The European Commission’s half-finished digitalisation strategy

A critical assessment by UNI Europa
UNI Europa concerned with social shortcomings in Commission’s digital agenda

The digital future is already here - the digitalisation of Europe is exciting but carries with it challenges as well as opportunities. Europe needs to respond quickly to this development to ensure that it leads to economic growth, quality jobs, a skilled workforce and social justice.

The European Commission has responded to digital development with the Digital Single Market Package (the DSM Package) and with it hopes to ensure the proper functioning of the single market by facilitating digitalisation and addressing challenges like geo-blocking, EU copyright and telecom rules, and high costs of parcel delivery in Europe.

Although UNI Europa welcomes the Commission’s effort to respond to digital development, it finds the Commission’s approach too narrow and consumer-focused and lacking in emphasis on how this development affects workers, industries and services.

UNI Europa calls on the Commission to ensure a broader focus in its digital agenda, in order that it empowers European citizens, fosters cohesion and is inclusive of the needs, rights and ambitions of all Europeans.

While new possibilities, in terms of better information and communication, more productivity, economic growth and smart services, are promising, there is also a dark side to digitalisation which can negatively impact European citizens and industries. We need to make sure further digitalisation isn’t coupled with wage dumping, mass redundancies, excessively dominant online platforms (including sharing economy portals), precarious working conditions, a rise in atypical employment and the invasion of employee privacy (personal data).

Crowdsourcing platforms, where companies can recruit cheap labour without territorial boundaries, is another example of dangers posed by digitalisation. A growing number of crowdworkers are being excluded from fundamental social rights, such as access to social security and the right of collective bargaining. EU policy needs to make sure all workers are protected no matter their employment contract. Furthermore, EU digital policy needs to address challenges such as the digital skills gap and gender gap, e.g. through education and training.

Digital changes to the labour market need to be adequately monitored and managed in close co-operation with trade unions and other social partners. We have to make sure digitalisation doesn’t jeopardise employment rates or the quality of jobs and fundamental social rights need to be at the centre of Europe’s digital future.

Therefore, although UNI Europa welcomes the attention the EU is paying to digital policy, the shortcomings of the DSM Package need to be addressed. It needs to include a social dimension based on principles of empowerment, inclusion and cohesion. Europe is more than its single market - European citizens and industries need to be in the forefront of further discussions on digitalisation. Consultation with trade unions and social partners is crucial to successfully anticipate and manage digitally driven change in the labour market.
Digitalisation – the spread of digital technologies across all segments of society and the economy – certainly is the most exciting development of our age. UNI Europa firmly believes that a digital Europe can be a better Europe – a Europe in which growth goes hand in hand with higher quality jobs and more social justice. Yet, the benefits of digitalisation will not be reaped automatically. Indeed, turning digitalisation into a driving force of economic and social progress requires that it be embedded in a policy framework that shapes the digital revolution to the benefit of all in the EU. UNI Europa therefore welcomes the European Commission’s eagerness to become involved with the digital revolution. Digitalisation constitutes a truly transnational development that affects citizens and workers across Europe alike. Therefore, a European Union is needed that uses its competences and coordinates and collaborates with Member States where national action is required to shape the digital revolution to the benefit of all in Europe.

With the digital single market package (hereafter: ‘the DSM package’), the Commission has presented its long-awaited strategy for ‘transforming European society and ensuring that it can face the future with confidence’ in the face of digital change. It is against this background that UNI Europa presents this assessment of the DSM package. In short, we find that the European Commission seems well aware of the main economic potentials and challenges that digitalisation entails. Yet, UNI Europa notices that the DSM package remains incomplete. Although society, labour markets, and workplaces are expected to undergo fundamental transformations as a consequence of digitalisation, the DSM package lacks comprehensive and meaningful proposals to shape these transformations to the benefit of workers and, indeed, citizens in Europe. UNI Europa therefore calls on the European Commission to start developing, in close cooperation with the social partners, a strong social dimension in EU digital policy, i.e. policies to foster quality jobs and social justice under the conditions of digital change. To this end, UNI Europa stipulates the following three principles that, in our view, must guide the development of such a socially-balanced approach to digital policy in the EU:

- **Empowerment**: ensuring that all Europeans have the rights they require to shape the digital revolution at work and beyond according to their needs and ambitions. In the face of high levels of citizen alienation from EU politics, the EU cannot afford driving another un-inclusive project that is seen by Europeans as forced upon them.

- **Cohesion**: steering the process of digitalisation so it nurtures solidarity between workers, citizens and countries in Europe. Without such a concern for cohesion, the EU risks creating even more social inequality that, in turn, will create even more political and economic imbalances in Europe.

- **Inclusiveness**: making the digital realm open to all and providing all Europeans with the protections they need to embrace the digital revolution. European integration is based on the notion of democratic and social progress for all and must remain so in the face of digitalisation.

To prepare this, the following pages discuss the DSM package with a view to highlighting how these three principles relate to the Commission’s objectives and proposals. The discussion focusses on the three ‘pillars’ of the DSM package that aim at 1) creating a seamless European digital market place, 2) adapting EU governance and policy to the digital age, and 3) unleashing digitally driven growth in the EU. Throughout our discussion, ‘digital devices’ illustrate how the principles of empowerment, cohesion, and inclusiveness can be enacted by EU digital policy. With our proposals, UNI Europa aims to prepare the ground for fruitful discussions with EU decision-makers and fellow social partners on quality jobs and social justice in a digital Europe. For us, such open debate is crucial to master the digital revolution successfully. Indeed, more and more governments around the globe actively reach out to citizens, the social partners, and organised civil society to collaborate in the management of digitalisation. In some cases, this includes detailed consultations with the social partners to anticipate and manage digitally-driven change in the labour market. Together with the unions represented in the European Trade Union Confederation, we call for similar action at EU level.
Under the heading of ‘better online access for consumers and businesses to online goods and services across Europe’, the DSM package presents a set of measures that aim at creating an integrated digital market place that allows businesses and consumers to buy and sell online across EU borders. After a short review of why policy action in this field matters, we discuss those of the DSM package’s policy proposals presented that require specific attention to cater for empowerment, cohesion, and inclusiveness in the digital age. Finally, we identify a number of issues arising in relation to the Commission’s aim of creating an integrated European digital market but which have so far not been addressed by the Commission’s digital policy initiatives.

**IN A NUTSHELL**

**what is this about?**

Supporters claim that digital technologies and the internet have the power to boost the efficiency of EU markets and our economy to unprecedented levels. By creating virtual marketplaces on which buyers and sellers can meet without having to be in the same physical location, the internet creates virtually limitless arenas of ‘eCommerce’ in which buyers can compare and pick the offer of sellers from practically anywhere in the EU. Next to consumers, this eCommerce-logic of course applies to companies, too. Accordingly, more and more companies turn to digital markets in order to source crucial business inputs like capital, labour, and intermediary goods and services at the most competitive price across EU borders.
2.1 What does the DSM package propose?
In line with this approach and to facilitate such cross-border eCommerce, the DSM package announces a set of measures of which some require a sharp focus on empowerment, cohesion, and inclusiveness to advance these principles.

2.1.1 DSM proposal: Cutting the cost of cross-border parcel services
International parcel delivery services are a necessary complement to cross-border eCommerce - after all, the goods that online shoppers buy in another country need to be shipped to where the buyer lives. Yet, the Commission deems current prices for such international services too high and fears that this might discourage consumers from shopping across EU borders. The DSM package therefore announces regulatory action aimed at cutting prices for cross-border parcel delivery services - without, however, providing detail as to the nature of such regulation. Out of a concern for empowerment and social cohesion, UNI Europa urges the Commission to act with caution.

Already today, parcel delivery markets - at least for domestic services - are driven by intense price competition. Such competition creates strong pressure on wages and working conditions and causes a high incidence of low-wage and atypical employment. Moreover, fraudulent employment practices are widespread in parcel delivery services, for instance in the form of bogus self-employment that bars the affected workers from access to social security systems and collective bargaining. This equals a disempowerment of the workforce and poses a threat to social cohesion, as low-wage employment in the sector contributes to increases in income inequality.

2.1.2 DSM proposal: Reform of the EU copyright regime
The DSM package announces the revision of EU copyright rules to allow internet users to access content irrespective of national borders. The aim is to eliminate barriers to such cross-border access that stem from the divergences in the current national copyright regimes. UNI Europa supports this objective, yet highlights that particular attention is warranted to ensure that creators remain able to generate sufficient revenue and to protect the sustainability of public funding schemes in the creative sectors. Otherwise, reforming copyright regimes will most certainly lead to a pressure on financing and revenue. This pressure on costs will affect workers in the creative industries, many of whom are self-employed. As a worst-case scenario, unbalanced copyright reforms might plummet these workers into low-wage employment that drives rises of income inequality and thus poses a threat to social cohesion. To avoid this, a robust set of authors’ rights is needed that ensures creators have ample influence over the (re-)use, (re-)distribution, and revision of their works.

WHAT NEEDS TO BE DONE?
To protect decent levels of income in the creative industries to foster cohesion, forthcoming EU copyright reforms must give adequate weight to the economic interests of authors and creators, especially those of the numerous self-employed and micro enterprises in the sector.

Future regulatory intervention in parcel delivery markets must avoid adding to existing pressure on wages and working conditions in the sector. Instead, future regulatory action should include measures that empower workers and safeguard social cohesion by ensuring that all members of the parcel delivery workforce have access to collective bargaining and social security systems.

2.2 Additional measures to be included in future digital policy

UNI Europa recognises the potential benefits of digitalising EU markets and companies and thus notes the attention given to the issue by the Commission with interest. Yet, we notice that the foreseeable effects of digitalisation on markets and company structures are not fully reflected in the analysis underpinning the DSM package. As we discuss below, digitalisation comprehensively transforms business models and processes in the EU services industry – a process with major implications for services work and employment.

Based on a sound and complete analysis of this transformation, regulators and the social partners must manage this transformation actively and ensure empowerment, cohesion, and inclusiveness to support social justice and the quality of jobs in Europe.

2.2.1 Flexible Work

For UNI Europa, the DSM package lacks a clear mention of the fact that the digitalisation of business models may be truly empowering for employees. As their companies ‘go digital’, more and more services workers perform their tasks by use of digital mobile devices such as laptops and mobile phones. At least in theory, this allows employees to work flexibly at times and locations of their choice. Such flexibility may likewise increase the inclusiveness of labour markets, for instance by improving the situation of workers with care responsibilities who require such flexibility to be able to take on employment. Yet, flexible forms of work also entail the risk of ‘work without boundaries’ where employees are, or feel obliged to remain, available for work at all times – which may cause stress and burnout. Enforceable rules that clearly define employees’ working and leisure time and that tap into the progressive potential of flexible forms of work are therefore called for.

2.2.2 Crowdsourcing

UNI Europa further notices that the DSM package lacks reference to companies’ ability to recruit labour flexibly, cheaply, and without territorial restrictions in the digital age. So-called crowdsourcing platforms allow companies to publish online tenders for work assignments for which job seekers can apply. As the use of such portals is growing, this poses the following challenges:

- Workers winning contracts on crowdsourcing portals usually operate as freelancers – an employment status exempting them from standard employment legislation and the rights to information, consultation, and co-determination that employee status grants. The growing use of crowdsourcing platforms as intermediaries between employers and workers thus implies that an increasing share of the EU workforce is in need of empowerment. This is particularly necessary as such crowdworkers’ wages and working conditions are heavily influenced by the terms and conditions that, under the current circumstances, are unilaterally imposed by the operators of crowdsourcing portals.

WHAT NEEDS TO BE DONE?
Legislation granting freelancers similar protections and rights as regular employees vis-à-vis employers and intermediaries is becoming crucial to empower workers in the digital age. In close cooperation with the social partners and Member States, future EU digital policy should therefore identify and propose vehicles to achieve this. As workers and employers concluding contracts on crowdsourcing portals can be based in different countries, such worker rights must necessarily be transnational rights and enforceable across national borders.

WHAT NEEDS TO BE DONE?
Regulation establishing clear boundaries between work and leisure time and limiting workers’ availability in flexible forms of work organisation should be set in the form of collective agreements or legislation. EU digital policy must promote this in order to tap into the potentials for empowering workers and increasing the inclusiveness of labour markets that such flexible work arrangements entail.
• On some crowdsourcing portals, the bidding procedure among the job seeking freelancers is organised competitively, which encourages workers to undercut each other’s demands for remuneration. Such competitive bidding may lead to the expansion of low-wage employment and therefore poses risks to social cohesion in Europe. Since freelancers’ current legal status is not that of workers but of individual economic entities, i.e. micro-companies, EU law inhibits them from bargaining wages collectively as this would count as price-rigging under current competition and anti-trust law. To avoid downward pressure on wages and working conditions, collective bargaining must be accessible to all workers, including workers on atypical working contracts such as freelancers.

• The freelance employment that crowdsourcing encourages typically excludes workers from social security systems that provide health, unemployment benefits, and pension insurance. Yet the European social model is built on the notion of inclusive social security models and is thus at risk of erosion by the expansion of atypical employment observed in conjunction with the digitalisation of EU labour markets.

WHAT NEEDS TO BE DONE?

To ensure the inclusiveness of social security systems in the digital age, legislative reforms must be initiated to ensure that all workers, irrespective of their employment contract, have access to social security.

Necessary reforms should be encouraged and coordinated by the EU to ensure that social security systems provide effective cover in situations where employers and workers are based in different EU countries. Where such provisions are already in place, they must be vigorously enforced.

WHAT NEEDS TO BE DONE?

The reality of digital employment demands that adequate and enforceable wage floors are set for work assignments tendered out on crowdsourcing portals to fight low-wage employment and to preserve social cohesion. Such wage floors should be set at national level and strictly in line with national traditions of industrial relations. This includes that the rights to collective bargaining and industrial action must be accessible to all in the labour market, including crowdworkers. In close cooperation with the social partners and Member States, future EU digital policy should consider how such collective bargaining practices could be established and how wage floors could be set and enforced, including in situations where employers and workers are based in different EU countries.
Under the heading of ‘creating the right conditions for digital networks and services to flourish’, the DSM package addresses the need to modify EU policy and legislation to ensure that digitalisation in Europe is not held back by deficient infrastructures and outdated regulations. In the following, we provide a brief discussion of why action in these fields is considered necessary in light of digital change before we assess the need to pay greater attention to the principles of empowerment, cohesion, and inclusiveness in related policy initiatives. We close our discussion by highlighting crucial features of digital change that have hitherto elapsed the attention of the European Commission.

Adapting EU governance and policy to the digital age

IN A NUTSHELL

What is this about?
Digitalisation enables innovations that have been unthinkable only a few years ago. Yet, only those that have access to high-speed broadband networks will benefit from such innovation, implying that accelerating the roll-out of such networks across the entire EU is of highest importance. Moreover, some digital innovations are highly desirable but disruptive, meaning that they depend on, or produce, economic and social structures that are radically different from the status quo. Our current body of regulation is, though, modelled on the realities of the analogous age. Failure to react and adapt might therefore hinder Europe from embracing the digital age. This requires careful processes of re-regulation in which the views of all stakeholders are carefully weighed and taken into account.
3.1 What does the DSM package propose?
To ensure that the principles of empowerment, cohesion, and inclusiveness are honoured in this process, UNI Europa draws attention to the need to refocus the approach set out by the DSM package in relation to the following policy proposals.

3.1.1 DSM proposal: Legislative proposals to reform the current telecoms rules
To encourage private investors to contribute to the expansion of broadband networks in the EU, the DSM package announces a systematic review of EU telecoms regulation. Laudably, ensuring social cohesion by providing high-speed internet access to all Europeans – whether they live in rural or densely populated areas – is declared the key objective of such action. To achieve this, the DSM package announces the harmonisation of procedures for the management of radio spectrum in order to accelerate the roll-out of wireless broadband networks across the entire EU territory. The specific aim of the Commission is to increase the investment-friendliness of applicable legislation to encourage private investors to drive the expansion of networks. UNI Europa doubts, however, that sufficient private capital can be mobilised to deliver on this promise and highlights that public engagement should further be considered. Moreover, to build an inclusive digital age in which all Europeans have the possibility to connect, we deem it necessary to flank and combine considerations of broadband availability with attention to affordability.

3.1.2 DSM proposal: Comprehensive analysis of the role of online platforms
The DSM package also announces a systematic enquiry into the appropriateness of regulation applying to online platforms, including sharing economy portals. UNI Europa is pleased to note that the Commission is clearly focussed on empowering Europeans by ensuring that platforms do not gain excessive power that effectively allows them to control markets, including the income that market players can attain on such platforms. The prevention of dominant market positions and the forms of abusive behaviour they enable are of great concern to trade unions in Europe as more and more platforms practically operate as online labour markets. For instance, this is the case where so-called sharing economy platforms match workers with clients in order to initiate the commercial provision of logistics and mobility services, such as taxi services. As these platforms compete with traditional companies and their workforces, it is crucial that the same rulebooks apply to both analogue and digital business models, including regulation on working and wage conditions, social security, qualification requirements, liability, and insurance. Failure to ensure this would enable practices of price and social dumping that foster low-wage employment and thus pose a threat to social cohesion.

WHAT NEEDS TO BE DONE?
To foster cohesion and inclusiveness through affordable high-speed internet access everywhere in Europe, public investment and investment support may be necessary. EU state aid legislation must ensure that Member States and network operators collaborate effectively and un-bureaucratically, for instance in the coordination of public and private infrastructure works.

WHAT NEEDS TO BE DONE?
Future EU digital policy must ensure a level playing field between online services platforms and traditional services companies. To safeguard cohesion, all market players need to be subjected to the same provisions stipulated by employment law, social security, and collective agreements in order to ensure all workers are covered by the same standards relating to wages, social protection, and information and consultation.
Data are frequently dubbed ‘the oil of the digital age’ – hence the fuel that powers the engines of growth and innovation in the digital economy. UNI Europa agrees with the European Commission that such a data-driven economy requires clear rules on what kind of data may be generated, analysed, and exploited. UNI Europa is particularly concerned about the data produced by the growing number of employees using digital devices at work. Clear frameworks for the protection of employee data are needed to empower workers in order to avoid over-intrusive practices of employee surveillance. Especially data relating to workers’ health, the contents of employees’ personal communications and involvement in trade union activities need strict protection. Where they exist, provisions granting workers’ representatives co-determination rights concerning the use and handling of personal employee data must not be curtailed.

Yet, UNI Europa infers from leaked documents, especially the disappointing European Council mandate for current trilogue negotiations on the EU General Data Protection Regulation, that it seems impossible at EU level to reach consensus on the protection of employee data that satisfies the demands of trade unions. The issue of employee data protection therefore does not seem ripe for full EU-wide harmonisation.

WHAT NEEDS TO BE DONE?
To empower workers in the use of digital technology at work, the EU ‘General Data Protection Regulation’ must contain an ‘opening clause’ that preserves the ability to regulate issues of employee data protection at national level. Safeguarding worker representatives’ co-determination rights in the field of employee data protection must be another priority in current trilogue negotiations.
WHAT NEEDS TO BE DONE?
For UNI Europa, socially responsible change and restructuring requires EU legislation that empowers workers by obliging employers to negotiate social plans with their workforce. Such plans should include re-training measures and changeover schemes that contribute to the preservation of social cohesion by preventing long-term unemployment that frequently causes poverty and social exclusion.

WHAT NEEDS TO BE DONE?
Inclusive collective bargaining structures are the most effective tool to avoid the erosion of social cohesion that is caused by the digitalisation-driven expansion of low-wage employment as these are known to guarantee fair wages for all. High levels of collective bargaining coverage should therefore be promoted, especially in sectors undergoing rapid tendencies of digitalisation. Additionally, workers should be empowered by promoting social dialogue and collective bargaining over the introduction of new technologies to avoid declines in job quality.

3.2 Elements to add to the Commission’s analysis:
With the proposals set out as part of the second pillar of the DSM package, the European Commission presents an number of important initiatives to create a regulatory and policy framework that enables Europe to embrace the digital revolution. Yet, we notice once more that the Commission’s presents a partial analysis. We therefore identify a need to give greater prominence to the principles of empowerment, cohesion, and inclusiveness to accommodate the concerns of citizens and workers in a Europe undergoing digitalisation.

3.2.1 Europeans want to shape the course of digitalisation
UNI Europa agrees with the European Commission that digitalisation is the most exciting opportunity for economic and social progress of our age. However, we read the proposals set out as part of the second pillar of the DSM package as speaking of a ‘prepare the ground and stand back’ approach to digitalisation. The Commission seems keen to ensure that outdated regulations and deficient infrastructures do not obstruct or slow down the digital revolution – without, however, foreseeing an active role for the European Union in shaping the digital age that is rising. While digitalisation has the power to enable spectacular processes of social and economic innovation, such change does not come with the built-in guarantee that its effects are inevitably positive. And citizens in Europe are aware of this. A recent opinion poll conducted in Germany actually finds that substantial parts of the population are anxious of the changes that digitalisation may bring to their personal lives. For UNI Europa, this drives home the fact that citizens do not want to be forced to accept all forms of digital change and innovation. Instead, Europeans want to have a say in digitalisation, and it is an important element of socially balanced digital policy to ensure that people have a choice whether or not they want to use digital technologies, services, and solutions.

The best way to achieve this is to empower citizens vis-à-vis digital change, to enable them to make their concerns heard and address them. This is especially necessary in the case of the substantial changes digitalisation brings to the world of services employment. An important element of these transformations relates to the fact that digitalisation implies that fewer services need to be provided in physical proximity to services users: Neither does the user of an online banking service rely on a bank agency on local high street, nor does an online shopper need a department store around the corner. This makes substantial numbers of jobs in services susceptible to relocation. And indeed, processes of job relocation are well under way in a digitalised services industry where, for instance, the bank advisers of the digital age – i.e. finance sector employees working in call centres – can be based in a different country than their clients’ country of residence. As job relocations become an option in more and more services sectors – which, in their entirety, employ more than 70% of the EU workforce – Europe should empower services workers by committing companies to socially responsible change and restructuring.

3.2.2 Strengthen collective bargaining to counter the polarisation of jobs and wages
Job and wage polarisation represents another challenge that stems from how digitalisation affects work in services that unfortunately goes unnoticed by the DSM package. As companies wish to save on the cost of training and wages, digital technology is often used to break down otherwise complex tasks into simple and repetitive routines. This is for instance the case in financial accounting, where sophisticated algorithms take over and relatively low-skilled workers earning moderate wages at best do no more than entering data into the software interface. Next to fostering the expansion of employment that is frequently experienced as unfulfilling by workers, this development replaces previously mid-skilled and mid-wage jobs with low-wage employment and thus fuels dynamics of rising income inequality and waning social cohesion in Europe.
Moving on to the third pillar of the DSM package, the Commission’s strategy for supporting the EU digital economy in generating growth is presented under the heading of ‘maximising the growth potential of the digital economy’. We review this aim and related policy proposals by providing a brief analysis of the subject matter this DSM pillar is focusing on before discussing the need to refocus some of the Commission’s proposals on ensuring empowerment, cohesion, and inclusiveness. We close by highlighting a number of crucial issues that are not (yet) addressed by the Commission.

**IN A NUTSHELL**

*What is this about?*

Digital technology has the power to generate significant gains in productivity and growth in the EU. As part of the third pillar of the DSM package, the Commission therefore proposes a set of measures to encourage, facilitate, and accelerate the uptake of digital technologies in the private and public sectors of the EU economy. Many observers are particularly excited about the ability of digital technology to automate processes that at present require human effort, i.e. work. And indeed, recent breakthroughs in technology have created forms of artificial intelligence that enable the automation of analytical and interpretative tasks that were traditionally thought to be resistant to automation. Yet, all of this means that major shifts in employment are to be foreseen. According to estimates produced at Oxford University and think tank Bruegel, roughly half of today’s jobs in developed economies might soon vanish as the tasks they involve can be automated by use of digital technology. Worryingly, some economists see signs that such job losses might not be offset by automatic and simultaneous job creation in other sectors that are unaffected by processes of automation. This implies that digitalisation might go hand in hand with temporary or even permanent technological unemployment if no measures to support labour market adjustment were to flank the digitalisation of the EU economy.
4.1 What does the DSM package propose?
In this context, digital policy is under particular pressure to support the creation of quality jobs in the digital age. For UNI Europa, this requires that the principles of empowerment, cohesion, and inclusiveness gain greater prominence in related policy initiatives.

4.1.1. DSM proposal: Developing workers’ e-skills
Unleashing digitally driven growth depends on an EU workforce with the skills necessary to operate and develop these technologies. UNI Europa therefore welcomes that the Commission declares the development of the required ‘e-skills’ one of the DSM package’s priorities. Success in this domain is crucial to maintain workers’ employability and thus to ensure the inclusiveness of labour markets in the digital age. Unfortunately, though, the DSM package fails to provide detail as to how the Commission intends to reform vocational education and training, including lifelong learning. Due to this lack of detail, UNI Europa is unsure whether the Commission is fully aware of the challenge ahead – a challenge comprising at least three dimensions. Firstly, workers will require new skills more frequently as the rapid innovation cycles enabled by digital technology create constant retraining needs. Secondly, new concepts of vocational education and training and lifelong learning are needed to ensure that all workers, including the rising number of freelancers, crowdworkers, and other non-standard employees, have access to training. Thirdly, new funding channels need to be explored to finance such training systems without placing the financial burden on workers themselves.

4.2 Elements to add to the Commission’s analysis:
While the Commission puts forward a set of important proposals to support growth in the EU digital economy, the DSM package lacks a clear analysis of the effects the envisaged transition to a digital economy may have on work and employment rates. Worryingly, a number of critical issues arising in this context therefore remain unaddressed.

WHAT NEEDS TO BE DONE?
To rise to this threefold challenge, UNI Europa firstly proposes to empower the EU workforce with an enforceable right to paid educational leave, allowing workers to address the frequent retraining needs they encounter in a digital economy. Secondly, to ensure equality of opportunity and thus cohesion among the EU workforce, effective cooperation between governments and the social partners is required to develop training schemes that are effective in addressing the training needs of all workers, including the rising numbers of non-standard employees. Finally, in close cooperation between governments and the social partners, new funding channels that ensure employer-financed and/or publically funded training for all workers are needed to develop truly inclusive vocational education and training systems in Europe.
4.2.1 Maintaining high levels of employment
The looming threat of temporarily or permanently high levels of unemployment that could materialise in the wake of progressing digital automation is of starkest concern to UNI Europa. Such a scenario would not only threaten cohesion in the EU by increasing unemployment that leads to rises in income inequality. As central pillars of the European social model such as strong public services and social security systems are typically financed by the taxation of labour income, their sustainability depends on high levels of employment at sufficiently high wages. Failure to ensure this in the face of digital change would thus put the entire European social model at bay. The EU and Member States must therefore start developing adjustment strategies now to stand ready if and when such threats turn from doomsday scenarios into a gloomy reality.

4.2.2 Tackling the gender divide in digital technology-related employment
Another issue that goes unnoticed by the DSM package directly relates to the persistent ‘gender gap’ in digital technology-related employment, i.e. ICT employment. This gap counteracts UNI Europa’s wish to increase the inclusiveness of labour markets in the digital age. According to the Commission, such employment grows by 4% annually (DSM p.16). In 2012, though, women accounted for only 20% of those in ICT employment, highlighting that women in the labour market hardly benefit from digitalisation. The EU must take this gender gap seriously and devise strategies together with the social partners to overcome this divide.

4.2.3 Make digital employment healthy and safe
Finally, the DSM packages fails to provide a holistic analysis of the impact of digitalisation on workplaces. Frequently, work organisation – hence the tasks that employees perform as well as where and how these tasks are performed – is transformed by the introduction of digital technologies. Consequently, the health and safety risks that workers are exposed to change as well, which may require adjustments in applicable occupational health and safety provisions to empower employees to protect their well-being. Especially psychosocial risks that may cause stress and burnout seem to be associated with digital technology, as it often allows for the detailed monitoring of individuals’ work performance. The EU, as the primary regulator in the field of occupational health and safety in Europe, should therefore close this gap in the DSM package.

WHAT NEEDS TO BE DONE?
To preserve social cohesion despite potentially declining employment rates, the EU and Member States should carefully monitor the evolution of demand for labour and prepare measures to avoid technological unemployment. Next to retraining measures that allow workers to find employment in sectors which are not affected by processes of automation, public investment in job creation, for instance in social services, constitute an option to achieve this. This strategic option would require further adjustments to finance investment through higher tax rates on capital and productivity gains.

WHAT NEEDS TO BE DONE?
To improve the inclusiveness ICT employment, better awareness of the employment opportunities in the digital economy should be fostered among the female workforce. Additionally, and in close co-operation with the social partners, public policy should encourage companies actively to ensure that their ICT workforces reflect a full gender balance.

WHAT NEEDS TO BE DONE?
To protect and empower workers in the face of new health and safety risks arising in the process of digitalisation, the EU should, in close cooperation with the social partners, conduct a comprehensive analysis of the hazards associated with digital technology in the workplace and address them by means of targeted regulation.
Conclusions and ways forward

UNI Europa welcomes the attention the European Union is paying to digital policy as this is crucial to provide for a prosperous and fair Europe in times of rapid technological change. Together with the wider European trade union movement, we are keen to support the European institutions in developing a balanced approach to digitalisation that accommodates concerns for social justice and quality jobs next to an interest in digitally driven growth and technological innovation.

As our discussion of the DSM package shows, though, further work is necessary to develop a strong social dimension in EU digital policy. UNI Europa therefore urges the Commission to revise the package and to bring in the key principles of empowerment, cohesion, and inclusiveness into EU digital policy. Only this will allow European citizens and businesses to embrace the digital revolution alike and shape it to build a digital Europe that is more just and prosperous. We regard close and constructive collaboration between trade unions, policy-makers, and other stakeholders as key to achieve this. UNI Europa stands ready for such a project to begin.
Endnotes


2. See, for instance, the German Labour Ministry’s greenbook on digital employment (arbeiten 4.0), available at: http://www.bmas.de/SharedDocs/Downloads/DE/PDF-Publikationen-DinA4/gruenbuch-arbeiten-vier-null.pdf?__blob=publicationFile


8. See Benner, Christiane (2015): Crowdwork – zurück in die Zukunft, BUND Verlag, Frankfurt am Main

9. See also European Parliament resolution of 14 January 2014 on social protection for all, including self-employed workers (2013/2111(INI))

10. Online platforms are specialised websites which practically constitute online market places. In the case of online platforms, it is not the website operator herself who is offering goods and services for sale, but the users of that platform. Such platforms thus act as intermediaries between supply and demand rather than as providers of own eCommerce services.


12. A representative survey conducted in Germany by the Allensbach institute finds that 39% of Germans believe the negative impacts of digitalisation will outweigh its positive effects. Only 20% of respondents believe that digitalisation constitutes a positive development. The survey report (in German) can be downloaded from http://www.digital-ist.de/fileadmin/content/Die-Themen/Umfrage/Ergebnisse_Umfrage_komplett.pdf


