

## Chapter 6

# The relaunch of European social dialogue: what has been achieved up to now?

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### Introduction<sup>1</sup>

In a recent European Social Observatory *Opinion paper*, we analysed the factors which, in recent years, have contributed to a slowing down, even to a halt in cross-industry European social dialogue (Pochet and Degryse 2016). These factors are linked, in particular, to a distancing of European employers, increasingly thinking globally rather than in terms of Europe<sup>2</sup>, and declining support for social dialogue from the European Commission – particularly during the ten years (2004-2014) of the Barroso Commission – which has weakened trade union relationships with employers. Other more cyclical, but crucial, factors include the post-2008 economic, financial and sovereign debt crisis, as well as the growing influence of social deregulation policies promoted by a majority of Member States within the Council, and by the then Commission, in an attempt to overcome this multiple crisis.

All these factors have helped undermine social concertation at European level, and indeed in several Member States, particularly those hardest hit by the crisis. Since 2015, moreover, there seems to be a general atmosphere of European dis-integration, with Brexit, the asylum crisis, the questioning of Schengen, deteriorating international relations, and the rise of populist parties in Germany, Austria, Finland, France, Hungary, the Netherlands, Poland and Sweden.

The beginning of 2017 did, it is true, bring better news, with the defeat of certain radical parties predicted as possible victors in legislative and presidential elections (the Austrian presidential elections of December 2016, the Dutch legislative elections in March 2017, and the French presidential elections in May of the same year). But Europe and the world remain traumatised by Brexit and the election of Donald Trump.

In 2016, we wondered whether employer organisations had correctly identified the link between the rise of Euroscepticism, nationalism and Europhobia, and the deterioration

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1. The author would like to thank Denis Bouget, Sebastiano Sabato, Bart Vanhercke and Philippe Pochet for their helpful comments. The final version of this chapter is the sole responsibility of the author.
  2. As noted by BusinessEurope (2017): ‘The reality of industry and the way it operates has been radically transformed in the past few decades, with globalisation and digitisation as main drivers [...] Businesses from around the globe cooperate today in real-time, across countries and in international networks, platforms and clusters. Processes that used to be developed together are now split into different parts of the world, underlining the importance of openness to trade as a key driver of the world economy’.

of living and working conditions, with whole swathes of the population reduced to poverty (Pochet and Degryse 2016). Our feelings were echoed, a year later, by Financial Times journalist, Martin Wolf, who, referring to the ‘rise of populism in wealthy economies’, highlighted that: ‘among the most significant developments is flat or falling incomes since the financial crisis. Up to two-thirds of the population of many high-income countries seem to have suffered flat or falling real incomes between 2005 and 2014. It is little wonder so many voters are grumpy’ (Wolf 2017).

In the following sections, we begin by examining the main trends in cross-industry European social dialogue (Section 1). We see, in particular, how the new start called for by the European institutions and the European Trade Union Confederation (ETUC) has not yet delivered tangible results. We then look in more detail at European sectoral social dialogue (SSD). The two ‘levels’ of bipartite European social dialogue – cross-industry and sectoral – have developed somewhat differently for several years. After examining recent general trends in SSD (Section 2), we go on to focus on a particular issue (Section 3) currently becoming more topical especially at company, branch and sector level: digitalisation of the economy and its likely consequences on employment and labour markets. We conclude by highlighting the striking contrast between the current situation at sectoral and cross-industry level.

## **1. Cross-industry social dialogue: a relaunch in declarations**

In 2016, hopes were raised when the President of the European Commission, Jean-Claude Juncker, expressed a wish to relaunch social dialogue and to adopt a pillar of fundamental social rights. There was also hope that the European project as a whole would receive new momentum as a ‘Europe that protects’, in the words of the new French President, Emmanuel Macron – seemingly promising a more favourable context for European social dialogue.

In 2016, the cross-industry social partners – BusinessEurope, CEEP, UEAPME and the ETUC<sup>3</sup> – adopted a series of declarations on social dialogue (27 January 2016), the refugee crisis, digitalisation of the economy and industrial policy (16 March 2016), apprenticeships (30 May 2016), and of course the joint statement with the Commission and Council on a new start for social dialogue (27 June).

In 2016, in addition to these declarations, two substantial negotiation topics were addressed by the social partners. These two sets of negotiations had very different outcomes: the first failed in 2016, and the second resulted in agreement at the very beginning of 2017.

a) The first topic for negotiation emerged from a consultation launched by the European Commission, with a view to strengthening the existing regulatory framework of the

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3. BusinessEurope is the association of European private-sector employers (formerly UNICE), CEEP is the European Centre of Employers and Enterprises providing Public Services, UEAPME is the European Association of Craft, Small and Medium-sized Enterprises, and the ETUC is the European Trade Union Confederation.

work-life balance. The first phase of the social partner consultation was launched in November 2015, the second in July 2016. The Commission's aim was to better adjust working conditions to the situation of working parents, and of all those, largely women, having to care for young children, ill or disabled family members or ageing parents. This would mean reinforcing the provisions on maternity leave, paternity leave, parental leave, but also introducing so-called 'care leave', as well as possibilities for flexible working arrangements to help workers cope with caring needs within their family.

Enthusiastically welcoming this consultation, the ETUC replied with detailed proposals for amending existing legislation and for new negotiations with the employers on, in particular, care leave and paternity leave. However, at the end of the consultation period at the end of September 2016, it became clear that the trade unions were isolated on this point. The work-life balance issue, therefore, was stopped in its tracks by the refusal of BusinessEurope, CEEP and UEAPME to enter into substantive negotiations.

How should we interpret this ambivalent employer attitude, on the one hand agreeing to sign declarations on a new start for social dialogue, while on the other hand refusing to work on a draft agreement which would have had a strong, specific and positive impact on workers' lives? If we take the view – in tune with Jean Lapeyre (2017) – that European social dialogue was not designed to be just a forum for exchanging views and holding discussions, but, first and foremost, a place to negotiate improvements to living and working conditions, then we must see this as a real failure. A failure, indeed, which revives fears that the grand hopes of the Commission and the Council could be dashed by the attitude of the European employers.

One explanation can no doubt be found in a document published in 2017 by BusinessEurope. In it, the employer organisation describes its vision of a modern European industry. Aside from the usual comments on excessive administrative and tax burdens, it describes how it sees the future of labour markets: 'The more flexible labour markets are, the quicker companies are to hire. Europe's employment policies should converge towards the same goal of achieving open, mobile and dynamic labour markets, where companies are encouraged to create jobs and people are better off working, in increasingly productive work, whilst being adequately protected when unemployed' (BusinessEurope 2017).

This view of 'adequate' protection solely for periods out of employment is fairly distant from the flexicurity concept promoted by the EU (European Commission 2007). Indeed, this flexicurity was one factor behind the plans to improve the work-life balance, benefiting businesses *but also* workers.

Moreover, the employers' view of 'open, mobile and dynamic' employment, which *necessarily* encourages companies to create new jobs, is vigorously rejected by workers' organisations, who see it as a sort of employers' myth. This myth is analysed in a book published recently by the European Trade Union Institute: 'reducing employment protection has brought neither labour market nor economic benefits. Moreover, post-crisis changes were accompanied by increases in precarious employment in those countries that were most enthusiastic in their deregulatory efforts. When new jobs

appeared, they were more likely than in the past to be atypical and of poor quality, as illustrated by the growth of part-time jobs, temporary contracts or solo self-employment' (Piasna and Myant 2017).

This issue, therefore, highlights the two traditionally opposing views of flexibility: flexibility seen as a way of deregulating employment and the various aspects of employment protection (called for by employers but criticised by trade union organisations), and, on the other hand, flexibility as a way of adapting working conditions to the personal and family situations of workers, especially working women (called for by trade union organisations but criticised by employers).

b) The second topic for European social dialogue referred to previously is active ageing and an intergenerational approach to human resources within companies. It took nine months of negotiations to reach, on 8 March 2017, an autonomous agreement on this issue. These negotiations were part of the social partners' working programme for 2015-2017. This is an 'autonomous' agreement, i.e. an agreement by which the European social partners commit their national affiliates to promoting and implementing its provisions, according to their own traditions (this agreement is not therefore to be turned into a directive).

The overall objective is to improve working conditions for older workers, enabling them to remain on the labour market until the statutory retirement age. This is to be done by means of measures concerning workplace health and safety, skills and competencies management, work organisation (anticipating and adapting the allocation of specific tasks, for example), and intergenerational transition and solidarity, by, in particular, organising two-way transfers of skills. This second topic, therefore, is largely an issue of human resource management, work organisation and non-discrimination. It seems to have been easier for the social partners to agree on this than on the other topic referred to above, that of flexibility.

For the future, the key question will be to what extent the provisions set out in this agreement will actually be implemented at national level. In the recent past, one of the main sources of dissatisfaction voiced by the ETUC and its members was the abysmal quality of the implementation of 'autonomous' agreements not converted into directives. In some countries, these agreements were not implemented in any way. The final provisions of the current text on active ageing state that implementation will be examined in 2020, potentially resulting in joint actions taken by the European social partners vis-à-vis those countries where implementation is not satisfactory. Finally, after 5 years (as of 2022), each European social partner will be able to ask to evaluate and review the provisions of the agreement.

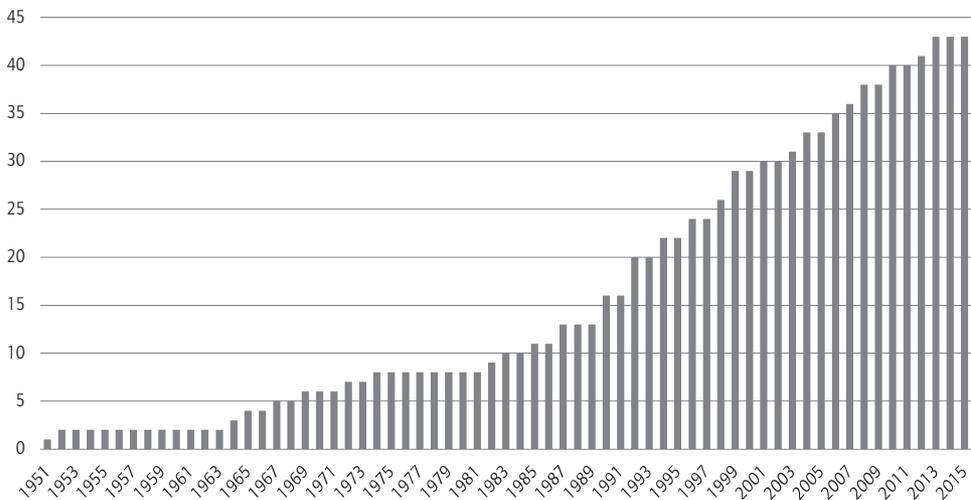
Overall, then, the results of the cross-industry European social dialogue in 2016 are mixed. Aside from declarations of good intentions, it is clearly still very difficult to obtain tangible, specific results which can be verified in situ (why, for example, are framework agreements no longer being converted into directives?). In 2016, the employers refused to countenance a view of flexible employment which would benefit workers with family or care responsibilities. The private-sector employers confirmed their view of maximum

flexibility, designed to benefit companies and, they say, to create jobs. As we have seen, this approach is questioned by studies from union-friendly bodies. These seemingly intractable differences in views did not, again in 2016, stand in the way of more fruitful negotiations on managing older workers in companies. But at a time when the European Union is promoting its planned European pillar of fundamental social rights, we have doubts as to the mindset of employers and their ability to work with the Commission, the Council and the other social partners to build a shared and ‘social’ vision of future employment and labour markets.

## 2. Sectoral social dialogue: its own dynamics

European sectoral social dialogue continues to develop gradually with, as already underlined in previous articles (Degryse and Pochet 2011; Degryse 2015), results varying between sectors<sup>4</sup>. The social partners engage in this dialogue in 43 ‘sectoral social dialogue committees’ (SSDCs). Much research has been done on analysing the differing dynamics of these committees (Dufresne *et al.* 2006). All in all, having gone through a growth phase until 2007 and then a slowdown linked to the economic and financial crisis, sectoral dialogue now seems to have reached cruising speed, in terms of both the number of SSDCs, which has now stabilised (Figure 1), and of their activity, measured by the number of joint texts adopted each year (Figure 2).

Figure 1 Number of European sectoral social dialogue committees

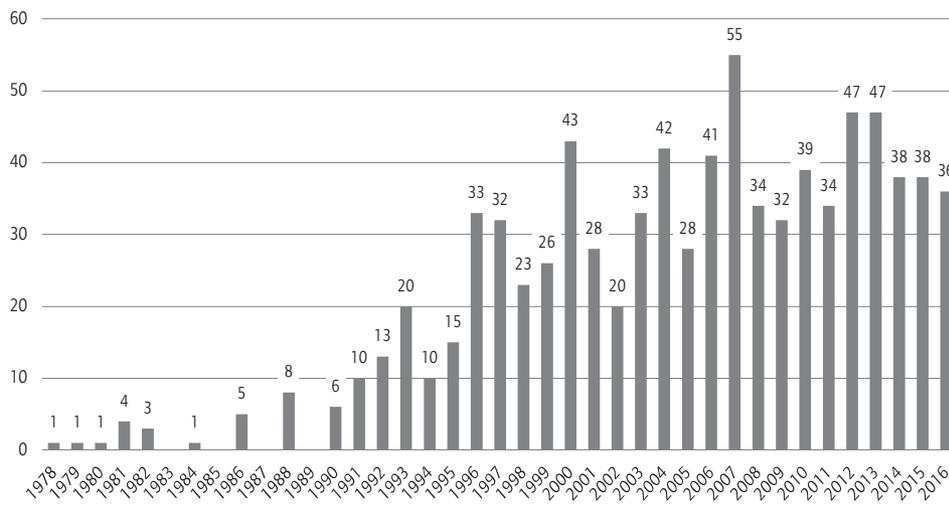


Source: ETUI database on European sectoral social dialogue.

4. The following statistics and graphs are taken from the European Trade Union Institute’s database on sectoral social dialogue. The author would like to thank Stefan Clauwaert and Philippe Pochet for their help in updating this database.

A 44<sup>th</sup> European sectoral social dialogue committee may be set up in the near future. Representatives of the social services sector in some EU countries are involved in a project funded by the European Commission to establish a structured European social dialogue in this sector<sup>5</sup>.

Figure 2 Evolution over time of the number of joint texts adopted in the context of European sectoral social dialogue



Source: ETUI database on European sectoral social dialogue.

Many reasons have been put forward to explain the uneven results of SSD. These include the differing levels of impact of European policies on the various sectors (Dufresne *et al.* 2006), the nature of the topics under discussion (how controversial?), but also the variety of national social concertation structures, the diverse strategies followed and the varying interests of the employers (Perin 2014).

Since 2010, we have seen no major change in the overall dynamics, and the nature of the process itself, moving between joint advocacy and reciprocal commitments (Degryse 2015), seems just as ambiguous. According to our analytical model, the joint advocacy aspect is essentially reflected in the adoption by the social partners of texts directed at the European institutions or Member State governments, hoping to adjust or influence certain aspects of European policies. These texts are ‘common positions’, which we could refer to as external texts (or texts for external addressees), as they are addressed not to the social partners themselves, but to the public authorities. The reciprocal commitments aspect, however, is reflected in texts in which the social partners set themselves rules, objectives or guidelines. These texts are tools<sup>6</sup>, declarations,

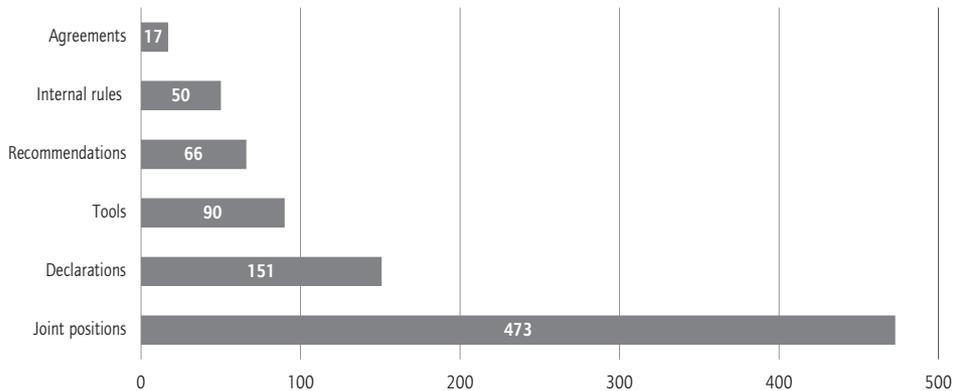
5. The so-called PESSIS project currently covers the period 2015-2017 (PESSIS III). See <https://www.socialserviceseurope.eu/pessis-iii>.

6. For example, ‘guides to good practice’ and ‘toolkits’ for assessing health and safety risks, etc.

recommendations and framework agreements, in the meaning of the Lisbon Treaty<sup>7</sup>, which we could call internal texts, as they are addressed to the (European or national) social partners themselves. This sub-category, therefore, includes texts legally binding the social partners, such as the framework agreements transformed into directives, and texts hardly committing them at all (declarations of intent or tools made available to national members).

This distinction between external and internal texts allows us to assess the function of social dialogue. As can be seen in Figure 3, joint advocacy (common positions) currently accounts for 56% of the total output of sectoral social dialogue.

Figure 3 Total number of joint texts adopted in the context of sectoral social dialogue, 1978-2016, by type of text (total: 847)

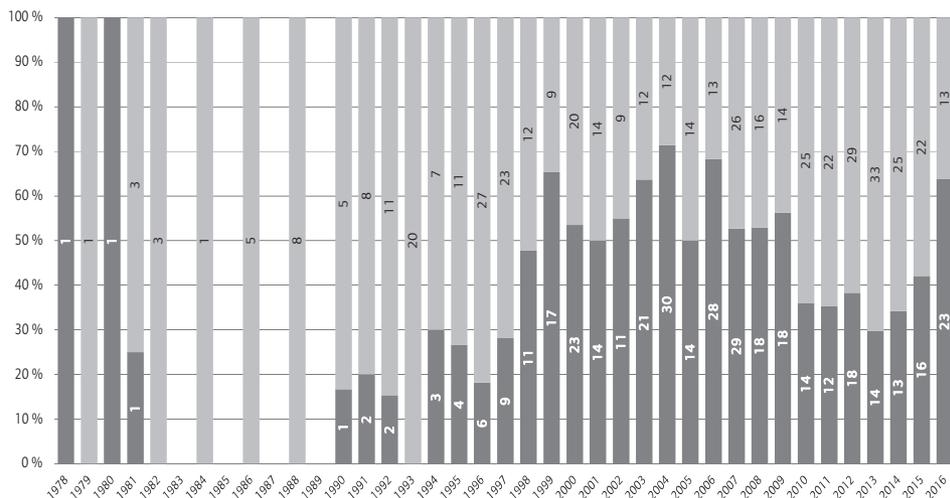


Source: ETUI database on European sectoral social dialogue.

This function, however, obviously varies over time. The model applied to the number of documents adopted each year shows how the function of sectoral social dialogue is evolving. We have already seen that until the beginning of 2000, there was a gradual trend towards more reciprocal commitments. Then, from 2010 to 2015 (Figure 4), i.e. immediately after the crisis, this reciprocal commitment aspect shrank dramatically, in percentage terms. While few documents have been adopted in 2016, a higher proportion of them are reciprocal commitments (64%). Time will tell whether this recent development is circumstantial, or whether it heralds a new era for sectoral social dialogue.

7. As well as rules of procedure, in which the social partners set out the 'rules of the game' for their sectoral social dialogue committee.

Figure 4 Percentage of external texts vs internal texts (advocacy vs reciprocal commitments (in dark grey: internal texts; in pale grey: external texts))



Source: ETUI database on European sectoral social dialogue.

In 2016<sup>8</sup>, the topics most frequently tackled in the SSDCs were questions related to health and safety at work (eight texts), particularly in the retail<sup>9</sup>, education<sup>10</sup>, personal services<sup>11</sup> and live performance<sup>12</sup> sectors. Then there were the questions linked to social dialogue as such (seven texts): its role, how it should be organised, its potential for change in the local and regional authority, postal, civil aviation, metal, service (banks, insurance, retail, personal services) and education sectors. Other topics concerned economic and/or sectoral issues (six texts): working conditions (5), training (5), sustainable development (3), non-discrimination (1), and corporate social responsibility (1).

In a previous article, we saw that the dynamics of sectoral social dialogue are partly determined by the political agenda of the European Union (Degryse 2015). For example, the situation of social dialogue in the electricity sector, previously linked to the energy liberalisation agenda, is now linked to the EU’s climate objectives; in the civil aviation sector it is partially linked to the European “single sky” project; while in the construction sector it reflects, to some extent, developments concerning the posting of workers, etc. With this in mind, we thought it would be interesting to examine how sectoral social dialogue deals with, or chooses not to deal with, a topic which is currently one of the EU’s political priorities: digitalisation of the economy (the so-called ‘4<sup>th</sup> Industrial Revolution’).

8. For an analysis of the period prior to 2016, see Degryse (2015).

9. Addressing physical and psychological risks at work.

10. Joint declaration on preventing and combating psychosocial hazards in the education sector.

11. Notably: European framework agreement on the protection of occupational health and safety in the hairdressing sector.

12. OiRA Tools for the Live Performance sector.

### **3. Digitalisation of the economy: a new challenge for European sectoral social dialogue**

One particular subject seems to be emerging, and could become an important issue for future social dialogue: the expected social impact of digitalisation of the economy. As we will see in more detail below, this subject first arose in 2014 in the transport sector, with the sudden and ‘disruptive’ (or illegal, depending on your viewpoint) arrival of Uber in European cities. In 2015, it was the turn of the tourism sector with Airbnb, then the local and regional administration sector with the digitalisation of public services. In 2016, three new sectors carried out a joint analysis of this issue: the insurance sector, the chemicals industry, and the metal, engineering and technology sector. This suggests that the social impact of digitalisation of the production of goods and provision of services could gradually become one of the main concerns of the sectoral social partners.

#### **3.1 Challenges ahead**

What challenges lie ahead? The digital transformation, alongside climate change, will have a potentially enormous impact on the labour market, not only in terms of the destruction of jobs that become ‘obsolete’ and the creation of new ones, but also in the emergence of new skills, new forms of work organisation and new production processes. What some people call the Fourth Industrial Revolution – the internet of things, 3D printing, digital platforms, etc. – could lead to a fundamental shift in the way that we produce goods and provide services. Any job could be affected: from the manual worker, the service technician, the farmer, the taxi driver, the hotelier and the translator, to the executive, the human resources manager, the tax specialist, the journalist, the legal advisor and the personal assistant.

We can identify four types of impact on the labour markets: the changing number of jobs (between those destroyed and those created), the nature of these jobs, their displacement via globalised subcontracting, and new forms of managing and monitoring workers (Degryse 2016).

##### **The changing number of jobs**

Concerning the loss of jobs, certain studies predict that almost half of all current jobs in the United States (47%) risk being destroyed in the next 15-20 years (Frey and Osborne 2013). In Europe, this figure stands at more than 50% (Bowles 2014a and b), while in the United Kingdom more than a third of jobs are seriously threatened. Other studies, however, are less alarmist and predict that ‘only’ 9% of jobs are at high risk of disappearing (Arntz *et al.* 2016). There is little consensus between these statistics and, as Valenduc and Vendramin are right to point out, it is the organisation of work around the automation of tasks that is a central issue here. A robot replaces one (or several) task(s), but a job does not only consist of the accomplishment of one task (Valenduc *et al.* 2016). It is therefore dangerous to try to predict how many jobs robots will replace. This is why it would be helpful to have a more detailed picture of the impact of robotisation on the number of jobs in individual sectors. Here the social partners can play an important role.

### **The nature of newly created jobs**

The development of digital labour raises many questions, mainly about the status of a worker on a digital platform ('freelancer' or '(in)dependent contractor?'), the nature of the employment relationship, the employer and her/his responsibilities, management and control over the worker, etc. We also need to consider the increase in multiple forms of atypical work, including freelance workers, 'nomads', occasional service providers, etc. (Eurofound 2015). Workers may be seeking transition jobs or just some extra income, but is there a risk of them becoming stuck in a cycle of precarious work? Furthermore, are regulations on health and safety, workplace accidents and working time respected? And what about professional insurance, social insurance and taxation? The social partners could consider these issues and find common ground, as they did in the past in the case of teleworking.

### **Displacement via globalised subcontracting**

The digital economy knows no borders. More and more companies, whether SMEs or transnational corporations, use the internet to subcontract tasks that can be done by crowdworkers<sup>13</sup> anywhere in the world, available 24/7. This subcontracting is made possible (and significantly easier) by digital platforms (Drahokoupil 2016). Is there a risk of 'normal' jobs being split up into small tasks that can be handed over to crowdworkers through these platforms? What kind of job is most endangered by this new form of digital Taylorism? But also, how can the crowdworkers organise themselves to avoid being drawn into a downward spiral of competition over prices? Considering what rules and regulations should be in place along the chain of production is a priority for the future.

### **New forms of managing and monitoring workers**

Other new social risks are also emerging. For example, one of the challenges facing 'traditional' employees in offices or factories is their new relationship with corporate computer systems. The software for managing each step of the production process down to the smallest detail is being increasingly perfected. The risk is that workers can only play a subordinate role to these ultra-sophisticated IT systems, diminishing their autonomy and increasing their stress levels (Head 2014; Ford 2015). The new means of 'digital management' represent yet another challenge, and the debate over how to define a 'reasoned and reasonable' limit to employee monitoring in the digital economy is a good subject for the social dialogue.

Some general issues of digitalisation (like e-skills) have already been tackled by both BusinessEurope (2015) and the ETUC (2016), as well as in a document jointly adopted in 2016. In view of the profound digital and environmental transformations upon us, and all the uncertainties they entail with regards to the question of transition, we believe that the challenges identified above will come to define a renewed and ambitious social dialogue agenda.

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13. According to Robertshaw (2015), crowd sourcing can be defined as 'the practice of obtaining needed services, ideas of content, by soliciting contributions from a large group of people, and especially from the online community rather than from traditional employees or suppliers (...). This technique is heavily exploited by Internet giants like Google, Facebook and Apple, who harvest data about individuals (...) and aggregate information about them to analyse patterns and trends in society that form the basis for valuable services'.

This will be particularly the case at sectoral level, since the social impact of digitalisation of the economy will most likely be closely related to the structure of the respective sectors, types of job, the way in which goods are produced or services provided, the qualification-level of the employees, etc. To our knowledge, no detailed empirical studies have been conducted on the effects of digitalisation in the various sectors organised at European level (transport, finance, tourism, agro-industry, insurance, manufacturing, etc.)

An analysis of the sectoral negotiations could of course help us understand the nature of these effects and how the social partners could anticipate them. However, at this point in time, only very few sectoral social partners have so far addressed the issue.

### 3.2 Case studies on digitalisation

As a first approach to the subject, we carried out a series of quick surveys of the multiannual working programmes of the sectoral social partners, providing an initial overview of the priority given to this issue. Of the twenty or so working programmes examined, the issue of digitalisation of the economy, or, more broadly, new workplace technologies, seems, with the exception of a very few sectors (insurance, road transport, hotel and catering, metal) to have been only touched upon (construction, telecommunications, local and regional authorities, retail, etc.), or totally ignored, even in sectors where these technologies could have, now or in the future, a considerable impact (postal, banking, education, rail, etc.).

This first impression, however, probably mainly reflects how new this issue is. Only since the beginning of the 2010s, when Uber arrived in some large European cities, have we been discussing the ‘Uberisation’ of the economy. Uber symbolically marks the moment when we first became aware of the social ramifications of this new economic model, the ‘platform economy’. This awareness soon spread to include the more general issues linked to digitalisation of the economy, as seen above.

By the end of 2016, six joint texts had been negotiated and adopted by the European sectoral social partners on this issue (see Table 1).

It is interesting to examine which specific issues are addressed in these texts. The first two sectors to look at the question were transport and hotel & catering, both of which quickly became concerned about the rapid rise of a new platform-based business model (Uber, Airbnb) with the potential to create new forms of competition deemed to be unfair, as the new model did not seem to be subject to the same legal, social and administrative requirements as applicable to traditional businesses in these sectors.

For this reason, the **transport** sector, in November 2014, adopted a joint text addressed to the European institutions. The aim of the social partners is to draw ‘the attention of international, European, national and local policy decision-makers to the fact that unfair competition on intra-city mobility markets, in particular from self-proclaimed “ride-sharing” for-reward transport platforms, illegally offering their “ride-sharing” services precisely on the taxi and hire cars with driver market, is ultimately detrimental

for the long-term mobility interests of citizens and visitors, including citizens with disabilities, whilst at the same time avoiding paying taxes and social security, thus destroying the fair and efficient functioning of entire segments of the public transport market, with potentially disastrous consequences on mobility, passenger-safety, legal employment, decent work and social conditions'. The social partners therefore call for 'fair' competition, which implies the application of the same European regulatory framework to the same activities.

Table 1 **Joint texts adopted in the context of European sectoral social dialogue on the digitalisation of the economy**

Sector (+ name of the social partner organisations)	Date	Title
<b>Transport</b> (European Transport Workers' Federation, ETF; International Road Transport Union, IRU)	19/11/2014	'Taxis – for a level playing field to support innovation and ensure quality of service to customers and competitiveness of the public transport chain "anytime, anywhere"
<b>Hotel and catering</b> (European Federation of Food, Agriculture and Tourism Trade Unions, EFFAT; Hotels, restaurants, cafés in Europe, HOTREC)	4/12/2015	'A level playing field and fair competition in hotels & restaurants and tourism – Joint EFFAT-HOTREC statement on the sharing economy'
<b>Public Services</b> (European Federation of Public Service Unions, EPSU; Council of European Municipalities and Regions, CEMR)	11/12/2015	'EPSU-CEMR Joint Declaration on the opportunities and challenges of digitalisation in local and regional administration'
<b>Insurance</b> (UNI-Europa, Insurance Europe, Amice, Bipar)	12/10/2016	'Joint declaration on the social effects of digitalisation by the European social partners in the insurance sector'
<b>Chemicals</b> (IndustriAll; European Chemical Employers Group, ECEG)	22/11/2016	'Joint position of the European Sectoral Social Partners of the chemicals, pharmaceuticals, rubber and plastics industries on social and employment-related aspects of digitalisation'
<b>Metal</b> (Council of European Employers of the Metal, Engineering and Technology-based industries, CEEMET-IndustriAll)	8/12/2016	'Joint position on the impact of digitalization on the world of work in the metal, engineering and technology-based industries'

Source: Author's own elaboration.

The social partners in the **hotel, restaurant and tourism sector** also 'fear that the increased offer of accommodation services offered on a commercial basis through "sharing economy" platforms might result in a decrease of regular employment and in the creation of informal jobs, thus extending precarious and undeclared work'. They recall in passing that established enterprises in the hospitality sector are subject to certain obligations: legislation, tax obligations, registration and permits, safety, security and hygiene rules, rules on employees' rights and protection, consumer rights and neighbourhood rights.

In these two sectors, social dialogue is being used to promote, at European, national and regional level, a level playing field to ensure that the same legal framework is applied to all service providers, and that equal treatment is ensured by equivalent levels of customer protection, fair treatment of employees, and an environment of fair competition.

The **public services** sector tackles the issue a very different way. This sector is not concerned about fair competition, or new emerging players, but instead wishes to anticipate various aspects of digitalisation of public service provision in administrations, and the future consequences for employment. The ‘EPSU-CEMR Joint Declaration on the opportunities and challenges of digitalisation in local and regional administrations’ therefore addresses issues such as information and training of workers, quality of jobs, data protection, etc. In it, the social partners express their determination to work further on the following issues:

- to explore the changes to the work process caused by digitalisation;
- to assess the actual benefits enabled by digitalisation for workers and services delivery;
- to consider the information and training needs for various groups of workers;
- to identify how workers feel about the loss of personal/telephone contact with clients after the introduction of digital systems;
- to monitor the incidence of muscular-skeletal conditions in the workplace;
- to monitor the incidence of psycho-social conditions in the workplace;
- to implement the monitoring of sickness absence after the introduction of digital systems;
- to identify examples of good practice in the implementation of digitalisation and
- to facilitate the sharing of good practice.

As this is a ‘joint declaration’, the main purpose of the text is to mobilise stakeholders in the sector to establish a social dialogue structure to benefit workers and employers in local administrations. The aim is not first and foremost to influence the policies implemented by the European institutions, although the social partners do ask the European Commission to carry out an impact assessment on its proposals on e-services, online public procurement and online administration.

In the area of **insurance**, the joint declaration on the social effects of digitalisation was adopted on 12 October 2016. Its stated intention is to stimulate debate and social dialogue at national level, so that the challenges of digitalisation, which are multiple in the insurance sector (data analytics, social media, better customer-knowledge, etc.) can be met in a way beneficial for all. The text addresses the following principles:

- respect of national and European legislation: particularly information and consultation of workers, protection of personal data, teleworking, etc.;
- training: right to receive the training necessary to do one’s job, updating of knowledge, further training activities, development of e-learning;
- time and place of work: more flexible arrangements to accommodate changes in consumer expectations (internet ‘open’ 24/7), addressing the risk of deteriorating working conditions due to demands for permanent availability, health protection, work-life balance;
- jobs, safeguarding employment opportunities for workers in the sector, their employability and avoiding redundancies where possible;

- adapting to a digital environment: digital communication between colleagues, with management, reduction in personal contact, social skills, adaptability, etc.;
- employees' representatives in this new digital environment.

Interestingly, the insurance sector had already adopted, in 2015, a joint declaration on teleworking.

The **chemicals** industry has, in recent years, invested heavily in production automation and information technology. Businesses in the sector believe that digitalisation will result in increased productivity and quality, reduced costs, and greater operational efficiencies in production and supply chain management. These technological changes 'are inevitably affecting the working patterns and imply adaptation of the workforce. As a result of digitalisation, a certain amount of jobs will fall into obsolescence or face radical redesigning with the incorporation of new digital technologies', in the words of the joint declaration by the social partners. This text, adopted on 22 November 2016, describes the main work priorities for tackling this challenge:

- training of the workforce to enhance the economic and social performance of the sector;
- inclusion of the European sectoral social partners in the digital transformation process;
- promotion of competitiveness, job growth and sound working conditions in the industry.

After defining these rather general guiding principles, the social partners then set out the measures they have agreed to take. These mainly concern contributions to debates, comments and evaluations (together with the European Parliament and the European Commission), as well as, more specifically, the drawing up of an action plan to share good practice and learn from less successful experiences, with the help of case-based studies from affiliated associations and their members.

Starting from the same understanding, the **metal** sector notes that digitalisation of the economy will radically change work and the way in which it is carried out. In their joint declaration on 'the impact of digitalisation on the world of work in the metal, engineering and technology-based industries' adopted on 8 December 2016, IndustriAll and CEEMET launch a discussion on the best way to maximise the benefit for the industry in terms of growth and jobs. This declaration is presented as a starting point for the discussion. It addresses many issues, such as:

- probable changes in the volume of employment;
- new qualifications and skills;
- changes in the employment relationship and challenges in terms of the notion of working time, working place, collective bargaining;
- transformation of education and training systems: particularly vocational training linked to industry, life-long learning, anticipation and strategic planning of training needs;

- health and safety at work, new opportunities generated by the new technologies in terms of ergonomics, but also risks of blurred boundaries between private and working life, as workers increasingly use the same technologies in both of these (smartphones, laptops, tablets, etc.).

The social partners share, in this joint text, the same view of the social issues raised by digitalisation in this industrial sector, and undertake to exchange good practice and develop recommendations.

Generally speaking, then, only six sectors out of 43 had, by the end of 2016, directly addressed the issue of the social consequences of digitalisation of the economy (transport, hotel and tourism, regional public services, insurance, chemicals and metal). Of these six sectors, four are service sectors (transport, hotel and tourism, public services, insurance) and only two are industrial sectors (chemicals, metal). The topics addressed reflect a quasi-consensus on vocational training and reskilling of workers. There are a greater range of views on the other related issues: the social partners in the transport and hotel sectors are most concerned about competition, while social partners in the regional and local authorities prioritise questions of information and consultation. Working conditions and socially-responsible restructuring are a priority in the insurance sector, and health and safety are key for the metal and local authority sectors.

With regard to the nature of the texts adopted, the social partners are still relatively cautious. These are not framework or collective agreements, but, rather, declarations of intent, possibly constituting a first stage in the development of a shared view of the social consequences of digitalisation in the sectors concerned. Also, an increasing number of collective agreements are signed at company level, particularly on the ‘right to disconnect’: notably Volkswagen in Germany, Orange in France, and more recently Axa in Spain<sup>14</sup>. In France, this right was extended to all businesses by means of the 2016 Labour Law, which came into force on 1 January 2017.

Finally, as already mentioned, there are several major players missing. These have chosen not to address these burning issues, such as, for example, the banking, retail and postal sectors.

## Conclusion

At cross-industry level, European social dialogue is not yet producing results living up to its stated new ambitions. Following the high-level conference organised by the Commission and entitled ‘A new start for social dialogue’ (5 March 2015), and after the formal commitment to strengthen social dialogue made in a joint statement by the Commission, the Council and the social partners (27 June 2016), the employers’ refusal to negotiate on the work-life balance looks out of place. If, following Jean Lapeyre (2017), we understand social dialogue as more than a forum for discussion, and instead

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14. See, on this point, Rodríguez (2017).

as a real tool for making a tangible difference to the living and working conditions of European workers, then it has not yet produced any results.

By rejecting, in 2016, an understanding of ‘flexibility’ of employment which could benefit workers with family or caring responsibilities, private-sector employers confirmed their approach: maximum flexibility to benefit businesses alone. These opposing views did not, it is true, stand in the way of more fruitful negotiations, also in 2016, on managing older workers at work. However, when it comes to constructing a European pillar of social rights, the trade union movement still has doubts as to the mindset of the private-sector employers, and whether they will be able to work together with the Commission, the Council, and the other social partners to build a shared ‘social’ vision of future employment and labour markets.

At sectoral level, activity by the social partners seems to have reached cruising speed: certainly less dynamic than in the period 2004-2007, but with no radical change. The 43 or so sectors which currently have ‘sectoral social dialogue committees’ adopted 36 new joint texts in 2016. In particular, this year saw a relative strengthening of the reciprocal commitment aspect of social dialogue. Does this mean that the sectoral social partners see their role more today as one of regulating, managing and anticipating the social issues affecting their sectors? Time will tell.

From this perspective, we can say that discussions on the social impact of digitalisation would be enriched by further debate in these various sectoral bodies. What better place than these bipartite fora to conduct, sector by sector, joint analyses of the social ramifications of the introduction of new technologies, their impact on jobs, work, restructuring, skills, etc.? As we have seen, some sectors have now begun to tackle the issue. Others have not yet joined the discussion, although studies show that they will be strongly impacted by new technologies.

Our impression is also that many cross-cutting aspects of this ‘fourth industrial revolution’ could usefully be discussed at the cross-industry negotiating table, despite the difficulties already referred to. This is particularly the case for questions relating to worker data protection, regulation of the new ways of monitoring workers (even the self-employed) and new forms of management, principles on the use of online subcontracting, general principles on worker information, consultation and participation in the introduction of new technologies. Other important cross-industry issues are the increasingly blurred notion of working time and even workplaces, as well as potential greater work intensity due to the ever-increasing phenomenon of hyper-connection.

These are questions of relevance to all sectors, although to differing extents, and would therefore benefit, we feel, from a cross-industry approach. As we know, though, it takes two to tango. And at cross-industry level, although the European Commission and the Council of the EU orchestra have returned to their instruments and are ready to play, the European Trade Union Confederation is still waiting for its dancing partner.

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