



Commissioner Nicolas Schmit

Meeting with Jay Carney of Amazon

18 February 2020, 08:50-9:20

Commissioner's office

Briefing coordination:	Main contributors:
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Scene setter

You are meeting with Jay Carney, the Senior Vice President of global corporate affairs at Amazon. Previously, he worked as the White House press secretary to President Barack Obama (cf. Annex 1).

The meeting is to discuss Amazon and their Life-long learning concept. Amazon announced last July that it plans to spend \$700 million (€640 million) over six years to retrain a third of its US workforce.

- **You will inform Jay Carney about the planned update/reinforcement of the Skills Agenda (incl. the Pact for Skills);**
- **You will also have an exchange on Life-long learning and on what Amazon are doing to upskill their workers.**

Please note that you will need to leave shortly before 9:30 in order to open the meeting the DG has with the senior management of the DE Ministry of Labour

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Line to take

[Possible questions/points to be raised with Amazon]

- Mention that you are aware that Amazon has announced last July its plans to reskill a third of its workforce. Ask for more details on how Amazon plan to retrain and upskill their workforce. Enquire about Amazon life-long learning concept.
- What are Amazon's views on how government and enterprise can:
 - **empower individuals to steer their career** and learning trajectories;
 - provide them with financial tools to up- and reskill?
- What can Europe do?
- How can we change the culture to have a true life-long learning culture?
- One of the actions that we are considering is a '**Pact for Skills**' – with business leaders and others at the forefront of investing in their workforce's skills. Would Amazon be interested to play a role in this?

Background

[Amazon's Life-long learning plans]

- In July last year, Amazon announced that it plans to spend \$700 million (€640 million) over six years to retrain a third of its US workforce.
- Even for the world's [second most valuable](#) company, spending three-quarters of a billion dollars over half a decade to retrain 100,000 workers is a huge undertaking.
- Amazon explicitly attributed its move to the rise of automation, machine learning and other technology: the so-called fourth industrial revolution. There was a sense that the pioneer of online retailing, famed for its use of automation, was merely an early acceptor of an inescapable truth that all employers will soon have to face: that the skills of their existing workforces will no longer have any market value as machines take their old roles and new roles are created.
- The company reportedly has 20,000 current vacancies.

[Amazon and Mechanical Turk work practices criticism]

Amazon has been much criticised in recent months for its work practices in the media. Criticism includes poor working conditions/health and safety in its warehouses; higher productivity demands and the hiring of temporary workers who do not have the same benefits as Amazon staff.

The Amazon Mechanical Turk online work platform, which is wholly owned by Amazon, has 500,000 workers on the platform by Amazon's own figure (2018) and has also been criticised for low pay and poor work practices – see below.

[Key facts on Amazon Mechanical Turk (MTurk)]¹

- Introduced in 2005, it is **one of the largest platforms offering micro tasks**. Workers are **self-employed**.
- **Tasks on Amazon Mechanical Turk are usually small, simple and repetitive** and are currently impossible to automate, e.g. tagging all cats in a given picture, simple data validation, translation, survey participation etc.
- Requesters can post tasks to Amazon Mechanical Turk, and are anonymous.
- Amazon also offers tools, e.g. for Machine Learning development, that **automatically post tasks on Amazon Mechanical Turk** (e.g. tasks to sort images into cats vs. dogs to then use these classifications to train algorithms).
- It is **used by software start-ups as well as large technology companies** (Google, Youtube), government services (e.g. US Army Research Lab) or research.

¹ Most of the information comes from the website *Fair Crowd Work*, a joint project of, amongst others, IG Metall (the German Metalworkers' Union), the Austrian Chamber of Labour, the Austrian Trade Union Confederation, and the Swedish white collar union Unionen.

- According to an ILO survey of 1,100 American and Indian workers on Amazon Mechanical Turk, 37% report it as their main income, and **60% hold other jobs**. Median hourly pay on Amazon Mechanical Turk in the U.S. is \$4.65.
- There is a lack of communication/complaint channels. **Workers complain about non-payments** (according to a survey carried out by Fair Crowd 60% of respondents).
- Unofficial channels (e.g. external websites) have been created for workers to communicate, e.g. to rate the reliability of requesters who post tasks.

[Key facts on Digitalisation and the future of work]

- The OECD estimates of occupations to be automated ranges from around 7% of jobs in Finland being highly automatable to around 33% in Slovakia. These are jobs for which at least 70% of the tasks are automatable.
- Completing tertiary education lowers the risk of automation for a given individual by around 15%: While food preparation assistants face an average risk of automation of 64%, teaching professionals face a risk of 28%.
- Digitalisation is reducing demand for routine tasks while increasing demand for non-routine tasks and for problem-solving, creative, digital and social skills.
- Demand for digital skills in particular has been growing rapidly during the last decade. Employment of ICT specialist reached 7.7 million jobs in the EU in 2015. Employment in ICT services is expected to further increase by 4.9% between 2018 and 2030 relative to a total employment growth of 3.7%.
- ICT jobs are strong multipliers for other jobs. Estimations suggest that 4 to 5 jobs are created in the economy for each new ICT job.
- 44% of the EU population has low or no (19%) digital skills.
- In 2018, temporary employment and self-employment constituted around 11% and 15% of total employment respectively. Part-time employment accounts for around 20% of total employment (Labour Market and Wage Developments in Europe, EC, 2019).

Annexes

Jay Carney Senior Vice President Global Corporate Affairs Jay Carney joined Amazon in March 2015 to run the company's new Global Corporate Affairs organization. In this role, he oversees Amazon's Public Affairs and Public Policy divisions, and reports to CEO Jeff Bezos.

From January 2011 through June 2014, Carney served as White House Press Secretary to President Obama. As press secretary, he was the primary spokesperson for the president, the administration and the United States government. In the first two years of the Obama Administration, Carney served as director of communications for Vice President Joe Biden.

Before moving to the White House, Carney spent 21 years as a reporter, 20 of them at Time Magazine. From 2005 – 2008, he was Time's Washington Bureau Chief. Earlier assignments for Time included stints covering the Clinton White House, the George W. Bush White House and Congress. He joined Time as its Miami bureau chief in 1988.

From 1990-1993, he was a correspondent in Time's Moscow bureau, covering the collapse of the Soviet Union. His first job out of college was at The Miami Herald.

Carney has been deeply involved in global policy and communications throughout his career. As a journalist, he wrote extensively on domestic and foreign policy issues, legislative battles and political campaigns. On September 11, 2001, he was one of just a few reporters on board Air Force One with President Bush. Carney later won the 2003 Gerald R. Ford Prize for Distinguished Reporting on the Presidency.

Carney was raised in Virginia and earned a B.A. in Russian and East European Studies from Yale University. His wife, Claire Shipman, is the best-selling co-author of *The Confidence Code* and *Womenomics*. They live in Washington, DC, with their two children.