

# DIGITALIZATION OF LABOR RELATIONS: TENDENCES AND ACTORS

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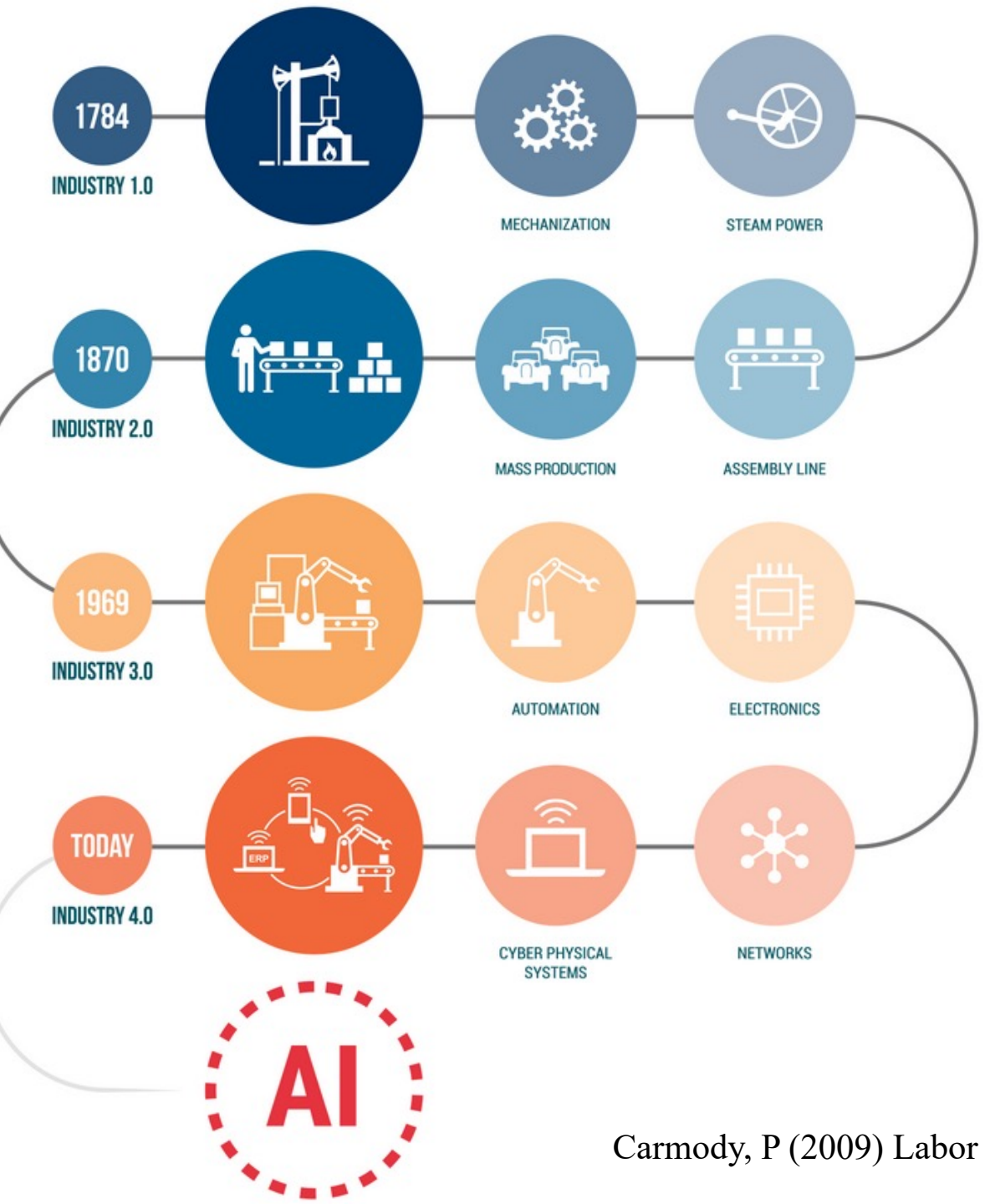
# Outline

- ✓ Labor market factors
- ✓ Key forecasts and prospects for the Latvian labor market
- ✓ Change implementation model
- ✓ The main participants in labour market of Latvia
- ✓ Actor map for Latvian labour market



# Background

One of the contradictions of the labor market is that it is often structured to operate as if what was being bought and sold is a good or commodity, when in fact it is the ability to do work, and this is embedded in people. The social nature of the labor market therefore gives it special characteristics, which call for regulation and monitoring. The process of globalization is fundamentally about restructuring the labor market to make it operate on more uniform principles.



# *The relevance of the study...*

...is dictated by the fact that: digitalization and pandemic have accelerated the transformation of the labor market.



# *Labor market factors*

***The supply of labor*** is determined primarily by demographic factors - the birth rate, the rate of growth in the working-age population, and its age and sex structure.

***On the demand side***, the main factor influencing the dynamics of employment is the state of the economic situation and the phase of the economic cycle. In addition, scientific and technological progress has a significant impact on the demand for labor.

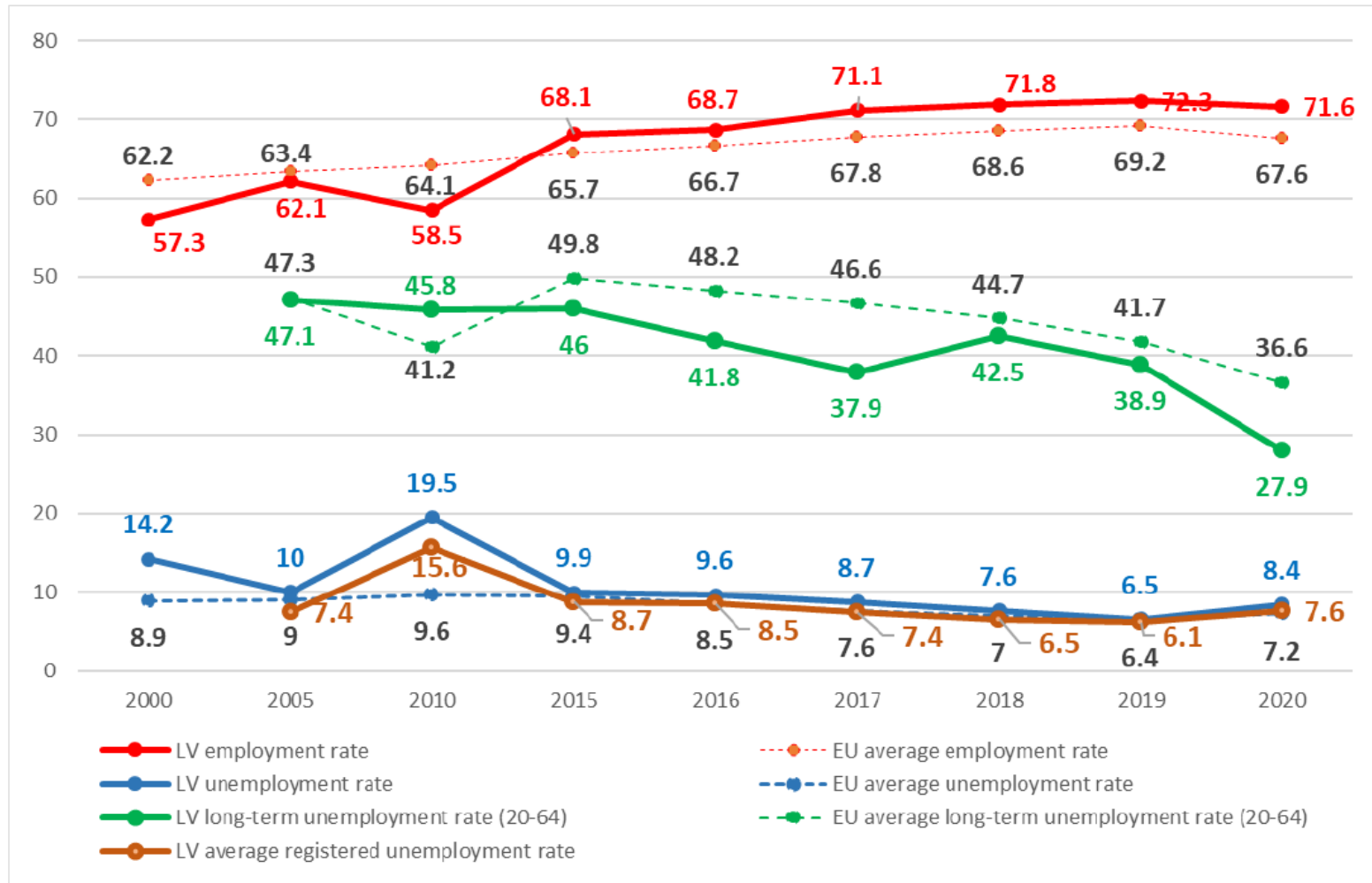


# ***Key forecasts and prospects for the Latvian labor market***

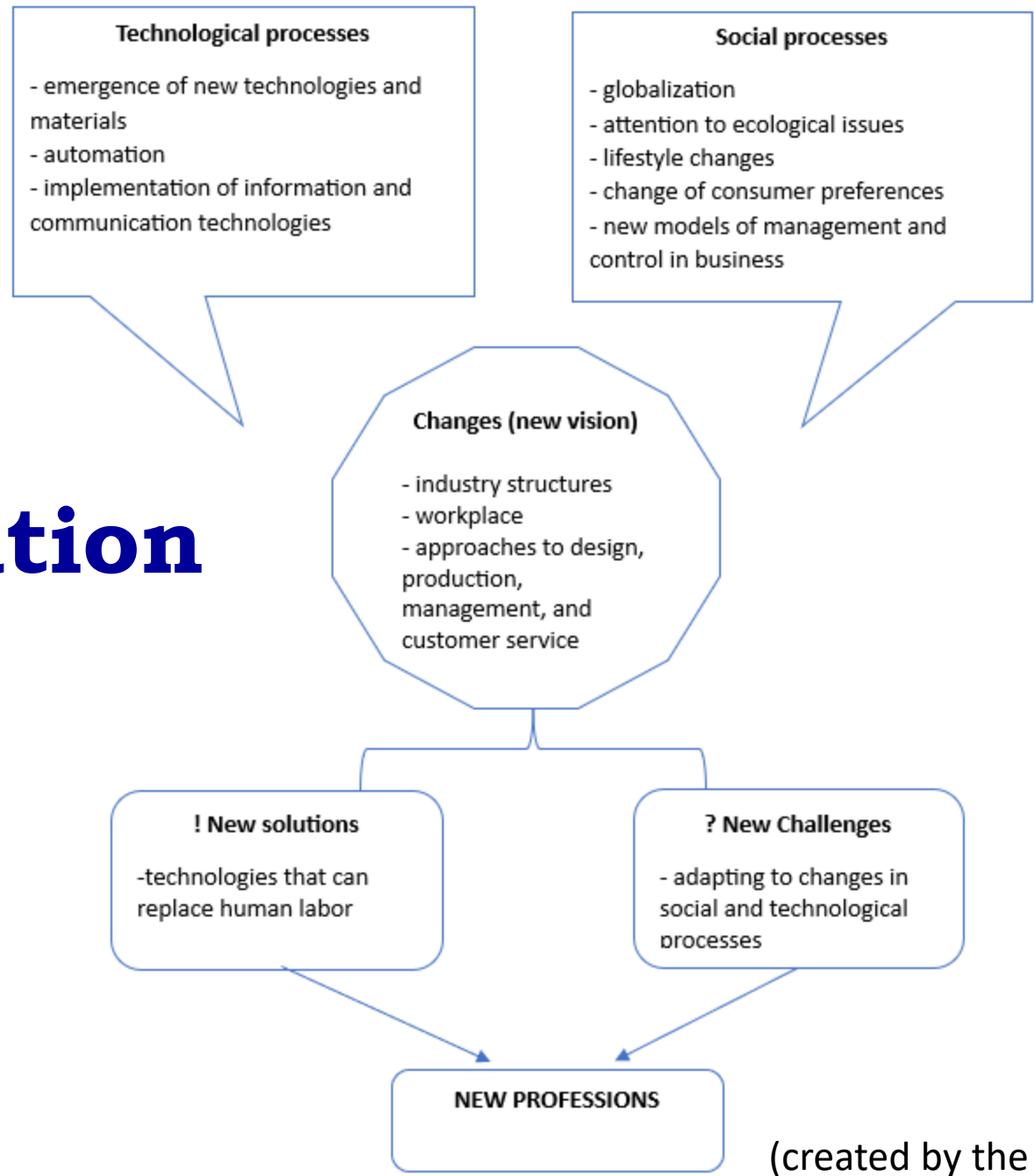
Statistics on the labour market are at the heart of many EU policies and are namely used to monitor the Europe 2020 strategy, the European Employment Strategy (EES), the European Pillar of Social Rights and the 2030 Agenda for Sustainable Development



# Employment rate and the unemployment rate in LV and EU



# Change implementation model



(created by the authors, 2022)





# *The main participants*

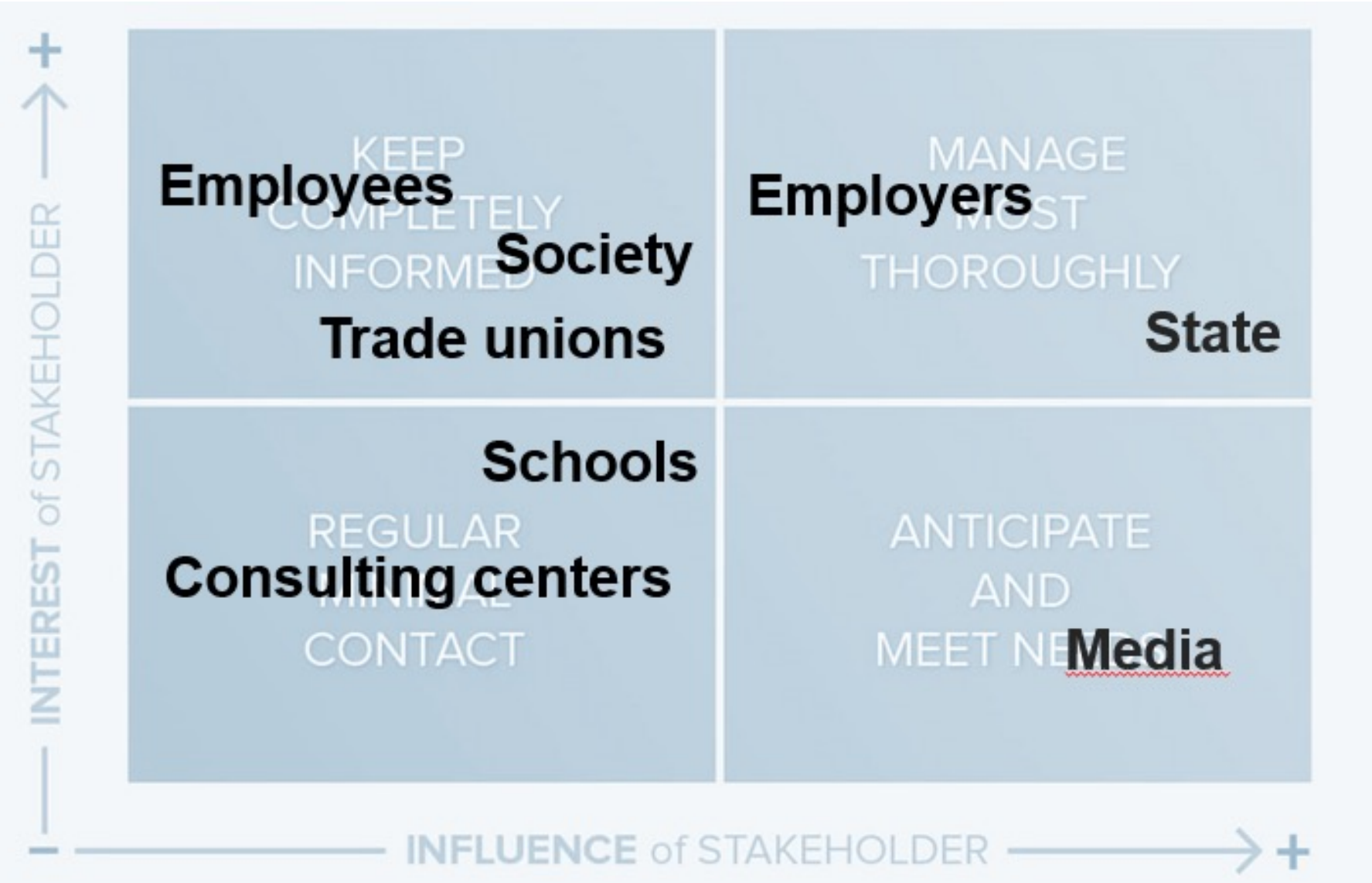
- **State** (government, legislatures, local municipalities)
- **Trade unions** (public and private associations, created in the workplace/formal and informal)
- **Consulting centers** (public and private intermediaries in the labor market)
- **Society**
- **Employers** (public sector and private sector)
- **Employees** (salaried workers)
- **Schools** (vocational training institutions, higher education institutions)
- **Media** (sources of information for the society)



# Stakeholder map

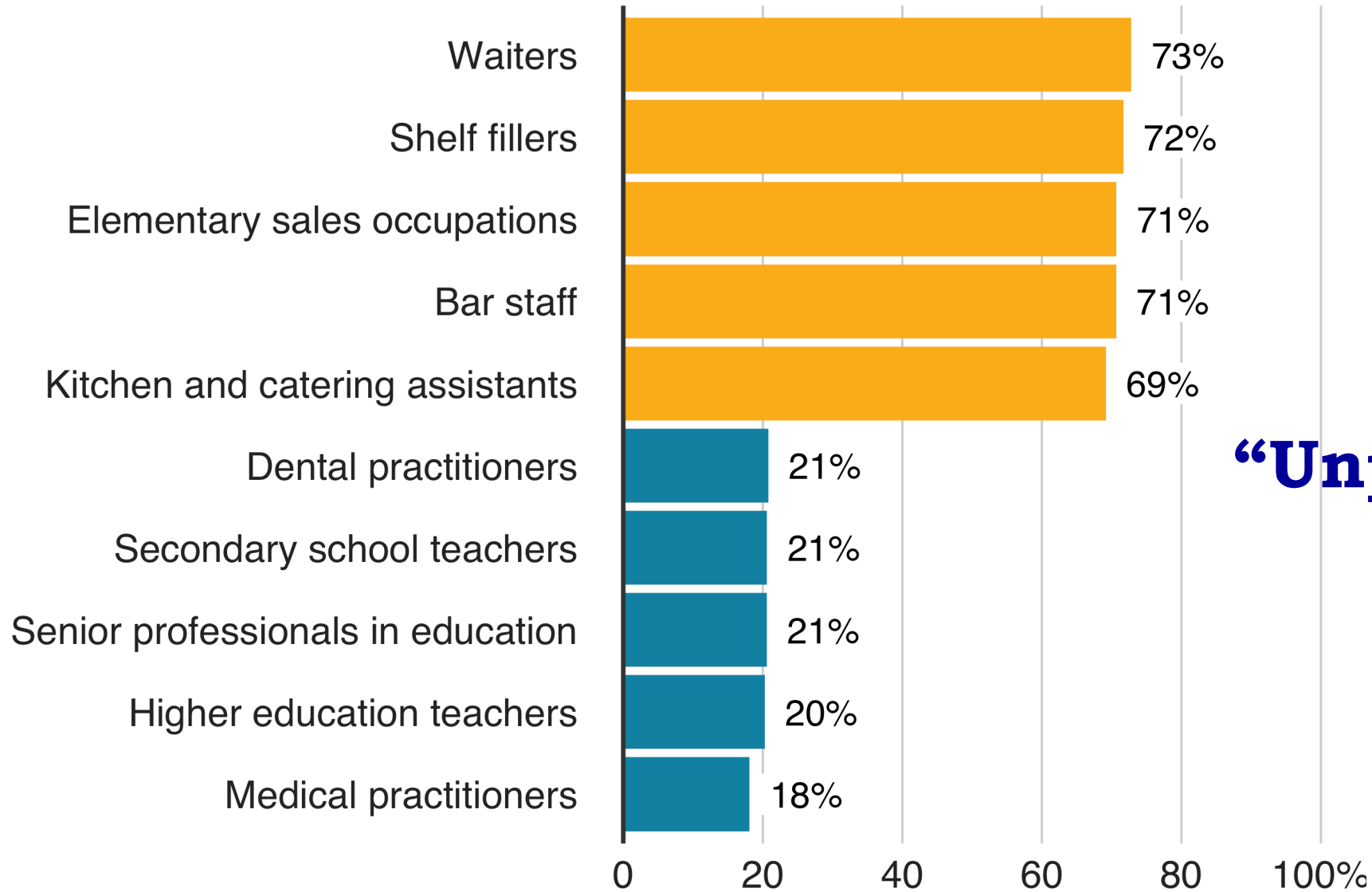


# Actors map



# Jobs at risk from automation

Highest and lowest probability



**“Predictable environments”**  
**vs.**  
**“Unpredictable” jobs**



*Overall, in the medium term, the following major labour market mismatches could be observed:*

- ! Until 2027 the shortage of high qualification specialists in STEM disciplines may increase to ~14 thousand.
- ! Until 2027 the surplus of labour force with higher education in social sciences, business and humanities may increase to ~17 thousand.
- ! Shortage of labour force with vocational secondary education.
- ! Surplus of labour force with general secondary education, basic education and lower education level. Until 2027 the surplus of such labour force may reach ~85 thousands (~24 thousand with general secondary education, ~61 thousand with basic and lower education).

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***THANK YOU FOR YOUR ATTENTION***

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