



# The impact of the digital transformation of work and social services on intersectional inequalities

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## INTRODUCTION

The EUROSHIP project (2020-2023) aims to provide an original and gender-sensitive assessment of the current gaps in social protection against poverty and social exclusion in Europe. Through the involvement of national and European stakeholders, EUROSHIP develops policy recommendations on how to strengthen social citizenship at the national and EU levels. The research results will support the implementation of the European Pillar of Social Rights.

The European Commission (2021) '*2030 Digital Compass*':<sup>1</sup> outlines the aim to significantly improve the digitalisation of public services in Europe. This research examines the digital landscape and the success and challenges within countries and across communities and identifies the gap between the ambition and realisation of these objectives. The project examines how the broader changes in digitalisation of work and public services is affecting citizens opportunities and creating obstacle to them participating in the economy and exercising their social rights. The research team aims are: (1) To examine whether European countries have adjusted their social protection systems to prevent social exclusion in the digital economy; (2) To summarise and assess existing data on the extent of digital forms of employment and public social services; (3) To examine citizens attitudes towards the impact of digitisation on daily life; (4) to identify ways for national social protection systems to prevent social exclusion in the digital economy; and (5) to understand how intersectional inequalities affect individuals' potential to exercise social rights and fully participate in the emerging digital economy.



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<sup>1</sup> <https://eufordigital.eu/library/2030-digital-compass-the-european-way-for-the-digital-decade/>

The findings from our research, based on both European wide quantitative sources and qualitative life course and expert interviews, are listed below:

### 1. Government approaches to social exclusion in a digital economy

- Overall, the level and quality of household digital assets is closely tied to country or regional levels of digitalisation and public policies. Governments have been aware of the need to identify policies to address the social, economic and cultural transformations resulting from digitalisation.
- These policies often focus on issues of connectivity and digital assets, i.e. access to the hardware or the digital skills to use the software. However, access and usage are divided across a number of intersectional dimensions related to gender, class, age, ethnicity, disability and region.
- Some organisations are making innovative inroads to address these problems, but these actions are often fragmented and poorly coordinated.

### 2. The digital transformation of work and the use of digital technologies

- Can reduce costs and have the capacity to access large pools of flexible labour. Workers may also benefit from increased flexibility and access to new work opportunities.
- The potential benefits for workers are seemingly mismatched with the practical realities they experience; it is typically used to supplement other jobs, though for some workers it is their main source of income.
- The dynamic nature of digital employment presents emerging barriers to equitability. These patterns of exclusion affect citizens in different ways and have the potential to marginalise already vulnerable groups. Operating beyond the coverage of social protection systems, these workers are often impeded in their capacity to exercise full and effective social citizenship.
- Workers are subject to poor working conditions and precarity resulting from this uncertain employment model. Their ability to seek collective redress is undermined by the imbalance of bargaining power resulting from this uncertain employment relationship.
- The regulatory loopholes identified also have the potential to extend beyond platform labour markets, underlining the need for caution. The emergence of unregulated digital forms of management in standard employment relationships is indicative of how the problem is set to evolve.

### 3. Access and usage

- Attitudes to digital technology in general are quite contradictory with both positive and negative perceptions of its expected outcomes.
- Individuals' perceptions of their digital skills produce some expected differences in the gaps between different communities across all countries. For example, women, older people, the less well-educated groups, and those living in households without children have a lower evaluation of their skills compared to men, younger, better educated, and those living in households with children.
- However, while this is similar across all countries, the extent of these differences varies between countries. Italians and Hungarians have lower levels of confidence in their digital skills than those in countries like Estonia, Spain and the UK.
- Comparing eGovernment Benchmark for 2021 data suggests provision and usability of digital services is not always associated with citizens' improved perceptions of their digital capabilities. This may be a time lag factor or may reflect more entrenched divisions around accessibility and skills, particularly for less well-connected groups.

### 4. Digital welfare Ecosystems in Europe

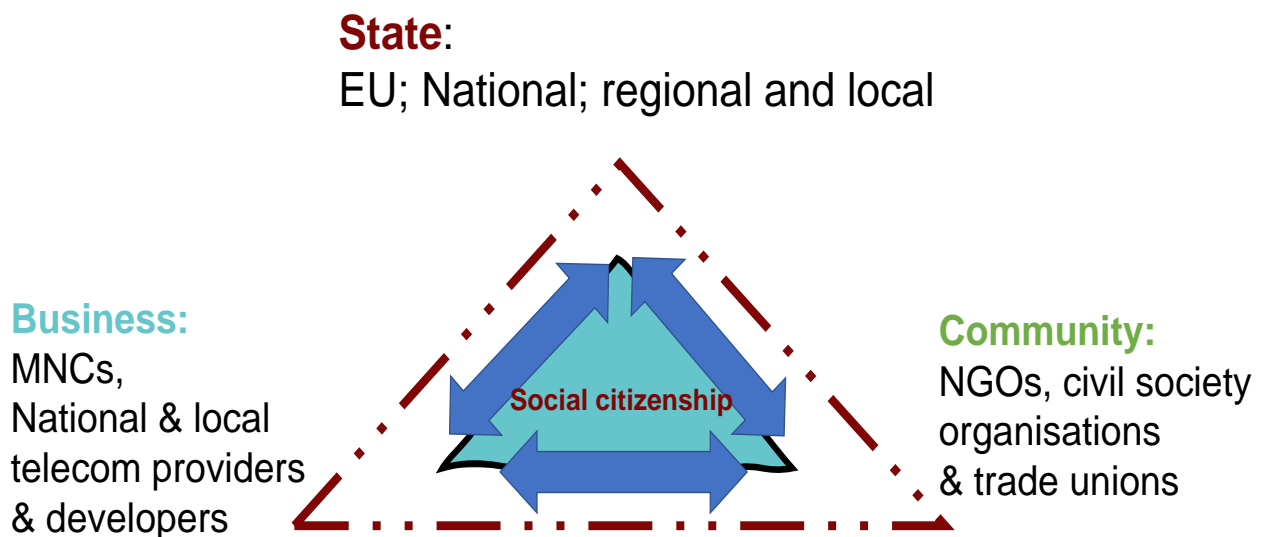
- The seven countries taking part illustrate very different digital welfare ecosystems and the conditions for exercising social citizenship. Our initial analysis suggests that these range from systems with high

levels of synergies between core actors (Norway and Estonia); more stratified (Spain), fragmented (UK) or federalised (Germany) systems; and countries exhibiting elements of hybrid polarisation (Hungary) or uneven and poorly coordinated development (Italy).

- The state is significant in all cases. However, more effective systems have seen stronger state leadership synergising with other actors (Norway and Estonia). In contrast countries that have been lagging behind have been likely to mention the role of EU led interventions shaping this evolution (Hungary and Italy). The plurality of state actors at local and national level is more evident in the UK and Germany, albeit with different consequences on their impact for the role out of digital public services.
- Digital public services were catalysed by the need to connect with these communities, in particular during lockdown. In some cases where the state was unable to coordinate this effectively, citizen groups emerged to address these gaps through digital and non-digital means.
- Well-established indicators of poverty and inequality are highly correlated with digital poverty; the move to 'digital by default' only serves to amplify these inequalities and the weaknesses of digital social citizenship dialogues.

Through this analysis and evidence, we have developed the concept of **digital welfare ecosystems** to capture the digital transformation of public services. One of the strengths of this approach has been to identify new and emerging interdependencies between the triad of actors: government, business, and community third sector organisations (Figure 1). The concept is used to examine and evaluate how new forms of social citizenship can be promoted. Social citizenship here relates to how the opportunity for exercising social rights is shaped by the nature of social dialogue, interaction and coordination between these actors and the implementation of mutually beneficial and effective change. This is in keeping with the aims outlined by the European Commission (2021) '2030 Digital Compass'.

## Digital Welfare EcoSystems & Social Citizenship



### 5. Intersectionality effects on exercising social rights in the digital economy

- The EU has a well-established record in monitoring gender inequalities through the European Institute for Gender Equality (EIGE) and the Gender Equality Index (GEI). More recently, since 2017, it has sought to include indicators on intersectionality and multiple forms of inequality.
- Research evidence indicated a very poor level of collecting evidence on the impact of intersectional inequalities in general, and in particular concerning the impact of the digital transformation of public services. The importance of this became very apparent during the pandemic.

- A new Subgroup on Equality Data from the European Agency for Fundamental Rights (FRA) has monitored this evolution across the EU, including the UK. They have provided a ‘Compendium of Good Practice’ for more broad ranging equality data collection. Good practices include: Setting up structures that enable a systematic, long-term and cooperative approach to collection and use of equality data; and operational guidelines on how to ensure comprehensiveness, timeliness, validity, reliability and representativeness of equality data and to improve their comparability.

Institutional and structural guidelines require:

1. Mapping existing sources of equality data and identify data gaps
2. Foster inter-institutional cooperation in the collection and use of equality data
3. Setting up a data hub on equality and non-discrimination
4. Building institutional capacity to collect robust and reliable equality data
5. Facilitating effective use of equality data

Operational guidelines require

6. Ensuring comprehensiveness of equality data
7. Mainstreaming equality data into EU and national surveys
8. Ensuring regular and timely equality data collection
9. Enhancing validity and reliability of equality data
10. Ensuring representativeness of equality data
11. Improving comparability of equality data

As a complement to these guidelines, the subgroup prepared a diagnostic mapping tool that EU Member States can use to assess the availability of equality data collected at national level and a compendium of practices that can provide inspiration when implementing the guidelines.

- One of the key findings from this comparative assessment is the need for an intersectional sensibility in the construction of policy regarding digital access to welfare, education, and health. New dimensions of digital inequality are often embedded in historical poverty trends. Limited intersectional data restricts the potential to understand the problem and develop effective policy solutions. The deepening risks of poverty and social exclusion for those already marginalised by digitalisation might well be exacerbated given this lack of attention to the impact of these changes for groups in vulnerable positions across Europe.

## POLICY IMPLICATIONS AND RECOMMENDATIONS

Recommendations:

1. Effective solutions are needed to bridge the digital divisions and increase citizens’ abilities to connect to digital infrastructures, enabling their social citizenship by firstly identify more specifically the nature of digital deficits for social citizenship.
2. Policy makers will need to address not only the digital provision of public services but also the skills and abilities of citizens to access and use these services to ensure comprehensive digital inclusion.
3. Robust income maintenance policies for those with insufficient income from paid work and social regulation of the labour market is needed to address emerging gaps in social protection coverage this needs to pay sufficient attention to how the broader digitalisation of employment may exacerbate inequities.
4. Policy makers need to close regulatory loopholes identified within platform work to ensure the emergence of unregulated digital forms of management in standard employment relationships is addressed.
5. A recognition of the neglected but emerging importance of business dialogues with government and third sector organisation in shaping the inclusiveness of digital welfare ecosystems
6. The effectiveness of country and EU specific tools to address these gaps in the future needs to be evaluated and deemed fit for purpose.

## PROJECT IDENTITY

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