

## Written evidence for Future of the Institute of Work [PCW0066]

### Improving Labour Market Intelligence and proposal for a Work 5.0 Strategy

I am writing to thank you for inviting me to give evidence to your inquiry into the DWP preparations for changes to the world of work on the 3rd November.

At the hearing, Siobhan Baillie MP expressed interest in new ways to improve labour market intelligence. I have considered this point further to support any follow up action you decide to take. In my view, the best means to advance labour market intelligence would be to combine questions about technology adoption and work as follows:

First, the ONS could add a broad question on the adoption of digital technologies to the Annual Business Survey. Secondary questions could explore the purpose of such adoption, for example whether it was to continue trading, generate efficiencies or to manage personnel remotely. A third line of questioning would then enquire whether the technology adopted (i) replaced human tasks (ii) augmented human tasks or (iii) undertook new tasks.

A 'snapshot' survey of technology adoption through Covid-19 would also be useful to researchers and government. The survey would explore what types of technology were being adopted; which sectors were affected; why and where this was occurring; and whether the technological changes are likely to persist in the long term.

Finally, as a longer-term measure, a dedicated annual technology survey could be developed based on a 'SOC-style' typology of different technologies. Ideally, a UK version of the US ONET survey would be developed in parallel so that the results of the technology survey could be analysed against granular task-based data. Together, these measures would ensure the DWP was better placed to understand, anticipate, and respond to the impacts on workers from technology adoption, and enable the Department to act strategically and mitigate the systemic pressures that come with technological transition.

We would also like to see the ONS build on their work this year by continuing to add objective and subjective questions on job quality to the Labour Force Survey; and Professor Felstead's Employment and Skills Survey undertaken on a regular three-yearly basis.

At the end of my evidence, you asked about our proposal for a Work 5.0 strategy and I responded that a collaborative, partnership approach, as well as a cross-department one, was needed to determine content. A Work 5.0, driven by a standing Future of Work Council or Commission, could act as centre to advise on, analyse and respond to the improved labour market intelligence from the ONS and DWP itself, as well as addressing the institutional lack of coordination about which you heard evidence. This approach could also steer (or at least inform) the direction of a new UK Industrial Strategy.

Rather than the DWP being merely a 'gatekeeper,' the Department could then have a core role in repositioning future good work as a central, cross-cutting policy objective, and in

implementing active labour market policies, informed by improved labour market intelligence. Data and automated systems would not be used to determine access to benefits or to impose sanctions, but to augment the skills of civil servants to understand and match changing labour market needs to people's skills and capabilities.

A cross-department Work 5.0 strategy, informed by academic and social partners, would enable the government to marry crisis management with future planning. In this scenario, the DWP would then be empowered to take a holistic, forward-looking view about how our floor of labour protection and social security might support the resilience and adaptability of individuals and the country.

*November 2020*