Ursula Holtgrewe, Nela Salamon (ZSI – Centre for Social innovation GmbH)

holtgrewe@zsi.at, salamon@zsi.at

Shaping industrial relations in a digitalising services industry – 1st Reflective Workshop
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1 Introduction

The UNI Europa project „Shaping Industrial Relations in a Digitalising Services Industry - Challenges and Opportunities for Social Partners“, in cooperation with “ZSI – Zentrum für Soziale Innovation” and funded by the European Commission, aims to identify and analyse change factors and explore new approaches for social partners to maintain effective industrial relations systems in a digitalising services industry. The project strives to provide policy advice for trade unions, social partners and policymakers on necessary adaptations of institutional frameworks for industrial relations, collective bargaining, social dialogue and capacity building for social partners. Challenges and opportunities are identified and analysed in particular with regard to workers’ representation at company level and collective bargaining as well as the work and organisation of trade unions in general.

Across the project, the investigation was divided into three aspects of services that are clearly interrelated.

- Under the heading of “Service markets” we look at changes in service production and delivery through digitalisation (for example, online services and self-service) and also on the impact of these changes on customers and society at large. It is one of the dimensions where rapid changes, disruptive innovations (for example platforms) need to be addressed. Here, we also address the status of services in “industrial” or economic policy in the context of your respective sector and country.

- “Service labour markets” addresses the development of service jobs, their quality and quantity. We focus on jobs with intermediate skill levels, and will also address atypical and precarious employment (including self-employment) in your sector/country, the development of skills and re-skilling and policies of addressing them.

- “Company strategies and work organisation” looks at the company level and your union’s information and experience with companies in your sector/country: We will address transnationalisation of service companies at large, outsourcing and offshoring, working conditions and ways of influencing them, interest representation and participation.

Each aspect of services was the subject of a workshop organised by UNI Europa for national trade unionists involved with the subject. Service markets were addressed on October 19th at UNI Europa’s offices in Brussels, Service labour markets on December 11th, 2017 at ver.di’s headquarters in Berlin, and company strategies and work organisation on February 27th, 2018 at Unionen’s headquarters in Stockholm. The project’s intermediate conference took place on May 15th and 16th, 2018 in Brussels. The workshops’ and the conference contributions fed into the Final Policy Paper of the project and into UNI Europa’s developing services policy platform.
Two reflection workshops complete the project. The present one took place in Vienna on October 16th, 2018 involving trade unionists and social scientists. A second one in Brussels on November 21, 2018 involved trade unionists and employer organisations.

All project publications, including this one, are available under https://unieuporjects.org/shaping-industrial-relations/. A documentation of the brainstorming end-products is included in the Annex.

2 The workshop methodology

While in the project, previous workshops generally followed a fairly generic structure of presentations, plenary discussions and breakout sessions on varied aspects of the respective subject, this workshop was organised in a strongly interactive format. This aimed to encourage lively and informal exchange of participants with partly academic and partly trade union backgrounds.

After a brief introduction to the project and its selected outputs, the workshop started with a “fast networking” exercise in which participants were supposed to do as many quick mutual interviews as possible in seven minutes, asking each other questions on their institution and location, their main subjects concerning digitalising services, and the digitalised service they personally used most. However, many participants fell into conversation and stayed talking in small groups which was not foreseen but fulfilled the purpose of union-academic networking just as well.

We then conducted a “digitalisation café” in a quasi-world café format (Baumann, 2015), to have participants brainstorm on the three main research areas of the project: service markets and business models, service labour market, and work organisation and company strategies. Tables were hosted by the project organisers of ZSI and UNI Europa who also presented quick overviews of results. Following this, the Policy Paper was presented by UNI Europa’s Aileen Koerfer.

Finally, a visualised discussion (Kühl, 2009) in two smaller groups was conducted on two questions: emerging research topics with regard to digitalised services, and modes of collaboration between researchers and trade unionists. This was facilitated by the workshop organisers. Participants were asked to put their ideas on coloured cards that were put on pinboards, allowing for just-in-time clustering of related subjects.
Interpretation was used, and in the interactive parts, interpreters were asked to join speakers of their language to provide ad-hoc interpretation. This was feasible since most participants were sufficiently fluent in English for the common language to work. Providing larger groups of speakers of diverse languages with translation in an informal, mobile café setting would have been more difficult and might have required language-specific table arrangements.

It is worth noting that interactive methodologies are culturally specific and have been internationalised to varying degrees. World cafés originate in the US and have been diffused internationally especially in various citizen participation and social innovation communities. Visualised group discussions have a certain tradition in German-speaking union contexts as several trade unions and their training facilities adopted the Metaplan methodology in the 1990s. In the experience of the authors, this cultural specificity mostly means practical challenges. Facilitators need to make sure adequate equipment is on site. Flipcharts for world café tables can generally be found, but the coloured cards and large pinboards used for visualised group discussions are not always available in workshop facilities outside of German-speaking countries. They can be replaced by a sufficient number of flipcharts and post-its. In facilitating visualised discussions, to state the obvious, facilitators need to be especially clear in giving instructions in groups with mixed backgrounds and experience. Not everybody is aware that putting ideas in writing, legible, large handwriting and “one idea per card” is required.

Nevertheless, the workshop provided lively exchanges and a genuinely collaborative atmosphere, and effectively put the different bodies of knowledge of research and union practice and strategy development on an equal footing. Visualised workshop outputs on the one hand make documentation easier and enable more structuring of contributions in real time than conventional note-taking. However, the focus on key words and the flow of a discussion may lose some insights. Especially the more complex relations between ideas and concepts, as they emerged in the way contributions were related to one another, may be lost. Yet, in order to provide focused reading to both participants and non-participants, we regroup ideas and contributions by the subjects covered rather than reproducing the course

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1 http://www.theworldcafe.com/key-concepts-resources/research/
of debates in each group and at each café table. *Comments on the discussion by the authors of this report are put in italics.*

### 3 Service markets and business models

Participants found that the picture of digitalised service markets is not just shaped by technology but by increased global financialisation and both a globalisation and diffusion of firms’ activities. The fact that firms’ “physical” attributes can be virtually dissipated (such as workplaces, time, hierarchies, physical capital) may be a problem in itself for workers and trade unions.

Concentration of capital renders firms “too big to fail/jail” in cases of violation of laws and regulation. Taxation of digital companies is a challenge for similar reasons as tax systems currently are based on physical locations. All of this culminates in the emergence of platform firms with very little physical capital, but is not restricted to them.

Concentration and dominance by the US-based Internet Big Five (Alphabet/Google, Amazon, Apple, Facebook and Microsoft) is considered the dominant challenge to European service markets. Still, digitalisation itself also allows for increased specialisation, opening up viable niche markets for specialists and lowering barriers of market access both for digital and local services. The relationships of global and local markets, export-driven and domestic consumption, knowledge-intensive and lower-skilled services remain an issue, and polarisation along the lines of income, job quality is likely along the lines of skill levels, sectors, and regions.

Consumers’ role is also changing: demand is more flexible and volatile, and the nexus of “good work” and “good services” becomes less transparent in contexts of digital self-service and digital intermediation. However, this nexus needs reframing to build alliances of consumers and workers. This raises questions with regard to service innovation. Innovation remains central to competitiveness, and discussions pointed out that this has traditionally benefited from inputs by workers. Workplace innovation and organisational learning are the key terms. Digital services now enable companies to integrate consumers’ inputs as well, under headings such as open innovation—which may open up new democratic possibilities or may bypass workers’ interest altogether. This ambiguity is a new variation of the tense and possibly contradictory relationships of interaction, power and interest in the well-known service triangle of customers, service workers and service provider companies. Where service interactions become somewhat automated and remote,
it may become harder for unions to maintain the connection of high quality services and high-quality jobs.

A picture emerged of increased globalisation and financialisation of contemporary capitalism enhanced by digitalisation. This entails regulation failures or policies that lack ambition to regulate markets and services, and increasing concentration of firms.

4 Company outsourcing and restructuring

Companies’ strategies of outsourcing and offshoring, partly into the gig economy, result in a fissuration of the employment relationship. However, flexible working hours, part-time work, zero hour working contracts and other non-standard employment forms are not solely driven by digitalisation. Digital technologies are expected to enable more precarity and work “on demand” and thus exacerbate the impact of flexibilisation. In some service sectors such as telecommunications, patterns of restructuring change: offshoring may have reached its peak whereas with more possibilities of automation, outsourcing may increasingly take place in the home country to companies in other, less organised and lower-wage sectors. One institutional incentive for companies to outsource lies in taxation: when the buying of outsourced services is taxed at lower levels than employment, outsourcing becomes more attractive.

However, outsourcing and offshoring are not always successful: deepened divisions of labour and extended value chains may also contribute to lagging productivity as transaction costs increase and companies deal with more remote and diverse contractors (on the contrary to what platforms promise). It becomes increasingly uncertain which activities to what extent create and add value and who captures it. More practically, subcontracting may create “headaches” of coordination of complex work processes for both management and workers that are often underrated in planning restructuring.

To address these issues, participants discussed the possibilities of collective agreements with multinationals to limit or decrease the use of freelancers or agency workers, getting them to take a more responsible attitude towards their own employees. On the other hand, extending standards of decent work beyond the firm in question may prevent social dumping more comprehensively and with wider impact.
5 Platforms and disruptors

In the discussions, unionists and academics alike emphasised platforms as emerging disruptive elements. If platforms succeed in defining themselves as only a facilitating technology or an intermediary, trade unionists are faced with an “employer without a face”.

Even beyond platforms, algorithms assume the role of the employer, assigning work and providing feedback – but they do not assume an employer’s responsibilities. The increasing use of algorithms, for example in HR or job placement also bears more subtle dangers, as machine learning may translate structural disadvantages into individual scores and thus perpetuate discrimination.²

Considering the state of current competition law which often hinders organising and collective efforts of the self-employed, participants saw space for trade unions to explore alternatives of establishing collective bargaining in platforms, through influencing existing and co-shaping new legislation, as well as exploring the possibilities of “platform co-operativism” and socially responsible and innovative platforms, for example “Fairbnb instead of Airbnb”.

6 Skills

While skills are clearly a central subject for social dialogue and unions need to maintain or enhance their influence in the European, national and sectoral systems of vocational education and training, the discussion showed a certain amount of scepticism over the question whether established strategies of skill upgrading and productivity alliances can be sustained. Companies’ concerns over access and keeping “talent” appear to affect the highly-skilled only, and are at odds with their strategies of cost-cutting and downsizing. Discussants were wondering how and where lower-skilled jobs can be upgraded in the future, if customers and consumers continue to take over routine tasks as self-service. The question was whether new value-adding tasks within existing jobs were more likely to develop in the higher-skilled jobs than in others, or whether medium- and low-skilled jobs would be able to regroup their tasks “around” automated functions.

7 Power relations between employers and employees

Labour share, the part of national income allocated to labour compensation, in recent years has been following a downward trend, which reflects “a more rapid growth in labour productivity than in

² For examples from public and private services see www.algorithimwatch.org.
average labour compensation” (ILO & OECD, 2015), which is the outcome of a shift in the balance of power towards the employers’ side in the participants’ view.

Different measures of labour flexibilisation are often considered as an “erosion of the [traditional] employment relationship”. However, some forms of flexible working do not render work more precarious or degrade income and working conditions: voluntary part-time, tele-working or mobile work may actually contribute to the quality of life of the workers. However, the trend for non-traditional forms of employment is rising, and poses challenges for work organisation. Participants argued that changes affecting large enough numbers of workers may result in institutional changes (in the sense of a dialectical leap from quantity to quality), which could be shaped favourably if factors of change are identified and strategically addressed in the short and long term. However, in contemporary capitalism the short-termism under which companies operate may limit their strategic capabilities and eventually, that of society at large. Both volatile markets and ongoing restructuring, company strategies changing mid-term, leaving projects incomplete, go against coordinated efforts to achieve beneficial changes in the interest of workers and society. In this situation of widespread uncertainty, discussants argued that the participation of employees and their representatives in the definition of sustainable strategies and goals might be in the interest of companies as well, providing wider insight, some consensus or open and conflictual deliberation, and some stability and orientation in the process.

8 Union challenges and ideas

Whereas the overall picture of the impacts of digitalisation appeared “dismal” to participants, the question of hope arose. The participants of the workshop saw opportunities for unions to become (more) relevant again, as these developments may increase the sense that capitalism needs balancing. Moving beyond the dualism of technology-related pessimism and optimism, unions need to reach out to workers and regenerate trust. Participants agreed on the need for unions to develop a narrative beyond the borders of traditional trade-union work.

Besides the challenges that unions face in their task of workers’ representation and collective bargaining, participants also addressed unions’ internal structures. Their traditional modes of operation are structured around conventional company and workplace structures and employment relationships located in time and space. The new forms of employment often separate workers from another when work becomes mobile or space-independent or is done remotely. Then, trade unions need new modes of organisation and communication that transgress the boundaries of the workplace.
The challenge of union revitalisation and innovation is significantly driven by organising non-traditional sector employees. How to reach out to crowdworkers and what to offer them remains a pending question, but needs to be balanced with efforts to reach out to other constituencies. How to organise workers in the context of internationalisation and free movement of EU labour is a concern as membership bases are fluctuating. Still, European Works Councils and transnational framework agreements with companies are one important dimension of addressing several of the challenges under discussion. On the other hand, workplace resistance and activism was mentioned as a complement to the elaboration of the more institutional paths of interest representation.

For reaching some groups of self-employed, advice services such as those offered by German ver.di and Austrian GPA-djp were mentioned as a solid beginning. However, actual representation and collective bargaining requires changes in EU competition law. A basic rule could be that if someone works, they deserve decent pay, with a fixed minimum, which in crowd and platform arrangements should be equivalent to the pay in a standard job to prevent social dumping. One idea for outreach and organising was to “reach [the] workers before their first job” by making contact and offering support to young people in education and training institutions. The question remained to what extent digitised communication by unions could be further developed for trade unions to become more visible and bring their positions to the public consciousness.

A somewhat controversial discussion developed on the question whether trade unions should join forces with digital experts, e.g. digital movements around digital social innovation, digital democracy etc. Currently, these debates appear quite separate with the possible exception of issues of privacy and data protection where there has been a larger history of collaboration.

Considering work quality, participants pointed out that one key issue for trade unions to address was workload or the pressure arising from the dissolution of boundaries between work and free time. Here, a less defensive and more pro-active approach was desired. A “right to disconnect” as promoted in France or Germany is considered a beacon. However, such rights in some participants’ view should not be implemented in company-specific agreements (mostly at powerful well-organised companies) as a privilege, but rather as a basic right.

Addressing training was acknowledged as an important task for unions, especially due to a polarisation between young and old. The extent of firms’ investment into training schemes needs addressing. Unions could assume a role in certifying training of workers who lack a clear employer, which could contribute to increasing membership. Unions need to play a part in assessing future skill needs and anticipating change, and on the EU level, in the development of joint frameworks for training and job competences.
However, training was not considered a panacea for all adversities that workers in an economy might encounter. Considering potential job losses due to automation, participants favoured working-time reductions, but were mostly sceptical about concepts of a universal basic income. This was considered to be risky in the group as it could be used too easily to dismantle the welfare state – but in the case of sweeping redundancies and unemployment due to automation might need consideration. At any rate, unions need to maintain or extend their roles in influencing social policy and welfare legislation.

9 Brainstorming: Trade unions and researchers: emerging research topics

Emerging research topics were identified in collaboration of trade unionists and researchers. Research questions represent a continuum ranging from the macro level of European societies and institutions, through the level of companies and value chains, to the micro-level of workplaces and individuals.

For one thing, there is a wide consensus on the need of a European vision of digital transformation that distinguishes itself from both the market-libertarian US- and specifically Silicon Valley-based ones and the more authoritarian Chinese ones. Beyond the European social model, the various European traditions of “humanisation of labour” and empowering job design, worker participation etc. could feed into this. While the European model also needs to take market competitiveness into account, it needs to be socially enabled as well as enabling – social dialogue’s raison d’être. For this purpose, an assessment of short-term and mid-term trends and scenario building was considered promising for both trade unions and employers. Important fields for this are the evolution of skills and competences, platform work in urban spaces and its impact on city development, and digitalisation as well as the quality dimensions of digitally mediated service encounters.

One research subject of interest was exploring how and under which conditions good work can be equated with good services, and possibilities to develop a (corporate) “Quality of Work” index. The work done on the basis of Eurofound’s European Working Conditions Survey and European Company Survey does not provide company-level data. In some countries, datasets linking employer and employee data have been developed.

Participants were also interested in a comparative view of institutional frameworks and employment regulations in different countries and “[...] the political economy surrounding [them]”; especially in

3 For example, in Germany
https://fdz.iab.de/de/Integrated_Establishment_and_Individual_Data/LIAB.aspx
the regulation of self-employment and the ways workers’ transitions across companies and employment statuses are managed. While European institutions certainly provide some descriptive compilations, the “political economy” suggests a more analytical view that includes connections with national and regional employment regimes, their path-dependencies, tendencies of liberalisation, and potential of disruption especially of the more “coordinated” and social-partnership oriented employment and industrial relations regimes.

The restructuring of service provision across European and global value chains yielded some specific topics of interest. The coordination of subcontracted digital work often takes place through key performance indicators and again, monitoring by algorithms or blockchain technologies. Job quality may be affected both by the functioning of these technologies and, especially during technological transitions, their non-functioning which workers need to compensate under pressure. Again, the strategic and foresight capabilities of companies and their limitations through financialisation and short-termism require further investigation.

Another area of interest concerns the ethical dimensions of automation/digitalisation. Examples are: the danger of reproducing structural discrimination through algorithmic assessment of risk, performance or expected return on investment in financial services but also in employment services, or the norms and values embedded in digitalised service delivery, for example in care work (“telecare”). Here, cost and efficiency calculations need to be complemented by debates on the dignity and quality of work and life of both workers and clients. Privacy is of particular and substantial interest in the digital economy, since data exploitation is at the core of many business models. This raises the questions of how workers, citizens and society at large can gain control and ownership of data and participate in the value created. In a more pragmatic vein, with new digital possibilities, employees’ data become an object of interest to trade unions as well. In order to communicate with workers who are no longer reachable on company premises, the utilisation of data and communication tools in safe ways becomes important on a different level.

The issue developed in the digitalisation café discussion on companies’ volatility and (we might say) ongoing self-disruption translates into a research subject as well. How can new and favourable forms of work organisation, interest representation, and also management practices be rendered sustainable in contexts of ongoing restructuring?

Participants also saw an important research topic in the impact of digitalisation (in various work and employment contexts) on psychological health and well-being, and on workers’ subjectivity and identity. Health and well-being address unions’ concerns and representation rights directly. The exploration of subjectivity in digitalising work contexts may shed light on the interplay of interests and identities of both “old” and “new” groups of workers, and feed into trade unions’ organising
efforts. It may also provide ways to assess the relationship of the concerns of unions and those of workers with regard to digitalisation – how do, for example, privacy and data protection resonate with workers’ sense of their work, their worries over surveillance and their needs for recognition and visibility? Cases and practices of shortened working hours and their impact on everyday life, the company and societal level respectively, are not un-researched but may need revived attention in digital contexts.

10 Brainstorming: Trade unions and researchers: new modes of collaborating

For new and developing modes of collaboration between academics and trade unions, participants considered various ideas for mutual benefit and the contributions each “side” could make to the other’s activities. It is worth keeping in mind that such collaborations are common in many Nordic and Continental European countries where working life studies, “humanisation” of working life or workplace innovation are academically established and have a funding and collaboration infrastructure that goes beyond trade unions’ own research capacities. Elsewhere, the picture is patchier and unions’ access to academic expertise is less common. Thus, unionists would like to see research collaborations with unions rather than with management. Still, there is interest in rendering these collaborations more transnational and multi-level and in bringing in and combining new views. Collaborations should cross sectors and also policy levels from the local to the transnational.

Some participants argue that they should include the employer side as well. Indeed, academics could have a part as a “catalyst [...] for a dialogue between industry & trade unions”. This would apply especially in those sectors and regions where social dialogue is not well-established or – also with regard to digitalisation – where it is to be extended to new subjects. With regard to social dialogue, union-academic collaborations could also provide input for negotiations and have a role as a “sounding board” for new approaches and strategies.

Joint problem-solving and the development, sharing and analysis of “best practices” play a central part in union-academic collaborations. “Share problems ➔ investigate working models” is a concise suggestion. Some suggestions aim at more co-creation in the research process by keeping “stakeholders involved over the entire course of the project/study” rather than in the limited roles of a steering group or informant. Strategy development is a genuinely co-creative activity, for example in “defending rights of unsecured workers”.

Unionists point out that they have genuine contributions to make to research into working life and services. They know their respective fields and sectors well and can provide data and also contacts
and access to both companies and workers. However, they will have fewer possibilities in the interesting cases of companies with notoriously bad working conditions, also known as “bottom-feeders”. Here, other approaches will be needed for researchers to develop a comprehensive view.

Concrete suggestions to promote collaborations were “experimental spaces” or “participation labs” known as temporary structures from individual projects (Bormann, 2017) or from public sector and policy innovation. ICT-based platforms, possibly supported by regular real-life events could provide Europe-wide information on “who is who” and “who does what”. Ways for unions to communicate their research interests to wider academic communities should also be explored.

On the research side, there is one challenge remaining: research outputs and incentives tend to be aimed at academic formats, following the conventions of peer-review, ranking of journals and conferences etc. Policy outputs in many academic contexts are no less labour-intensive, but may carry less academic reputation – although the incentives of putting scientific insights to social use should not be underrated either. Possibly, unions could also develop the role they have in existing collaborations: training and challenging academics in disseminating their work to application contexts, an expertise that is often underrepresented in universities.

11 References


Company Strategies

Digitalisation:
- Not just a moment
- "Change - processes" - Real "abstract"
- A company's success: a clear strategy or lack of coherent strategy

Sustainable strategies are needed:
- Participation of employees
- Sustainable goals (qualitative, temporary)
- "Step-by-step" counting cycles
Company Strategies

- Law/Resistance
- Labour
- Organisational Learning
- Taxation
- Strategic

Consumer vs Worker Impacts in Innovation

Implications for Innovation

Labour Markets

- Fix decent minimum pay for gigs
- Misuse of competition policy
- Training important but not solution for all
- Role of unions in certifying training
- Polarisation

How ready out to crowd workers --> who pays for their training?

Unions' role of UNI in anticipating change

Joint frameworks for training + job competency

- Use EU skills framework for defined skill needs
- Short-term measures
- Need for long-term solutions
Labour Markets

- Balance of power - staffing
- Erosion of employer relationship
- Standard to flex.
- Fragmentation.
- Employee-employer
- Algorithms become key.
- Technology is a catalyst.
- Employment services
- "Employee"
- Platform marketplaces & digitised work.
- Worker digitalised.
- Potential pattern.
- Social control.
- "Employers without a face?"

Challenges

- Spread awareness.
- Organise (even reach out).
- Worker trust.
- Pessimism & optimism.
- Atypical forms of work.
- Rating systems.
- Consumer-worker relationship.
- Taxation.
- Skills shortage.
- Follow up developments.

Service Markets

- Improve, open own structure.
- Co-ops, strategies:
  - Online, flexible.
  - Language training.
  - Tools to raise the voice of workers.
  - Legal framework.
  - Transparent rating systems.
  - Conflict resolution services.
  - Taxation, skills.