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Shaping industrial relations in a digitalising services industry – Workshop 1: Service Markets

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1 Introduction

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

Across the project, we are dividing the investigation into three aspects of services that are clearly interrelated.

- Under the heading of “**Service markets**” we look at changes in service production and delivery through digitalisation (for example, online services and self-service) and also on the impact of these changes on customers and society at large. It is one of the dimensions where rapid changes, disruptive innovations (for example platforms) need to be addressed. Here, we also address the status of services in “industrial” or economic policy in the context of your respective sector and country.
- “**Service labour markets”** addresses the development of service jobs, their quality and quantity. We focus on jobs with intermediate skill levels, and will also address atypical and precarious employment (including self-employment) in your sector/country, the development of skills and re-skilling and policies of addressing them.
- **“Company strategies and work organisation”** looks at the company level and your union’s information and experience with companies in your sector/country: We will address transnationalisation of service companies at large, outsourcing and offshoring, working conditions and ways of influencing them, interest representation and participation.

Each aspect of services was the subject of a workshop organised by UNI Europa for national trade unionists involved with the subject.

Service markets were addressed on October 19th at UNI Europa’s offices in Brussels;

Service labour markets on December 11, 2017 at ver.di’s headquarters in Berlin;

and **company strategies and work organisation** on February 27, 2018 at Unionen’s headquarters in Stockholm.

Workshops consisted of two presentations by social scientists involved in the field and discussion of participants first in three smaller groups that addressed specific issues in each subject, then in the plenary. Outcomes are documented in the present report. The working groups’ and plenaries’ conclusions feed into the 10point action plan that UNI Europa is developing for the project’s final conference on May 15 and 16, 2018 in Brussels.

Presentations and factsheets for each workshop and also the reports of the entire project are available here: https://unieuropaprojects.org/shaping-industrial-relations/.

2 Factsheet: European service markets (Ursula Holtgrewe)

2.1 *European service sectors*

Service markets and labour markets in Europe have been expanding in the last decades. Across countries, in between 69% and 79% of GDP are created in services, and rates of employments are slightly higher (Figure 1). Indeed, employment growth has been concentrated in the services, and the service sector has led economic recovery after the crisis. However, service sector expansion may represent either the sector's own economic power or a downsizing of other sectors such as manufacturing or construction in the crisis. Behind expanding service sectors, European countries and regions have distinct profiles of services (Holtgrewe et al. 2017): reports from Southern and Continental Europe emphasise the predominance of small and medium businesses in many service industries. In Central and Eastern Europe, much service expansion has been driven by foreign direct investment (FDI). CEE countries have emerged as destinations for outsourced ICT, business services and customer service functions and have been integrated into global value chains. Conversely, the Nordic countries have both Nordic and foreign multinationals in the services, and the UK aims for global leadership in the digital sector in general, and in financial service innovation in particular, although Nordic banks also play a strong part there.

2.2 *Digitalisation, policy initiatives and trade unions' views*

As services are already shaped by digitalisation, we find similar national, regional and sectoral disparities with regard to digital infrastructures and their uses. The Nordic countries consistently take the lead in various digitalisation indexes (see Figures 2 and 3), and in the UK, London emerges as a global hub for fintech startups. However, the Spanish tourism sector (and ICT and Finance in Spain) also rank highly with regard to digital readiness, and cities such as Barcelona or Milan or Torino figure as "smart cities" with regard to both public and private sector digital innovation (Holtgrewe et al. 2017). Southern and Eastern European countries at large are found at the lower end of the various digitalisation indexes. In CEE, the integration of ICT and business services into global and European value chains does not appear to spill over to the countries' general ICT infrastructure and use (with the exception of Estonia). In all countries investigated there are government-led initiatives in favour of digitalisation that address innovation, digital infrastructures and also regulation. Only in the Nordic and some Continental countries do we find a wider range of bi- or tripartite initiatives and discussions. However, in Southern and Central and Eastern Europe and also in the UK these are led by the state mostly without involvement of the social partners. In the opinions of trade unionists and experts, there is a wide range of positions between optimism and scepticism towards unions' and societies' capabilities to shape digital technologies. They appear to result from the perception of functioning alliances around productivity and competitiveness, and the respective national and sectoral labour market situation.

2.3 *Sector-specific developments*

Digitalisation generally is likely both to further concentration within service sectors and to render competition more intense. Companies extend their activities across sectors, face new, disruptive competitors, or aim to integrate value and business chains. In many sectors, it is unclear where power and hegemony in these integrated chains will concentrate. Shifts between sectors also present challenges for unions: "escape" from collective agreements through outsourcing, but also competition between unions over organisational domains – that frequently are balanced by increased collaboration.The ICT sector is clearly central and tends to concentrate its activities in the emerging technologies such as Big Data, Cloud Computing, Security or "Internet of Things" or the networking between applications, functions and companies in general (Daum, 2016). Companies from other sectors such as banks apparently aim to emulate ICT companies' strategies, aiming for central or dominant positions within and beyond „their" value chains (World Economic Forum 2017). In postal services and also logistics, advanced robotics and automation are central. Logistics take over functions from both manufacturing (contract logistics) and commerce. Postal services also offer warehousing, fulfilment services and entire shopping platforms to smaller retailers. In finance, concentration is ongoing and the reduction of branches and general cost-cutting strategies figure in many countries. Banks increasingly collaborate with fintech start-ups and invest in them to integrate their innovation, but face competition by both the large „over the top" ICT-platforms such as Google or Apple Pay and disruptive startups. E-commerce is shifting functions from retail to logistics and adding some new skills requirements with regard to online marketing and communication. Increasingly national and even local "brick and mortar" retailers offer webshops and "anywhere" shopping, and many explore hybrids of online and offline selling. Media have been struggling with some disruption through digital platforms and distribution channels for a while, especially among younger audiences. In public sector broadcasting, broadcasters' own digital activities are frequently limited by regulation. As with banks, collaboration or competition with platforms and distributors such as Amazon or Apple appears to be controversial, with varied patterns in varied sectors, but they exert considerable cost and competitive pressure.

2.4 *Platforms*

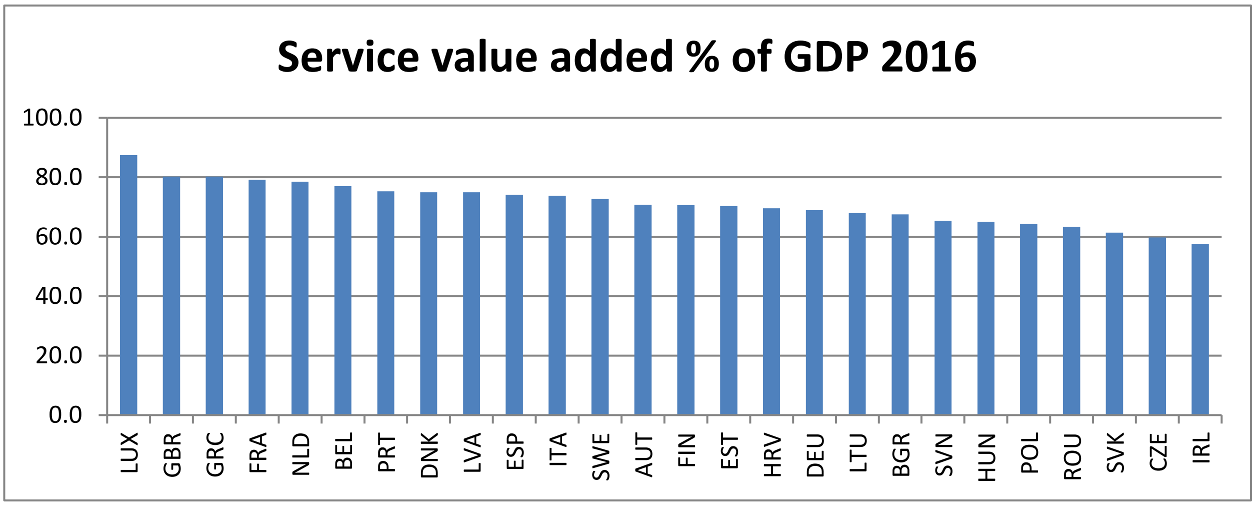
The disruptive potentials of platforms and their regulation are central issues in digitalisation debates. Actual crowdwork platforms for remote professional services and micro-tasks are used to a limited extent in Europe, currently generating between 0.4% (Belgium) and 1-1.4% (Spain) of GDP. For the lower-income countries of Central and Eastern Europe, no data are known but there are some national platforms identified (Mandl et al. 2015) and crowdworkers from CEE appear to be a presence on international platforms as well. In Spain, Belgium and the UK industry associations are emerging. While some national and European policy initiatives aim to address concerns over taxation and social security contributions of platforms, others aim to stimulate the sector. Belgium represents a striking example of policy-led liberalisation in favour of "digital" sectors of the economy: Earnings up to EUR 5,000 from non-professional work on certified platforms is only taxed at 10%. This decidedly favours platform work for "extra" money over regular and professional employment.

2.5 *Customers and markets*

Customer expectations and requirements continue to play a part in digitalising services. Indeed, their use of smartphones and mobile internet is pivotal for online service delivery. Even in personal services, marketing, booking, information and reputation increasingly involve platform-based services. Arguably, digitalisation centrally is about both rationalising consumption and involving customers deeper into value creation through mass customisation of products and services on the one hand, offering them unpaid „community" roles in marketing or support on the other. Some observers see vast opportunities for growth and indeed, optimised satisfaction of needs in new data-rich markets, in which goods and services come with manifold information attached and information overload is handled by artificially intelligent personal shopping assistants (Mayer-Schönberger and Range, 2017). Others point to the possible losses in paid employment and the substitution of service and distribution functions by automation, offshoring and unpaid consumption work. Staab (2017) for example argues, that in this way, digitalisation strategies are likely to exacerbate rather than overcome the problem of lagging private demand and stagnating wages in the wealthier economies (cf. ILO et al. 2014). Either way, various service companies aim to expand their chains of business by expanding self-service and further engaging customers in hybrid digital/analogue service delivery. Their interest in control over multiple customer interfaces may limit outsourcing and offshoring of service functions in financial services, commerce or telecommunications. Control over the data that customers generate intentionally or unintentionally, thus becomes valuable across companies' and sectors' traditional domains – and is one of the sites of ongoing and emerging power struggles between companies, sectors and not least, civil society's interests in privacy and civil rights.

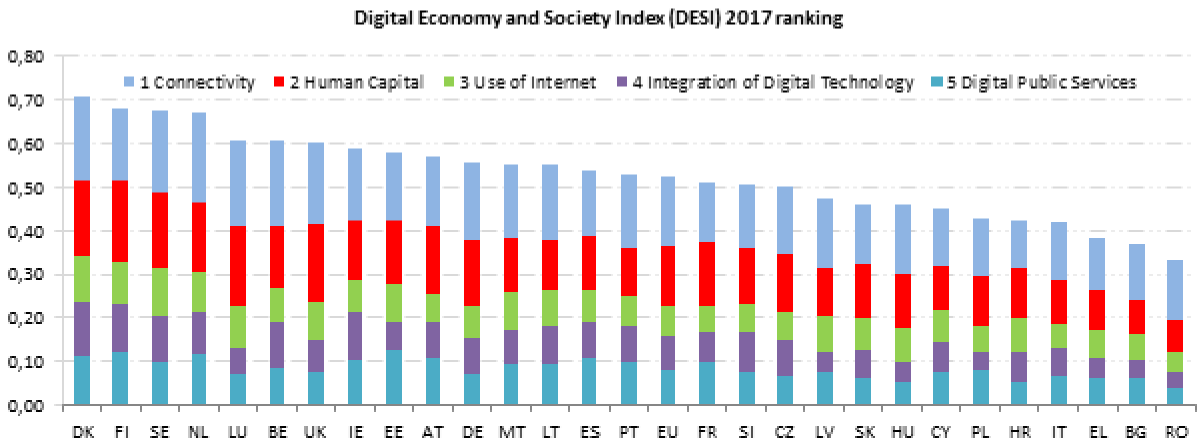
2.6 *Annex*

Figure 1: Service value added in % of GDP 2016



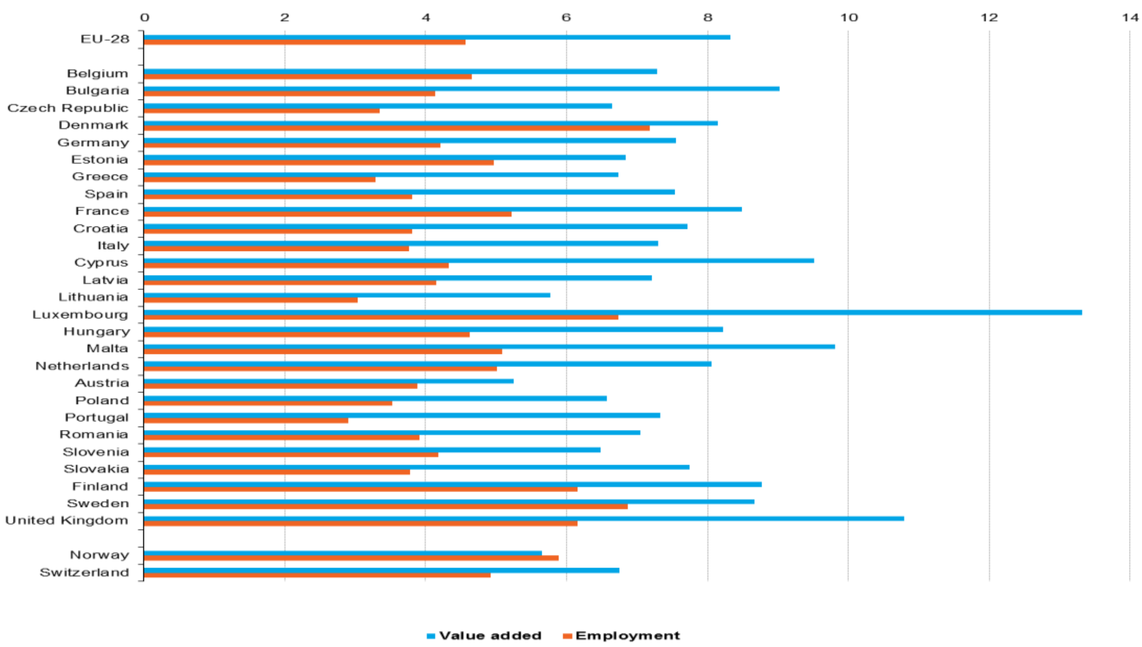
Source: https://data.worldbank.org/indicator/NV.SRV.TETC.ZS

Figure 2: Digital Economy and Society Index (DESI) 2017 ranking



Source: European Commission 2017, https://ec.europa.eu/digital-single-market/en/desi

Figure 3: Relative importance of Information and communication services (NACE Section J)



Note: Ireland not available
Source: Eurostat (online data code: sbs_na_1a_se_r2)

Source:http://ec.europa.eu/eurostat/statistics-explained/images/9/9b/Relative_importance_of_Information_and_communication_service_statistics_%28NACE_Section_J%29%2C_2013.png

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3 Presentation1: Prof. Heike Jacobsen (Brandenburg University BTU Cottbus): The provision of services to customers – what kind of service societies do we want?

Heike Jacobsen outlined the dimensions of inclusive service societies in Europe. Such societies ensure access for all citizens to services that are both high quality and affordable; provide good quality of work and employment in service functions; and render European service companies globally competitive. Inportantly, services are not “just” economic activites: they are culturally embedded and socially structured in the well-known “service triangle” of a service company, service workers, and customers or users of the service (Jacobsen, 2010). Service companies employ service workers that interact with customers who contract with the company over the respective service. All of these relationships may be more or less balanced. They encompass both interests and norms, both conflict and consensus. They are also embedded in distinct service cultures and social structures and institutions.

Digitalisation has various impacts on these various actors and their relationships. As these relations are shaped and embedded socially, the question is how to shape these impacts in the direction of more inclusive service societies?

Services research traditionally distinguishes two types of development paths: service “industrialisation” and service “innovation” (Gallouj, Weber, Stare, & Rubalcaba, 2015; Holtgrewe, 2015). In industrialising services companies compete over economies of scale and efficiency. They outsource tasks and functions and fragment services into standardisable modules. For employees this means redundancies, a fragmentation of the employment structure and a polarisation of skills. Customers experience “regressive” services of basic quality. Low prices are achieved by reducing face-to-face interaction with service employees. Customers may find a choice of similar, competing service offers but companies may also bundle standardised services into more intransparent offers and price structures.

Digitally enhanced service innovations employ cyber-physical systems that support employees in service delivery and render services “smarter” on both the automated and the interactive end. Analysis of big data may overcome the distinction of mass production and customised high-quality services by enabling mass customisation. Services can be provided locally and managed centrally, and new actors such as platform providers emerge as competitors of incumbent firms and sectors and may disrupt them. From the users’ angle, platforms may offer new and simple services at affordable prices, provide higher levels of information over alternatives and integrate new social practices and social innovations. The customisation aspect may raise issues over privacy and data security, and the provision and use of services may entail new social inequalities over digital divides and spatial disparities.

4 Presentation 2: Prof. Vassil Kirov (Bulgarian Academy of Sciences and ETUI): Digitzalization and liberalization of services – a few insights of academic research

Vassil Kirov based his contributions on his recent research into low-wage work (Holtgrewe, Kirov, & Ramioul, 2015), virtual work (Meil & Kirov, 2017) and restructuring in the financial sector (Kirov & Thill, 2018). In general, the share of service employment and value creation in European economies increases, due to the externalisation of services from other sectors (outsourcing), the knowledge economy and partly also the decline of industry. Liberalisation of some services also plays a part and needs to be considered in conjunction with digitalisation. All of this results in some polarisation of the job structure.

Liberalisation means an expansion of market-provided services that mostly has a negative impact on the quality of work as both public authorities and private service providers aim to cut cost in a context of austerity. Again, power relations in the service triangle may shift with workers losing out as clients get more choice and lower prices and management increases control and pressure.

The impacts of digitalisation are still less clear-cut even though digitalisation has been occurring for a while in many service sectors and functions. Especially there are still detailed studies missing on how emerging technologies are used in diverse and specific contexts of service interactions, professions and companies (Holtgrewe, 2014). Arguably, digital technologies contribute to the generation of a new "precariat" (Standing, 2014) but may also transform jobs and require new and complementary skilled professions to realise their potential. The example of European banks' restructuring and downsizing that has been related to both digitalisation and the 2008ff. economic crisis shows that in those countries where it is established, social partnership still managed to cushion even large-scale redundancies whereas in the case of Romania even European banks kept the influence of trade unions and European Works Councils very limited (Kirov & Thill, 2018).

5 Working groups

5.1 *The provision of services to customers – Which service societies do we want?*

In Group A, the first part of the discussion focused on trends in **the retail and wholesale** sector. The example of Germany was elaborated at the beginning. There about three million people work in retail, of whom 1.1 million work part-time and 800.000 have mini-jobs. This type of marginal employment contract is exempt from taxes and social security and is one cheap way of adapting staffing levels to varied customer frequencies. Challenges in German retail are mostly of a structural nature, for example the liberalization in opening hours and the competition of e-commerce platforms like Amazon where customers can do their shopping 24/7. E-commerce has a share of 2.6 percent of European GDP, but the single market in e-commerce still doesn't work very well, although the EU tries to foster cross-border e-commerce. From a European perspective, in the wholesale sector digital platforms also emerge as new competitors that influence the pricing process. In retail, e-commerce companies bring pressure to the traditional analogue retailers. Increasingly, e-commerce also extends to groceries, a segment that is and growing very fast.

However, digitalisation in commerce does not just mean e-commerce. It is also relevant in marketing, in-store navigation, loyalty programs, augmented reality, mobile payment or self-checkout in retail stores. Regarding self-checkout systems in retail, conflicting trends can be observed. For example, in Belgium there seem to be rebound effects as **self-checkout** is already declining again and the stores are returning to staffed checkout counters. This is due to various reasons: self-checkout often requires one person for security and an additional employee to attend to clients if they need help. In this way, the process is often not more effective in terms of costs. Additionally, from the perspective of the workers, these jobs often are of lesser quality and therefore not desirable. Arguably, self-checkout is not such a big deal for works councils, as only 6 out of 33 said that it is an important topic for them in a survey done by ver.di. The most frequent given answer was: I don´t know. This also shows that unions face the challenge of qualifying works councils and shop stewards in assessing digital innovations and to make them aware of the threats and challenges but also opportunities arising. Departing from the discussion on retail and self-service, the participants engaged in a lively discussion on the different cultural aspects that are relevant to the process of digitalization and the changes that it brings along for customers. It was highlighted that cultural values are very important for the concrete form digitalisation takes. For example in Sweden self-checkout systems are very common in retail, except e.g. IN clothing shops: Many grocery stores, furniture stores (e.g. Ikea) and similar businesses use self-check-out. This is also related to the – more or less – cashless society in Sweden since using cash and self-checkout do not go together very well. On the other hand, in Southern European countries there is some self-checkout but the traditional way still dominates. Younger people are used to the technology and use more often and more easily. Hence, the culture is changing and older customers may need to get used to these changes.

However, age may not simply create such differences in **customer expectations**. In the financial sector in Sweden young people say they want more interaction again although they grew up with self-service, especially concerning bigger investments. This points at a dimension of class and social inequality in customer services: are those who can afford personal service and individual advice the customers who need it most, and will customers have to pay for interaction in the future?

Data are playing very important role in the restructuring of service markets in a double way: companies restructure themselves and also restructure the whole economy. Another important issue is **monopolies:** digitalisation tends to foster the creation of monopolies through network effects, and the huge amount of **data** gathered and analysed by these players may further raise entry barriers for competitors. On the question of data ownership and privacy, for unions it would be wise to push for legislation that says companies can only retain personal data for a certain time. This could also strengthen the position of employees in the long run. However, unions may have their own interest in employee and customer contact data. For trade unions' campaigns, creating market alliances with customers is a possible approach, especially regarding platforms. If unions had access to a company's data it would help in terms of communication with customers and also in organising of the work force. Unions have to adapt their form of organization and find new ways to keep up with a changing world of work even if this means abandoning traditional ways that tend to be centred on the workplace.

Then, the discussion turned to the question of **new definitions of "work" and "worker"** in the light of digitalisation. Participants reported different national experiences deriving from the various legislative contexts in the countries. In Spain, the problem is how to remind the people in atypical employment contracts or highly digitalised service sectors that they are workers. The self-employed in particular are mostly seen as entrepreneurs, but in fact often are confronted with classic workers issues. In Greece the situation is similar, but it would be very useful from a union perspective to adapt the labour law, for example introducing directives to define crowdworkers and "digitalised" workers to have the same rights as conventional workers. In the Swedish case the finance sector is heavily lobbying towards "new types of workers", even though actually their modes of employment are not so new. Basically, it is the same employee-employer relationship as before, with the so-called self-employed providing or delivering services, often without contracts. The issues and challenges remain the same as before, only the environment is a digitalised one.

Taking all this into account, different questions arise from a union perspective: Unions need to have a clear picture of whom they want to o**rganise**: who are the new and emerging workers who are not organized in unions and what has this to do with digitalization? How can unions organize people who work in atypical conditions, e.g. from home, on platforms? These questions require thinking "out of the box". Services unions cannot act in the same way as the manufacturing sector does.

In Belgium, unions are now starting to develop a **social media strategy** that tries to reach members more efficiently in the cleaning sector. Cleaners are employed by companies but they are very hard to reach, as they work on clients' sites. Now Belgian union members can use Facebook to get in contact with unions via private messages. For the union this is a pilot project in which digitalisation plays a role in the organisation of unions themselves, in a sector that is not inherently "digital". This means unions should pick up on their members' needs and listen to what they say. Other examples for digitalisation of unions are videos explaining labour law and workers' rights and obligations. Still, the combination with unions' traditional modes of service delivery (through face-to-face or phone contact) remains important.

A possible strategy for unions that was discussed intensely was working time reduction in combination with training activities to upgrade the skills of employees. This could also be a strategy for tackling decrease of employment. These are issues where in many countries unions need to get more involved in political agenda setting.

As a summary of the discussion, three main challenges were identified by the participants:

- Challenge I: Big data: How should Unions deal with big data? How can big data be used, what does it mean at the workplace? How can it be used in the workplace and how can it be misused in competition?
- Challenge II: Organization: How do unions reach workers in different, often atypical forms of employment? Also a question of the legal status: Is an extension of the definition of employee necessary?
- Challenge III: Self-Digitalization: How can unions themselves engage with digitalization? How can digitalization be used to enhance the capacities of Unions?

Group B started with the example of the **financial sector**: banks in Denmark are reportedly doing quite well and beginning to deviate from the path of the “normal” bank. They are researching fintech start-ups and already invested themselves into some companies. From the perspective of unionists, two especially interesting company cases were presented that focus on personal banking and are exemplary for service provision through partnerships / outsourcing. The first, ERNIT, is a digital piggy-bank; a financial tool to raise awareness among children on saving and the “value of things” – people can transfer money into it and children can set saving goals and connect with each other. The second, SubHub enables users to manage their subscriptions through their bank and in cooperation with Facebook. While the strategy is traditional in the aspect of cost cutting, it adds to the ‘top line’ (gross sales of a company).

The general trend is that digitalisation and digital solutions are mostly used as a **cost-cutting** exercise; the overall strategy or business model could be summed up in less service and less value to the same consumers - value and cost are two axes and the financial sector is not concerned in providing extra value to its customers. However, this is not a result of digitalisation itself, rather a matter of strategy – across Europe, participants observe little willingness of banks to invest. The sector appears to be developing more in the direction of “narrowing” the scope of its activities than “specialization”. For employees, this means once your niche is away, so is your job – especially in the bigger banks. “Niches” can be separate companies not just business units. Participants from Denmark emphasised the need to support the necessary transformation of the workforce while insisting on the social responsibility of the employer. An upskilling project run by the union under the heading of work-life investment (financed by a collective agreement in the way that employers pay for the training and know that the returns will flow back into the firm) was deemed as best example for making the transformation feasible. “One should be able to handle at least one more job than one has and be flexible”, said one participant, and with this outlook, upskilling was considered an asset for both employers and employee.

From the Bulgarian perspective, trade unions need to engage more in the debate concerning the **quality of services**. The Irish experience showed that at first jobs were outsourced to India/Poland, arguing with the customers' needs for flexibility and around the clock service. Ultimately however, **outsourcing** is costly while at the same time the quality of services suffered. The Maltese have had a similar experience: it turned out to be easier not to split the business, otherwise issues of communication and coordination become a factor. Similar mechanisms apply when companies offshore and outsource within their own country. In the French IT-sector, the outsourcing and fragmentation of innovative company functions is becoming a problem for engineers. The content of their job is permanently changing. Parallel to that, companies are trying to acquire start-ups and find solutions to expand the business using young companies. This leads to tensions in the sector around job security and innovative capacities: start-up companies receive large investments whereas the big companies have the thousands of employees – this leads to an uneven competition between the two segments of the sector. Offshoring and outsourcing may also be affected by digitalisation: the need for 24/7 service provision may be adequately addressed with the help of machines and automation, but again, losses of service quality may become an issue again. From the representative from Sweden came the suggestion that more emphasis should be put on the individual responsibility of consumers for the choice of service: a metaphor that could help to clarify what is at stake could be the different choices of airlines and flights that consumers make when going for a business trip or holidays respectively.

Customers' Interest in **service quality** was also discussed. It is unclear and there is much speculation whether younger customers also complain about poor service quality as a result of automation or remote service delivery. An anthropological study in Denmark on "Generation Z" found that even people born after 1995 and 2010 want a personal adviser for finance. The interpretation was "Being born with an iPad, having a personal relation is an asset. They want to speak with someone the age of their parents, preferably a woman ('their mother with a company car')." From the French retail sector it was reported that workers from the more precarious part of the sector are selling things they know nothing about: Their companies do not invest in their skills and knowledge because consumers want "everything immediately at the cheapest price" – suggesting that the individual **consumption choices** substantially affect the development of skills and job quality in the sector. The sustainability of the production system and living conditions are not integrated in consumers' and citizens' way of thinking and there is a contradiction between the common good and the demand of consumers. The consumerist mindset amounts to the idea, that technology possibilities should be used at their maximum - "if one can buy/have/do xxx, one should and will buy/have/do xxx". The Danish finance-sector has not been customer-driven for years. For trade unions and the service industries it would be important to "start telling stories about the bigger picture, create awareness, and creating somewhat of 'organic' services – the question in the foreground being, what kind of labour market one wants for their children? Put more weight on the fact that consumers are also citizens". One measure suggested for achieving this would be a transparency-enhancing "certificate of decent work". Such approaches would need to inform customers the nonexistence of collective agreements in many offshoring destinations. They would make use of the digital reputation of companies and aim to connect consumers' choices and their interest as workers.

Considering both offshoring and digitalisation, the group found that an important strategy would also include creating awareness within national governments, that service industries are the primary growth driver in Europe. The same applies on the European level, working with the [European] Commission and especially the [European] Parliament because the improvement must take place in Europe, since, unlike manufacturing, the services cannot be so easily offshored.

Digitalisation (and other social changes of individualisation and widespread mistrust in institutions) increases the need for trade unions to increase **organising efforts** if they do not want to be perceived as irrelevant. Solving new problems with old methods doesn't work - a new dialogue is needed, new arguments to go with this age. An imaginable focus could be what young people want in employment and what trade unions can do for them. One way of gaining members would be to "sell unions like selling car insurance – you might not need it often, but when you do, it saves the day." French unionists suggested that those companies that are digitalised to a very high extent – some without even a Human Resources department as these functions are outsourced – even provide an opportunity for organising. Unions can provide the human element when in giving information, counselling and especially guidance. In the Copenhagen fintech incubator supported by both the union and the employer association, 30-32 start ups are renting space in the trade-union building and developing ways of doing "finance as usual" in a standardized manner, cheaper and more efficiently ("not disruptors"). The union tried to establish contact and organise in this field, since they are the ones creating new jobs. However, collective agreements did not appear to matter to employees at all. In this innovation-driven segment of the sector, the high demand for IT skills is being covered through immigrant workforces and in recruiting, money matters less than competence. This was considered a somewhat "unhealthy" wage development driven by skill shortages rather than value created – and difficult to integrate into the logics of collective bargaining that need to have overall sectoral developments and "normal jobs" in mind.

In sum, considering **growth** and quality of services, the group reasoned that currently, digitalisation was being used in an "anti-growth model", in which the main application is not enhancing quality or innovating but cutting cost. Neither technology nor growth itself are or should be a societal end in itself but rather a means to the end of a *concept of a good life and work for all. However, the zeitgeist* needs to be integrated into the trade union narrative. A simple starting definition could be the growth of the number of jobs in combination with decent employment, complemented by the ideas of members on the quality of work and life. This was somewhat controversial: some participants argued in favour of the more mainstream economic perspective that strategically, using the "language" and jargon of the employers themselves makes them listen to unions better. However, unsurprisingly the question of growth, sustainability and societal transformation remained unsolved. It translates into the far-reaching question how unions can partake in the future conception of a society that may require less human labour or need to redistribute work beyond conventional concepts of value creation.

5.2 *Digitalised liberalisation – which changes will be seen in the production of* services?

Firstly, Group C explored developments in the **media sector** which was affected by digitalisation very early on since its products could soon be treated as immaterial. From the 1990s, music, films and videos were increasingly distributed digitally in the diverse stages of platforms. At present, media production and „everything" is digitised and „you can actually film and edit etc. on a mobile phone". Somewhat paradoxically, as production became decentralised in this way, a vertical and horizontal concentration of media and distributor players occurred. As digital media services became more available and better quality from a user's point of view, they generated network effects that drove this concentration and exclude smaller players. As main distributors such as Netflix or Amazon also become globalised producers, cultural variety and cultural identities may also become threatened and cultural diversity and richness, a "part of our wealth" (William Maunier) may erode.

This had a massive impact on employment relations: permanent contracts were increasingly replaced by fixed-term contracts and **self-employment**. Such workers are difficult to represent for unions as more work is done remotely and detached from a work organisation or employer and workers stay connected, again, through virtual networks. The changes in employment relations are ongoing: while in France, for example, workers with fixed-term contracts have comparably good protection in the audio-visual sector; this is undermined as the same workers increasingly set up their own companies. The computer gaming sector is even more virtualised: developers often work from home, never get to see their bosses or colleagues, and are getting paid in diverse currencies. The entire working relationship, from the notion of collaboration; a workplace, a wage or an organisation or company can thus be considered virtual.

The proliferation of self-employment, so far mostly in particular sectors such as media and the creative industries (also see the report on Workshop 2 and (Vermeylen, Wilkens, Biletta, & Fromm, 2017)) is found to require some adaptations of European labour law. Currently, the different statuses are a problem in terms of obtaining new rights and there are varied distinctions and definitions that distinguish, for example, the "real" self-employed and the other „bogus" ones on criteria such as the dependency on one client. The European Court of Justice draws the distinction of employment and self-employment on grounds of employees' subordination, not dependency. UK media unions report that there, self-employment is basically a fiscal status. Otherwise workers' rights are the same, hence collective agreements have been achieved and included freelancers.

Both legal definitions and the identities and self-images of the self-employed themselves ((and also other new types of workers) may render organising difficult. In addition, the replacement of employment by self-employment raises the question of the distribution of risk and cost, for example the cost of training or social security. Trade law in many countries sees the self-employed as small competitors and collective bargaining then falls under the prohibition of cartels. Many self-employed "don't think like bosses but don't necessarily connect with unions either", when their habitus is more individualistic or profession-oriented. The perspective on self-employment also varies with workers' age: the freedom may be appreciated by 20year olds at the start of their working careers, but this group of workers may underestimate the risk to pension rights and sustainable modes of working. Still, in Belgium for example there have been some successes organising the self-employed.

However, digitalisation is deemed likely to increase **precarity** well beyond the current group of self-employed workers; especially as precarious employment has been institutionalised generally in recent years. This has admittedly created „new jobs" but at the expense of losses in social security, stability and the possibility to make plans for the future that require a predictable income. Precarious employment thus moves more and more people out of the scope of collective bargaining. It undermines national social models that rely on contributions to a collective system that are differentiated by statuses and exemptions.

The acquisition of new digital skills needs to be viewed in the context of a redistribution of **risk and burdens** to workers. **Flexible** working hours are generally favoured but being **always connected** and dependent on devices may amount to a modern form of slavery. Project-based work organisation has also changed: in IT project management and close collaboration with customers used to be important and make work both complex and skilled. Currently, there is less investment in relations with customers, and projects are fragmented into small time-pressured jobs. Hence, digitalisation appears to eextend dtandardised and pressurised modes of working across skill levels.

The demand of training and **skill upgrading** in this context is somewhat contradictory: leaps in technology inevitably create mismatch in labour markets. Graduate engineers with up-to-date skills still need more training whereas projects and tasks are being fragmented. Possibly, the relationship of skills and tasks gets more volatile. There is clearly a role for unions in ensuring training and guidance, and also making sure that upgraded skills are recognised and remunerated.

Overall, the group also found that investment in digitalisation aims to **reduce cost**, not to better serve customers. This means that customer service quality is put at risk, and especially those clients in need of sound personal advice may lose access to it, as for example, bank branches are closed especially in the poorest areas. In financial services; "skill is a costly tool for banks": However, customers may become potential allies in ensuring service quality. On the other hands, customers are also assigned new and additional roles by company in quality control: continuous requests for ratings and feedback increases the pressure on workers, and as workers are routinely required to ask for ratings, respect and dignity at work are at stake as well. Some participants argued that increases in efficiency do not necessarily lower service quality. In the case of call centres, the **distribution of value** created along the chain is the question. "Who controls the chain and ensures the algorithm takes 80% of the cut?" would have to be the question.

Addressing possible union strategies, the group agreed that the need is pressing to **make unions appealing**, show what they can do. This needs to go beyond (material) interests. They also offer an exchange of social views and a sense of community and social relationships to individualised and fragmented workforces. Young people in "new" employment relations ask unions, what can you do for me? They want safe jobs, security and advice, the same things as years ago but the context has changed, so this requires new solutions for new contexts: “if we (the union) can't prove that we are modern we are not relevant, so we have to have both”.

Addressing the issues of self-employment is considered part of the challenge. Here, sometimes freedom of association in line with the ILO convention needs still to be achieved as collective bargaining for self-employed can legally be considered a cartel on the EU level and in many countries. In Ireland, the actors' union was taken to court for a collective agreement but won and created case law. French CGT reported they had focused too much on working with salaried employees and are trying for a new stand to reposition ourselves. CFDT in France has offerings for the self-employed, but positions are much more varied, and they find that among this clientele it is “not easy to make understood that it can be beneficial to negotiate collectively". In Italy, a contract has been created for part-time employees who are also part-time independent. In general, unions increasingly need to organise non-traditional workers and bargain also for the outsiders. - "this is not the reality we want but the reality we have to face”.

Trade unions also need to extend their networks and alliances: with transnationalised work, they need to be **more International** and set up connections globally. A general aim would be to gain voice in identifying **jobs that need to be done by a human**.

To engage customers, **social quality labels** were discussed. They would put the onus on consumers to behave properly. In the media sector such a label could be dependent on adherence to collective agreements, certain social rules or fair competition. IG Metall’s code of conduct and quality assessment of platforms was mentioned. However, consumer choices are notoriously unreliable and contradictory: “everybody wants to do their shopping on Sunday but no one wants to work on Sunday”.

Finally, the group addresses the question of r**egulation** on the EU and national levels. The question is to what extent does regulation change the concept of **good and decent work**? How adaptible does it need to be in the current environment where service sectors have varied conditions, work is becoming , location-independent, and professions can change. Considering taxation, the regulation of platforms would be simple because it is all digitised – access to the data is the issue. D**elivery services** such as deliveroo (Spain) should be considered as employers since being regarded as self-employed, workers lose rights and social security. This requires unions’ influence on governmental public policy, to ensure platform business models do not simply undermine existing jobs.

There are many European initiatives on the digital market, but their impact on labour market and social dialogue is currently very small and not necessarily favourable. Creating a European **enabling framework** that addresses these questions is extremely important. Unions might need to draw up a campaigning framework to help public authorities define the scope of necessary negotiations,.

Regiulation on the different levels needs to be aligned, considering different standards in different countries: what might be decent in one country might not be decent in another country. The basis would be to develop a **common understanding** that workers “need to put bread on the table”, and to take the perspective of whole value chain and the ever-shifting relations between cores and peripheries in the European regions and segments of the labour market.

The group created the following summary points:

- More self-employed, with restrictions on negotiation (cartels)

- greater need for training and ongoing development
- erosion of social context of work: loneliness of the long-distance employee
- standardisation and low-level basic service provision - how to sustain variety
- regulation: enabling framework on EU level
- evolve legal status of "independent" worker
- rebalance relation and risk-sharing between "independent workers" and "employers" - whereas platforms' business model aims to externalise all costs.

5.3 *The anticipation of change by trade unions*

Group D focused on trade unions' capacities for anticipating change in the volatile and ever-flexible environments of digitalisation and transnationalisation. Cetnrally, this was considered important to influence training and learning of workers. Trade unions need to be involved in the varied forecasting instruments and initiatives, not least because they can bring distinct sector- and company-level knowledge to such efforts.

Trade unions also need to increase their cooperation and extend ties beyond the borders of countries and also sectors and traditional organisational domains, including the recruitment of new types of workers, from the self-employed and freelancers to other mobile and transitory workforces. Again, service unions are in a key position to address customers'/consumers' roles in the service triangle.

6 Plenary

The final discussion picked up on the needs for a legal framework for digitalisation, the question of training and retraining and the anticipation of change, and on the social dimensions of changing service markets.

The question of **legislation** does of course not only affect the social partners but also unions and their members in their capacity as citizens and parts of civil society. EU legislation on the Digital Single Market needs to pay more attention to issues of work and society into which digital markets are embedded. Still, legislation needs to maintain a balance with employees and companies' needs. Legislation may not always need to be "new" – some existing rules and regulations may be usable for trade unions or may require better enforcement. Key questions for regulation are the status of "workers" and issues of privacy and data protection. New forms of employment and also crowd-based (self-)employment may require clarification of the "worker" status. As teleworking expands, workers may need new rights to shape flexibility in their favour Big data analytics pose new challenges for data protection as the scale and depth of results may affect privacy in new ways. This is exacerbated by the emergence of the large monopolies that characterise digitalised markets. A question related to both regulation and service innovation is the potential of big data to be used for the common good and not just for commercial purposes.

Lifelong learning and ongoing or intermittent training is key to ensuring workers' ongoing participation in digitalised economies. As work environments change, it provides the prerequisites for workers to adapt and develop within one's career and to achieve the necessary functional flexibility. This should require not just obligations but rights to training and the provision of access to it, also in terms of finance. However, training and learning also concerns the workplace: developing new skills (also soft and social skills) should also be possible in the workplace and workplaces need to be receptive to this kind of learning. Training needs to take the needs of varied groups of workers into account: the less educated may require training that is adapted to their needs and forms of learning. They also need to address the competition they may face from younger, more formally educated workers. Younger people may require less training on the day-to-day handling of digital technologies and devices. In order to adapt and expand systems of general and vocational training on all skill levels, trade unions and social partners need to cooperate with governmental and also European institutions.

In the dimension of **social change** and changing power relations in digitalised societies, service unions are in a key position to involve people in their multiple roles as employee, consumer and citizen and establish new and wider alliances in the interest of inclusive and sustainable high-quality service societies. This is the more urgent in the face of multiple challenges that are not simply caused by digitalisation on its own: individualisation at work as traditional work spaces and working relationships are changing; a reduction of trust in both people and institutions as personal and longer-term relationships of customers and service employees become rarer; and new lines of polarisation and "digital divides" between those people that engage with the digital world and those who do not.

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