

# UNI Finance research project on global Job-loss in the Finance sector due to digitalisation

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Presented by:

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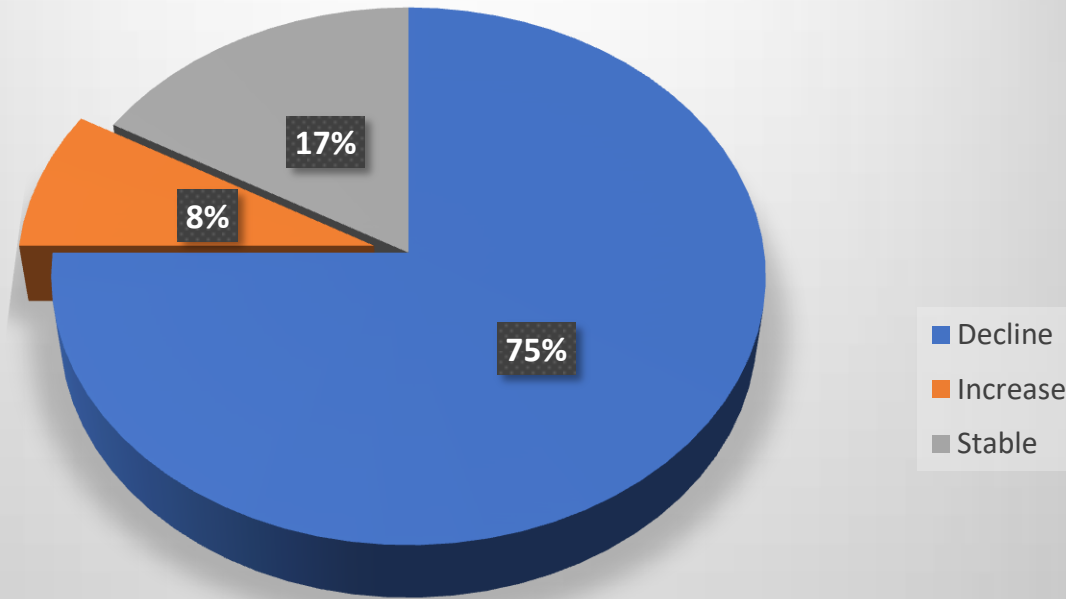


# Background for research

- Continual developments in digital solutions for the financial sector require unions to be proactive and aware of coming changes, especially regarding impacts on employee numbers
- The researcher [Karol Florek](#) was selected to conduct the research
- Two part research
- First part based on publicly available data - Done
- Second part based on information provided by member unions
- Presentation today to focus on the information gathered from the questionnaire

Has the finance industry in your country/region experienced a net gain or net loss in the total workforce? Is there a clear trend for future growth or decline?

Number of Employees compared to 2008



- Several countries have seen large declines in the last 10 years, notably Japan, Spain, Greece and Finland
- Unfortunately no numbers yet for North and South America

How many jobs have been lost due to banks closing branches and making front-line staff redundant? Are these job losses offset by new/expanding banks opening new branches?

- Lacking data, however, overall branch closures:
- Australia lost 1650 branches 2010-2017
- Belgium lost 3000 out of 9000 from 2005-2017
- Denmark 1879 to 949 from 2008-2016
- Japan has reported no branch closures
- France, Greece and Italy reports closing of branches, with no specific data provided

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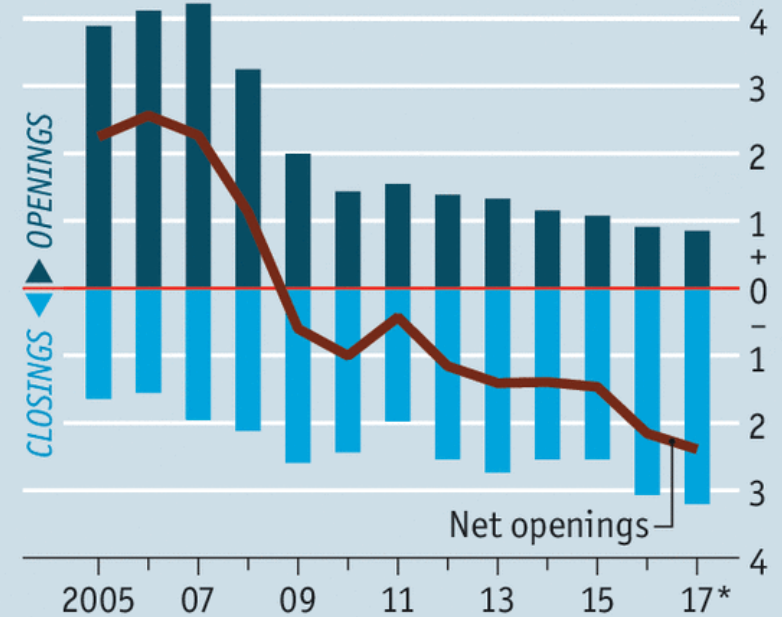
This branch  
now closed.  
Your nearest branch is now  
at 39 Albyn Place, Aberdeen AB10

Please visit us there from now on.

Here are the opening times:

### Bank, a count

United States, bank branches, '000



Source: S&P Global Market Intelligence

\*January-June annualised

How many jobs have been lost due to technological changes not directly related to branch closures, such as automation of centralised customer service functions (eg. call centres), displacement by artificial intelligence technology of administrative, accounting or financial analyst workers?

- No respondents had collected any data that might give an indication
- Highlights the need for unions to urgently start collecting this data
- Good opportunity to focus on in the short to medium term

Which (if any) finance sector occupations are growing? Are job losses in some occupations offset by growth in others?

- In traditional banking:
  - Compliance and control functions
  - Risk and wealth management
  - Money laundering prevention experts and capital markets development specialists
- In new functions:
  - Software engineering, data-, architecture- and security development
  - Employees moved from branches to call centres
  - New markets development

The banking industry claims that competition from FinTechs is forcing established banks to shift towards digital-only models, with resulting branch closures and job losses inevitable. To what extent do you observe this to be the case? Conversely, do any FinTech employers provide sources of new, perhaps better, employment in the finance industry?

- Job-loss due to digital alternatives appearing does seem to happen, however the figures are 'somewhat' off-set by traditional banks increasingly hiring IT specialists. However, this creates its own problems for unions
- So far there is little evidence of 'online only' banks posing a serious threat and actively taking customers from traditional banks, it seems more like they provide another option in a whole range

What are the perceptions of finance sector workers about their job security? Who are the workers that are most insecure?

- General sense of insecurity
- Some groups seem more exposed than others
- These include administration heavy roles and backoffice functions
- Also long-term employees feel especially vulnerable





What effective solutions/strategies are being pursued (or could be pursued) by unions to ensure that productivity gains resulting from transition to new technologies do not exclusively benefit capital at the expense of workers, customers and communities?

- Focus on own strategies and possibility of government support
- In terms of union own strategies:
  - Promote training
  - Reduce working time to ensure employee well-being
  - Expand scope of collective bargaining
  - Introduce new wording to collective bargaining
  - Change focus of debate

**Thank you for your attention**

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