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**Shaping Industrial Relations in a Digitalising Services Industry  
Challenges and Opportunities for Social Partners**

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**Discussion Paper on 10 Point Plan**

**FINAL DRAFT VERSION**

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## **1 Introduction**

### **1.1 UNI Europa's role and mission**

As the European trade union federation for 7 million service workers, UNI Europa speaks for the sectors that are the backbone of economic and social life in Europe. UNI Europa represents more than 250 national trade unions in 50 countries. Together, UNI Europa and our affiliates work for a fair and social Europe with secure and quality employment, strong workers' rights and in particular a high level of collective bargaining and union density. UNI Europa strives to reinforce the power of our affiliates in a world where unions' national influence is ever more constrained by the impact of the outside world as well as governments and companies that shift decision-making to the European level and beyond. As European services unions, we endeavour to support one another in adapting national frameworks to the ever more rapidly changing world of work. Indeed, the future world of work has been one of UNI Europa's priorities in recent years, following innovative policies and partnerships to ensure an empowering digital future for all.

The sectors that UNI Europa represents include commerce, finance, ICT, Post & Logistics, Property Services, Graphical & Packaging, Care & Social Insurance, Media and Entertainment as well as Temporary Workers, Tourism, Hair & Beauty, Gaming, Sports and Professionals & Managers.

In light of our next European Conference in 2020, UNI Europa strives to build a common forward-looking political platform on how industrial relations and public policy as well as trade union action can support the development of a fair and sustainable European services industry against the background of digitalisation and globalisation. This project and the conference are key steps towards developing this platform.

### **1.2 Major Trade Union Challenges in the Age of Digitalisation**

The age of digitalisation poses major challenges to society in general and to workers and trade unions in particular. The challenges include: technological unemployment, digitally accelerated restructuring and worldwide relocation of work, fragmentation of workforces through mobile and hyperflexible work, new forms of low-paid and precarious work on platforms, increased regimentation of work and digital control through data as an instrument of power. To ensure that the age of globalisation and digitalisation is innovative and sustainable for society as a whole and that its benefits and opportunities are fairly and evenly distributed, trade unions must succeed in positively influencing this process in pursuit of high-quality jobs and employment across the services sector.

The empowerment of the workforce will continue to play an essential role in raising the significance of trade unions, which is increasingly challenged by the individualisation of work. The proclamation of the European Pillar of Social Rights in November 2017 was a weak response to the challenges of our digital age. Collective bargaining and social dialogue at national and European level are essential for workers to protect their hard-won rights and to win fair conditions in the digital workplace. It is clear that our collective bargaining agenda must be adjusted as necessary to a digitalising services industry. The new world of work does not only pose challenges but also opportunities that unions need to exploit in order to reinforce social dialogue and collective bargaining at all levels.

UNI Europa addresses these challenges in its project 'Shaping Industrial Relations in a Digitalising Services Industry – Challenges and Opportunities for Social Partners', one of our top priorities for 2017-2018 and a key element in developing our political platform on the future world of services sectors. It is a joint project between UNI Europa and the Austrian scientific institute 'ZSI - Centre for Social Innovation' and financially supported by the European Commission. The project's key objectives are summarised below.

### **1.3 Shaping Industrial Relations in a Digitalising Services Industry**

By identifying and analysing change factors and exploring new approaches for social partners to the challenges linked to maintaining effective industrial relations systems in a digitalising services industry, UNI Europa strives to provide policy advice for trade unions, social partners and policymakers. The role of trade unions in influencing the institutional frameworks for change is discussed with regards to industrial relations, collective bargaining, social dialogue and capacity building for social partners.

By establishing a network of trade union and academic experts, UNI Europa is pursuing the following six key objectives:

- 1) To provide an understanding of current transformation processes in the services industry and their impact on industrial relations at all levels;
- 2) To investigate differences and similarities between EU Member States and sectors as regards change factors for the services industry and their impact on national industrial relations systems. The comparative research focuses on five country groups: Anglo-Saxon region, Central and Eastern Europe, Continental, Nordic and Southern Europe;
- 3) To formulate policy advice as regards the regulatory and institutional frameworks for industrial relations, collective bargaining and social dialogue as well as capacity building for social partners. Particular attention is paid to

- UNI Europa's goal of empowering the role of trade unions in collective bargaining;
- 4) To enrich the debate on the future world of work at the national, European and global level;
  - 5) To develop research activities that improve the knowledge-base for industrial relations at EU level;
  - 6) To contribute to the ILO Centenary considerations on the Future of Work.

UNI Europa's approach is reflected in detail in the following 10 points, which are based on the outcome of three thematic workshops that took place in the framework of the UNI Europa project. To analyse and identify the challenges and opportunities for social partners in a digitalising services industry, the three workshops were thematically divided into 1) services markets, 2) labour markets and 3) work organisation and company strategy. The following 10 points serve as a basis for developing UNI Europa's platform on the future of work in a digitalising services industry. It is essential for trade unions to shape industrial relations in the interest of workers, especially through social dialogue and collective bargaining.

## **2 10 Point Plan**

### **2.1 Trade Unions as Drivers in Shaping Industrial Relations**

The ongoing financial crisis was used in many Member States as an excuse to attack and undermine trade union freedoms and rights across the EU. In countries subject to programmes of financial assistance, the so-called 'Troika', i.e. the European Commission, the European Central Bank and the International Monetary Fund, imposed constraints on trade union rights and collective bargaining. This has led to weakened industrial relations structures. Consequently, it is even more difficult to face and influence the changes in a digitalising services industry, not least if the objective is to maintain a European Social Model.

If European societies strive to be innovative and inclusive and aim to address the challenges of digitalisation, it is important to strengthen the role of trade unions as they are the closest representative entities to the workplace and thus confronted with the changes and challenges of digital working conditions on a daily basis. The recognition of the significant role of trade unions, in particular as regards a digitalising services industry, is the first step towards ensuring that workers' interests are taken into account while shaping our society of tomorrow.

If the commitment of the EU Institutions and Member States towards a Social Europe is more than a powerfully eloquent proclamation, as expressed in the above mentioned 'European Pillar of Social Rights', collective bargaining – especially at the sectoral level – and EU level social partner agreements must be better protected

and enhanced. Trade unions play a crucial role as social partners in collective bargaining, workers' representative bodies and in trade union networks and alliances in and across companies at all levels.

## **2.2 Trade Unions Reaching Out to a Changing Workforce**

In these rapidly changing times, in which the concept of work is changing towards a more flexible and individualistic approach and boundaries of companies, workplaces, jobs and working hours are blurring, trade unions have to adapt their organisational structure to meet the new challenges and to succeed in organising and representing workers in established and emerging sectors, including the platform economy.

There are, in particular, two challenges trade unions have to face: One, there is a need for workers in digitalised work environments, whose jobs and ways of working are distributed in location and time, to adapt structures for communication and mobilising workers to defend jobs, working conditions and workers' interests. It is also important to enhance the capacity of worker representatives at company level, including supervisory board members, to stay in touch with their workforce, especially if a company's operations extend beyond one country. Two, new strategic concepts need to be developed to address and represent workers that are self-employed or work in the platform economy, with varied and mobile work locations and employment or service contracts.

It is essential to find a balance between traditional and effective practices and new concepts, in order to guarantee core principles of the trade union movement, while also raising the voice of workers and their unions in the digitalised world of work.

## **2.3 Worker Representation at Company Level**

Workers' participation rights are important to enable trade unions and worker representatives to positively influence decision making at company level. In digitalised economies, the boundaries of companies, jobs and employment relations become increasingly dependent on management strategies and decisions that are taken in an international context. However, worker participation is still widely based nationally and follows the structure of conventional jobs, workplaces and employment contracts. It remains a challenge to go beyond these structures and to cover new forms of employment relationships, including self-employed workers or platform workers.

Currently, worker participation rights do not address the blurring boundaries between work and leisure. Thus, these rights need to be reinforced. This should include aspects such as the provision of greater worker participation rights over the awarding of contracts, relocations or outsourcing of work. The protection of work and privacy rights as well as the contracting of persons with non-regular employment statuses, such as bogus self-employed persons, temporary workers or dependent sole traders, need to be covered too.

To exercise the basic right of association it is essential for worker representatives and unions to be able to communicate with each other and with the workforce. This requires free and uncensored access to the internet, the intranet and the mailing systems of the company. These rights have to be adapted individually to the structure of the respective company, in particular in the case of multinationals that locate work and management control without regard to national borders.

## **2.4 Collective Bargaining in a Globalised World**

In general, digitalisation is an enabler of outsourcing and company restructuring: for instance, increasing parts of services are delivered remotely or location-dependent services are managed in this way. In outsourced services, clients have considerable influence over work organisation and working conditions.

To ensure that the digitalised world of work does not undermine collective bargaining as such, it is important to promote freedom of association in new forms of work, for self-employed workers and in the platform economy. This should include the right for trade unions to organise, to receive access to platform-based workforces as well as the right to strike and conclude collective agreements.

Freedom of association and collective bargaining must be enhanced in multinational services companies to ensure equal conditions for workers at all levels and to avoid outsourcing practices that undermine better working conditions and agreements in developed countries. Collective bargaining and organising are joint tools that can enhance labour conditions in multinational companies and reinforce solidarity among workers. As more and more work is outsourced and/or offshored, the challenge is how to organise and represent workers along extended value chains across borders, even when industrial relations, trade union structures and collective bargaining remain in the first place national matters.

## **2.5 The Urgent Need for an EU-Wide Employment Relationship 4.0**

Digitalisation and new emerging business models have an impact on the workplace and on traditional employment and work relationships. As a result, and in particular in the services sector, new forms of employment (non-standard or atypical) have spread rapidly and more and more workers are given no other choice but to operate as self-employed (own-account workers without employees).

In light of these developments, it is important for trade unions to define an employment relationship 4.0 in the services sector. This definition should extend the scope of the traditional understanding of a relationship between an employee/worker and an employer/company. Existing workers' rights in more traditional forms of work should also apply to the new world of work, and legislative proposals and measures must be put in place at both the national and EU level to ensure this. Special attention must be given to how an employment relationship 4.0 can be established that will cover our entire working life rather than only work for a particular employer.

To ensure that a social European framework is maintained, all digital acting operators must be subject to social security contributions. In principle, they should all provide the same payment and working conditions as in the traditional economy. For instance, online platforms are internet-based and thus transnational in nature, allowing location-independent services to be performed across borders, and involving at least two actors who reside in different countries. Appropriate forms of regulation at the EU level are needed in order to create a level playing field for the competition among platforms. This would also ensure the protection of platform workers (directed in their work by both the platform and the client, thus clearly working in subordination and who as such must be classified as employees); as well as the platforms' contribution to our social European framework as de facto employers. Considering global sourcing, the EU should provide a model for other countries. Indeed, it should set standards for companies operating both within and outside its borders.

## **2.6 Anticipation of Change and (Re)training Opportunities**

The anticipation of and need for change and (re)training is essential to ensure that workers receive the necessary skills to be able to participate in and shape the future world of work. With current challenges, such as bridging the digital divide between younger and older generations on the one hand and the differences between urban and rural areas on the other, lifelong learning concepts and programmes need to be developed and constantly adapted to the changing world of work, in order to ensure that:

- all workers, and in particular the middle-skilled, have access to training;
- there are varied training opportunities that suit the respective business' and workers' needs, ranging from low to high skills;
- skills and training are transferable and portable between companies and work entities;
- there is a strong mechanism for skill anticipation, skill matching and job placement, with social partners at the centre, to ensure skills keep up with rapidly changing technologies and changing workplaces.

The right to training requires financial access for all workers in two forms: one, there is a need for national-level funding, to which employers, in particular, should financially contribute. Two, sectoral funds at the European level need to be established in subsidiary forms that are available for workers if there are not any respective national funds. European structural funds should play a part in this, especially as regards developing innovative formats and social partner capacity building. Social partners need to be able to influence decisions on the implementation and monitoring of such funds.

The challenge remains in offering up-to-date and future-oriented training opportunities in due time as well as in providing platform economy workers with the necessary skill-set. To guarantee that the needs of both employees and employers are addressed, it is important that the yields from digital automation and rationalisation are re-invested in (re)training opportunities. A close exchange and cooperation between business, worker and institutional representatives at all levels is necessary to shape training offers.

## **2.7 Data Protection and Privacy Rules**

Managerial decisions are based more and more on data, big data and algorithm-based analysis. Management increasingly uses data to monitor work and to decide about workers' fate, including aspects such as hiring, promoting, disciplining or firing. At this time, workers' data protection and privacy rules are not sufficiently elaborated and need to be revised in light of new technological possibilities, in particular as regards industrial relations.

Outsourcing and offshoring pose challenges to employee data protection and privacy rules as they enable a company to circumvent host country employment laws and regulations. When human resources functions are outsourced and offshored, workers risk losing access to information and advice over careers, training and other opportunities. Works councillors might lose informal and fast information channels or consultation and negotiation possibilities that complement

their formal rights. To prevent this, service delivery contracts need to be established that allow the specification of other terms of employment.

The platform economy strives to achieve maximum transparency as regards its workers and contractors. Its digital reputation for aggregated customer ratings serves as its most important prerequisite when growing its labour force. However, first signs are starting to emerge of discrimination towards certain social groups. It must be ensured that the new world of work is an inclusive world, in which workers are not judged based on material solution or origin, nationality, citizenship, skin colour, age, gender or sexual orientation. The competition for jobs must follow fair, open and transparent selection procedures and /or rating systems. Thus, legal, technical and organisational protection, conflict resolution measures and grievance procedures are necessary and should be incorporated in appropriate legislation on employee data protection.

## **2.8 Services as an Indicator of Societal Welfare**

The provision of services goes beyond transactions for money in professions and in the private and public sector. Services also contribute to our quality of life. In contemporary European societies, services cover basic needs ranging from food to social wellbeing and health. Services provide access to goods, culture and entertainment as well as to knowledge and experience. They thus offer a form of social inclusion and interaction that is essential for workers and people living in a stable environment.

Furthermore, services address societal challenges. For instance, changing family structures and a wider participation of women in the labour market has led to a shift in the division of labour between private households, the private, and the public sector. The private service sector can thus be seen as an area of social change that plays a crucial part in shaping society, its needs and desires.

Hence, secure and high-quality service employment at all skill levels does not only form an integral part of European citizens' quality of life and social well-being, but also influences social transformation. Vice versa, poor-quality services provided by precarious and overburdened workers contribute to a sense of societal mistrust and desolation. Consequently, workers need to be skilled and deserve adequate workplaces and working conditions to provide the kind of services that are indispensable in achieving sustainable and inclusive digital economies and societies.

## **2.9 A Legal Framework 4.0**

UNI Europa seeks a genuine EU legal and regulatory framework that addresses the challenges and opportunities linked to the changing world of work. This framework should strive to positively shape the life of all European citizens and must include revised as well as new EU legislative and policy measures focusing on:

- The enforcement and promotion of workers' rights to collective bargaining, information, consultation and representation at company level, both in the traditional and in the platform economy;
- An EU-wide standard employment relationship 4.0 that extends the rights and benefits of regular employment to new forms of work;
- National and EU legal and regulatory frameworks for updating skills and qualifications;
- A revision of the EU data protection rules, including legal aspects and implications on workers' data privacy and protection.

## **2.10 The Social Dimension of a Digitalising Services Industry**

Work relationships, and thus society as a whole, are changing due to a dissolution of traditional workplaces and a trend towards an individualisation of work that may provide new freedoms to workers but may also erode the sense of belonging, citizenship and achievement associated with regular employment and 'good work'. These new work relationships might also affect the innovative and collaborative capacities of workers which are essential for both competitive and inclusive digitalised services societies. Hence, there is a business and political sense in ensuring workers' and trade unions' participation in shaping the age of digitalisation.

So far, the EU fails in giving these issues adequate weight in its relevant initiatives, especially in its Europe 2020 flagship initiative 'Digital Agenda for Europe', which up to now has been silent on the employment effects of digitalisation. The EU needs to make urgent progress towards a digitalised Social Europe which can make a positive difference in the daily lives of workers. All workers in all forms of employment must be guaranteed the same social and fundamental rights. These rights and social progress need to take priority over economic freedoms and competition rules, not least by protecting and promoting sectoral collective bargaining, which must be an integral part of EU-legislation.

To address these challenges, UNI Europa and our affiliates continue to focus our work on our role as key stakeholders in shaping and influencing industrial relations in a digitalising services industry. The 10 points outlined above serve as a basis for the development of UNI Europa's political platform for a digitalised services industry.