## AT A GLANCE

# Requested by the EMPL committee Study in Focus



## Unionisation and the twin transition

## Good practices on collective action and employee involvement

The <u>original full study</u><sup>1</sup> gives an overview of the impacts of the twin (digital and green) transition on the labour market

and the workplace. It explores the role and presents good practice examples of employee involvement, both via social dialogue and collective bargaining, as well as collaborative decision making in the workplace – in shaping the transitions at the macro and micro levels. Finally, the study summarises the main legislative and policy measures adopted at the EU level to foster employee involvement, and proposes relevant recommendations.

## Background

**Digitalisation**, accelerated by the COVID-19 pandemic, is transforming the EU economy and labour markets. New technologies adopted by companies and new forms of work facilitated by the **digital transition** are affecting employment and the workplace, including work content, working conditions, new skills requirements and access to social dialogue. In addition, **climate change and the transition to a climate-neutral economy** are high on the agenda at both Union and Member State levels, and will likely transform the EU economy in profound ways. For workers, these effects are most pronounced in a handful of sectors and regions that must inevitably undergo significant structural changes.



#### **Key findings**

The twin transition can have both positive and negative impact on workers and businesses, and **there is no single predetermined transformation path.** Rather, the transitions' impact on employment and workplaces depends



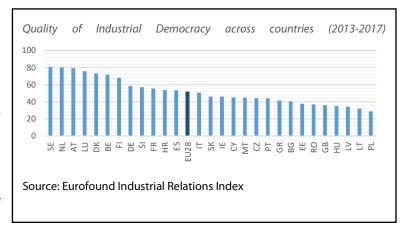
greatly on *how* technologies are introduced and implemented in the workplace. The projected impacts of greening and digitalisation present both potential benefits and threats to workers, including work organisation (e.g. worker autonomy vs Al surveillance), work content (a shift to more complex non-repetitive tasks vs a "trap" of precarious low-skilled service jobs, especially in platform economy), skills (upskilling opportunities vs the risk of exclusion due to skills becoming obsolete and insufficient availability of training), and working conditions (easier and safer physical tasks vs psychosocial risks related to permanent connectivity).

A crucial factor is how gains and costs of the twin transition (such as increased productive capacity) are distributed. The

twin transition (particularly digitalisation) can contribute to increasing inequalities and **labour market polarisation**. While highly skilled and mobile workers can reap the benefits of digitalisation more easily, workers with insufficient skills and/or situated in collapsing industries face increasingly precarious working conditions, dismissals, or risk exclusion from the labour market altogether.



In this context, workers' voices are beneficial in shaping the transitions in a sustainable and inclusive manner. However, as emphasised in interviews with EU-level social partners, the macro-level conditions that allow workers and worker representatives to be heard vary significantly across the EU Member States. The stark differences between countries' industrial relations systems can significantly alter the ways in which transitions are managed, although there are notable exceptions. Likewise, case studies of practices for involving employees in



technology adoption have been identified across countries from both the highest performers in the Eurofound's Industrial Relations Index and the lowest scorers alike.

At present, **social partners' involvement in policy-making related to the twin transition is generally insufficient**. Social partners face challenges, including unsupportive institutional frameworks and no legal obligations (including at the EU level) to involve social dialogue in shaping transition plans; similarly, social partners have insufficient capacity to adequately engage in debates on the future of work, formulate priorities, and effectively pursue their agendas. Nevertheless, good examples exist of social partners' involvement in policy design and implantation, trade unions' take-up of innovative practices and digital tools, and capacity-building activities offered to national-level trade unions as well as by unions to workers.

At the EU level, both policy-related and legal instruments are important to address the challenges of digitalisation and greening. However, existing instruments (such as the European Works Council Directive or the Framework Directive on Information and Consultation) have been found to have a limited effect, largely because of their **questionable enforceability**.

Nevertheless, the results of the ten company-level case studies show that good practices exist, despite the limited institutional and legal support. They confirm that, where employees were involved, technology adoption led to generally positive outcomes for the workers, including a shift to more complex and interesting tasks, upskilling, improved working conditions, or better work-life balance. Involvement of worker representatives varied across the cases, ranging from no or little involvement, to establishing a framework for negotiations and analysis of the impacts of new technologies (or even to initiating technology adoption efforts).

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