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COMMISSION STAFF WORKING DOCUMENT

Employment and Social developments in Europe 2018

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Social dialogue for a changing world of work

1. INTRODUCTION ([1])

The world of work is changing rapidly and in many ways. Digitisation and the associated organisational changes are often cited as key drivers. However, these technological drivers for change are interacting closely with others such as globalisation, demographic shifts and the increased participation of women in the labour market. Together they provide the framework for the future of work and the context for social dialogue. The previous chapter has shown that these changes have implications for the public insurance systems in the Member States. This Chapter will look into the consequences for the organisation of work and the role social partners play in shaping it.

The European Pillar of Social Rights stresses the importance of social dialogue for addressing the challenges triggered by the aforementioned drivers of change. For the purposes of this chapter the following three clusters of challenges have been identified. In each case the social partners, potentially with the support of governmental authorities, are asked to shape the future.

- Adaptation of skills to cope with and prepare for the effects of digitisation in the labour market and maintaining European competitiveness in a globalised economy. As Chapter 2 points out, the digitised economy is increasingly demanding more workers with ICT skills, social and communication skills and new combinations of skills. Frequent updating of skills and lifelong learning are expected to gain prominence. Achieving high education and skills levels appears to be more important than ever;

- Greater flexibility of employment through changes to time and place of work: Increasing numbers of employees are working part-time or have flexible working times, adjusting to meet the needs of the employer or employee; teleworking, i.e.; work undertaken outside the employer's premises, usually from home or while travelling, is becoming more frequent and provides challenges and opportunities for employers as well as trade unions. If the new technical possibilities are to be used to the full, to what extent can a (clear) distinction between professional and private life be maintained?

- More diverse employment relations. More flexible working time and workplace arrangements can be seen as stepping-stones towards a diversification and individualisation of the employment relationship. Management loses immediate control over the worker and has to focus on results instead

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of being merely narrowly focused on presence and hours worked. The autonomy of workers increases, which can lead to more diverse employment relationships, ranging from standard employment contracts, to results-oriented forms of employment and to self-employment.

This increasing diversity makes it more difficult for the social partners to defend the interests of all workers and employers. Traditionally, trade unions and works councils have been there to help employees voice their ideas and concerns about what is happening in the companies that employ them and to increase their motivation and commitment. [2] But can they still fulfil this role? Does social dialogue deliver on the challenges of today?

This chapter considers the consequences for social dialogue of digitisation, digitalisation and the emerging new forms of work. First the chapter looks at the positions taken by social partners on these changes. Secondly, it explores how social dialogue has addressed the challenges mentioned above: changing skills requirements, changes to time and place of work, including consequences for health and safety, and more diverse employment relations. Finally, the chapter considers the organisational strength and capacity of social partners to deliver on these challenges.

2. Social Partners' Statements on digitalisation

On the occasion of the Tripartite Social Summit ([3]) on 16 March 2016, the European Social Partners issued a joint statement on digitalisation. ([4]) In this document they underlined the impact of digitalisation on employment and the important role to be played by Europe and the European Commission in particular. They requested jointly that employment policy should 'underpin the digital transformation'. Public authorities and social partners at various levels should assess how to adapt skills policies, labour market regulations and institutions, as well as work organisation and information, consultation and participation procedures. The objective is to obtain maximum benefits for all from the digital transformation. The social partners at the sectoral level agree even more than at the cross-industry level that the need for joint action.

European sectoral social partners have highlighted the specific impact of digitalisation on their sectors. For instance, social partners from the chemical sector stated in November 2016 ([5]) that a targeted sectoral approach towards digitalisation would be needed. They agreed on three main points: a) technological change will affect working patterns, b) skills and anticipation of changing skill needs will play a key role and c) the social partners should help to shape the transformation process. They are developing this sector-specific approach in a joint project. The social partners from the metal sector highlighted the impact of digitalisation on the employment relationship. ([6]) They stated that the technological possibility of engaging workers on individualised contracts at very low transaction costs created challenges and opportunities for collective bargaining. They see a need for both employers and trade unions to reflect on their roles and whether these may need to evolve. Existing labour laws may need to be adapted to meet the new challenges. It is the task of social partners to use their room for manoeuvre to uphold their autonomy. They also raise general as well as sector-specific challenges in relation to occupational health and safety and organisational security, such as the use of IT devices where private and professional use overlap and autonomous machines or vehicles with new forms of man-machine interfaces.

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[2]   Freeman and Medoff (1984) and ETUI/ETUC (2018), p 75.

[3]   The Tripartite Social Summit is a forum for dialogue between the EU institutions at presidential level and the European social partners at top level. It is co-chaired by the President of the European Council, the President of the European Commission and the Head of State or Government of the rotating Presidency. The participating social partners are BusinessEurope, the European Trade Union Confederation (ETUC), the European Centre of Employers and Enterprises (CEEP), the European Association of Craft, Small and Medium-sized Enterprises (UEAPME) and Eurocadres.

[4]   ETUC, BusinessEurope, CEEP, UEAPME (2016).

[5]   ECEG, industriAll (2016).

[6]   CEEMET, industriAll (2016).

> **Box 6.1:** Digitalisation and sectoral restructuring in the postal sector
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> Digitalisation has caused significant restructuring of existing sectors. For instance, it has had an important impact on the postal sector because of the continuous decrease in mail volumes and the simultaneous large increase in the parcel market. The different proportions of revenue since 2014 (44.8% mail, 21.6% parcels & express, 16.5% financial services, 11.8% logistics & freight and 4.5% retail) show that activities in the postal sector have become more diversified. The change in the sector has led to a decrease in employment on mail delivery, but has stimulated other employment activities. Because of e-commerce and the growing volume of parcel deliveries, employers now need to provide technical devices for their postal delivery men which require training in IT skills, as well as continuous training to prepare them for future changes. The European social partners PostEurop and UNIeuropa have established a partnership with IT schools in order to upskill internal employees. Consumers' increased demand for rapidity, flexibility and delivery choice has led to more flexible working arrangements with extended delivery time across the day and at the weekends.

Table 6.1

European Social Partners' adopted texts on digitalisation and new technologies (2010-2017)

Sector	Title	Date
Metal sector	The impact of digitalisation on the world of work in the metal, engineering and technology-based industries	08/12/2016
Chemical industry	Joint position on social and employment-related aspects of digitalisation	22/11/2016
Insurance sector	Joint declaration on the social effects of digitalisation by the European social partners in the insurance sector	12/10/2016
Cross-industry	Statement of the European social partners on digitalisation	16/03/2016
Local and regional government	Joint declaration on the opportunities and challenges of digitalisation in local and regional administration	11/12/2015
Telecommunications	Joint UNI Europa – ETNO declaration on future ICT skills needs	28/11/2014
Postal Services	Joint Declaration on Matching Skills and Jobs in the European Postal Sector	21/11/2014
Commerce	Common contribution of the social partners for commerce to some flagship initiatives of the "EU 2020: A European strategy for a smart, sustainable and inclusive growth"	04/08/2010

Source: Social dialogue texts database, DG EMPL.

While the service sector as a whole is less at risk of job cuts due to digitalisation than manufacturing, some service sectors are experiencing massive transformation. As explained in Chapter 2, some services are heavily affected. In the insurance sector digitalisation is already having a huge impact on the operation of companies: an increasing proportion of the market is being served by call-centres and websites, supported by centralised back offices. Social partners in the sector ([7]) consider the existing labour and social law a good basis for the digitalised world of work, because it is seen as flexible while providing a high level of protection for employees' rights. They argue that rapid technological changes and the uncertainties brought about by digitalisation make social dialogue even more relevant. Timely consultation and information for workers, as well as collective bargaining and employee representation, are jointly seen as contributing to good management of transitions. Social partners also agree on the need to find a new balance between changing customer expectations (such as 24/7 availability) and the work-life balance of the employees in the sector. The need to ensure long-term sustainable working conditions and to adapt managerial styles to the new forms of work is also identified as important. Similar fundamental changes can be observed for the postal sector as described in detail in *Box 6.1*

The importance of cooperation and negotiation in managing transitions is better developed in joint than in unilateral statements. Unilaterally, BusinessEurope issued a statement on successful digital transformation in Europe. ([8]) The statement stresses the need for a strategy for digital transformation in order to avoid fragmentation and to steer public investment as well as entrepreneurial efforts into the most promising areas. While the document contains a section entitled "Seize the opportunities of digitalisation at the workplace" it mainly stresses the need for flexibility and to adapt. It does not consider the question of where employers may have to change their approach. In June 2016, the European Trade

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([7]) UNI Europa finance, insurance Europe, amice, bipar (2016).

([8]) BusinessEurope (2015).

Union Confederation (ETUC) adopted a resolution on digitalisation, (⁹) developing a position towards digitalisation which stresses the need to ensure the inclusiveness of the transition while acknowledging its advantages. ETUC also comments on the strengths and weaknesses of the Commission's policy efforts, emphasising that digitalisation on its own will not produce socially desirable outcomes. Compared to these unilateral statements the bilateral documents are far more balanced and self-critical.

EU-level activities relate to national activities. Therefore a targeted sectoral approach towards digitalisation is also considered at national level. For instance, social partners in the chemical industry in Belgium have jointly set up a demography fund to encourage enterprises to adapt and improve work organisation, occupational health and safety, lifelong learning and career development; after one year around 150 entreprises with 42 000 employees have asked for support from the fund. (¹⁰) In Austria, social partners have agreed on a labour foundation to support structural changes in the banking sector. (¹¹) In Germany's Stuttgart region, which has a strong industry base, an example of regional dialogue on digitalisation between the social partners and public authorities can be found in the metal industry. (¹²)

The joint statements at national level show that social partners agree that structures will change and that cooperation would facilitate necessary transitions. There is an understanding at national level that the upcoming changes will be fundamental. In some Member States, comprehensive tripartite discussions on the future of work are already taking place. For example the white paper Arbeiten 4.0, (¹³) published by the German labour ministry in 2016, is the result of a broad discussion to which social partners, representatives of civil society, the self-employed and other economic actors have contributed substantially. The document provides guidance for policy priorities and creates a common understanding of the main challenges among stakeholders. In Portugal, the government published in December 2016 a green book on Labour Relations to discuss with the social partners how to tackle labour market segmentation and to look into limiting the use of fixed-term contracts, which led to a Tripartite Commitment in 2017. (¹⁴)

Industry 4.0 initiatives provide platforms to discuss and prepare for the technological and organisational aspects of digitalisation. Such initiatives are recorded for Austria, Belgium, Czech Republic, Germany, Denmark, Spain, France, Hungary, Italy, Lithuania, Luxembourg, Netherlands, Poland, Portugal and Sweden. (¹⁵) In most cases these initiatives are driven by public authorities and enterprises and they focus on the technical and skills-related challenges. A key purpose of Industry 4.0 is to raise awareness. Involvement of workers and workers' representatives differs, reflecting different industrial relations traditions in the Member States. In some countries, like Belgium, employee involvement is seen as an objective. In other countries, like the Czech Republic, trade unions were involved only after some complaints from their side. (¹⁶) These initiatives provide a starting point for discussions on skill needs and on adaptation challenges.

3. SKILLS AND SOCIAL DIALOGUE

Digitalisation and globalisation bring growing demands from both employers and employees for new skills. Chapter 2 has pointed out how upgrading skills and investing in education can turn digitalisation into job creation because highly-qualified human capital and physical capital are complementary. Technical skills are particularly needed, ranging from those that enable workers to use new technologies fully and efficiently, to specialised profiles that can develop and support digital infrastructures. These technical skills should be complemented by "soft" skills which cannot (yet) be replicated by robots, such as communication, interpersonal and leadership skills. The proportion of

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(⁹) ETUC (2016).

(¹⁰) Presentation at the Sectoral Social Dialogue Committee 'Chemical Industry' Meeting on 22/02/2018.

(¹¹) E.g. in April 2018 a sectoral labour foundation in the banking sector has been set up.
http://www.fondsprofessionell.at/news/maerkte/headline/befuerchtete-abbauwelle-bei-banken-arbeitsstiftung-steht-142637/

(¹²) Dispan, J. et al. (2017).

(¹³) Federal Ministry of Labour and Social Affairs (2017).

(¹⁴) Lima and da Paz (2017).

(¹⁵) https://ec.europa.eu/digital-single-market/en/cordination-european-national-regional-initiatives

(¹⁶) Vogel (2017).

workers who perceive that they need further training to cope well with their duties is already as high as 30% in some Member States today (see *Chart 6.1*). This requirement is expected to grow with the further digitalisation of the economy and as the skills that are needed for increased transitions between jobs become ever greater. Social partners have an important role to play in addressing these skills gaps.

The Commission's new Skills Agenda for Europe (2016), to which European and national social partners have contributed extensively, recognises the need for enhanced digital skills. It aims to improve the skills of IT professionals and the wider population. Moreover, it encourages and monitors the development of national digital skills strategies. ([17])

In this context, the European Council adopted a recommendation establishing a European framework for quality and effective apprenticeships on 15 March 2018. ([18]**)** The recommendation is based on a Commission proposal from October 2017 which builds on important contributions from the European Social Partners. ([19]) Its aim is to encourage a better fit between labour force skills and labour market needs. Hence it supports a partnership approach between Member States, social partners and other key stakeholders.

Chart 6.1
More training is needed

Workers who perceive that they need further training to cope well with their duties (%), 2015
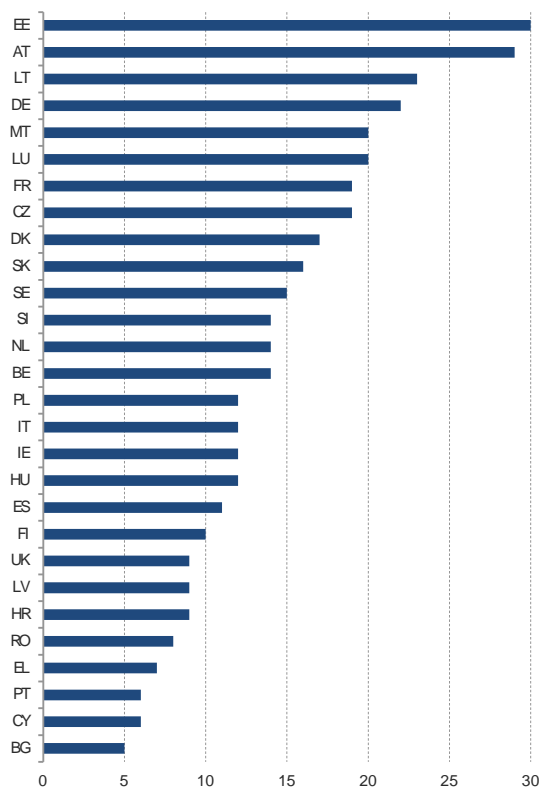
Source: European Working Conditions Survey 2015, Eurofound calculations

Click here to download chart.

EU governments and social partners regard the lack of adaptable skills as one of the most important challenges in the years to come. This concern is in particular driven by digital skills mismatches in the labour market. In most EU Member States, it is expected that suitable candidates for

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([17]) European Commission (2016).

([18]) European Council (2018). http://www.consilium.europa.eu/en/press/press-releases/2018/03/15/quality-and-effective-apprenticeships-council-adopts-european-framework/

([19]) European Commission, COM (2017)563 final.

vacant positions will become increasingly scarce. ([20]) This will increase competition for those who have acquired the necessary skills, but may leave others behind. To address these issues, the French government, for example, recently launched the Big Investment Plan, with the paramount aim of creating a skilled society and a digital state. From a total of EUR 57 billion over 5 years, EUR 14 billion will be devoted to vocational training and apprenticeship over the next five years via the "Plan d'Investissement Competence" (PIC). Its objective is to ensure the long-term inclusion of unemployed and young dropouts in the labour market. The PIC amounts to an average annual increase in spending on vocational training and apprenticeship of almost 12% by the French public authorities. ([21]) Its implementation is now being discussed with the social partners. While this is a good example, it will be important that all Member States and social partners continue their efforts to reduce skills mismatches.

The digital skills gap provides a strong impetus for joint action by social partners. Trade unions want to ensure that no one is left behind: digitalisation should avoid reinforcing the uneven distribution of wealth. For them, therefore, the need for accessible and good quality training programmes, addressing the lack of digital skills for workers and the self-employed, is an absolute priority for ensuring greater equality of opportunity. ([22]) Employer organisations approach the challenge from a different angle. They see the adaptation of skills as essential for meeting the needs of enterprises and of the economy as a whole. ([23])

Various examples for joint action against a skill-gap can be found at the European level. Jointly the cross-industry European Social Partners have highlighted the importance of scaling-up digital skills. ([24]) European sectoral social partners have also addressed changing skills requirements (see *Box 6.1*) by undertaking joint projects and declarations, in the telecom and postal sectors for example. ([25]) ([26]) Similarly, the European social partners in the metal sector underlined the importance of upskilling in their joint position on the major transformation caused by digitalisation. ([27]) The European social partners in the commerce sector have been one of first to address this issue at the European level. In 2010 they outlined in their European Strategy for a Smart, Sustainable and Inclusive Growth how new technologies create challenges for social partners in the commerce sector, showing themselves very conscious of what this new era of commerce (e-commerce) would bring in terms of skills needs for the primarily female workforce. ([28]) At the beginning of 2018, the European social partners in the food and drink industry launched a joint project ([29]) on the need to upskill the workforce in their sector in order to meet the challenges posed by automation as well as to mitigate the risk of job losses.

Social partners at the national level can play a crucial role in skills upgrading throughout working lives. Employer and worker organisations are well placed to recognise evolving skills needs and design training programmes that match these needs. As a result they can participate constructively in the design of vocational training policies or develop on-the-job training. ([30]) Several successful initiatives already exist at the national level. The apprenticeship system in Austria and Germany, where the apprentice is linked to a company from the first day of training, is based on job profiles. These profiles are developed and modernised in working groups where representatives from employers (including chambers of commerce and industry), trade unions and government meet with experts to put together the most

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([20]) Eurofound (2016c), pp. 7-8.

([21]) République Francaise (2018).

([22]) ETUC (2016).

([23]) Business Europe (2015).

([24]) Business Europe, CEEP , ETUC, UEAPME (2016).

([25]) ETNO, UNI Europa (2014).

([26]) POSTEUROP and UNI Europa Post & Logistics (2014).

([27]) ECEG, industriAll (2016).

([28]) EuroCommerce and UNI Europa Commerce (2010).

([29]) New professions and career paths in the food and drink industry – Delivering high level food industry skills in the digital economy (VS/2017/0381).

([30]) See for example:
www.etf.europa.eu/webatt.nsf/0/45A9C75B6AA860E1C1257B6C0056EB64/$file/INFORM_15_Social%20partners.pdf

relevant content. ([31]) While these systems have existed for a long time, they were modernised around the turn of the century to speed up the process of reforming professional training curricula. ([32])

In Slovenia, a number of competence centres ([33]) have been developed with the support of the European Social Fund (ESF) in order to boost human resource development. Enterprises, often in emerging sectors such as sustainable construction and the circular economy, set up competence centres to upgrade existing skills and develop new ones in cooperation with other organisations in the sector such as employer and business associations.

4. INCREASED FLEXIBILITY OF PLACE AND TIME OF WORK

Social dialogue is important to make sure that employers and workers benefit securely from the increase in flexibility linked to telework. New technologies allow many employees – and in particular so-called knowledge workers – to work from (almost) anywhere and at any time. The distinction between the place of work and private life is becoming less clear. ([34]) Telework/ICT-based mobile work which allows working from home or (for example) while on a business trip, are becoming increasingly common. In addition, the time available for work has evolved, with the possibility of working from different locations and across different time zones. ([35]) ([36])

Social partners are reluctant to use the full potential for flexibility. *Chart 6.2* shows that the use of telework varies from more than 30% of workers in the Netherlands, Luxembourg and Sweden, to 5% or less in Bulgaria, Greece, Croatia, Italy, Cyprus, Latvia, Lithuania and Romania. For some countries, notably Belgium, Estonia, Luxembourg, Portugal, Slovenia, Finland and Sweden, the increases between 2008 and 2016 are remarkable. While some of the discrepancies may be explained by the structure of national economies, different management cultures also play a role. For Germany, analysis indicates that employers are reluctant to allow telework. ([37]) While around 40% of employees could perform (part of) their duties from home, only about 12% do so, while about 30% would like to do so. These 30% correspond to the share of telework in the Netherlands, Luxembourg or Sweden. So far in Germany, telework is often seen as an option only for highly skilled workers; as a result the telework potential of medium skilled workers remains largely untapped. The position is different in the Netherlands where since 2015 employees have been legally entitled to telework unless the employer can prove that this is not possible.

([31])   see e.g. https://www.wko.at/service/bildung-lehre/Wie_entsteht_neuer_Lehrberuf.html

([32])   see e.g. BMBF (1999), p. 11.

([33])   http://www.sklad-kadri.si/si/razvoj-kadrov/kompetencni-centri-za-razvoj-kadrov-koc/predstavitev-kompetencnih-centrov/

([34])   The National Academies Press (2017).

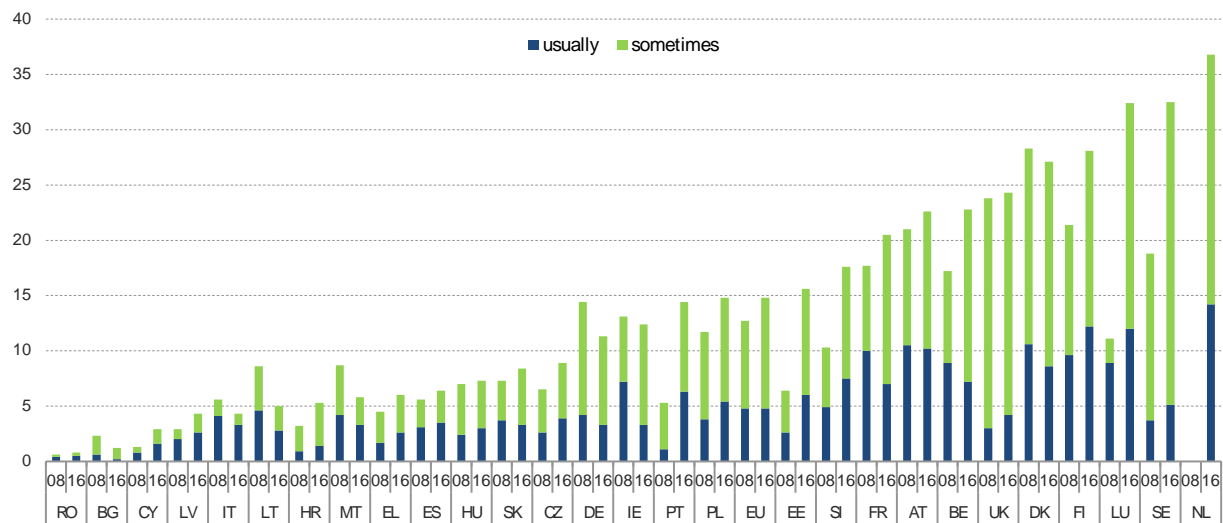([35])   European Economic and Social Committee (2017).

([36])   Eurofound (2015).

([37])   Brenke (2016).

Chart 6.2
More workers work from home
Employed persons working from home sometimes/usually, as a percentage of total employment (%), 2008 and 2016

Note: Data for DK 2015, data for NL not available before 2015
Source: Eurostat, LFS [lfsa_ehomp]
Click here to download chart.

While flexibility can bring advantages, there is a risk of additional stress with potentially substantial negative impacts. ([38]**)** Flexible working may make it more challenging to abide by certain rules, e.g. on working time. It is therefore a topic for social dialogue, but it is important for social partners to have a scientifically underpinned understanding of the consequences of different forms of flexibility, before entering into negotiations. Negative health impacts can be reduced by allowing workers to foresee and influence the timing of their work. The chance to rest mentally from work is important to health as well as to improving work-life balance and productivity. Telework alternating with work in the enterprise is in most cases positive, because it gives the worker a feeling of autonomy and facilitates work-life balance, whereas extensive teleworking can make it more difficult to reconcile work and private life and can lead to exhaustion. Having to be constantly available and working outside usual working hours are likely to impair private life, to reduce workers' ability to detach themselves from the demands of work and to increase stress levels and the risk of burnout and other health issues. ([39]) Episodes of work during rest times hinder recreation. The voluntary efforts of employees to stay connected to work during rest time, or excessively long working hours, can have a negative impact on their long-term performance and fitness. Such negative consequences seem to depend only to a limited extent on whether the workers are acting voluntarily or at employer's request.

Building on evidence from studies and intensive discussion by social partners, a right to disconnect from the demands of work has been established in France. ([40]) In other Member States, this topic is also under discussion: in Luxembourg it is a subject of collective bargaining in the insurance and banking sector, ([41]) in Spain a company level agreement has been registered ([42]) and in the Czech Republic social partners are working on an ESF project to investigate the possibility of shorter and more flexible working hours without reducing wages. ([43])

Employees see advantages and disadvantages in digitalisation. Asked about the impact of digitalisation on their work, in a representative survey by the German trade union federation (DGB),

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([38]) Bundesanstalt für Arbeitsschutz und Arbeitsmedizin (2017).

([39]) Ibid, p. 27.

([40]) As from 1 January 2017 for firms with more than 50 employees and a trade union representative a right of being 'non-reachable' (right to disconnect from the use of digital tools) is to be included in collective agreements – Art. L.2242-8 French Labour Code).

([41]) See at: https://www.eurofound.europa.eu/observatories/eurwork/articles/luxembourg-social-partners-begin-renegotiating-collective-agreement-in-banking-sector

([42]) For information on AXA (Spain): https://www.eurofound.europa.eu/observatories/eurwork/articles/spain-axa-recognises-workers-right-to-turn-phones-off-out-of-working-hours

([43]) https://www.cmkos.cz/obsah/755/projekt-esf-zkracovani-pracovni-doby

German employees responded that overall digitalisation has increased workload and the intensity of work. [44] On the positive side, the respondents saw digitalisation as bringing more leeway in decision-making, a better work-life balance and an increased proportion of work which can be done outside the workplace. The survey also shows that moderate levels of digitalisation, and digitalisation which allows the employee to influence the volume of work and to manage it instead of being at the mercy of it, are perceived as positive. A European opinion poll conducted by the European Agency for Safety and Health at work (EU-OSHA) shows that about half of workers consider work-related stress to be a common problem in their workplace. [45] The problem of increased workload was confirmed by the 6th European Working Conditions Survey, conducted in 2016 by Eurofound. The survey found that, in spite of the increased technological possibilities, work-life imbalances, such as being too tired from the job to do household work, had increased as compared with previous surveys in 2007 and 2011. A particularly strong increase was observed for women in the age group 35-49: from 48% in 2007 to 58% in 2011 and then to 62% in 2016. The situation is best in countries which are generally recognised as having a functioning social dialogue, namely the Netherlands, Denmark, Finland or Germany, whereas Croatia, Malta, Cyprus and Bulgaria rank at the lower end of the spectrum. [46]

Increased flexibility requires employers to manage differently: management must focus on the outcome while having less control over the process, which can be challenging for some organisations and managers. [47] This implies more responsibility and freedom for workers to organise their work, possibly leading to higher levels of motivation for employees, but also requiring higher skills from employees. However, where the management style is not supported by mutual trust, IT tools can be put in place to ensure greater surveillance and control. Trade unions see the risk that this can result in excessive control and reduced employee motivation. [48]

Trade unions and employer organisations agree that the increased flexibility linked to digitalisation provides an opportunity to make progress on gender equality and to promote women's participation in the labour market. While employers' priority is to use the female workforce to close or reduce skill gaps, trade unions see opportunities for more equality, better work-life balance, greater fairness, and tackling the gender pay gap. As a result there is an increasing consensus that to reap these benefits flexible arrangements must be made available to men and women alike. [49] Building on these discussions, several sectoral social partners (e.g. social partners from local and regional administration) have revised (2017) their guidelines for gender equality action plans. [50]

The understanding that increased flexibility is a joint challenge has led European social partners to adopt a number of joint documents. In 2002 cross-industry social partners successfully negotiated a Framework Agreement on Telework, which is considered to have been a success, in the sense of being largely implemented; the agreement focuses on regular telework and therefore does not provide much guidance on e.g. mobile or occasional telework. At the sectoral level, European social partners in the insurance sector have, through a joint declaration, confirmed that a change in working arrangements (time and place) is necessary for companies to remain competitive and for employees to keep their jobs. As the line between private and professional life gets increasingly blurred, employers need to ensure that health and safety aspects are taken into account, especially when it comes to the employee's availability. The European social partners in the telecom sector highlight the importance of a fixed timeframe which lays down working hours, thus ensuring that work is not done in a borderless manner, and safeguarding work-life balance and the right to disconnect. The social partners also emphasise that employees still have to perform parts of their work at company premises, encouraging social contacts and increasing the quality of the information flow. They also stress that telework should be voluntary, so that employees

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[44] DGB-Index Gute Arbeit: Digitale Arbeit – Arbeitshetze und Arbeitsintensivierung bei digitaler Arbeit – Mai 2017 www.dgb-index-gute-arbeit.de

[45] https://osha.europa.eu/en/themes/psychosocial-risks-and-stress

[46] https://www.eurofound.europa.eu/data/european-quality-of-life-survey

[47] E.g. CEPS (2017), p. 37.

[48] CEPS (2017).

[49] e. g. https://www.theguardian.com/women-in-leadership/2016/apr/28/flexible-working-secret-women-success-pay-gap or: https://hbswk.hbs.edu/archive/flexibility-key-to-retaining-women

[50] CEMR, EPSU (2017).

wishing to return to the workplace are able to do so. In a joint declaration on ICT-based mobile work these social partners provide health and safety recommendations. Moreover, European social partners in the metal sector have identified opportunities to foster health and safety, particularly in the area of ergonomics and physical and mental stress, through the emergence of digitally-controlled assistance systems.

Working time rules are again on the agenda of social dialogue, triggered by new technological possibilities, changing life-styles and economic considerations. While in the past trade unions argued in favour of a general reduction in working time, ([51]) now discussion is increasingly about solutions tailored the needs of companies and employees.

Table 6.2
European Social Partners' adopted texts on telework

Sector	Title	Date
Banking	Telework in the Banking Sector	17/11/2017
Telecommunications	Joint Declaration on ICT-based mobile work	02/02/2017
Insurance	Joint declaration on the social effects of digitalisation by the European social partners in the insurance sector	12/10/2016
Telecommunications	Joint Declaration on Telework	09/06/2016
Local and regional government	Joint declaration on the opportunities and challenges of digitalisation in local and regional administration	11/12/2015
Insurance	Joint declaration on telework by the European social partners in the insurance sector	10/02/2015
Railways	Practical guide on Employability in the face of demographic change - prospects for the European rail sector	24/02/2011
Private security	Development of a European Educational Toolkit for three Private Security Activities/Profiles: 1. Mobile Patrolling, 2. Alarm Response Centres, 3. Airport Security	15/12/2006
Cross-industry	Implementation of the European Framework Agreement on Telework - Report by European Social Partners	28/06/2006
Electricity	Eurelectric/EPSU/EMCEF Joint declaration on telework	13/11/2002
Cross-industry	Framework agreement on telework	16/07/2002
Commerce	European Agreement on Guidelines on Telework in Commerce	26/04/2001
Telecommunications	Guidelines for Telework in Europe	07/02/2001
Telecommunications	Opinion on telework	23/11/1998

Source: Social dialogue texts database, DG EMPL.

At the **Member State level**, in early 2018 the German IG Metall Baden-Wuerttemberg (metal workers' trade union) agreed with the Arbeitgeberverband der Metall und Elektroindustrie in Baden-Wuerttemberg, (the employer association of the metal industry) that it should be possible to reduce or increase working time on an individual basis. This agreement is considered to be a pilot agreement with relevance for the whole country. Such arrangements are seen to serve mutual interests in organising working time in a way that ensures the best possible match between the individual needs of employees and the economic interests of the enterprise. ([52]) From a trade union perspective, however, this is accompanied by the risk that solidarity among employees will be undermined and therefore that mobilisation for industrial action will become structurally more difficult. Furthermore, greater complexity of collective bargaining may make it more difficult to explain overall strategy to their affiliates and to mobilise those who have other priorities. This is one aspect of any renegotiation of working time. Comparable discussions around a revision of the working time regime are also taking place in other Member States.

In Bulgaria, important steps to address new forms of employment were taken after EU accession in 2007, when two agreements were implemented; the European level social partners' agreement on telework and the ILO convention on home-based work. These agreements were the first bipartite agreements at national level introduced in Bulgarian legislation, and represented an important step for social dialogue.

([51]) E.g. the discussion on the 35-hour week particularly in France but also in Germany and Italy. For an overview of working time developments see http://www.handelsblatt.com/politik/international/arbeitszeiten-so-arbeitet-die-welt/v_detail_tab_print/13379278.html

([52]) For a discussion see: ifo-Schnelldienst 24/2017: 'Tarifrunde 2018: Höhere Löhne und Einstieg in die 28-Stunden-Woche? (21/12/2017).

At **EU level,** the social partners of the chemical industry have agreed to put responsibility for the health and safety of teleworkers on the employer. The agreement – in line with Directive 89/391 EEC – obliges employers to inform their employees about policies and risk prevention related to health and safety. Consequently, the employer can check whether health and safety requirements are met at the place of telework with the employee's consent. ([53])

At the **company level,** social partners negotiate on these topics as already indicated by the company level agreement in AXA (Spain). Social partners within the Thales Group (France) agreed in 2015 on rules for telework. These rules extend the opportunity to telework from one day a week to two. They also provide that in order to be entitled to telework, the employee must work full-time (or minimum 80%) and have been in the same Thales Group for one year and in the same position for six months. The agreement also establishes workers' right to disconnect outside office hours (with a minimum 11 hours between working days, as envisaged by Directive 2003/99/EC). Similar company level agreements were reached in other large enterprises such as Peugeot Citroën (2011) and Orange (2016). ([54]) They led to increased satisfaction at work-life balance, stress reduction through reduced commuting, and increased motivation and efficiency.

Research by Eurofound and the ILO indicates that jointly agreed rules for telework lead to higher satisfaction and better motivation of employees and subsequently also to an increase in productivity and competitiveness for the company. ([55])

5. SOCIAL DIALOGUE ADDRESSES NON-STANDARD EMPLOYMENT AND ITS IMPLICATIONS

Previous chapters have shown that digitalisation, alongside globalisation and broader technological change may accelerate further the proliferation of non-standard employment, including new forms of work. These forms of work bring opportunities for both employers and workers, but also challenges, which can be mitigated through constructive social dialogue.

Non-standard employment increases flexibility but this comes at a cost. Fixed-term contracts, part-time and self-employment have existed for many decades but their relevance has increased. New forms of work such as voucher-based work, zero-hour contracts, employee sharing and platform work feature prominently in the policy debate, including that between social partners. Non-standard employment was originally introduced to allow enterprises to respond to short-term or irregular increases in activity. On the one hand, its use gave enterprises access to specialist knowledge and the opportunity to screen new employees before offering them a permanent contract, or to cover long-term leave of permanent employees. Non-standard employment also provides access to the labour market for people who would otherwise be excluded, because of caring responsibilities for example, and who are sometimes subject to lower taxes and contributions. On the other hand, these forms of employment are associated with risks such as lower job security, weaker career progression, lower income, limited access to on-the-job training, limited access to social protection - especially unemployment benefits - and poor access to mortgage and other forms of credit. (see Chapters 2 and 5). As Chapter 2 has shown, employed workers are twice as likely to be satisfied with their working conditions as the self-employed (see Box 2.4).

Non-standard employment is often a controversial issue between employer and worker organisations. Trade unions fear that as non-standard employment, including new forms of work, becomes more widespread and competes with more traditional forms of work, it will result in poorer working conditions overall. Employers mainly see the advantages associated with these forms of work, such as flexibility and lower costs.

The social partners have jointly called for labour law to be modernised to respond to new forms of work in certain sectors. In 2016, the social partners in the temporary work agencies sector published a

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([53]) Eurofound and ILO (2017).

([54]) For information on the agreement in Orange: https://www.eurofound.europa.eu/observatories/eurwork/articles/france-first-company-level-agreement-on-digital-transformation-signed-at-orange

([55]) Eurofound and ILO (2017).

white paper on the future of work, identifying a number of new emerging forms of work in Europe. The white paper calls for changes to employment regulations to reflect the changing nature of work, particularly in relation to platform workers. ([56])

Social partners in the commerce sector jointly analysed their sector's labour market of throughout Europe, covering non-standard employment and its implications. They found that self-employment and casual work have emerged in the sector and that one of the main challenges for the social partners is to protect these workers. ([57]) The social partners in the hospitality sector (tourism, accommodation and restaurants) adopted a number of individual and joint positions, ([58]) highlighting the impact of the platform economy on employment and working conditions, and calling for the establishment at EU level of guiding policy principles on short-term accommodation rental services in the collaborative economy, which – according to the social partners - seem to "contribute to the increase of precarious if not undeclared work in tourism." ([59]) However, studies show that the impact of collaborative short-term accommodation rental services on employment is not easy to establish and uncertain at this stage.

The trade unions in the media, arts and entertainment sector prepared a handbook on meeting the challenge of non-standard employment. The handbook gathers experiences on organising strategies of unions in the sector, addresses social protection rights, working conditions, lifelong learning and service provision for atypical workers, and discusses dependent self-employment. The recommendations stress the need to address the legal status of dependent self-employment as well as to explore and ensure freedom of association and collective bargaining. ([60])

EU level trade unions have started calling for regulation of platform work. ETUC has recently adopted a "Resolution on tackling new digital challenges to the world of labour, in particularly crowdwork." ([61]) The Resolution concerns the impact of digitalisation and particularly of the platform economy on business and on trade union strategies. The resolution recognises that trade unions or self-organised groups of platform workers currently apply a number of strategies, from legal action to providing information and creating work councils. A process of stocktaking and exchange of ideas has been announced, so as to find the most appropriate way of regulating platforms. There has been a call to examine the extension of the Temporary Agency Work Directive to platform workers.

At national level, fixed-term employment, self-employment and temporary agency work have seen many regulatory changes. For example, in Finland the Employment Contracts Act was amended in 2011 and 2012, following extensive tripartite discussions, so as to restrict the misuse of fixed term contracts. The amendments also introduced an obligation for employers to inform employees of the reasons for concluding a fixed-term contract. ([62])

Dependent self-employment has been addressed by social partners in Italy, Austria and Belgium under the holistic approach to dealing with non-standard employment. In Belgium, the social partners agreed in 2009 to set up a joint committee dealing with wages and working conditions for a number of liberal professions. In Austria an inclusive approach was adopted by the social partners: a number of collective agreements have been signed that not only regulate pay and working conditions, but also limit the use of atypical employment contracts, e.g. setting the conditions under which dependent self-employed have to be offered regular employment contracts. In Italy the discussion on the status of dependent self-employed usually takes place through collective agreements (e.g. in the call-centre sector). Social partners also established a bipartite institution providing maternity, training and sickness benefits to the dependent self-employed. ([63]) In this context the Commission proposed in

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([56]) World Employment Confederation Europe (2016).

([57]) EuroCommerce and UNI Europa Commerce (2017).

([58]) EFFAT, HOTREC (2015), HOTREC (2015) and EFFAT (2015).

([59]) http://www.hotrec.eu/newsroom/press-releases-1714/hotrec-and-effat-urge-the-european-commission-to-make-publicly-available-the-proposal-for-guiding-policy-principles-for-short-term-accommodation-rental-services-in-the-so-called-collaborative-economy.aspx

([60]) www.fim-musicians.org/wp-content/uploads/atypical-work-handbook-en.pdf

([61]) ETUC (2017).

([62]) Eurofound (2016a).

([63]) Eurofound (2009).

December 2017 to replace Directive 91/533/EEC (Written Statement Directive) by a new Directive on Transparent and Predictable Working Conditions.

In Member States which joined the EU in the 2000s, social partners have adopted different approaches to dealing with fixed-term contracts and self-employment. The use of functional flexibility through the expansion of non-standard work has in general been recognised by the trade unions as preferable to job losses, particularly in the period post-2008. In most of these Member States trade unions tried to reduce the gap between the working conditions of standard and non-standard workers. [64] For example, in Slovenia the 2013 Labour Code, prepared with the involvement of social partners, strives to eliminate the use of fixed-term contracts and introduces the status of dependent self-employed. Employer organisations mainly protected the status quo in terms of non-standard work regulations, or demanded greater flexibility.

The 2008 EU Directive on temporary agency work gave an impetus to social partner agreements in this field. At the beginning of this century in Sweden, Finland and Austria the social partners signed agreements to ensure that agency workers would benefit from protection similar to that of the rest of the workforce in terms of wages, collective agreement coverage and access to training. Germany and several other Member States adjusted their legislation. [65] In Germany a minimum wage floor was introduced by cross-sectoral social partners in order to protect and enhance agency workers' rights. Additional sectoral agreements can complement the wage floor with equal pay rules and sector premiums. In 2008, Italian social partners agreed on a standby allowance for dismissed agency workers. A new version of the agreement in 2014 set a minimum pay rate equal to 25% of the full-time wage of a standard employee in the firm. A couple of agreements to protect temporary agency workers were introduced by social partners in Belgium in 2012. They include provisions for reducing the use of daily contracts and establishing a legal framework targeting the problem of temporary workers being used by the employer as a method for selecting potential future employees.

New forms of work have been addressed to a lesser extent across Member States. Employee sharing has for example been regulated in Belgium, France, Hungary, Czech Republic and Luxembourg. In the Czech Republic the legislation was driven by a joint proposal from social partners to promote employment during the crisis. Equal treatment of shared workers and core staff is required either by law (e.g. France), voluntary standards (e.g. Austria, Germany) or collective agreements (e.g. Austria). Voucher-based household services have been set up in Austria, Belgium, France, Greece and Italy. These kind of services were also introduced in agriculture in Greece, Italy and Lithuania. In Belgium an official organisation providing voucher-based services can have the training costs of their workers partially reimbursed by a tripartite, publicly-financed Service Voucher Training Fund. In policy discussions on casual work, trade unions usually strive to limit the flexibility of this form of work, while employer organisations see it as enabling enterprises to adjust to market fluctuations. Other new forms of work are usually not a priority for social partners or governments, due to their novelty and limited spread. [66]

6. MOBILISING AND ORGANISING

The changing structure of the economy provides significant challenges to social partner organisations. Social partners, especially trade unions, face the challenge of how to recruit members and to organise social dialogue of workers in non-standard employment situations. This challenge is particularly pressing in those Member States where social partners' capacity is limited. Given the pronounced decline in union density, this dilemma is in general more relevant for trade unions than for employer organisations, whose density has been relatively stable. The next sections of this chapter look into activities undertaken by social partners to address them.

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[64]   Trif et al (2016).

[65]   Eurofound (2016b).

[66]   Eurofound (2015), pp. 129.

6.1. Trade unions

Trade union membership rates differ significantly across the EU. The Member States with the highest membership rates are Denmark (70%), Sweden (65%), Finland (60%) and Belgium (45%). All other Member States are at around 20% or below. ([67])

Employees working in the private services sectors are less represented than those in public services or in industry and construction. In most Member States, workers in the public sector are the most likely to join a union, followed by industry and construction; workers in private services are the least likely. This broad pattern can be observed in almost all Member States, although to varying degrees (see Annex). However in Sweden, Finland and Denmark, even in the private service sector, more than 60% of employees are affiliated to a trade union. This is far above any sectoral affiliation in e.g. the Czech Republic, Estonia, France, Hungary and Lithuania.

Workers with permanent contracts are affiliated to a trade union to a significantly higher degree than workers on fixed-term contracts (*Chart 6.3*). This trend can be observed in almost all Member States. In half of the Member States, the difference in trade union affiliation between workers on permanent contracts and those on fixed-term contracts is more than 10 pps. France, Portugal, Poland, Estonia and Slovenia have relatively high percentages of fixed-term contracts in total employment coupled with low union density of these workers, which results in a large part of the workforce lacking representation. Fixed-term contracts are more wide- spread among younger workers, who may be less inclined to join a trade union. The typical trade union member is aged 35 or older. ([68]) The obstacles to unionising younger workers include lack of awareness, negative views of trade unions as patriarchal and hierarchical organisations and fear of possible negative attitudes of employers. ([69])
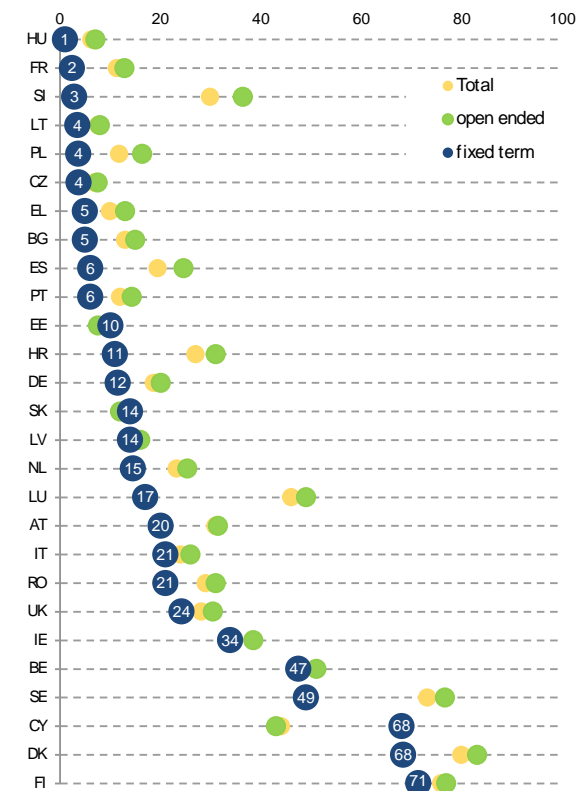

([67]) ETUI/ETUC (2018), p.61.

([68]) ETUI/ETUC (2018), p.61.

([69]) EFBWW (2016) and Keune (2015).

Chart 6.3

Union membership is lower among workers on non-standard contracts

Union membership among employees by type of contract, 2016 or latest year

Note: Definition: Current members of trade unions or similar organisations among employees who have performed paid work over the last 7 days, by type of contract. For more information, see annex 1. Data years: 2016, except 2012 for BG, CY, SK, IT 2010 for HR, EL, 2004 for LU, 2008 for RO and LV. Data for MT not available.

Source: Calculations based on European Social Survey

Click here to download chart.

Reflecting the cross-cutting nature of temporary agency work, the landscape of collective organisation of temporary workers is very diverse. Temporary agency workers have been estimated to represent 2-3% of the total European workforce. In 2013-2014 the highest proportions of temporary agency workers were found in the north-western Member States (between 1.5% and 3.3%), and some Member States who joined the EU in the 2000s (e.g. the Czech Republic, Hungary, Slovakia, Estonia, Slovenia and Poland). Data on density of unionisation of temporary agency work is scarce, but estimates range from above 30% in Member States such as Sweden, Finland and Italy, to a very few in Croatia, Cyprus, Estonia, Greece, Lithuania and Romania, where trade unions organising temporary workers could not be identified. This may be because temporary agency work has only recently become an issue in these countries. ([70])

A triangular contractual relationship exists in temporary agency work (TAW), challenging the traditional structure of collective organisation. Temporary work agencies act as intermediaries between a worker and a user company. The employment status of agency workers can range from direct employment (on a permanent or fixed-term basis) by the temporary work agency, to provision of services with some characteristics of an employment relationship or of self-employment. Specific trade union organisations for temporary workers exist only in France, while in other Member States, where temporary workers are organised, they are affiliated to sectoral unions. ([71]) However, they are not likely to establish a professional identity as temporary agency workers. If they unionise it is most likely to be in the union prevailing in the company where they actually work.

([70])   Eurofound (2016b), pp 9-15.

([71])   Ibid.

Most of the newer forms of employment, suffer from a lack of representation, which comes at great social cost. While data on the organisation of this segment of the labour market is poor, it has been argued that shared workers, casual workers, voucher-based work, portfolio workers and online platform workers are in general less well integrated in the organisational structure of companies. The considerable lack of representation of these forms of workers can be attributed on the one hand to the cost of their being represented and on the other to flexibility in terms of time and place of work, making it difficult for worker representatives to organise this rather fragmented workforce. This may be less of a fundamental problem today while the incidence of workers making a living on, for example, collaborative platforms is still low: an estimated 2.3%, as shown in Chapter 2. If they become more prominent in the future, low coverage of this type of work by trade unions may come at a great social cost. This is because it is unlikely that today's social security schemes are flexible enough to cover these workers' social risks effectively (Chapter 5) as many of them will not be required to make social contributions. Chapter 4 has shown that non-standard workers are likely to be disadvantaged in terms of wealth and income, compared with standard workers. They would therefore need a strong voice speaking on their behalf when it comes to negotiating their conditions of employment. From the trade union perspective, the decreased shares of workers affiliated could have a negative impact on trade union legitimacy vis-à-vis not only employer organisations but also governments.

ETUC recognises the need to reinforce recruitment activities. In its discussion paper "Organising and trade union recruitment – The future of trade unions in danger", adopted in December 2017, ETUC recognises the challenge of declining trade union density in most Member States and the urgency of recruiting more young people for the survival of the trade union movement. To support local unions organised in and around the workplace to recruit young workers, the discussion paper announces a new strategic training offer for organising workers to be provided by ETUI in order to: "initiate and lead such strategic discussions among local and sectoral union leadership team[s]; understand different tools and methods for organising workers; plan organising activities with a project management approach." [72]

This may prove to be a challenging task. Young people, who represent the future workforce, seem to be less inclined to join a trade union, partly because they have not experienced the benefits of unionism first-hand or through their peers. [73] They also represent the first generation fully immersed in the digital world and therefore may be less likely to address their problems within the framework of traditional hierarchical organisations. In addition, the growing number of workers in non-standard employment may be less attached to the workplace, less interested and more difficult to recruit into union membership. The dichotomy of employer-worker is also often blurred, which further challenges the traditional context of collective bargaining and social dialogue.

Trade unions have employed various strategies for collective representation of non-standard workers. These fall into two main groups: the servicing model, providing existing or developing tailored services for specific groups of workers, and the lobbying model, ensuring advocacy, lobbying, decision-makers and undertaking awareness-raising campaigns. Some trade unions have integrated the two models, both providing services and engaging in lobbying. [74] In addition, several established trade unions have reorganised their internal structures so as better to reflect their diversified membership and give a stronger voice to different groups of workers. [75]

Trade unions provide a range of services to non-standard workers, from training and administrative support, to legal advice and accounting. For example, Platform Union (F3C-CFDT) in France provides insurance and a free bank account to their members. Similarly, CTAC (Condederaciò de treballadors autònoms de Catalunya) provides management and consulting services. It also functions as an intermediary with public funding entities to support its members financially as well as with training [76].

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[72] ETUC (2017a).

[73] European Commission (2017).

[74] I-Wire (2018),.

[75] E.g. IG Metall Germany has changed its statutes so as to allow self-employed people to become members of the union. Similar examples exist in Sweden.

[76] For more examples see: I-Wire (2018).

Opening services to non-members has sometimes proved to be a successful strategy for recruiting new members. In Germany, the biggest service-sector trade union, ver.di (United Services Union) has opened an online information platform for freelance workers which can be used by non-members as well. Approximately 15% of non-members who used the platform have later been recruited. ([77])

Several trade unions have started to adapt their internal structures so as better to reflect a more fragmented workforce. They establish committees or subsections within their organisations which give a voice to non-standard workers and have a representative role within the organisation for this specific group of workers. For example, in Italy the most prominent trade union federations have established specific organisational structures for temporary agency workers and other atypical workers, while such sub-structures within unions exist for the self-employed in Spain. ([78])

Awareness-raising campaigns are often targeted at under-represented workers. Campaigns aimed at mobilising young workers who are fully immersed in the digital world, or non-standard workers make use of social media and other online channels to reach their target audience. For example the "Movement for decent work and welfare", established in 2011 in Slovenia by unions and student organisations, regularly organises public debates to raise awareness in relation to non-standard forms of work and their implications. ([79])

Trade unions in certain sectors or Member States organise the self-employed. In general the self-employed are not members of trade unions, as such workers are viewed as small enterprises and therefore subject to competition law. However, trade unions are open to certain categories of self-employed people in more than half of the Member States, while organisations for the independent self-employed have been established in Austria, Belgium, Bulgaria, the Czech Republic, Spain, France, the Netherlands, Portugal and the UK. ([80]) In certain Member States (e.g. France, Germany) the self-employed in sectors such as the performing arts and journalism, where (dependent) self-employment is widespread, are organised in sectoral trade unions. As more and more people work as solo self-employed in different services sectors, attempts have been made to achieve a broader representation of the self-employed as well. For example, the ver.di in Germany represents standard as well as self-employed workers in much of the services sector. ([81])

Bottom-up initiatives have developed into broader community practices crossing Member State borders. In particular SmartBE is an initiative with a long tradition that started in Belgium but is now present also in Italy, France, Spain, the Netherlands, Germany, Hungary, Austria and Sweden. ([82]) SmartBE provides administrative services, and supports the social protection of members through mutual guarantee funds and customised insurance packages. In certain cases SmartBE has also become a legal employer of freelancers, while at the same time being owned by its members.

Some trade unions have built coalitions with parallel structures. Coalitions can facilitate access for non-unionised workers, and contribute to the legitimacy of lobbying/ advocacy activities. In Belgium the Association of Professional Journalists built a united front against bogus self-employment with the trade unions organising journalists. ([83])

The online platform economy blurs the distinction between employer and employee. Online platforms act as intermediaries between service users and providers, sharing certain characteristics with the temporary work agency model. The providers of services on online platforms are considered self-employed by the platform, even though the relationship between service providers and platforms often has features of an employment relationship, based on subordination.   Platform work itself challenges the traditional collective organisation: many service providers do not develop a professional identity as platform workers and seem unaware that solidarity with colleagues would be an option.

([77])   Charhon and Murphy (2016), p. 70.

([78])   Eurofound (2009).

([79])   socialna-druzba.si/

([80])   Eurofound (2017b).

([81])   For more information on collective representation of the self-employed see European Commission (2017).

([82])   I-Wire (2018).

([83])   I-Wire (2018).

Trade unions have not yet engaged in recruiting online platform workers on a great scale, but some examples of existing trade unions opening their membership to online platform workers have been recorded. IG Metall in Germany has so far taken the most systematic action in this regard by opening membership to platform workers in 2016. IG Metall has also engaged in a joint project with the Austrian Chamber of Labour, the Austrian Trade Union Confederation and the Swedish white-collar union "Unionen" to run FairCrowdWork, [84] an online tool that collects information about online platform work from the perspective of workers and unions. In France, UNSA SCP-VTC [85] is a trade union foe private drivers, particularly Uber drivers. However, their activities as reported on their website have so far been rather limited.

Trade unions have recognised the need to expand their reach to online platform workers in a more systematic manner. At the EU level, ETUC together with the French 'Sharers and Workers' network took the first step towards launching an EU-level dialogue on the platform economy by bringing together platform entrepreneurs, workers, trade unionists and experts. [86] The need to develop their capacity to enter into negotiations with platforms to ensure decent working conditions for online platform workers has been recognised not only as a goal in itself but also as a means of preventing the downward convergence of social norms across the economy. [87] These preliminary initiatives indicate that trade unions are striving to overcome the dilemma of protecting their existing members as against bridging the gap between standard and non-standard workers. Through this approach they aim for more inclusive membership and improved working conditions for all workers, regardless of the type of contract or sector they are working in.

Initiatives enabling semi-structured actions by platform workers are emerging in parallel with traditional trade unions. Such initiatives offer support for campaigns in specific workplaces or industries (Coworker.org in the US). In parallel, grassroots movements have emerged, often organised as Facebook groups in which online platform workers can exchange information about potential clients (Online Filipino, Mturk). These initiatives can be seen as a first step towards the development of collective action [88] suited to the needs and preferences of online platform workers.

Online platform workers, mostly couriers delivering a service offline, have started mobilising in a number of Member States (e.g. the UK, Italy). In these cases, mobilised workers usually first organised themselves with demands for better pay, working conditions and the recognition of their status as employees, and were later supported by established unions (see *Box 6.2* for examples). Such industrial action has so far had limited success and has been limited to platform workers providing services offline, in the local environment. Physical proximity not only facilitated the initial mobilisation but also enabled the engagement of a relevant trade union.

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[84] FairCrowd Work is a joint project of IG Metall (the German Metalworkers' Union), the Austrian Chamber of Labour, the Austrian Trade Union Confederation, and the Swedish white collar union Unionen, in association with research and development partners Encountering Tech and M&L Communication Marketing. It provides information on online platform work including the basics of crowd work, information on unions for crowdworkers, and crowdworkers rights. Reviews of platforms based on surveys with workers are also available on the website. Finally a hotline is accessible through the website where crowdworkers can get additional information about work and payment. More on: faircrowd.work.

[85] syndicat-vtc.com/

[86] www.socialeurope.eu/time-european-dialogue-platform-economy

[87] ETUI, 2017.

[88] Ibid.

> **Box 6.2: Mobilisations of courier platform workers supported by trade unions**
>
> The Foodora couriers strike in October 2016 has been widely reported in the media as the first strike of workers employed through a platform in Italy. This grassroots movement – couriers' self-organisation using online tools – started as a result of changed contractual forms where compensation was changed from an hourly rate to a fixed rate by delivery. Further demands expressed by the workers included a change in status from self-employed to employee with access to standard employment protection. The couriers were subsequently supported and their action facilitated by established trade unions (SI-COBAS) which gave additional legitimacy to the action. Even though this action has been broadly covered by the media which was in general sympathetic to workers' demands, the workers have so far had only limited success in gaining the rights they have demanded. Foodora did not agree to the demands of workers, although it did increase the delivery fee. The workers have filed a legal action with the goal of being recognised as employees with the accompanying rights.
>
> The UberEats drivers' mobilisation in London in 2016 was also instigated by a change from hourly pay to payment by delivery, but had a broader focus on the drivers' remits such as the employment status. The drivers had organised through an encrypted messaging app and by contacting other Uber Eats drivers on the streets. Their struggle was later supported by United Voices of the World and the Independent Workers Union of Great Britain (IWBG). In addition, they are coordinating their efforts with Deliveroo drivers who have made similar demands in the past. The IWGB took the issue of the couriers' employment status to the labour court (industrial tribunal) which found that couriers were self-employed and not workers. However, in a subsequent case brought by Uber drivers in 2017 the industrial tribunal found that these drivers were not self-employed but "workers" who are entitled to the minimum wage and holiday pay.
>
> Recently a series of strikes has been organised by the Deliveroo and UberEats couriers in Europe (e.g. Belgium, France, Germany, the Netherlands) but also worldwide (e.g. Hong Kong). As a result the Labour Minister in Belgium launched an investigation into employment practices of both platforms.
>
> Source: theguardian.com, jacobinmag.com, libcom.org, www.ft.com and rtbf.be

In Austria, a more permanent structure has been set up by platform workers with the aid of traditional trade unions. Foodora couriers in Vienna founded what is probably the first works council of online platform workers. The establishment of the works council was facilitated by the Austrian transport and services trade union "vida". The main aim of the council is to negotiate better working conditions between couriers and management as well as increasing the number of employment contracts. ([89])

As a response to digitalisation and the increase of trans-border platform work, an international trade union network has been established. Trade unions face an additional challenge in organising platform workers who provide online services. As the physical location of service providers is not limited to national borders, platform workers who are subject to different national legal systems compete for the same tasks made available through a platform. In this global context, even the discussion of minimum standards or minimum wages becomes challenging. A network of European and North American unions which is engaged in providing information and representing the interests of platform workers has therefore called for a "transnational cooperation between workers, worker organizations, platform clients, platform operators, and regulators to ensure fair working conditions and worker participation in governance in the growing world of digital labour platforms." ([90]) Some of these unions have been instrumental in setting up the FairCrowd Work website. In addition, the UNI global union General Secretary brought the issue of the misclassification of workers to global business leaders at Davos in early 2018, mirroring the concerns of Deliveroo couriers on strike in several European countries.

6.2. Employer organisations

Digitalisation lowers market entry barriers for new service providers and, by bringing down transaction costs, it can be expected to reduce the cost advantages of large enterprises. ([91]) As companies often affiliate with an employer organisation only after they have operated for some time and as SMEs are

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([89]) faircrowd.work/2017/04/28/deutsch-oesterreich-foodora-fahrer-gruenden-betriebsrat/

([90]) faircrowd.work/unions-for-crowdworkers/frankfurt-declaration

([91]) CEPS (2017), p. 26.

traditionally less likely to join employer organisations, digitalisation will put further pressure on established employer organisations to demonstrate that they can protect their interests and attract new companies into membership.

Enterprises in the expanding service sector are less likely to be members of employer organisations than those in industry (*Chart 6.4*). This is observed in the majority of Member States, although not Spain, Finland, Hungary, Portugal, Croatia or Slovakia. The difference between the sectors is particularly large in Belgium, Cyprus, Denmark, Ireland, Luxembourg and the Netherlands, all Member States characterised by a service sector which is above average in terms of employment and the proportion of enterprises engaged in the sector. The overall employer density is rather low in Member States which joined the EU in the 2000s, with the exception of Malta and Cyprus.

Chart 6.4
Enterprises in the expanding service sector are somewhat
less likely to be members of an employer organisation
Membership rate of employer organisations by sector (%), 2013
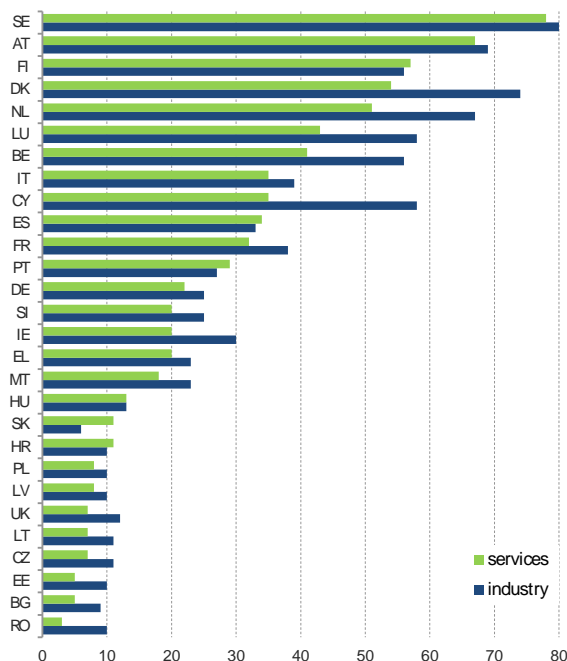
Source: Eurofound calculations based on European Company Survey 2013
Click here to download chart.

Employer organisation density in the temporary agency work sector is high in countries where such work has been regulated for decades. Quantitative data on employer density in this sector is more complete than for trade unions, but there are some gaps. Density is high in countries where such work has been regulated for a longer period of time (such as Belgium, France and the Netherlands) but much lower in southern and eastern Europe. ([92])

Digitalisation is blurring the distinction between sectors as well as between the online and offline economy, posing challenges to employer representation. Digitalisation enables enterprises to diversify their activities and therefore operate in sectors where they were not present previously. Such trends have for example been recorded in the postal services and logistics as a result of e-commerce and the flourishing market of parcel delivery (see *Box 6.1*). And recently, temporary work agencies such as Randstad and Adecco have developed or acquired their own online platforms, possibly representing an additional incentive for employer organisations to move into the online world.

Employer organisation mergers can address this challenge and increase their effectiveness and negotiating power. Mergers can have a positive effect by enlarging the scope of topics covered in collective agreements and by increasing the capacity of employer organisations to offer specialised services. The trend in the number of employer organisations varies across Member States: since the 1990s

([92]) Eurofound (2016b) pp 17-36.

there has been an increase in the number of employer organisations in a number of Member States who joined the EU in the 2000s, while in others the number of organisations has decreased in an attempt to make the existing ones more efficient and increase their collective power. [93] For example, in order to overcome overlaps between different associations and consolidate their membership base, mergers of national employer associations took place in the Netherlands to create VNO-NCW and MKB-Nederland as well as the Confederation of Hungarian Employers and Industrialists (Munkaadok es Gyariparosok Orszagos Szövetsege, MGYOSZ) in the 1990s. [94]

Employer organisations have shown that they can offer targeted services which provide added value to their members. In particular, small and medium sized enterprises benefit from services such as legal advice and representation, training, industrial information, marketing and wage surveys and guidance on health and safety. [95] Globalisation and extensions of collective agreements [96] have also been identified as driving factors for stable employer density, at least in Western European countries. However, the successive decentralisation of collective bargaining puts pressure on employer organisations. [97] In Germany, for example, the number of companies, which affiliate with employer organisations without being bound to collective agreements is high and increasing to the extent of calling extension mechanisms into question. [98]

Rather than trying to organise platforms, employer or business associations are engaging in disputes with them. Traditional employer or business organisations have so far considered platforms mostly as competitors with the comparative advantage of operating in a less regulated market. For example, hotel industry associations have entered into disputes with Airbnb. [99] Platforms still represent a limited share of the overall economy. However, if online platforms proliferate, an important segment of the economy will be left outside the scope of employer organisations, undermining their representativeness and subsequently their negotiating power. Mobilising platforms might make it easier for employer or business associations to create a level playing field for traditional and platform companies.

Platforms have so far not felt the need to organise themselves in dedicated associations. The reasons identified for this include: 1) platforms have not yet needed to organise themselves as platform workers have only started their collective activities, so countering their influence is not a priority; 2) platforms are different in nature and therefore might not have the same interests; and 3) platforms merge frequently, therefore associations between platforms less important. [100] Nevertheless, in the Czech Republic in May 2017 a number of enterprises in the shared economy (BlaBlaCar, Bringr, Flatio) established the Association of the Shared Economy (ČASE) to negotiate fair business conditions in this segment of the economy with the authorities and to promote the principles of such an economy. [101]

This could change radically if the platform economy proliferates and platform workers' movements become stronger. With traditional companies entering the online platform economy and the number of platforms growing, employer organisations may be inclined to find ways to organise platforms or search foe alliances with parallel structures, as has happened on the trade union side.

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[93] Eurofound (2015).

[94] Eurofound (2004).

[95] Brandl (2016).

[96] Extensions of collective agreements to enterprises that have not signed the agreement or are not affiliated to an employer organisation which signed a collective agreement.

[97] Eurofound database on Collective wage bargaining shows a trend towards decentralisation and less coordination, thus a declining importance of employer organisations https://www.eurofound.europa.eu/observatories/eurwork/collective-wage-bargaining/context

[98] Behrens, M. and Helfen, M. (2016).

[99] CEPS (2017).

[100] Ibid.

[101] sharingeconomy.cz.

Table 6.3
Employees are organising faster in the platform economy than platforms
Social dialogue in the platform economy

	Employees organising	Employers organising	Bipartite dialogue	Tripartite dialogue
Evidence found	Numerous examples	No	Numerous examples	One example
Example	Syndicat des chauffeurs privés VTC, Couriers; Logistics Branch of the Independent Workers of Great Britain		Discussions between i) Airbnb and unions; and ii) Uber and unions in several countries	Discussions between Syndicat des chauffeurs privés VTC and Uber, moderated by French government official

Source: CEPS 2017

## 6.3. Collective bargaining and stronger social partnership

Collective bargaining constitutes an opportunity for social partners to manage the structural changes resulting from digitalisation and the increase in non-standard forms of work. When successful, it results in collective agreements on wages and other working conditions concluded by worker and employer representatives. Collective bargaining takes place either at company, sectoral, industry or cross-industry level. A collective agreement applies to the employers who sign the agreement, either directly or through the employer organisations that negotiate and sign the agreement on their behalf. Employees tend to be covered by an agreement via their employers, whether or not they are members of the union/worker organisation that concluded the agreement.

Over the last 16 years the proportion of workers covered by collective agreements has become smaller. Collective bargaining coverage was lower in 2016 than in 2000 in 19 Member States. For example, the coverage rate dropped from 82% to 40% in Greece; from 100% to 65% in Slovenia, due to changes in the legal system; and from 51% to 24% in Slovakia. In Germany the coverage rate declined from 68% to 56%. In general (except for Slovenia) countries with a high coverage rate saw smaller declines than those which started from a lower level. The reasons for higher stability in the coverage of collective agreement than in trade union membership are the prevalence of multi-employer bargaining and the existence of mechanisms ensuring broad application of collective agreements. [102]

Collective bargaining coverage is usually higher in industry than in private services. Collective bargaining coverage across sectors varies considerably across Member States. However, in the majority of Member States for which data is available, the collective bargaining coverage of the private services sector is lower than for industry, with the exception of Slovakia, Croatia, Cyprus, the United Kingdom Bulgaria and Estonia. In most Member States the coverage of workers on fixed-term contracts is lower than that of workers on permanent contracts. A lower coverage of workers on fixed-term contracts could imply that they are concentrated in sectors or companies where no collective agreements apply. As service sector and flexible contracts are expected to play an increasing role in the future, collective bargaining coverage may decrease further**.**

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[102] ETUI/ETUC (2018), p. 60.

Chart 6.5
Workers in the private services sector are less likely to be covered by collective wage agreements at company, regional or industry level

Collective bargaining coverage (% employees) by type of sector, 2014
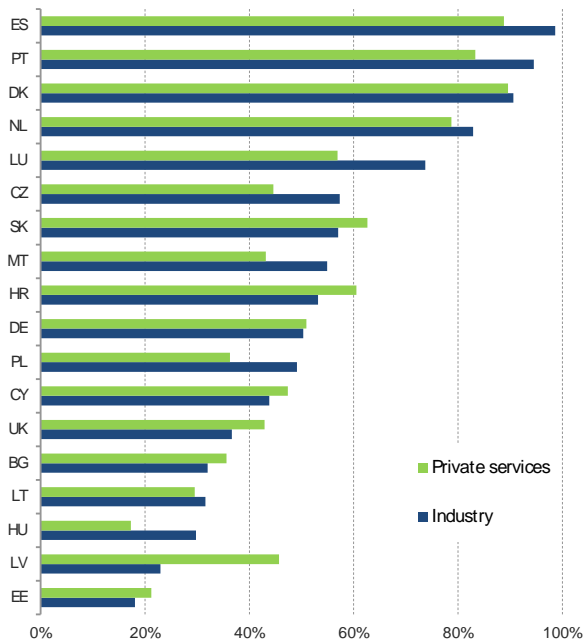
Note: Does not include MSs with collective agreements at national or inter-confederal level or MS with confidential/unknown data. Private services do not include public administration, defence, compulsory social security, activities of households as employers and extra-territorial organisations and bodies.

Source: Eurostat, based on Structure of Earnings Survey 2014

Click here to download chart.

Collective bargaining on behalf of the self-employed occurs only in exceptional cases: in the UK for entertainers ([103]), in Germany under strict conditions related to the economic dependence of the self-employed, in Italy for the dependent self-employed and in Denmark for art, culture and IT professionals. ([104]) Since 2016, certain dependent self-employed workers have a right to collective bargaining in Ireland. ([105])

The pattern of collective bargaining coverage in the temporary agency work sector is strongly polarised. In some Member States in western and northern Europe, very high rates (above 90%) have been reported. Collective bargaining usually takes place at a multi-employer level. In Member States who joined the EU in 2000 collective bargaining hardly takes place at all. The polarised pattern is mainly driven by employer organisations. Collective bargaining is a precondition for social partner involvement in active regulation of working conditions in the sector. This takes place in the eight Member States, ([106]) mostly at the bipartite level. It covers provision of social benefits, training and health and safety issues. ([107])

As relatively few platform workers and platforms are organised in social partner organisations, collective bargaining is exceptional in this part of the economy. Collective agreements apply only rarely to the self-employed and to workers in new forms of employment. Cases have been reported of employee sharing and job sharing. However, for platform work there is often no clearly established employer-employee relationship. Platforms generally do not assume the role of an employer, or do so only partly, and it is not clear whether workers perform their tasks as employees, as self-employed or as

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[103] I-Wire (2018).

[104] Eurofound (2009).

[105] europeanjournalists.org/blog/2017/06/13/ireland-unions-celebrate-victory-over-competition-authority/

[106] Austria, Belgium, Spain, France, Italy, Luxembourg, the Netherland, the UK.

[107] Eurofound (2016), temporary agency, p.32.

part of a service contract. ([108]) If workers in new forms of employment are less likely to be covered by collective agreements, they are also less likely to benefit from the measures implemented jointly by social partners (see previous sections).

Successful collective bargaining is the best means to increase the attractiveness of social partner organisations. It helps to ensure a fairer distribution of incomes and better working conditions, while maintaining the competitiveness of the economy. Taking into account that in some areas it is difficult for social partners to reach the necessary level of autonomy, the Commission supports social dialogue in a number of ways. These include discussions, consultations, negotiations and joint actions at the EU level, financial and logistical support to the EU-level social partners and involving of social partners at national and EU levels in discussions around the European Semester.

7. CONCLUSIONS

Social dialogue is under pressure in the changing world of work. Trade unions' attractiveness has decreased over recent decades (similarly to the decline in membership of established political parties). Organising workers is particularly difficult in non-standard employment situations and in Central and Eastern European Member States. For enterprises, social partnership at European and national level is losing ground to lobbying. Collective bargaining coverage is declining or low in most Member States. ([109])

Social partners are working hard to counter these trends. The Commission supports social partners by prioritising social partner organisations over other NGOs and involving social partners in national consultation processes. Some positive signs can be observed:

In several Central and Eastern European Member States a continuous increase of trust in trade unions can be observed. This is the case, for example, in the Czech Republic, Latvia, Slovakia, Lithuania, Hungary, Poland and Estonia. ([110]) While the organisation and coordination of interests is challenging, several groups recently succeeded in organising interest representations. This may be for local platform workers, who have achieved recognition as workers; mobile workers in transport professions, who insist on their need for a collective agreement; artists or athletes who set up unions to defend their interests or self-employed workers organised in cooperatives.

Structural changes can also be observed in employer organisations due to digitalisation and globalisation. At European level there are signs of improved cooperation between cross-industry and sectoral organisations. Big companies, which operate in several Member States, play an increasingly important role. In these cases European level social dialogue complements the European character of their business activities.

Social partners have produced results. They have formed agreements on telework, or have looked into ways of making the best use of more flexible forms of work without risking the long-term fitness of the workers. Joint skill forecasts and upskilling strategies are further examples of successful social dialogue. This autonomous, bi-partite social dialogue should continue to find pragmatic and adapted solutions for concrete problems and allow the economic stakeholders to experience their joint responsibility for socio-economic development.

Several Commission initiatives have motivated economic actors to ensure increased presence at the European level. This interest stems in particular from the initiatives in the area of social policy (European Pillar of Social Rights with its proposals for transparency and predictability of working conditions, the planned European Labour Authority, the revision of the Posting of Workers Directive agreed in 2018, etc.), the digital economy, and mobility packages. Similar efforts can also be observed at national and regional level.

([108]) CEPS (2017) p. 44. Nevertheless, in Denmark, Hilfr.dk, a platform for cleaning in private homes, recently signed a collective agreement with 3F, a Danish trade union. The agreement, which enters into force in August 2018, provides sick pay, holiday allowance and a pension contribution for those who provide services through the platform. ()

([109]) OECD (2017).

([110]) OECD (2017), p. 158.

All this leads to the conclusion that industrial relations and in particular social dialogue are undergoing deep changes. These changes will require social partner organisations as well as public authorities to move out of the comfort zone of established routines. However, it is also clear that constructive and well organised cooperation between representatives of the different groups will play an important role in delivering social peace as well as improved economic performance and competitiveness.

Social dialogue remains highly relevant in the changing world of work. New players need to be involved as they become more important – workers engaged in new forms of work as well as new employers. The insight that a fair balance between social and economic objectives is beneficial for the whole of society may need to be further cultivated. As in other areas, non-cooperative, individualistic behaviour is likely to produce significantly worse results than a functioning social dialogue. It is very important to recognise that good economic performance, trustful labour relations and high social cohesion are often interlinked.