The rise of digital platforms: How are trade unions responding?

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The Nordic model disrupted: A seismic shift or a natural development?
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From job economy to gig economy

- Numerous concepts: atypical employment, non-standard work, contingent work…
- Some more normative than others: precarious work, bad jobs, working poor…
- McKinsey (2016): 20-30 % independent workers in Europe and the USA
- ILO (2016): four types – temporary work, parttime, multi-party employment relationships, disguised employment

Digitalization accelerates the development in two ways….

1) Automatization of work (robots, big data etc.)
   - affects job content
   - job loss/loss of job functions

2) Digital platforms
   - affects job structure: gigs instead of jobs
   - growth in new forms of employment (micro work etc.)

Digitalisation and automatisation

- 'Old debate'
- Loss of employment:
  - Frey and Osborne (2013): job loss, 47 percent in the US, 10-20 years
  - Chui et al. (2015, 2016): loss of job functions, 45 percent in the US, 10-20 years
  - Arntz et al. (2016): loss of job functions, 9 percent are high risk job (DK, USA, OECD).

These figures are ' pure losses' – do not include new jobs/ job functions that arises as a consequence of automatisation

Digital platforms

- 'New debate'
- Platform-, on-demand-, gig economy – what's new?
- 1 percent of the US economy (Farrell and Greig 2016) – half labour platforms (Upwork, Freelancer, Taskrabbit) and half capital platforms (Airbnb etc.)
- About 10-15 percent of citizens aged 16-75 have earned something on a labour platform the last year in a number of European countries (Huws and Joyce 2016).
- Supplementary income

Open questions

- Can gigs via digital platforms replace the loss of employment caused by automatization?
- Can the Nordic models of labour market regulation adjust to the gig economy? If not – which actors will deliver the risk minimizing nescessary for all parties involved?
- What are the unintended consequences of the gig economy in the long run for the Nordic welfare states? (pension savings etc.)

Challenges for gig users ('workers'): polarisation of pay

- Rating online creates a high road and a low road – studies of Upwork (Judge 2016; Cevea 2016):

- most get a low price for low quality (DK 100-150 kr/t)
- a few gets a high price for high quality (300+ kr/t)
- the middle disappears – medium price for medium quality

- Is this a new challenge among freelancers?

Challenges for gig users ('employers'): matching and trust

- Pricing?
- Recruiting the right competence
- Trust – quality, security, confidentiality
- Insurance

Challenges for the Nordic models and welfare states: future wages and social assistance

- Old instrument: minimum wages via collective agreement
- New instrument: basic income
- Unemployment benefits?
- Pensions? Maternity leave? Sick leave?
- Funding of the welfare state: taxation of work?
- How do we tax digital platforms (data access, data ownership, data capacity, analytic capacity)?

Social partner responses in Denmark (private service sector)

Denmark	Union	Employers´ organisation
Unilateral arena	• Analyses/reports, media appearance • Political project • Dialogue with government departments and political parties • Responses to EU strategies • **Pension schemes for union members – including freelancers**; freelancer network • Dialogue with European and international unions	• Analyses/reports, media appearance • Political project • Dialogue with government departments • and political parties • Dialogue with European forums and • employers' organisations
Tripartite arena	• Roundtable at Copenhagen municipality • Government-led strategy process on sharing economy (open ended) • Union-led conference on platform economy • Union-led expert panel on platform economy scheduled for 2017 • **Government-led disruption panel scheduled 2017-18**	• Roundtable at Copenhagen municipality • Company forum • Debate at Denmark's Political Festival • Tripartite meetings on unemployment benefits – new agreement • **Tripartite negotiations on further training scheduled for 2017**
Bipartite arena	• Informal contacts to employers´ organisations • Contact new digital employers	• Informal contacts to unions

Social partner responses in Sweden (private service sector)

Sweden	Union	Employers´ organisation
Unilateral arena	• Analyses/reports, media appearance • Dialogue with departments and political parties • Dialogue with European and international unions • Responses to EU strategies • Website on automatization • **Attempt to build a private unemployment office for white collar workers (through a cartel of white collar unions)**	• Analyses/reports, media appearance • Think tank which deals with the issues of education in a digital context • Dialogue with departments and political parties • Dialogue with European forums and employers´ organisations
Tripartite arena	• **Digitalization commission (2013)** • **Taxi commission (2015)** • **Workplace safety in the new economy (2015)** **+ five more commissions since 2015** • Many new tripartite initiatives in the making on platforms, life-long learning and social security	• **Commission on future work (Arbetet i framtiden)**
Bipartite arena	• Informal contacts to employers´ organisations • Contact new digital employers	• Informal contacts to unions

Social partner responses in Germany (private service sector)

Germany	Union	Employers´ organisation
Unilateral arena	• Analyses/reports, media appearance • Dialogue with departments and political parties • Dialogue with European and international unions • Responses to EU strategies (Digital single market strategy, Refit strategy)	• Analyses/reports, media appearance • Dialogue with departments and political parties • Dialogue with European forums and employers´ organisations • Internal political project: Digitalization • Responses to EU strategies (Service directive) • Participation in High Level Group
Tripartite arena	• **Federal Ministry of Labour: Arbeiten 4,0 (white book 2016)** • **Ministry of economic affairs: Platform competitiveness + six other government-initiated processes,** • **Ministry of education and science affairs: Innovations for the production, services and labour of tomorrow (research funding)**	• Participation in several commissions initiated by ministries • Conference 2015: Digital services
Bipartite arena	• Informal contacts to employers´ organisations • Collective agreements to protect the employees from redundancies as a result of technical progress and automatization (Rationalisieringsschutzverträge) • **Telekom agreement (2015): early retirement, reskilling.**	• Informal contacts to unions

Industrial Relation for the future gig economy

Unions and employers´organizations: selective incentives might be a driver of organization

Collective bargaining: company agreements with a frame work character (pension, insurance etc.) might be the first attempts

Platforms: will certain Nordic platforms develop into temporary work agencies?

Macro-level adjustments: will we see tripartite initiatives that adjust benefit systems and education systems?

Further research 2017

- Survey on automatisation and gig economy among 20.000 Danes (Danish Labour Force Survey)
- Research note (first results) ultimo 2017
- Book (in Danish) primo 2017