

The digital agenda of the European Commission: Preliminary ETUC assessment

Endorsed by the Executive Committee at its meeting on 17-18 June 2015

In its Communication “A digital single market strategy for Europe” (6 May 2015) the Commission adopts the traditional internal market approach.

Its aim is to ensure a proper functioning of the single market, to look for obstacles and burdens to be eliminated: in particular geo-blocking, insufficient cross-border e-commerce, high cost of parcel delivery, adaptation of telecom rules and launching of a European Cloud initiative. The Commission approach is extremely narrow, focussing mainly on the experience of a travelling consumer at a time when the digital transformation is generating major changes in industries and services¹.

Although studies say that an investment of 90 billion Euro yearly is necessary to ensure that Europe keeps its competitive position, the Commission fails to assess investment needs. The huge investment gap is at odds with the target of increasing industry's share of European GDP to 20%. Past industrial revolutions have been sustained by massive public investments and a complex range of institutions, which have adopted appropriate policies to check free market excesses.

The Commission fails to deliver a clear analysis of the strengths and weaknesses of the digitizing industries and service providers in Europe and its impact on jobs, of the risks of abuse of dominant position, and on the compatibility of the digitalisation with the "social market economy" set as one of the EU objectives.

The Commission also invites social partners to include the digital single market in their social dialogue at European level.

Digitalization is not just a technological issue or a question of the market, it is also about just transition of traditional jobs to digital jobs in the industrial and the service sector, it is a question of future society and its cohesion. Digitalization is a megatrend for the world of work, one we must be involved in shaping.

The trade unions' main focus must be put on the spectacular increase in productivity and its huge impact on employment and work. There is potential for major risks – in terms of monopoly building, mass redundancies, new possibilities of supervision and control, even of spying on employees, inadequate data protection etc. – and for major opportunities as well – new possibilities for better information, communication, participation and networking. Monopolies are neither compatible with the “proper functioning of the internal market” nor with the “social market economy” that is among the objectives of the EU (article 3 TEU).

Effective data protection is a fundamental right, which is guaranteed in Article 8 of the Charter of Fundamental Rights of the European Union, as well as in Article 16 TFEU, and it is inseparable from Article 7 of the Charter; the right to respect for private life².

The ETUC is concerned that there is no attempt to analyse the social impact of digitalization on companies in general and labour in particular (Work 4.0), labour law,

¹ For instance new online services for taxis, accommodation, currency exchange and loans etc., transport by drones, nanotechnology, genetic engineering, but also digital tools like 3D-printers which allow manufacturing to take place at the click of a mouse; etc.

² ETUC position on the General Data Protection Regulation – improving the protection of workers' data. Adopted at the Executive Committee on 17-18 October 2012 http://www.etuc.org/sites/www.etuc.org/files/EN-Data-protection_1.pdf

working conditions, work-life-balance, social rights as information, consultation and board-level participation, collective bargaining, social dialogue etc., which will be key to an innovative digital labour policy.

The ETUC is worried about the extension of digital precarious work. There is a risk of de-limitation of work (“always on”) and de-limitation of companies, with crowdworkers executing tasks from remote locations, from home or other workplaces (telework, etc.).

If crowdworking is not regulated, a return to 19th century working conditions might well happen: this growing part of the workforce is exempt from national labour law, and is not covered by fundamental social rights. Crowdworkers and the increasing number of micro-jobbers get no holiday pay, no sick pay, and are not covered by social security. Some trade unions have just established web-based platforms to assist crowdworkers³. Crowdworking must be considered as a new form of outsourcing of work through internet platforms and needs a framework at European level, even though it is still a peripheral phenomenon. The problem of the power imbalance between employers and crowdworkers must be tackled together with trade unions.

The ETUC demands that digitalization be based on quality work and the transition to be anticipated and managed in close cooperation with trade unions, EWCs, workers representatives in general. Good work in industry 4.0 or smart services needs to be based on a new social contract, with strengthened and enlarged information, consultation, participation rights, with democracy at the workplace. Digitalization can potentially even have an emancipatory effect, through sensor technology, automation⁴ and robotization of monotonous repetitive tasks, increase of time sovereignty and time autonomy (e.g. shutdown of email-system after working hours), however until now the main driver of digitalization and the major objective is still cost reduction. New European regulation is to be developed on the base of the aforementioned principles. The ETUC is ready to support the transition to digitalization if the framework is sustainable, just and fair.

The ETUC agrees with the Commission on the importance of improving digital skills. This requires active labour market policies, as well as employers’ readiness to provide training during working time. Skills upgrades should also be offered to the unemployed.

The Commission rightly proposes to improve digital skills and encourages social dialogue in this field. **The ETUC is open to discussing issues linked to the impact of digitalization on working practices in the framework of the European social dialogue,** for instance on skills training leave, on stress, accessibility around the clock, and the ICT gender and generational gap.

A wide ICT gap in terms of gender and skills persists in Europe, despite the strong evidence that women’s active participation in the ICT sector is essential for Europe’s long-term growth and economic sustainability. Women in Europe tend not to take ICT studies and are under-represented in the sector, particularly in technical and decision-making positions. For a digital economy, it is crucial to create further education and training incentives for women and girls, from an early age, to learn to use and upskill in ICT, and to take careers linked to ICT with a view to applying these skills in the labour market. The generational skills gap must also be tackled.

Tools to anticipate and manage change are essential, in particular information in advance of digital transformations and digital restructuring processes, consultation on the process and participation rights as well as forward looking training in digital skills.

³ www.faircrowdwork.org ; www.cloudworker-beratung.de – platforms to create transparency on (poor) working conditions which is part of classical trade union work but on the internet.

⁴ Automation should not be about replacing workers but about new cooperation between workers and machines which demands different skills.

The impact of digital transformation on these tools need to be addressed and discussed to adapt and re-shape them where necessary. The Commission Communication is empty on the impact of digitalization on workers' participation.

The ball is now next in the court of the European Parliament to discuss the Commission's communication. The ETUC calls upon the EP to address the digital challenges not only from the usual narrow internal market perspective but from a societal point of view, including the need to shape the future of industry, services and high quality workplaces in Europe, based on an in-depth assessment of the current digitalization process. The problem of increasing inequalities between the digital elite and "normal" workers and in particular the exploding number of crowdworkers needs to be addressed to avoid an increase in precarity, fake self-employment and the establishment of a new low-wage sector.

The future of work must be at the centre of any serious debate on digitalization based on a skilled workforce in a fair and just society. Putting the focus on obstacles to the single market reflects a narrow view of the changes ahead. . It is of the utmost importance to steer digitalization in a sustainable and fair direction before millions of jobs are jeopardised in Europe⁵, adding to the already high level of unemployment, and before working conditions are dramatically affected. It is high time to kick off a European dialogue over digitalization.

Therefore the ETUC demands a permanent European Forum composed of the European Commission, the European Parliament, and social partners, to discuss how such a European digital vision can be developed and how to shape the future digital Europe, how to design industry 4.0, workplaces 4.0 and smart digital services, on the basis of a clear roadmap. It is in this context that the demand of some stakeholders for a strong regulation of monopolistic digital platforms should be dealt with.

⁵ According to estimates ("The Future of Employment: How Susceptible are Jobs to Computerisation?" OMS working paper by Dr. Carl Benedikt Frey & Michael A. Osborne, <http://www.futuretech.ox.ac.uk/future-employment-how-susceptible-are-jobs-computerisation-oms-working-paper-dr-carl-benedikt-frey-m>), about 45 percent of total US employment is at risk. According to a note by Jeremy Bowles around 45% - 60% of the European labour force might be affected by the risk of job automation (The computerisation of European jobs - who will win and who will lose from the impact of new technology onto old areas of employment? on 17th July 2014, <http://www.bruegel.org/nc/blog/detail/article/1394-the-computerisation-of-european-jobs/>). On the other side, Commissioner Ansip announced the creation of 3 million additional jobs until 2018 in the App economy alone (Le Soir 4 June 2015).