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

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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 necessary 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)

<table>
<thead>
<tr>
<th>Denmark</th>
<th>Union</th>
<th>Employers’ organisation</th>
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</table>
| **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)

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<td>• Dialogue with departments and political parties</td>
<td>• Think tank which deals with the issues of education in a digital context</td>
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<td>• Dialogue with European and international unions</td>
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<td>• Responses to EU strategies</td>
<td>• Dialogue with European forums and employers’ organisations</td>
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<td>• Website on automatization</td>
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<td>• <strong>Attempt to build a private unemployment office for white collar workers (through a cartel of white collar unions)</strong></td>
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<td><strong>Tripartite arena</strong></td>
<td>• Digitalization commission (2013)</td>
<td>• Commission on future work (Arbetet i framtiden)</td>
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<td>• Taxi commission (2015)</td>
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<td></td>
<td>• Workplace safety in the new economy (2015)</td>
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<td>+ five more commissions since 2015</td>
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<td>• Many new tripartite initiatives in the making on platforms, life-long learning and social security</td>
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# Social partner responses in Germany (private service sector)

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<td>• Analyses/reports, media appearance&lt;br&gt;• Dialogue with departments and political parties&lt;br&gt;• Dialogue with European and international unions&lt;br&gt;• Responses to EU strategies (Digital single market strategy, Refit strategy)</td>
<td><strong>Union</strong></td>
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<td>• Federal Ministry of Labour: Arbeiten 4,0 (white book 2016)&lt;br&gt;• Ministry of economic affairs: Platform competitiveness + six other government-initiated processes,&lt;br&gt;• Ministry of education and science affairs: Innovations for the production, services and labour of tomorrow (research funding)</td>
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<td>• Informal contacts to employers’ organisations&lt;br&gt;• Collective agreements to protect the employees from redundancies as a result of technical progress and automatization (Rationalisieringsschutzverträge)&lt;br&gt;• Telekom agreement (2015): early retirement, reskilling.</td>
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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 framework 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