



SEEDING

Policy

Recommendations

Social Economy Enterprises
addressing Digitalisation,
Industrial Relations
and the European Pillar
of Social Rights

led by
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1. PROMOTE FORMS OF DISCUSSION AND INVOLVEMENT OF WORKERS IN DECISION-MAKING

Problem:

Innovation processes may be implemented without considering the impact on workers and their expectations. In turn, beside possible job-cuts and negative effects on working conditions, this may also trigger resistance from workers to innovation and mistrust in the company.

Target group:

Companies

Policy recommendations:

Promote forms of discussion and involvement of workers in decision-making, including by appointing dedicated structures or managers with the responsibility to present, discuss and negotiate digital innovation processes in 'cooperation' with workers (e.g. both through regular meetings with unions and by collecting workers' opinions and feedback).

Inspiring cases:

As part of its digitalisation process, [Groupe UP](#) implemented training sessions entailing pilot tests for new technologies as well as the adjustment of objectives following structured

feedback by workers. In addition, it concluded several collective agreements in areas such as training, remuneration, working hours, health and safety, fostering diversity, professional equality and staff representation.

The social and educational service cooperative [Suara](#) entrusted a 'Digital Transformation Office' to accompany its digitalisation plan, by organising regular meetings to assess its achievements and weaknesses, and by involving workers in the evaluation of changes.

The dairy producer [Piątnica](#) has so far managed to extensively automate its production process while improving wages and working conditions. This was achieved in part thanks to the ability of this farmers' cooperative to expand its sales and to the health and safety improvements resulting from automation. Yet, before any further steps towards robotisation are taken, the cooperative's members and employees will decide on further action to achieve a new win-win equilibrium.

2. EXPLOIT THE POTENTIAL OF DIGITAL TOOLS IN DECISION MAKING PROCESSES

Problem:

As the complexity of organisations and of the challenges they face grows, traditional participatory tools alone may not be enough to guarantee both adequate information sharing and discussion with workers/members affected.

Target group:

Companies
Unions and employers' organisations
(also in terms of internal discussion and decision-making processes)

Policy recommendations:

Exploit the potential of digital tools to reinforce democratic dialogue and collaborative decision-making processes.

Inspiring cases:

[Suara](#) adopted a platform (DECIDIM) to stimulate internal debate while tasking a group of mentors to initiate new members in the use of the tool. The use of digital tools to support decision-making is also common in platform cooperatives (see the case studies of [Ouishare](#) and [Happy Dev](#)).

3. PROMOTE AND INCENTIVISE THE PROVISION OF VOCATIONAL TRAINING

Problem:

Innovation and the automation of work are leading nowadays to a rethinking of the role of blue-collar workers as controllers or 'appendices' of machines. Yet technology may soon facilitate access by firms to completely automated vehicles and production systems, further reducing the need for labour input especially, but not only, in manufacturing. In order to secure jobs, vocational training should be embedded in employment relationships and addressed in digital innovation plans.

Target group:

Social partners jointly
Policy-makers

Policy recommendations:

Introduce a 'right to training' for workers, i.e. provisions obliging companies to ensure that their employees have access to vocational training, and/or a commitment to negotiate training plans via collective agreements or as a condition of accessing public funding targeting new technologies. Public procurement may also entail similar requirements and/or incentivise the provision of training, for instance by excluding from competition

costs meant to cover training associated with the adoption of emerging technologies.

Inspiring cases:

Coming from a sector experiencing high automation of jobs, the cooperative bank [Raiba MSP](#) has invested heavily in vocational training which is structured into a phase-oriented personnel policy entailing individual personnel development plans and preparing employees in areas such as IT systems and customer relations. The company also encourages peer-to-peer learning among colleagues. Upskilling of bank clerks was also adopted as a tool for growth and job retention at the [Cooperative Bank in Kruszwica](#), while the agricultural cooperative [Agrargenossenschaft Trebbin eG](#) accompanied a wide automation and digitisation process with several training measures to upskill its workforce, implemented in cooperation with the providers of the new machines and software. In the case of [Ambulancias Barbate](#), the digitalisation of ambulances was a necessary requisite for access to public funding, which is a reminder that public tenders may actually set the rules for accompanying digital innovation with social responsibility by combining criteria in public procurement. Finally, the cleaning and facility management company [Formula Servizi](#) trained its staff to do robot maintenance while introducing automation technologies to distribute drugs in hospitals.

4. SET MINIMUM PAY AND COLLECTIVE RIGHTS FOR SELF-EMPLOYED WORKERS

Problem:

Labour platforms may make use of a mostly or entirely 'self-employed' workforce. Although the platforms may give genuine self-employed workers access to a wider market, they may in practice leave little room for workers to exercise autonomy and control over their service, clients or job opportunities. The platforms may in fact promote competition on the basis of price and availability on the platform in order to attract more customers. In the presence of information asymmetries and imbalances of power in favour of platforms, negative effects may prevail. Whilst algorithmic management can exacerbate these aspects, especially by means of opaque rating and ranking systems, this business model can also be found in other businesses which pursue their core activities with a crowd of flexible self-employed workers rather than with their own staff.

Target group:

Policy-makers

Policy recommendations:

A first step to prevent a race to the bottom in platforms and similar businesses is the adoption of minimum rates of pay for

self-employed workers which will provide a decent living and compensate for their market risk (i.e. the amounts should be above those set for employees in comparable positions). This aim could be supported via the Digital Services Act and its provisions on collective bargaining for self-employed people. At the same time, since provisions of this type can easily be circumvented for tasks which do not have a clear link with working time or with measurable parameters, the role of social dialogue should be fostered when it comes to workplace innovation and changes in the world of work, as entailed by the European Pillar of Social Rights Action Plan. For instance, an information and consultation procedure could be introduced to ensure that workers and unions can discuss hirings of non-standard workers over a certain numerical threshold, contracting of self-employed workers over a certain threshold, or outsourcing decisions. In the case of platforms, information and consultation rights could also concern the number of workers registered and active on the platform, as well as data on the distribution of their income.

Inspiring cases:

A platform for artists and related professionals, [Doc Servizi](#) mostly uses 'on-call' employment contracts to provide its services. Whilst this type of contract provides poor social protection, being an employment contract, it entails the

observance of minimum rates of pay set by collective agreements. The [4freelance](#) cooperative of IT freelancers divides its pool of workers among members and non-members of the cooperative. Before it assigns a job to a non-member, the cooperative first screens and selects candidate members. About 70% of vacancies are filled by members. While leaving members free to set their own prices, the cooperative also does not mediate below an hourly rate of €40 per hour, thus placing itself in a high-added-value market niche. As part of the requirements applying to an Irish publicly-funded traineeship scheme (the Community Employment programme), [Speedpak](#) must seek trade union approval to host trainees. The process is meant to avoid the replacement of staff with trainees, and also to enable unions to approach the trainees.

5. CAREFULLY ASSESS THE ADEQUACY OF ALGORITHMS

Problem:

The use of algorithm-based decision-making systems in platforms as well as in other companies may hide forms of direct or indirect discrimination by embedding selective information and criteria. For instance, while taking into account previous absences as a criterion for getting new jobs or a wage increase, they may fail to take account of care duties, leaves or participation in strikes.

Target group:

Policy-makers

Social partners jointly

Companies

Policy recommendations:

Ensure the transparent functioning of algorithms, by disclosing the criteria for final decision-making to the persons and organisations affected, and by making algorithms and their decisions challengeable via an impartial dispute resolution mechanism.

Consider the adequacy of algorithms as tools to foster innovation, assessing jointly with workers' representatives/unions if and how they may affect work organisation, beside their use to improve the quality and friendliness of the service for customers.

Inspiring cases:

The [Panato](#) company, which networks bag producers to sell their products to a wide market, makes the records of orders received and the related commercial procedure available to its affiliated companies. The information shared includes the producer to whom the order is assigned, ensuring transparency in the final results of its algorithm-mediated decisions. [Panato](#) also enables the bag producers to share their contacts with the network, while deciding whether or not to keep certain clients exclusively for themselves.

When it developed an application to serve taxi passengers, [appTaxi](#) maintained the rule that rides are assigned to the closest taxi driver in service. Therefore the algorithms behind the app do not affect the allocation of rides nor the organisation of taxi drivers' shifts. So far, the allocation of rides is actually made by call centre operators.

6. CREATE 'DIGITAL' SOCIAL COMMUNITIES

Problem:

Collaborative platforms and app-based services have an enormous potential to bring together people with similar needs and interests. Yet experiences in the sharing economy are often driven by profit-oriented firms, which may be unable or unwilling to stimulate cooperation among users or to expand the service to small communities, because they project limited if not negative profitability, or because they cover only small populations. Similar considerations apply to labour platforms, which may find it more profitable to rely on competition among the 'crowd' of involved workers rather than on their cooperation as a collective.

This may also mean that app-based services risk suppressing the untapped potential for cooperation among their communities of users and of workers.

Target group:

Companies

Social partners jointly

Policy-makers

Policy recommendations:

Exploit the potential of app-based services to create 'communities of users', thus helping citizens and businesses to combine their forces to solve common problems and, inherently, creating social cohesion.

Inspiring cases:

Som Mobilitat works as a community-owned car sharing service. Members jointly take decisions over the purchase of cars and organise shifts for maintenance and cleaning, thus developing interactions going beyond the use of an app and bringing car sharing services to suburbs outside the inner cities.

The France Barter platform, which is a marketplace that enables businesses to exchange their services and products, works as a closed circuit, enabling members to gain a credit or a debit which can be recouped only on the platform. The idea behind the service is to promote the digital space as a tool to find new interactions and synergies rather than to act only as a supplier. Akin to other cooperative platforms studied (Ouishare and Happy Dev), the company also organises physical events at which

members can get to know each other and foster opportunities for cooperation.

7. DEVELOP PUBLICLY ACCESSIBLE INNOVATION CENTRES AND PROMOTE ACCESS TO FINANCE

Problem:

Whilst digitalisation is enabling humankind to explore new and unprecedented opportunities, these may often be too costly or require specific competences, therefore risking leaving behind citizens and businesses lacking basic digital skills or adequate financial resources to invest in cutting-edge technologies.

Target group:

Policy-makers

Companies

Policy recommendations:

Develop publicly accessible innovation centres, where citizens and companies can 'dirty their hands' with new technologies with the help of tutors and mentors, in this way exploring their potential and testing small-scale solutions.

In order to expand actual access to new technologies, access to finance for innovative projects and the adoption of new technologies should be eased. Measures pursuing fairer taxation in the digital economy, e.g. the Digital Services Tax proposed by the European Commission, could provide funding to further this aim.

Policy Recommendations

Inspiring cases:

WeCreate provides students, citizens and businesses with a laboratory where they can explore and try new technologies, and have the possibility to better understand their use and how they could potentially adopt them to develop their ideas and business. Thanks to the knowledge and support of an organisation promoting technology transfer (CRS Laghi), the work integration social enterprise Naturcoop developed a digital working tool that makes it easier for workers with disadvantages to perform gardening activities, and helps the enterprise to improve its efficiency.

Meanwhile Hisa! and Knof are examples of how even the supply of basic digital skills can help small companies to reinvent their businesses and use the web as a place to find new customers or sell new services.

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