placed.

The 2017 conference held by the Israel Industrial Relations Research Association (IIRRA) in collaboration with the Friedrich Ebert Stiftung and ILO followed the two conferences held in 2016 and 2015 that focused on the **future of the world of work**, placing an emphasis on its various aspects, both with regard to changes in occupational and economy content due to the use of advanced technology (change in occupational content, the extinction of some occupations, and robots replacing humans in the workplace), and on the economy industry level. The aforementioned conferences centered on the change in the occupational map, as well as on the sector level, such as the evolving gas sector, changes in the academic world and in education, and transformations that are taking place or required in the public sector.

Structural comment: the 2017 conference, much like the two that preceded it, focused on the future of the working world; however, each conference shone a light on a different aspect of it – the sectorial approach, key trends in the digital world, occupational transformations and the change in the importance of work in the lives of individuals and society, social gaps resulting from the new economy, the sharing economy, the desirable functioning and activity of various economy sectors. All of these topics create a wide platform for discussion, reflection, conclusion and lesson drawing.

Although the changes are fast-paced, the reports produced are not entirely different from one year to the next, and the phenomena presented are not

altogether new. Rather, each report highlights and underscores varying areas of occupation, building upon the infrastructure established in previous reports. **It is of particular importance that a dialog has begun and been actively implemented between workers, employers' organizations, government, and academic representatives on issues so essential and relevant.**

Chapter 1: The Social Dialog – the Future of the World of Work

The Action and Reflection Method - General

The socio-economic focus in the present report stems from a view of present trends in working relations and labor market, and as a form of cautious prediction of events in upcoming years.

In other words, in order for the report to present a realizable forecast, the report expresses a possible reality within a range of 5 to 10 years. The observation of relevant developments should be consistent and gradual, while inspecting the changes closely even within this relatively short timeframe.

The required caution results from the increasingly fast-paced technological changes taking place, as well as the events implicating the world of work, such as economic and political transformations, and global crises, that are constantly increasing their pace, while the event cycles of expected changes in report topics become shorter. Their timing is dictated to some extent by the political system that is unstable and dynamic due to political and international processes of introversion trends, growing national and nationalistic views that contradict the open approach that led to the development of globalization trends.

The question is: should we be thinking of current trends taking place in the present, and projecting them onto the future, or should we rather consider making a leap, and think in new, futuristic terms, under the assumption that they will take place.

Attention international committee selected to steer and discuss the conclusions regarding the future world of work –

It is no less important to establish a methodology, and improve, or even build, new short-term (or mid-range, at most) prediction tools, alongside tight supervision that will allow for changes in forecast, including essential ones in areas in which the tools fall short.

The right methodology may be building several scenarios, as the international Millennium Project did, where 3 scenarios were consolidated to reflect different levels of hope/pessimism. Several scenarios may likely be put together on a descending scale, from the realistic to the unrealistic.

Please note that the Israel Democracy Institute (IDI) has examined scenarios under such a methodology following group discussions held on the labor market attended by experts from the public and private sectors, as well as trade unions. In this context, one should also mention the Macro Center for Political Economics' project, entitled The Future of Work 2040, which is based on several scenarios for that year.

In the present report, we tasked ourselves with thinking ahead, and creating a credible forecasting platform that allows for conclusions to be drawn. For instance, the ability to predict the current refugee crisis in Europe, which has implications for the world of work, as well as the demographic balance in a number of European countries; or predicting the Brexit crisis while examining a trading agreement between global economic blocs.

And one more example – evolving robotics through technological advancement enables lesson learning and subsequent corrections of the robotic system, causing job loss on interim levels, which is a relatively new trend. Another noteworthy phenomenon is the rise in number of elderly employees in the labor market, coupled with the increasing share of professionals working as freelancers from home, or part-time. Beyond that, there is growing dispute between experts on the progress made with artificial intelligence, and the question of whether robots will overcome their creators, or technology will forever remain in human hands.

There are contradicting global trends at play: on the one hand, nationalism is growing, along with increasing attempts to become more secluded in areas such as economics, society, and defense; on the other hand, technology is improving, and organizations without borders are being set up across the globe. On the one hand, the wages earned in "less prestigious" occupations are taking a hit as focus shifts to core activities, and outsourcing increases; on the other hand, the development of welfare activities is on the rise, initiated by large and medium-sized firms to promote weakened populations.

In a similar vein we predict the initial development of a new term- *conscious capitalism*.

It is important to examine the impact of new technologies in production and advanced digitization on enhancing the lack of job security, and pushing the middle class down, to the margins of the class below it.

The 2017 Conference

The annual international conference organized by the Israel Industrial Relations Research Association (IIRRA) in collaboration with the Friedrich Ebert Stiftung and ILO, and held on September 13–14, 2017, brought together experts, researchers, public opinion shapers, employer representatives, trade unions, and senior academic scholars, who presented their standpoints on issues related to the future world of work. The conference focused on **the digital economy and its impact on industrial relations and employment**. The second issue the conference centered on was **the economic benefit and social value in employing persons with disabilities**.

The conference was held at Tel Aviv University in the same format, and attended by two ILO experts:

***Mr. Christopher Land-Kazlauskas** who presented his and the ILO's view on the digital and platform/gig economies, and their impact on occupations, transformations in the workplace, changes in industrial relations, particularly with regard to representative bodies, and providing workers with information. The speaker also highlighted the disagreements and disputes between groups that are traditionally represented, and those of the digital economy, such as Uber, the members of which are self-employed workers organized in guild form at Chamber of Commerce, versus the taxicab representation, or in the business sector – between those engaged in renting rooms to tourists, and hotel owners.¹*

In addition, the speaker noted the social dialog report provided by Israel to the ILO, focusing on two points: unionization in Israel, which in recent years has been seen in industries and sectors that had never before unionized; and the recommendation to set up a tripartite forum of government, employer, and

¹ As this report was being written, a dispute erupted in the UK between authorities who have decided to revoke Uber's operation license, succumbing to the pressure exerted by long-time drivers excluded from Uber arrangements, and drivers belonging to Uber.

worker representatives that will address conflicts before they deepen. A permanent tripartite framework should also be established to discuss genuine needs and changes in the future world of work.

Mr. Esteban Tromel spoke at the conference, presenting the issue of employing workers with disabilities, and reviewing current arrangements implemented around the world in this field. Questions arose in this context with regard to the incongruence between determined degrees of disability, and the disabled persons' employment potential. Another question emerged as to whether minimum quotas of disabled persons employed should be established, and whether such a quota increases or lowers employers' motivation to hire persons with disabilities. Mr. Tromel mentioned that awareness of this issue has been raised in Israel in the form of legislation and collective agreements determining employment duties, as well as in activities promoting greater physical and digital accessibility vital to employing and providing services to this sector of the population.

Following the conference, relevant local representatives from the Histadrut, the commission for equal rights of persons with disabilities, the Friedrich Ebert Stiftung, and IIRRA convened in an effort to continue being in touch, exchange information, and mutually embrace ideas with the ILO.²

Other issues discussed during the conference were worker unionization in the high-tech industry, employing persons with disabilities with an emphasis on minorities, business entrepreneurship in the digital era and its implications on employment including gender employment, preparing certain populations for the labor market through advanced education for youth and adults and preventing the exclusion of some populations such as the elderly and new immigrants as a result of growing use of digital services – a banking industry project designed both for bankers and customers targeting sectors excluded from the digital dimension, exhausting insured persons' rights in the National

² As this report was being written, persons with disabilities were protesting across Israel, demanding that their disability allowance be raised. After several weeks, an agreement was outlined whereby the allowance will increase by 25% or a little less than that (depending on the degree of disability). Another principle agreed upon was linking the disability pension to the minimum wages. A third outcome was that the cut in updated allowances for working persons with disabilities will be made over a longer period of time, and be correlated with their level of income from work.

Security while embracing the elderly population, and improving accessibility through digital means.

Trends in the Future of Work in Israel and Worldwide and the Changes Entailed:

- Extending life expectancy leading to older workers persisting in the world of work for financial reasons, self-esteem and professionalism, even if their of employment conditions and the nature of their work (consultants) undergo significant change – part-time jobs, different rewards, social benefits, the lack of job security, short-term contracts, and their status as freelance participants.
- Diminishing occupational and social security in light of privatization and merging, beyond the ever-increasing scope of services rendered by the third sector – NGOs or outsourced businesses, and the growing freelance sector.
- Structural changes leading to the need to rapidly adapt and switch careers several times during work life – changes in the occupational world such as gas discoveries, system automation and digitization, and the subsequent **exclusion to some extent of parts of the population, namely the elderly and other consumers who require public services, and others of the service receiving cycle at a reasonable level.**
- Changing the perception of the "workplace" as a physical site, and its implications – growing workplace mobility – home, virtual, anywhere, since technological capabilities allow it.
- Individuals engaging in multiple occupations – use of digitization for immediate demand economy responding to consumer demands, such as short-term property renting, getting transportation/cabs, or receiving other online services.
- On the one hand a lack of job security in the leading professional field engaging on personal levels, and on the other hand, entrepreneurship that turns hobbies into secondary occupations yielding income, or a primary occupation over time, including among the very young.

- Individualization and the assumption of personal responsibility by using existing state tools designed for self-training, career self-management, the acquisition of suitable skills, and self-management of time and assignments. Easier access to IT industry threshold on the personal level without formal titles and with minimal effort.
- Increasing workers' territorial inner- and inter-state mobility while blurring state borders. In this context political phenomena have evolved whereby attempts were made to halt the surge of refugees that are either present or future job seekers. There is a political clash between center and left-wing parties undergoing weakening processes that support helping refugees in their country or region, and strengthening right-wing nationalist parties, some of which have only recently been set up, that object to the change in the nature of their nation state.
- Investing in and developing professions and occupations in the field of environmental protection.
- The ongoing shift from conventional to individualized service-oriented industry such as nursing and geriatrics.
- Growth in productivity due to automation and robotics, and difficulty creating jobs of sufficient scope. Is the development of new occupations contributing to growth rates/sufficient employment?
- The extinction of professions and interim occupations due to the transfer of information through accessible automated systems, such as insurance brokers, travel agents, employment offices, and bookkeepers.
- A growing need in mid to high technology workers, and an increasing gap between them and conventional blue-collar workers whose unemployment rates are growing.
- The relocation of production lines and business activities overseas as a global trend for reasons of cost and business presence in those countries, while keeping core strategic areas in the original site. It is unclear whether this trend will continue in light of political and economic introversion.
- The welfare systems – whether privatized or public – are collapsing, or surviving challenges.

- Will the pension savings scope and dependency ratio between workers and retirees going to save the pension systems? What about abolishing/ extending the age of retirement in this context?
- Social security has not adjusted to these trends and therefore does not cover more than 50% of part-time workers in various countries, and certainly falls short of providing an adequate solution to growth in populations that do not meet the classic "worker" definition.
- Can human resources continue to exist as a separate discipline in light of the changes in the world today?
- How should the academic world grapple with the changes – as a responsive element of supply and demand, or as one leading the change and promoting the transformations that the future brings with it? Can it drive the academic abilities that will cope with the said transformations, and prepare the present and future generations for them?
- A core dilemma – what is the role played by work as a central and meaningful part in our lives?

Key Insights

- The world is becoming increasingly more alienated, human contact is performed digitally, replacing personal touch, and the "workplace" has shifted to mean anywhere across the country and globe, employment contracts are short-term, and job security is lost, as is the personal relationship between employers and workers.
- In Israel – the unionization wave continues, leading to collective agreements mainly at workplace levels, and workers becoming more aware of their rights in industries where workers have never before unionized.
- An accelerated process of work in the framework of decelerated outsourcing alongside a gradual process of hiring some of these workers directly in response to pressure exerted by trade unions. The minimum wages have significantly increased, albeit gradually, and if it were not for the rise in the cost of living, primarily in food and housing, the situation

would have improved far more among the lower strata in terms of financial earning.

- A collective agreement has been signed and is in the process of being implemented in the private sector, while a similar legislative arrangement has been reached in the public sector for integrating persons with disabilities in the workplace.
- Awareness of the essentialness of improving technological education is growing, and emphases are placed on creating awareness and training processes from a younger age.
- Developing the periphery in various ways – employing a range of assistance tools including via governmental aid, a material change in light of mass transportation from the periphery to central Israel, where the interesting occupations are often found, alongside the preferred paid consideration.
- New jobs are created for the labor market in areas such as personal services, digital information provision and consultation, gas, including the technologies for its subterranean transportation, expanding the issues of nursing and professions engaged in geriatrics, leisure, and so on.
- Changes in the employment of digital means – for instance a trade union accepting members who sign up online, or engaging in a campaign for raising minimum wages through digital means.
- Increasing the integration of workers with disabilities in more rewarding and interesting occupations.

Outcomes and Lessons

- "Constructive destruction" of existing jobs will be created, but certainly not all jobs can be totally changed or replaced by advanced technology and robotics. The number of workers employed part-time increases, as does the number of workers hired for temporary projects and jobs, and by the on-demand economy. Yet the number of self-employed freelance workers is also on the rise, and should be addressed. For instance by providing a long-term solution for independent jobs such as unemployment allowance, and mandatory pensions. On the day-to-day level, sick days should be covered, annual vacation given, etc.
- **The affiliation between work and society** – beyond the personal aspect of work-life balance, there is a need to seek for balance when job security and social contracts are destabilized. In light of this fact, the affiliation between work and society, and the connection between living standard and cost of ongoing consumption and mid-range (housing and pension, for example) is severed. The State must ensure a minimal standard of financial security (collective protection).
- Due to stress in the workplace and demanding job requirements, including in white collar jobs, worker health issues are on the rise.
- **"Green jobs"** – resources should be allocated to raising the number of such jobs. Growth-related decisions are being made that have a resource allocation aspect that is being overlooked. In order to shift to such jobs, not only the process is important, but the significance of the outcome of rendering other jobs extinct.
- Pension – uncertainty with regard to its size upon realization; a management fee problem that has recently undergone reform and lowered; minimizing the scope of savings due to cut in saving years, relatively high worker mobility, and lengthy periods of unemployment due to studies, being between jobs, etc.
- Care giving insurance – the minimization of collective insurance programs, and the exclusion of entire populations from them. This insurance program is not included in workplace insurance. The Histadrut

has joined a social campaign designed to leave supportive pensions at a reasonable cost level.

- Having retirees join trade unions.
- The second-generation direct workers versus contract work as outsourcing – a reasonable compromise?
- Education – should the pursuit of degrees continue or should working with technological challenges become the target?
- A market reality – macro achievements alongside low median wages, unrewarding part-time jobs and low productivity, large income gaps, meagre social benefits.
- The need for overtime to be more flexible, and adequate remuneration alongside rational compensation for overtime.

General Comment

Digitization, while being a blessing, making life easier and processes more efficient, may also lead to processes of exposure and exploitation of workers, including invasion of privacy in light of the ability to do so with digital means – cameras, disclosing e-mail correspondence, illegal tapping, etc.

Therefore:

- The overall system, as well as values and culture in the overall system, must be preserved and improved.
- Employers and workers in their frameworks must be included more.
- An active government-issued employment policy is essential in the world of work. The term flexicurity was mentioned in the context of flexible solutions in the workplace due to the need of growing mobility, job loss, the pursuit of preferred jobs, etc.
- The ILO engages in determining rights despite not being a civil rights organization. The types of rights are complex and it is hard to draw a distinction between them in our world. The ILO shall examine ways as well as its role in light of the projection that the future world of work will include revisiting old conventions and updating them.

- The challenge created due to the inflow of refugees who will be referred to employment solutions in the various countries to which they have come – solutions? **Statement** – the more homogeneous a population is within a state, the smaller the gaps will be. Refugees coming into a country will likely increase gaps, at least during the first stage of their integration and adaptation.
- **Studies on digitization and the risk level of occupation survival following** it reveal that risk grows among those engaged in "risky" professions, particularly among older age groups, but also among younger ones, albeit less so. The young **uneducated** population is more vulnerable. In terms of employment scope – working hours – the amount of overtime has declined at present in those high-risk professions.

It should be said that despite gloomy forecasts about some professions becoming extinct, and new professions creating problems of skill incompatibility, leading to significant investment in worker training, we must remember that the labor market has proven its agility to some extent, and tends to adapt itself to changing realities rapidly enough, perhaps more rapidly than before³.

Moreover, during various discussions conducted on job extinction due to the evolvement of artificial intelligence (AI), two phases of progress were mentioned following technological advancement: the first is the extinction of occupations rendered redundant; and the second, the creation of new occupations to further the development of the technological advancement, as well as new products and associated services. This trend naturally alters the content of occupations, subsequently creating the need and demand for different worker skills.

³ Taub Center for Social Policy Studies in Israel Occupations at Risk: Computerization in Trends in the Israeli Market, Shavit Madhala-Brik.

The Character, Status, and Rights of the "New Workers"

The new workers have special attributes that we did not know before: they are more aware of their rights, be they by law or under applicable collective agreements. They are individualists by nature, yet are able to connect to groups sharing similar interests. They have a natural approach to technology, computers, and mobile phones. They adapt to changes in their occupation content, as well as to relatively rapid shifts between changing occupations, and are open to information on possibilities, as well as their chances of switching workplaces. Their working hours are flexible, as they combine house chores and personal pastimes with their work, and vice versa – work from home or engage in professional phone calls outside of office hours, at the expense of their personal time. The symptoms defining such workers are, inter alia, being able to adjust to technological changes, yet finding it difficult to concentrate on one topic for long, as well as being obsessed with screens and computers. Perhaps these attributes are currently more prominent among the younger generation, but as we all know, it too grows older, and brings the above with it, for better or worse, into the labor market, and their lives in general.

It is hard to classify the status of such workers based on the common distinction between employee and worker, the latter being a broader term. It is no less difficult to determine, and perhaps impossible or unfair to do so, whether they are freelance workers or employees engaged in a working relationship with their employers. The tremendous flexibility in such workers' occupations, working hours, changes in the common workplace hierarchy, and the transformation of the workplace into a virtual flexible one, all render it extremely difficult to use familiar past templates. Therefore, **the terms accompanying these industrial relations, or worker-workplace representation/trade union relations must also change accordingly. The trade union must change its member definition, and adapt itself to flexible, dynamic definitions that change with time, technology, and circumstance.**

CHAPTER 2: Findings and Insights from the 2017 Conference

Day 1 of the Conference – September 13, 2017

Among the opening remarks, the chairperson of the first session and head of the conference steering committee, **Dr. Roby Nathanson**, said there was a connection between the two conference topics, and that persons with disabilities experience and are employed as part of the digital economy, facing similar difficulties, but also enjoying everything technology has to offer, including the possibility of working from home or anywhere else, occupational convenience, etc.

Mr. Avi Yechezkel, the Histadrut representative to the ILO, and chairperson of the IIRRA, **Adv. Orly Bitty**, spoke about former IIRRA chairperson, Youssef Kara's unique personal contribution to strengthening the ties with the ILO, and his actions in promotion of the conference. Mr. Yechezkel expressed his desire to strengthen the ties with the IIRRA, which he said was doing important work.

Adv. Shlomo Itzhaki, Chief Commissioner for Labor Relations at the Ministry of Labor, Social Affairs, and Social Services, congratulated the IIRRA on having the conference, and discussing the issues at hand. He expressed his appreciation of the commemoration of Youssef Kara in the speakers' welcoming remarks, and for holding a session in his memory. Adv. Itzhaki also mentioned the fruitful cooperation between the Ministry and IIRRA in the writing and editing of the social dialog report, which Israel has submitted to the ILO as part of the establishment of a database on the future of the world of work.

Adv. Michal Waxman Hili from the Manufacturers' Association of Israel welcomed everyone to the conference, and expressed her satisfaction with the conference topics, and the activities performed by the IIRRA board, of which she is a member.

Chairperson of the IIRRA, **Adv. Orly Bitty**, expressed her appreciation of the ILO and FES for their genuine contribution to the conference, both in financing and content. She also spoke of her desire for greater collaboration, mutual activities, and help from the establishing bodies – the Histadrut, Manufacturers' Association of Israel, and the Ministry of Labor, Social Affairs, and Social Services.

Other speakers also expressed their appreciation of Kara's activity, both in this first session, and the second one, held in his memory and attended by his family.

Dr. Werner Puschra, Executive Director of FES Israel, analyzed the principles of the contemporary economy, and expressed his concern over the social gaps this economy is creating.

The speakers congratulated the IIRRA chairperson, Adv. Orly Bitty, for being appointed to both Histadrut Council and leadership.

The chairperson of the second session, **Dr. Shlomit Yanisky-Ravid**, spoke of Youssef Kara of blessed memory, and his special relationship and collaboration with him. She mentioned the different world view of the younger generation, so familiar with technological innovations that allow it to work, and be paid, from home, regardless of age, or the need for necessary personal acquaintance between service provider and receiver.

This session included a presentation by **Dr. Vladi Dvoyris**, who himself serves as an interesting model of job transition, having switched from dentistry to digital economy researcher at the Coller Institute of Venture, Tel Aviv University. To prevent "black holes" in employment, we must focus on technological literacy locally – in one city or defined region – and examine the relative advantage there on the municipal or regional level. The role of the authority is to provide tools suitable for achieving the financial goals set based on this advantage.

Mr. Eli Gershenkroin from the Research and Policy Sector, Department of Economics, Histadrut, focused in his response on Dr. Dvoyris' and Mr. Land-Kazlauskas of the ILO's presentations. He revealed an interesting, and relatively unique, phenomenon whereby there is a surge of worker unionization in Israel in recent years. Beyond the desire to unionize among workers in industries that have not unionized before, and those earning average wages or more, there is great importance in the language and communication that must be used with organizations in various market segments that are unionizing, such as theater actors, or high-tech professionals.

The third session began with a presentation by Meitav Dash Director General, **Mr. Avner Stepak**. The session focused on barriers and the removal thereof when employing persons with disabilities. Mr. Stepak spoke about his

experience employing persons with disabilities, and his approach whereby there are no "special needs" people, we all have weaknesses, strengths, and "special" needs. He presented some data on employing persons with disabilities, the relatively low wages earned by some of them, and the fact that their education level does not reach the average in the general population. The speaker highlighted the need to change the image of the mentally ill, as well as prospective employers' attitude toward them. The most important thing about employing persons with disabilities is training them, and having directors accompany them, while preparing them meticulously.

Adv. Michal Waxman Hili, Head of the Labor and Human Resources Division at the Manufacturers' Association of Israel, and **Mr. Guy Simchi**, from the Histadrut presented their joint framework, or task force, that, together with other relevant representatives, discusses employment barriers and their removal. Employing persons with disabilities helps to exhaust human resources in the Israeli economy. The issue raised by Adv. Waxman Hili was insurers' reluctance to insure such workers due to their disability serving as deterrence for their employment, as employers are uncertain about the impact of not insuring them. Another question raised pertained to the existence of databases on persons with disabilities that are seeking work.

Mr. Guy Simchi reviewed the activity and collaboration with various entities in employing persons with disabilities, placing an emphasis on expanding this activity on the municipal level as well, with the support of the Histadrut chairperson, Mr. Avi Nissenkorn. Emphasis was also placed on achieving the collective agreement that determines a minimum quota of employment in the private sector, as well as similar legislation applicable to the public sector.

Prof. Daniel Gottlieb from the National Insurance Institute of Israel (NII) presented data on persons with disabilities in general, and those engaging in employing them in particular, as well as a new study conducted on this issue. The motivation for going out to work is significantly impacted by the size of the disability pension the person is eligible to receive. The type of disability from which a prospective worker suffers also significantly impacts their stability in the workplace, and ability to adapt.

Mr. Eran Zilberstein, an Employee at Meitav Dash, described his feelings from a personal perspective as an esteemed company employee. He spoke about

being promoted, and how more workers were integrated into the workplace following the first ones' success.

At the end of the panel in this session, **Dr. Khalid Abu Asba** from the Research Department of Al-Qasemi Academy presented his study findings on the employment of persons with disabilities in the Arab sector. His study was conducted among persons with light/medium disability. There is some improvement in the employment of such workers, and the contribution of the education system in this area is manifest. The state, too, is more aware of this issue, and is doing its share. One difficulty that emerged was the view held by parents, who preferred to have their children work in employment centers, rather than have them working for the private sector. Another finding revealed was that weaker families are economically the more they have been supportive of disabled persons' in their families to be employed by the private sector.

Day 2 of the Conference – September 14, 2017

Adv. Neomi Landau, who chaired the first session of the day, presented the main principles of the national digital plan for 2017–2020 approved by the government. The plan was submitted by the Minister of Social Equality, Ms. Gila Gamliel, and aims to leverage the opportunities presented by the digital revolution, namely bridging social and geographical gaps, accelerated economic growth, and promoting user-friendly e-government designed to develop public infrastructure and services for citizens.

Mr. Imad Telhami, entrepreneur and developer of digital services, spoke about combining workers from different genders, sectors, and minorities, alongside persons with disabilities. The basis for such employment is business coupled with social benefit. He presented a digital project that serves to transfer information beyond the transfer of information in call information centers. Such a project requires workers from different professional segments whose wages are higher in light of their expertise. Information centers consist of several thousand employees, and are distributed across Israel. Mr. Telhami himself worked for many years for the textile industry, and has over the years retrained and acquired skills for a completely different field.

Mr. Gad Ravid, chairperson of the workers' council at SAP, presented the differences in high-tech worker unionization, and its necessity. Clearly the

elected members of the SAP workers' council, much like other trade unions, must adopt a different approach and methods than other industries in light of their skills, wages, and workplace structure. He spoke about the collective agreement applicable to the organization workers containing detailed communication procedures between the management and worker representatives, and his view that work must be terminated in an organized procedure, while providing laid off workers with fair terms. He did not rule out work termination that is based on amplifying the company's competitiveness and effectiveness.

Mr. Jakob Avid from HaNoar HaOved VeHaLomed – The General Federation of Working and Studying Youth in Israel, provided an overview of his organization's work toward providing young workers with information on their rights, taking legal action, and providing information on employers' breaches and violations to the enforcement authorities at the Ministry of Labor, Social Affairs, and Social Services. Age does not constitute a barrier for digital services that youth can produce in light of their technological capabilities.

Ms. Nechama Shapira, Director of the Customer Service Division at the National Insurance Institute (NII), presented the organization's activity in rendering information more accessible to customers, both using a friendly website that is frequently updated, and through the call center. The working hours at the branches have been expanded by the said activity, and also thanks to the digital options made available to serve insured customers.

The next session, chaired by IIRRA board member **Dr. Ozer Carmi**, included a panel on the integration of diverse populations into the labor market, which is transforming into one that operates using digital means. Dr. Carmi mentioned in his opening that it has been 40 years since the collaboration between the IIRRA, FES, and ILO began.

The session opened with a presentation by **Dr. Eli Eisenberg**, senior deputy director general, ORT (Ret.) for Technological Education, on innovation and training, who focused on the conservatism of the education system versus the needs and technological advancement. The school structure, materials it provides, and content approved by professional committees, is in need of immediate refreshing and change in attitude with regard to the acquisition of competencies and skills – a higher level of English and STEM, Business entrepreneurship and leadership courses, as well as courses in other areas, are extremely relevant to the contemporary labor market. It is essential that the education system encourages and prioritizes the promotion of self-learning and excellence.

The characteristics of graduates of educational institutions in the 21st century: An outline of Dr. Eli Eisenberg's presentation at the conference

Skills

- Critical thinking and question posing
- Problem solving in an uncertain environment
- Creativity, innovation, and entrepreneurship
- Teamwork – individual and group responsibility
- A global approach
- Personal to inter-personal communication
- Excellence and outstanding performance
- Mental wellbeing

Knowledge

- Parenting
- Career development
- Inter- and multi-disciplinary
- Time management
- Economics and financial education
- Environment, science, and technology – IT, the Internet of Things, apps, cyber...

Values

- Integrity
- Ethics and morals
- Law and order
- Volunteer work and contribution
- Social justice
- Leadership

Dr. Tal Lotan, Director of training and education in the manufacturing and business sector at the Manufacturers' Association of Israel, presented the shortage of technological workers, as well as the need for potential workers to integrate into the advanced industry through the consolidation of an education policy. There is a need for a change of image among industry workers, both in terms of occupational content, and with regard to wages. She conveyed the feeling of impending change among government officials, who listen more to the needs of the industry, and are more open to the redevelopment of technological education. Industry representatives must be brought into the planning of the education system.

Adv. Ina Soltanovitz-David, Director of the Program of Employment Development and Professional Training at the Joint Distribution Committee (JDC) – TEVET, provided an overview of the program she is heading. The main goal is to enhance accessibility in areas that are needed for employing. The project "Digital Talent" shows very good results in employing diverse population such as Arab Minority, Jewish Conservatives, potential workers from the Ethiopian newcomers, persons with disabilities, persons aged 45+ and those coming from social and geographical peripheries.

Ms. Mia Alter, Director of the Digital Education Project at Bank Leumi, presented the developments in the banking industry in an international context through the use of advanced digital tools. She provided details on the fundamentals of the bank's digital project, designed to encourage bank staff to promote this digital service age. The bank also focuses on its customers in its efforts to increase accessibility to those customer segments that do not use such advanced technological means, and continue to visit the bank branch.

The closing session, chaired by **Mr. Micky Drill** from FES Israel, in which IIRRA chairperson **Adv. Orly Bitty** also took part, demonstrated the importance of the topics discussed during the conference. Our partners were thanked for their help organizing this conference, as well as others who contributed to it. Adv. Bitty expressed her desire, and that of the IIRRA, that the fruitful cooperation will continue for many more years to come in coordination with the conference initiators on the issues discussed and the presenting experts. According to Adv. Bitty the conference had undoubtedly resulted in high-level presentations and insights.

CHAPTER 3: The Social Partners in their Current Activity and Future Prospects for the Labor Market and Social Fabric Improvement

Industrial relations in Israel have had their ups and downs over the years. Alongside work disputes encompassing many workers, particularly in the public sector, on improving wages, objecting to government socio-economic plans, the inferior working terms of contract workers etc., these relations were able to respond to the financial crises endured by the economy. In fact, the economy was saved from dangerous deteriorations in several periods of time between the 1970s and 1990s. One might also say that, thanks to explicit, silent understandings between the Ministry of Finance, employers, and the Histadrut.

The ongoing crisis that began in 2008 has had relatively little impact on the Israeli economy, even though some parameters did experience some decline, such as the scope of civil export, defense-related export, growth rates, and the establishment of new plants. A certain degree of decrease was also recorded in the scope of jobs, as well as in the amount of working hours.

The main ongoing issues of the labor market and industrial relations focus on relatively low productivity rates – particularly in private and governmental services, as well as traditional industries, and private-retail services. The low productivity rates in the private sector primarily stem from the absence of adequate capital for the renewal and purchase of technological equipment, conservatism in production processes and coordination between elements, backwardness in infrastructure, and low level of technological education.

Another important matter is external climate – the lack of support and understanding on the part of the local and national authorities, bureaucratic complications and duplicities, a lack of coordination between authorities and unnecessary red tape, and the delaying of various procedures, be it in business setup or its expansion.

A ray of light is beginning to shine through as awareness of these issues is slowly rising among local and national government officials, and a change in attitude is gradually being built, as well as the basic desire to improve procedures and render them more effective.

Moreover, in light of the fact that there is relatively good infrastructure for dialog between the elements comprising the tripartite structure, it is important to concretize these ties, and place items on the agenda that were previously considered taboo, such as **productivity-enhancing steps, revisiting the working hour/ work week/ workday structure, new methods for improving efficacy and management level. All under a coordinated framework can improve productivity in the economy.**

Achievements and Improvements

In recent years a trend has emerged whereby the social issues placed before social partners are focused on, such as raising the minimum wages for all workers, improving the working conditions of those earning low wages in security and hygiene, shifting to direct employment in some organizations, the agreement determining that a minimum percentage of persons with disabilities be employed, and very recently, the pressure exerted on the government to improve disability pensions which has borne fruit. **Most of these issues were led by the Histadrut which sees itself as a social movement as well.**

The last wages agreement in the public sector led to some bridging of wage gaps in this sector, as a uniform addition in Shekels was given as part of the increment determined.

Recommended Actions

It is time to establish strategic thinking, later to be implemented through the three major elements on the national level of the world of work, with the help of applied research academic scholars.

For this purpose, the tripartite system must be given a permanent status through a convention or law creating a constructive activity continuum on the essential issues at hand, rather than emergency meetings. Inter-sectorial teams should be set up to examine the feasibility of existing relevant studies, and encourage others to be conducted.

Universities and colleges will be assisted by research institutes engaging in business and technological forecasting to keep curricula up to date, in

preparation for the future, and train the younger generation for the future of work, and the structure and content of such future employment.

The studies and researches conducted at universities on the world of work should have an applied aspect, and during the study, discussions should be held on the feasibility of the study in collaboration with professional representatives of employers and workers.

The professional teams appointed by the social partners should meet regularly, as well as in a tripartite framework, to examine needs, difficulties, and changes, and strive to reach agreements.

Substantial changes to the structure of technological education by updating curricula, improving the image of students selecting this field, and increasing the interpersonal ties between schools and industry.

Encouraging and placing low-productivity sectors at the heart of work and assistance, and minimizing the gaps between them and the high-tech and export industries. Vocational training is required for adults in relevant occupations. Technology changes and differs from one workplace to the next, creating a need for personal training in the workplace, with the help of the government. It is important to include workers in change processes, and the promotion of their vocational training.

A system of incentives should be put in place for all workers, including on interim levels. Working from home should be expanded, as well as the provision of tools to avoid discrimination, and allow for promotion potential to be expressed.

Another improvement is seen in work awareness and in joining the labor market in both sectors – the Arab minority and Ultra-Orthodox – and their integration into fair and rewarding occupations. This will lead to a significant drop in poverty rates among these populations, which feature prominently in income gaps compared to other sectors of Israeli society.

And no less important – various populations must not be left behind digitally. Instead, intensive and comprehensive instruction should be made available.

Recommendations on Industrial Relations

Labor court – the justice system specializing in the world of work should be brought closer to the reality of the current world of work through professional visits of labor court judges to social partners and on the ground.

It is essential that an ADR approach to industrial relational conflict resolution be adopted while acting upon the convention signed by the relevant government ministries, labor courts, and industrial relation parties. This outlook should be anchored in the collective agreements as another tool for crisis prevention and resolution. The preferred mode of action is to have workshops for both workers and management representatives in a wide range of organizations, and offer alternatives to the eruption of work disputes through increasing trust between the two parties, using the transfer of relevant information at the appropriate time, using the tools provided through codes of ethics, and preferring to exhaust dialog rather than turning to extremism, and letting disagreements escalate into crisis.

Experienced mediators will be able to identify problems and bridge gaps early on.

At the same time, there is a need to refresh labor laws in Israel and adapt them to both current and future labor market, alongside activities in this area that should be carried out by the ILO, which intends to revisit the relevance and applicability of conventions signed decades ago.

The Contribution of the Tripartite Structure to Bridging Gaps in Income

Israel is at the bottom of the developed economically countries list when it comes to gaps in income. In recent years some of these worrying findings have stabilized, and even improved. Poverty reports have led to the establishment of a committee with some public weight, which recommended that gaps be lowered from approximately 20% relative poverty rates to approximately 10% within 5 to 10 years (following transfer payments). These recommendations have yet to be implemented, however, and are not progressing as they should.

Therefore:

The collaboration between social partners in the economy should continue and even strengthen, while prioritizing the bridging of gaps.

The social partners should serve as catalysts for labor market changes as far as technological professional training is concerned, as well as technological education for both the elderly and young respectively, a more concentrated employment of active policy measures by the government through increased taxation incentives designed to encourage individuals to join the labor market. Encouraging measures should also be put in place to incentivize prospective workers to be integrated into the labor market by raising their level.

Following the activity carried out by Maagalim in collaboration with the Histadrut and employer organizations, providing retraining solutions for workers who have been eroded at work, this activity should be enhanced and expanded. Workers that cannot be retrained should receive a bridging pension until they retire.

"Technological erosion" will continue to deepen among workers no less than, and perhaps more than, physical erosion, due to processes of population exclusion in the absence of possibilities for implementing changing, advanced technologies. The other population – the active one that is overloaded, with no time or space constraints in both physical workplace and outside of it. This intense activity is ongoing and creates ever-increasing functioning issues, personality problems, and stress in the home.

Key Recommendations for Team on Social Dialog on the Future of Work in the World

In light of the changes in company and trading structures, a dialog should be developed on an international / continental level of trade unions versus employer organizations. As elderly workers increasingly enter the labor market, the implications on the market should be examined, as well as the boundaries of the definition of the "worker" status, including its economic and social implications, in light of the rise in freelance workers, and the organized lobbying entities that do not meet the traditional definitions of representatives seeking recognition, such as the taxicab drivers' union, the "shared economy", organizations designed to rent out resources on short-term leases such as properties for tourists, parking spaces at times when they are not used in densely-populated cities, and so on.

The way that reflection on "living wages" is conducted may be beneficial in the development of new definitions that are more inclusive and progressive in this respect. The economy must create more jobs, and in light of reality, may not succeed in doing so, therefore job sharing may be one way to survive.

In Israel

Expanding social health and caregiving insurance, and adapting it to the population's dynamic needs in light of its ageing, and the changes in the basket of services and products consumed by it. Lowering the cost of health insurance, and expanding basic obligatory insurance as an equality-promoting component between various segments of society, as well as between the periphery and central Israel.

Initiatives for consumer-worker, and sometimes employer, coalition building on issues of shared interest and common ground.

Separating the NII reserves from the public frameworks, and adjusting them to postponed retirement ages and life expectancy – increasing government pension savings (national insurance) as well as occupational pension savings.

Summary

The artificial intelligence created by man defeats chess masters and directly helps perform surgery, even from afar. The artificial media's ability to correct itself, learn from its mistakes, and improve its accomplishments poses some fundamental questions to humans with regard to human functioning, the role and importance of work in the fabric of life, the changes in its governance, and its resilience and ability to provide the essential needs required to maintain public order, provide essential services and consumer goods, improve individual and community welfare, build physical infrastructure, provide advanced education and training, and give the population in general, which is undergoing increased ageing processes, adequate health institutions, and improved quality of life.

ANNEX: Conference Program



**International Conference in Cooperation with
the International Labour Organization (ILO)
and the Friedrich-Ebert-Stiftung (FES) in Israel**

**The Israeli Industrial Relations Research Association (IIRRA)
The Ministry of Labor, Social Affairs and Social Services
The Histadrut - General Federation of Labour in Israel
The Manufacturers' Association of Israel (MAI)**

World of Work in the Digital Era The Economic Benefit and Social Value in Employing Persons with Disabilities

September 13-14, 2017

Tel Aviv University, Faculty of Law

Hall "Kes HaMischpat", Trubowicz Building
Entrance through University Gates No. 4 or 5

Simultaneous translation Hebrew/English and English/Hebrew will
be provided.

**Please register for the conference via telephone
at 03 – 575 7866 or through the IIRRA website at www.iirra.org.il**

Parking is available at several parking lots in the immediate vicinity
of the university campus.

Wednesday, September 13, 2017

14.00 - 14.30

Registration

14.30 - 15.15

First Session: Opening Remarks

Chairperson: **Dr. Roby Nathanson**, Director General, Macro Center for Political Economics and IIRRA Board Member

Adv. Orly Bitty, Chairperson IIRRA Board

Dr. Werner Puschra, Executive Director, Friedrich-Ebert-Stiftung (FES) Israel

Mr. Avi Yechezkel, Chairperson, Administration and Regional Division Histadrut and Histadrut representative to the International Labour Organization (ILO)

Mr. Christopher Land-Kazlauskas, Research Department, International Labour Organization (ILO)

Adv. Shlomo Itzhaki, Chief Commissioner for Labour Relations, Ministry of Labor, Social Affairs and Social Services, IIRRA Board Member

Mr. Ruby Ginal, Director General, Manufacturers' Association of Israel

15.15 - 16.40

Second Session:

Dedicated to the memory of Youssef Kara, former IIRRA Chairperson

The Digital World and Digital Economy - Significance and Implications on Everyday Life and the Labour Market

Chairperson: **Dr. Shlomit Yanisky-Ravid**, Head of the Shalom Comparative Legal Research Center, Faculty of Law, Ono Academic College, IIRRA Board Member

The Impact of the Digital and Platform Economy on Industrial Relations

An update - ILO's Future of Work Initiative - An ILO's Expert Presentation

Mr. Christopher Land-Kazlauskas, Research Department, International Labour Organization (ILO)

Where Have All Our Jobs Gone? Redesigning Labour

Dr. Vladi Dvoyris, Director of Community and Marketing, Coller Institute of Venture, Tel Aviv University

	Short Replies Mr. Henri Zimmermann , Chairperson Northern Region - Manufacturers' Association of Israel and Chairperson, Trelidor Israel Mr. Eli Gershenkroin , Senior Research Assistant, Research and Policy Sector, Department of Economics, Histadrut
16.40 - 17.00	Coffee Break
17.00 -	<u>Third Session:</u> Equality, Economic Benefit and Social Value in Employing Persons with Disabilities Chairperson: Dr. Lilach Lurie , Lecturer, Tel Aviv University, Department of Labor Studies, IIRRA Board Member
17.00 - 17.20	Economy, Society and Employment of Persons with Disabilities Mr. Avner Stepak , Vice Chairman of the Board, Meitav Dash Investments
17.20 - 19.00	Short Presentations on Employing Persons with Disabilities Adv. Michal Waxman Hili , Head of Labour and Human Resources Division, Manufacturers' Association of Israel, IIRRA Board Member Mr. Guy Simchi , Supervisor for the Employment of Persons with Disabilities, Histadrut Prof. Daniel Gottlieb , Deputy Director General for Research and Planning, National Insurance Institute of Israel (NII) Mr. Eran Zilberstein , an Employee at Meitav Dash – A Testimony Dr. Khalid Abu Asba , Research Department, Al-Qasemi Academy – Research on Employment of Persons with Disabilities in the Arab Sector

Thursday, September 14, 2017

09.00 - 09.30	<i>Registration</i>
09.30 - 11.00	<u>Forth Session:</u> The Implications of Digital Economy on Labour Relations, Social Situation and Social Security Chairperson: Adv. Neomi Landau , Landau Law Offices, Former Chairperson IIRRA

	Short Presentations Mr. Imad Telhami, Entrepreneur and Chairperson, Babcom Centers Mr. Gad Ravid, Chairperson, Workers Council, SAP Mr. Jakob Avid, HaNoar HaOved VeHaLomed - General Federation of Working and Studying Youth in Israel Ms. Nechama Shapira, Director Customer Service Division, National Insurance Institute (NII)
11.00 - 11.20	Coffee Break
11.20 - 12.00	<u>Fifth Session:</u> Inclusion and Employment in the Digital Labour Market of Persons with Disabilities Chairperson: Dr. Ozer Carmi, School of Business Administration, Ono Academic College, IIRRA Board Member Policy and Values in Employing Persons with Disabilities An ILO's Expert Presentation Mr. Esteban Tromel - Senior Disability Specialist - Gender, Equality and Diversity Branch (GED), International Labour Organization (ILO)
12.00 - 14.00	<u>Sixth Session:</u> Integration of Diverse Populations into the Labour Market and the Digital World Short Presentations Dr. Eli Eisenberg, Senior Deputy Director General (ret.) and Head of Research, Development and Training, ORT for Technological Education Dr. Tal Lotan, Director, Training and Education in the Manufacturing and Business Sector, Manufacturers' Association of Israel Adv. Ina Soltanovitz-David, Director, Program of Employment Development and Professional Training – Joint Distribution Committee (JDC) – TEVET Ms. Mia Alter, Director, Digital Project Bank Leumi, Project for Bank's Staff and Clients Q&A Session

14.30 – 15.00

Closing Session:

Chairperson: **Mr. Micky Drill**, Project Manager, Friedrich-Ebert-Stiftung (FES) Israel

Insights and Recommendations for the follow up Report

Adv. Orly Bitty, Chairperson IIRRA Board

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