

SEEDING Background Report

Executive summary

2020

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

led by
DIESIS Network
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The background report of the Seeding project is the seminal product of the project. It develops selected areas of the project's research to analyse how social economy enterprises are dealing with the challenges and opportunities of digitalisation, and how their practices can feed collective bargaining and policy-making.

In particular, the report focuses on the definition and features of social economy enterprises at national level, the key features of industrial relations systems, figures and findings on digitalisation trends, and the related debate and measures adopted by policy-makers and social partners.

After a brief introduction to the key EU policies on the digitalisation of the economy, the report develops the above mentioned topics for each country within the project's geographical scope, namely France, Germany, Ireland, Italy, Poland, Slovenia and Spain.

Slight differences within the sample are already apparent as regards the very concept of social economy enterprise, which is sometimes confined by national strategies and programmes rather than benefiting from comprehensive regulatory frameworks.

Whilst national laws and programmes generally reflect the criteria adopted by the European Commission – i.e. pursuing a social or societal objective, reinvesting profits for this social objective, and using democratic or participatory decision-making methods – the latter principle is not always noticeable, and other criteria may be included, e.g. limits on sectors of activity, or, as is the case in Poland, limits on the wages of the management board.

Cooperatives are a key component of the social economy in France, Italy and Spain, where they are active across a broad spectrum of sectors. Meanwhile in Ireland cooperatives dominate the scene in agriculture and banking, while little data

is available on the features and size of the social economy as a whole.

The situation is different in Germany, where the term 'social economy' is mostly used in connection with charitable organisations, and in Poland, where the social economy appears primarily to be connected with associations, foundations and social cooperatives, which are mostly engaged in food services, services to business and persons, education and tourism.

In Slovenia, social economy enterprises seem confined mostly to service activities. While it is limited in size, the social economy is reported to be growing. Legislation was introduced in 2012 to define and support social economy enterprises, although initially excluding from its scope companies with a cooperative legal status.

Industrial relations and collective bargaining take different forms across

the countries covered. In Italy, France, Germany, Slovenia and Spain, the social partners are involved in defining terms and conditions of employment by setting relevant provisions through collective bargaining at the sectoral level. These provisions generally acquire binding effects upon all employers via different institutional mechanisms.

On the contrary in Ireland and Poland industrial relations show aspects of voluntarism, with agreements being concluded mainly at the firm level and with differences in their presence and application depending on the sector or the size of the firm.

Mechanisms to ensure workers' consultation not only on working conditions and work organisation but also on business strategies are in place in France, Ireland and, especially, in Germany, where co-determination bodies have been in place since 1951.

Among the differences arising within the sample of countries covered by the project, it should be mentioned that in Italy cooperative organisations generally make sectoral agreements that specifically target their affiliates. In other countries, cooperative and social economy organisations do not take part in collective bargaining, although they may be recognised as relevant institutional actors, as is the case especially in Spain.

The chapters addressing digitalisation show how debate on, and the adoption of, digital technologies in companies reflect situations that are at odds with each other.

On the one hand, there is concern that new technologies, from the automation of manufacturing jobs to the platformisation of service activities, while not yet widespread, may have a disruptive impact.

Besides the risks of net employment losses, which are documented across

most countries, the debate highlights concerns over new privacy risks for employees (e.g. data collection by means of GPS or wearable devices), the risks and opportunities that telework presents for work-life balance, and new risks of the casualisation of employment arising from the business model endorsed by platform companies.

On the other hand, the digital divide, in terms of the digital literacy of companies and workers, as well as the availability of digital infrastructure (e.g. broadband telecommunications), acts as a barrier to the introduction or exploitation of new digital technologies, with many people and enterprises risking being left behind. The Spanish and Polish chapters also highlight how the casualisation of employment or the lower overall labour cost may work as a further disincentive to innovation, while providing a cheap pathway to competitiveness.

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Governments have adopted national plans – e.g. 'Industry 4.0', 'Future of Industry', 'Work 4.0' or 'Smart Specialisation' – to face the challenges and opportunities of digitalisation, also mobilising EU funds.

The usual pillars of these strategies include training programmes, awareness-raising activities, grants or loans to support private investment, and networking activities meant to stimulate cooperation between firms, start-ups and other stakeholders.

In France and Germany, the elaboration of these plans followed consultations with social partners to discuss priorities and goals. This has resulted, among other things, in measures concerning platform workers and work-life balance in France and in a plan addressing new occupational health and safety risks linked with new technologies in Germany. Together with Italy and Spain,

these countries also provide many examples of accompanying measures implemented by social partners, either to channel information on funding or training opportunities, or to provide guidance on their introduction, for instance by negotiating ad hoc agreements.

Interestingly, the German White Paper on the 'Work 4.0' plan recommends the cooperative model as a tool to address digitalisation challenges, especially as an alternative to venture capital-backed digital platforms.

Thanks to their experience in social and labour inclusion and to their ability to blend workers' and community expectations into their decision-making process, well-functioning cooperatives and social enterprises can seed solutions to today's questions on how to make digitalisation work for workers and for society at large.

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