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# CLR News

## THE INDIVIDUALISATION OF EMPLOYMENT, DESTABILISATION AND FRAGMENTATION OF THE CONSTRUCTION INDUSTRY

**CLR**

European Institute for  
Construction Labour Research

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# Note

from the editor

The internet offers a definition of what is often called the 'gig economy': "a labour market characterised by the prevalence of short-term contracts or freelance work as opposed to permanent jobs."<sup>1</sup> Though a shift from permanent to temporary labour relations was observed already in the nineteen eighties, the year 2016 witnessed a flood of publications on a great variety of employment relations previously marginalised as 'atypical' or 'non-standard'. We have chosen 'individualisation' as the general term to distinguish these varieties from employment under 'collective' agreements, respective legal regulations and social benefits. We are well aware, though, that also this 'collectivity' is far from uniform between different countries and unstable in the course of time. Nor does 'individualisation' mean the opposite of 'socialisation'. As opposed to 'collectivisation', it may well be located within the framework of or as a tendency towards more intense social integration at other levels. This integration is perhaps the most important aspect of transformation and deserves recognition and regulation under the authority of civil government to fill the vacuum formerly filled by collective employer-employee agreement coverage. It needs keeping in mind also that the transformation of the employment relationship includes both sides, the employer as much as the employee.

Given the diversity and fluidity of the subject, there is no claim that the contributions to this issue of CLR-News cover the wide spectrum of changing relations, even less all its essential features. It is hoped, however, that they may contribute to the discussion of a process of transformation rather than of abnormalities in predominantly stable relations. Mike Rafferty and Phil Toner, first of all, provide proof that changes in employment relations in Europe are hardly different from those on the other side of the globe. They show the interrelations between the individualisation of employment and the fragmentation of corporate industrial structures. The second contribution highlights four examples of responses, real developments as well as proposals for new regulations, in adjusting employment conditions to present transformations in productive relations. The special case of the debate about an 'unconditional basic income' for everybody is the subject of a critical alternative approach by Ruth Gurny and Ueli Tecklenburg of the Swiss Think Network advocating the coordination and widening of public social security, "pursuing the emancipatory stimulus". The last contribution by Martin Upchurch adds another aspect to the picture of changing labour relations, robotization as a momentum in the

1. [www.google.co.uk/#q=gig+economy](http://www.google.co.uk/#q=gig+economy)

## Note from the editor

reduction of working time, critically commenting on the perspective of the elimination of labour in production.

Given this patchy approach to a most urgent debate, initiatives ought to be taken to intensify research, exchange and discussion on this issue, which is shuttering the foundations of social government at the level of states as well as of the social partners. It seems to be high time, even a matter of survival, to work on and eventually launch a manifesto on this new scope of labour relations across national as well as occupational boundaries.

Jörn Janssen

# Subject articles

Mike Rafferty  
(RMIT University) and Phillip  
Toner (Sydney  
University)

## **SHAM CONTRACTING IN THE AUSTRALIAN CONSTRUCTION INDUSTRY— RISK SHIFTING AND ARBITRAGING LABOUR LAW**

### **1. Introduction**

The construction industry in Australia, as elsewhere, has long used extensive sub-contracting arrangements to *manage* the costs and risks associated with the project nature of producing buildings. In the inevitable shifts in the balance of power within the industry, who ended up bearing those costs and risks waxed and waned over time. In a previous article in *CLR News* (Rafferty and Toner 2015), we suggested that there had been a structural change in the industry whereby former head contractors had now also become developers, property managers, and sometimes also financial service firms. In terms of the effects of the financialisation of construction firms on labour, these firms now often think and act in terms of a financial rather than an engineering or accounting logic. Like many financial services firms, construction companies now think in terms of risk, and as much as possible, *risk shifting*. One element of this increasing financial logic in construction is the attempt to unbundle elements of the construction process into smaller and smaller packages and to identify (and shift) as much of the costs and risks of those packages onto others. There is strong evidence that in Australia at least head contractors, who are now part construction company and part financial services firm, are using sub-contracting not just to manage but to shift risks and costs onto those agents with less power and ability to manage them. This is occurring up and down the construction value chain from professional services to workers on site. Sham contracting is now pervasive in the Australian construction industry as one form in which main contractors are using (or implicitly forcing sub-contractors) to engage workers on pseudo commercial contracts. Sham contracting shifts more of the costs and risks

associated with employment onto workers and increases the profitability of construction employers and developers. It achieves this by manipulating ambiguities in labour law, intensifying both the labour process and competition between workers; and non-compliance with statutory entitlements to employees. Sham contracting has a number of well-known adverse effects, including: undermining working conditions and occupational health and safety (OH&S); reducing the incentive of employers to invest in productive equipment, vocational training and innovation, as well as promoting tax avoidance and evasion.

Understanding the scope, causes and adverse effects of sham contracting is important given that currently the Australian construction industry directly 'employs' 9 per cent of the national workforce and accounts for 8 per cent of GDP. With total employment of over 1 million people, construction is the third largest employer in Australia and, accordingly, its employment practices and conditions affect a large share of the total workforce. Within the national accounting framework output of the construction industry (residential and non-residential) is classified as investment and in 2014 these built assets comprised 78 per cent of the total national capital stock. The efficiency of producing and maintaining these assets is, therefore, a key driver of incomes and productivity.

## **2. Definition and Scope of Sham Contracting in Australia**

Labour law in Australia has evolved to provide a range of protections to persons deemed to be employees. Indeed, Frank Castles has referred to the centrality of labour law in Australia as an anchor for workers' social and economic protection in terms of it being a 'wage earners' welfare state. By contrast, labour contracting is treated as a form of commercial contract and outside of most of labour law protections. Unlike workers who are engaged under a contract of service, independent contractors are usually

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engaged under a contract *for services*, and thus as functionally equivalent to the firm to which they are contracting.

The distinction between a worker and contractor in Australia is based on common law and statute. In practice a range of factors (or *indicia*) are used to test whether a worker is (or should be) treated as an employee or contractor. The main differences or *indicia* are that workers do not directly control their hours of work, how they do their work and where they work; the employer supplies working equipment and other inputs to production; the employee receives statutory benefits from the employer relating to insurance cover, leave entitlements, etc; the employer is responsible for paying tax and superannuation and the employee typically receives the bulk of his/her income from one employer and regular frequent payment for providing labour power (weekly, fortnightly or monthly). By contrast, independent contractors are business owners who work under commercial contracts and are deemed to have much greater autonomy governing their work. Typically they contract with multiple different legal entities, carry the risk of making a profit or loss and face financial recompense for damage arising in the course of their work. They invoice for their work in progress payments or get paid at the end of their contract and may be required to derive their work-related income from multiple contracting entities.

Dependent or sham contractors are workers who are engaged by employers under a contract for service without meeting the conditions for being independent contractors. As a recent and comprehensive analysis of the definition and scope of sham contracting in the construction industry found, 'sham contracting occurs where employers wilfully and knowingly - and in some cases coercively - disguise workers as contractors' (Ministerial Reference Group 2011:12). Stewart et.al. suggest a definition of sham contracting as: "...any attempt to disguise an employment relationship as one of



principal and independent contractor.” In our previous article (Rafferty and Toner 2015), we suggested that main contractors are increasingly operating in terms of a financial logic and we would suggest an alternative, but complimentary definition to Stewart et.al.’s whereby sham contracting is the effective arbitrating of labour laws to shift the costs and risk of the labour contract onto workers.

### **3. Scope of Sham Contracting**

Official labour market statistics do not distinguish between independent and dependent (sham) contractors. However, there have been a number of studies, importantly utilising a range of different data sources and methodologies that estimate the incidence of dependent or sham contracting. An excellent summary of these studies is provided in a recent inquiry undertaken into sham contracting for the Queensland government (Ministerial Reference Group 2011).

- Workplace Health and Safety Queensland estimated the incidence of sham contracting in the Queensland construction industry at 13 per cent of the workforce covered by workers’ compensation, including independent contractors’ government;
- the main construction union in Australia (the CFMEU) used official national Australian Bureau of Statistics labour market data which classified working persons by their ‘form of employment’, to estimate that dependent contractors accounted for between 27% - 50% of ‘independent contractors’ and 10% - 18% of total industry employment at November 2010;
- the Workplace Research Centre, at the University of Sydney (Rafferty et.al. 2010) estimated that around one in ten of the total construction workforce were dependent contractors. This equates to approximately a quarter (24 per cent) of all contractors in construction being dependent contractors. Dependent contractors were defined as self-employed persons, who contract work with other businesses and receive 80 per cent of their income

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from one client. It found for instance that labourers were the second most likely category of workers to be engaged under so-called independent contracts.

### **4. Causes of Sham Contracting**

There are many causes of sham contracting in the construction industry. For a construction project client, head contractor and for larger subcontractors the use of sham contracting creates a competitive edge by lowering labour costs. In the words of the Australian Taxation Office (2011), sham contracting tilts 'the playing field' against construction firms that do not use these employment arrangements. 'Under these 'sham' arrangements, employers sidestep their obligations to... their employees...This gives them an unfair competitive advantage over complying employers' businesses. Employees miss out on their rights and entitlements such as leave, superannuation, workers compensation insurance and award wages and conditions'. The agency also notes that some workers 'are happy to accept these arrangements to evade their own tax obligations and escape detection by other regulatory authorities including Social Security and the Child Support Agency'. Other workers are coerced into converting from employee to contractor or simply find these are the predominant form of employment available to them in the construction labour market.

There is thus a self-perpetuating momentum to the process as sham contracting intensifies competitive pressure which, in turn, requires firms to employ these same methods, even if they are aware of the longer term adverse implications for themselves and the wider industry. A key driver of the intensification of competition is the shifting of risk down the contractual chain through increased subcontracting within the industry with sham contracting being just one manifestation of this key method of risk shifting.

There is, of course, a legitimate role for subcontracting reflecting the production process within the industry, such as

the sequential use of occupations during construction and the long-recognised economic advantages in terms of efficiencies in the division of labour and the cyclical nature of construction output - both in its volume and its geographic location. However, the significant scale of illegitimate forms of subcontracting, such as dependent contracting, clearly indicates that other factors are at work prompting these forms of employment.

The scope for intensified competitive processes within the construction industry has been greatly widened by large-scale withdrawal of the public sector over several decades from directly financing, designing, developing and building infrastructure projects using its own large directly employed workforce. This withdrawal is the result of the privatisation and corporatisation of government activities such as utilities, the introduction of compulsory competitive tendering for the delivery of remaining government services, expansion of public-private partnerships and growth of an ideology favouring the unfettered expansion of private capital and 'smaller government' in many countries over the last three decades (ILO 2001: 25). In 1984 11.4 per cent of persons in the construction industry were employed in the public sector, but recently this has fallen to just 6%. The public sector was important as it conformed with workers' statutory rights and in setting standards for compliance with OH&S and training. Directly employed government construction workers were offered permanent jobs with career progression.

### **5. Effects of Sham Contracting**

The effect of intensified subcontracting and sham contracting is to lift the rate of profit for the construction finance industry, developers and head contractors. It does this not by improving the productivity of the construction process but by shifting risk and cost to smaller firms and self-employed workers. It simply results in a transfer of income from labour to capital.

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### *5.1 Reduced working conditions*

As noted earlier a major motivation for head contractors and larger subcontractors to use subcontracting and sham contracting is that workers can be denied their lawful entitlements to superannuation, minimum wages, annual leave, sick leave and redundancy payments.

### *5.2 Lower productivity*

The construction industry has a much lower rate of productivity increase than other industries and has a much lower level of investment in R&D and capital investment and innovation. The predominance of self-employed and very small firms constrains productivity and innovation within the industry. The self-employed and very small firms have a much lower propensity and intensity of investment in capital equipment, R&D and innovation (Toner 2011). Pursuit of labour market flexibility on the one hand and product and process innovation on the other are alternative and, largely, mutually exclusive, strategies for firms seeking to improve their competitiveness.

Intensified subcontracting and sham contracting also produce a loss of employee commitment with attendant problems for co-ordination and quality. These non-standard employment arrangements “lead to high employee turnover, or ‘wastage’, [and this] is an extremely important issue for construction companies’ strategic human resource planning. Yet a culture of mobility has emerged in the industry, which has led to a workforce of corporate mercenaries that coldly drift from job to job with little sense of loyalty to their employers” (Loosemore 2003: 7).

### *5.3 Occupational health and safety problems*

There is a strong association between intensified subcontracting and self-employment and adverse OH&S outcomes due to a range of factors such as competitive pressure to get work done quickly and cheaply and unclear lines of authority for and management of OH&S on

unregulated worksites. Put simply, 'subcontracting and other aspects of work arrangements associated with supply chains have had a negative effect on work health and safety' (Quinlan 2011: 2).

#### *5.4 Adverse effect on training*

The growth of employment in small firms and self-employment is an important factor in depressing employer investment in vocational training and more general employer-funded workforce training. The growth of subcontracting contributes to a decline in average firm size in the construction industry. The propensity of a firm to train, including vocational training, and the intensity of that training (expenditure on training per person) are strongly and positively associated with increasing firm size (Toner 2004). The self-employed and small firms also have a much higher apprentice non-completion rate than larger firms (Karmel and Roberts 2012).

#### *5.5 Tax avoidance and evasion*

The use of sham contracting and self-employment within the construction industry imposes large costs on taxpayers as these forms of employment can exploit a variety of tax deductions such as income splitting with spouses, extensive work related expenses not available to employees, and tax evasion through non-declaration of work income.

### **6. Summary and Conclusion**

For much of the last fifty years or more, construction could be understood in terms of the contradictory tensions of joint production in a spatially concentrated location, project management, and engineering sciences. Economic and financial factors impinged as driving or abating the cyclical and lumpy nature of producing the built environment.

We think that is no longer a useful way to think about the construction industry, which is now a leading instance of how a financial logic is at work. One example of that financial

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logic is the way that construction work is being broken down into smaller and smaller pieces and the risks and costs of those pieces more finely priced, so as to enable them to be managed and costs and risks shifted. The rise of sham contracting, the deliberate engaging of workers as contractors, yet who in reality have all the attributes of an employee, is one example of this development. We suggest that while this can be understood in labour law terms as a process of disguise, in financial terms, which is how construction firms increasingly think, it can be understood as arbitrage. Construction companies are increasingly thinking about labour in financial terms, and in those terms, the gap between the costs and risk of employment and those of contracting presents the opportunity for risk free gains. While construction has long been characterised by sub-contracting arrangements, we are now seeing this iterated down to individuals on large projects by sub-contracting to a sub-contractor who has a small work package, who in turn contracts to another sub-contractor. Main contractors now have very small site workforce employees, and can in some ways be thought of as construction hedge funds, managing, shifting and arbitraging risks for financial gain. Sham contracting is a logical expression of this development.

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Precarious Work and Vulnerable Workers  
International Conference, Middlesex University, London,  
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Jörn Janssen

## **WAGE-WORKER, A UNIVERSAL CIVIL STATUS, NOT EMPLOYMENT DEPENDENCY<sup>1</sup>**

### **The demise of the employer-employee relationship**

It has become commonplace to invoke the “‘standard’ contract of employment”<sup>2</sup> as an ideal employment relationship in contrast to “Precarious Work and Vulnerable Workers”. First, this ‘standard’ is hardly defined and, if it is, is an ephemeral and most variable form in the development of wage relations under employer-employee relations that have largely ceased to exist. The employers as owners of stable companies have typically become anonymous as holders of shares or financial assets. Hence, the personal employer-employee relationship as the subordination of labour under capital has also lost its real basis. In an increasing number of sectors the dynamic of production has come to depend on indirect employment relations, whether through subcontracting, umbrella companies, agency labour, crowd or

1. This paper was published in E-Journal Of International and Comparative Labour Studies, Vol.5, No.3, September-October 2016, ADAPT University Press.
2. Introduction to this conference.

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self-employment, to mention only the most current forms of labour contracting.

This transformation of the employment relationship was accompanied by a fundamental shift in the form and nature of the wage. For the great majority of wage-workers the direct or 'net' wage for working time has become the minor part of the living resources in the wage package, which consist of a variety of indirect components such as social security covering unemployment, holidays, sickness, old age etc. plus a wide range of social services and benefits covered by taxes.<sup>3</sup> In other words, the employment relationship, if we may keep using this term, is embedded in a universal statutory regime supposed to provide a living to everybody irrespective of his/her status of employment. However, the particular conditions of this entitlement to a living are still mediated through an outdated form of individual employment with an employer.

Concerning 'precarious' and 'vulnerable' conditions, both sides of the employment relationship are equally at risk. We remember that eight years ago the great states had to step in order to prevent the collapse of the global financial system. Social security and financial security are two sides of the same coin.

This present crisis in the relationship between labour and ownership in the distribution of the social product has triggered a number of responses or reactions at various levels, aiming to adapt labour relations to these new conditions. Four particular cases, isolated from each other, will be addressed in this short presentation.

3. Jörn Janssen: *The Form of Wages or the Composition of the Wage Package*, London 1997, unpublished manuscript.



## Responses

- a. On 5 June 2016 the Swiss population was asked in a referendum whether every adult should be entitled to an 'unconditional basic income (UBI). The voters decided against by a majority of 76.9%. It was, however, symptomatic that this concept, which has been discussed virtually everywhere during the last generation, was for the first time launched in an advanced economy as a matter of a democratic decision. Among other reasons, an unconditional basic income was advocated as a means to liberate citizens from having to work under the control of an employer.<sup>4</sup>
  
  - b. Interestingly, in the same country a think tank linked to UNIA, the largest Swiss trade union, Denknetz<sup>5</sup> – or Think Network – discards the 'unconditional basic income' and advocates instead a different approach to achieve "Work without Servitude" – "Arbeit ohne Knechtschaft"<sup>6</sup>. Instead of a universal basic income for everybody, that would not eliminate social inequalities or even enforce them, Think Network advocates a universal income insurance – 'Allgemeine Erwerbsversicherung', AEV – which unites all the various social security and benefit components into a comprehensive regime covering the risks of loss of income through motherhood, civil and military service, sickness, accident, unemployment, or invalidity<sup>7</sup>. It is conceived as an insurance for every person capable of gainful employment and would therefore liberate everybody from accepting forced employment<sup>8</sup> or related sanctions.
4. Philippe van Parijs, *The Worldwide March to Basic Income: Thank you Switzerland!*. In Social Europe on 7 June 2016.
  5. [www.denknetz.ch](http://www.denknetz.ch)
  6. Ruth Gurny, Ueli Tecklenburg (Hrsg.): *Arbeit ohne Knechtschaft, Bestandsaufnahme und Forderungen rund ums Thema Arbeit*. Ein Denknetz-Buch aus der edition 8, Zürich 2013.
  7. Ruth Gurny, Beat Ringger, Ueli Tecklenburg (Hrsg.): *Würde, bedingungslos. Wie die Debatte um ein bedingungsloses Grundeinkommen fruchtbar gemacht werden kann*. Ein Denknetz-Buch aus der edition 8, Zürich 2015, p. 124.
  8. *Ibid.* p. 125.

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- c. Another concept to liberate labour from subordination under the arbitrary use of power of an employer is promoted by Bernard Friot<sup>9</sup> and the 'Institut Européen du Salariat'<sup>10</sup> – 'European Institute of Wage Labour' – The fundamental component of the concept is the form of remuneration of labour. Production and services units pay for the use of labour into a social fund. In turn, workers are paid according to their qualification, irrespective of their place of occupation, whether in production and services or in education. Every adult is active either in one of these two sectors or in retirement. The maximum span of pay differentials is 1 to 6. Two other funds are established to pay for investment and administration. This concept represents a strategic vision rather than a practical programme extending the dynamics of development of labour relations into the 21st century.
  - d. Finally, we are all witnesses of a development in the last about twenty years which is part of a qualitative shift in wage and, consequently, employment relations. Step by step statutory minimum wages have been enacted in hitherto 22 of 28 EU Member States. The discussion in the European Commission is now about coordinating minimum wages transnationally as a percentage of the average wage rates<sup>11</sup>. Whereas initially minimum wages were regarded as a means to prevent dumping rates below a poverty line, they are now increasingly recognised as pillars in support of the whole wage structures and instruments in international coordination, whilst the coverage rates of collective agreements are on a persistent decline. This evolution indicates above all a
9. Bernard Friot: *Puissances du salariat*. Nouvelle édition augmentée, La Dispute, Paris 2012.
  10. [www.ies-salariat.org](http://www.ies-salariat.org)
  11. Thorsten Schulten, Torsten Müller and Line Eldring: *Prospects and obstacles of a European minimum wage policy*. In Guy van Gyes and Thorsten Schulten: 'Wage Bargaining under the new European Economic Government'. European Trade Union Institute, Brussels, 2015, pp. 327-359.

shift from employer-employee bargaining and dominant coverage for all workers by agreed rates towards statutory regulation of wages.

### **Wage-Workers' status, their share in the global social product**

The term 'labour market', like corresponding expressions in other languages, is still widely used. Accordingly, workers would be supposed to sell their labour power at a market price which is the wage. Conversely, in my introduction I have sketched out how in reality, since the late nineteenth century, the wage has been transformed and become a civil right rather than the result of market forces. Consequently, nowadays the media report the figures of the share of wages in the gross national product - I would propose looking at the wider horizon of the global social product. This is the environment in which our four cases have to be allocated and assessed.

In this environment the 'unconditional basic income' may be regarded as a poor relief updated to the 21st century. In this sense it is far from attributing a share of the social product to the individual worker in proportion to his/her contribution to the process of producing and servicing. But it takes into account that work is provided within as well as outside employment contract conditions.

Think Network takes a rather pragmatic approach which transcends, nevertheless, the framework of traditional social security schemes. Their "income insurance" includes, notably, wage earning during periods outside employment such as three years sabbatical, periods of further education and, of course, during motherhood, sickness, disability, unemployment, and retirement.<sup>12</sup> All these provisions implicitly include the basic income while avoiding the discrimination of those 'out of work'. According to the

12. Ruth Gurny et al. op. cit., pp. 126-9.

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calculations of Think Network, because of savings through the simplification in a coordinated insurance, the expenses of this project would not exceed those of the present day social security.

The 'socialisation of wages' according to Bernard Friot has its roots in the present regime of 'côtisations sociales', contributions to the social funds by the employers of labour. The innovation consists of the inclusion of the direct wage in this package and the identity of the wage earner - 'salarié' - independent from employment. Instead of the employer-employee relationship, wage-earning would turn into a civil status.

The statutory minimum wage development is included in this range of varieties in search of new models for organising the distribution of the social product because it also has certain features that represent a break with the 'standard' employment relationship. First, its pay levels are set by state government bypassing the labour market in the determination of wage rates. Secondly, minimum wages tend to become a uniform institution open to international or even global coordination corresponding to the global network of production and services. Thirdly, the present debate about determining minimum wages in relation to average rates aims at creating a relationship with existing wage scales, as in France and in Germany. Fourthly, the minimum wage system intends to cover the whole spectrum including 'precarious work' and 'vulnerable workers' under democratic government.

These four cases have in common that the wage as a share in the global social product is not to be determined as a component part of an employment relationship. It is defined as a right related to the civil status of the wage-worker.

**Already here and now, or 'News from Nowhere'<sup>13</sup>**

It all depends on how the evidence of present developments is perceived and interpreted. The 'standard' employment relationship, the sale of labour on the 'labour market' at a price negotiated individually or collectively with the owners of productive assets is about to be a past regime, maintained in Europe mainly through statutory extension.<sup>14</sup> The owners, especially the big ones, have predominantly withdrawn into the sphere of financial capital and claim their share through dividends and interests. Conversely, the direct wage provides an ever smaller part of wage-workers' living. It is revealing to read the "Policy recommendations" in the 'ETUI Policy Brief' on "The meaning of the extension for the stability of collective bargaining in Europe". ... "European countries need to reconstruct their bargaining systems ... Such reconstruction would not be organised by trade unions and employers' associations alone but would also need the support of the state."<sup>15</sup> How far away are we from - or close to - a process of wage determination coordinated with social security and benefits under democratic state authority? Is this a vision from 'Nowhere' – in William Morris' novel the land of a socialist utopia – or just a step forward from 'here and now'?

Compared with the past, where are we 'here and now' looking back to 'standard' employment? Was it a regime without 'precarious work and vulnerable workers'? Is there a good reason for workers to return to direct confrontation with the owners of the means of production? Isn't it symptomatic that the peak of autonomous collective bargaining coverage almost coincided with top levels of industrial unrest and that both declined with trade union density?

13. Novel written 1890 by William Morris.

14. About the present state of coverage by collective wage agreements in the European Union see Thorsten Schulten, The meaning of extension for the stability of collective bargaining in Europe, ETUI Policy Brief, No. 2/2016.

15. ETUI Policy Brief, European Economic, Employment and Social Policy, No. 1/2017.

This is not an argument claiming a kind of organic progress in labour relations. But it is an attempt to avoid looking at the present state of society in terms of the past, or seeking remedies against present sufferings in former conditions. The four cases of the debate presented in this paper point to a future of work under democratic state regulation, we may call it also liberated from subordination under 'precarious' private ownership and 'vulnerable' owners.

Ruth Gurny  
and Ueli  
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### **AFTER SWITZERLAND'S NEGATIVE VOTE ON UNCONDITIONAL BASIC INCOME: PURSUING THE EMANCIPATORY STIMULUS**

Under the impact of the globalisation of products and capital and through digitalisation and robotization, we are experiencing a massive change in our working world. Many people see their current way of life threatened as former certainties disappear, and they are forced to assume that soon no more work will be available. In this context the vision of a guaranteed basic income is gaining impetus in many countries. This was also the case in Switzerland. In 2012 the 100,000 signatures necessary for a referendum were collected for a vote on whether the Swiss state should provide an unconditional basic income (UBI) to the whole population. Thus, Switzerland was the first country to have a popular vote on UBI. The result, however, was rather sobering for the promoters of the idea: the initiative was massively rejected in the June 2016 referendum.<sup>1</sup>

Despite this unmistakable verdict, the referendum definitely had positive aspects. It prompted an intense debate about the value of work, about growth and the consumer society, about

1. Only 23% of voters voted in favour of the proposal, 76% against.

precarious living conditions in one of the world's wealthiest countries, and about the right to a dignified and fulfilled life notwithstanding the importance of labour.

The proponents argued that thanks to a UBI nobody could be forced any longer into accepting uncertain jobs. Given a UBI, people would be able to choose activities they considered reasonable and offering real satisfaction. Freedom from alienating, uncertain or even slave labour would increase the motivation to work and the economy would benefit from the resulting incentive to innovation. People doing unpaid work would at last gain the necessary financial independence and, lastly, democratic institutions would be strengthened as people would have more time and energy and thus could become more involved in civil society. Thanks to the UBI, again according to its proponents, people living at the margins or below subsistence minimum would be relieved of the difficulties of welfare. The degrading enforcement steps and sanctions by welfare institutions would disappear, and the awful debate about cheating on welfare would lose its basis, because everybody would be entitled to UBI.

Conversely, critics argued that UBI is a trap: first of all there is a danger of wage reductions and dumping because a part of subsistence would be assured through UBI. For many feminists, the UBI is actually a premium on housework and thus reinforces discrimination against women, because it does not tackle the fundamental problem of the gender-based distribution of power. Instead of evenly distributing paid jobs and unpaid home and care work among men and women, UBI would just be a cheap way of buying women off. More generally, according to the critics, UBI would work the same way against those who are redundant, or unwilling or unable to work. From this point of view, UBI promotes a division of society into two halves, those who continue to work for money and those who do only what they feel like doing. A further argument against UBI was the danger to the Swiss social security system: the introduction of UBI might lower

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benefits and also lead to a reduction in non-monetary social support.<sup>2</sup> This would be particularly serious for those whose underprivileged position consisted not only in a lack of material goods (income, assets), but also of education and training, professional qualifications and social contacts. People suffering from physical, mental and psychological disabilities as a result of birth defects, illness or accidents also depend on non-monetary benefits. Finally, much criticism centred around the financial aspects of the proposal. The level of UBI for an adult person was estimated in the Swiss discussion at CHF 2,500 per month. This would need additional financing of more than CHF 20 billion annually if the level of income from wages and social insurance was to be maintained. The proponents of UBI never committed to any proposed sources for these funds. Among other options, an increase in value-added tax (VAT) was mentioned, which prompted criticism from the left because value-added tax as a linear tax on consumption is unsocial compared to progressive taxes on income and property or proportional social security contributions.

### **A collection of improvements as an alternative**

From a left-wing point of view, it is true that UBI not only presents dangers, but also possesses certain emancipatory aspects. Most importantly, people would be protected from the danger of material hardship. But UBI is not a magic wand that would eliminate all social disadvantages at one stroke. On the contrary, too much would be put in serious danger or destroyed. Instead of this enticingly simple “magic wand”, reducing social injustice requires a number of interlinked components.

Thinknet proposes a collection of improvements that will tend towards a fair society and work against many people’s feeling of being threatened:<sup>3</sup>

2. Included in non-monetary benefits were consultations, further education and qualification offers, etc.
3. For a detailed presentation see <http://www.denknetz.ch/grundeinkommen/dossier-bedingungsloses-grundeinkommen>.



- The first component is guaranteed basic social security. This security complements existing social insurance benefits, which are entirely preserved but transformed into general income insurance<sup>4</sup>. Basic security corresponds to an extension of present-day so-called supplementary benefits<sup>5</sup>, for all those whose pay and other resources are insufficient for a life in dignity, for instance to single parents (parents' supplementary benefits are currently only for those who are on disability or old age pensions). Social service will be converted into integrated consulting on work, career and living, merging current job centres, vocational advice, disability support and social work. All forms of coercion to work and all sanctions will be removed.
  - The second component is an unconditional sabbatical for all. All people between the age of 25 and the age of retirement will be entitled to a sabbatical leave of three years in total. During the sabbatical they will be entitled to an income at the level of 80% of the minimum wage claimed by the trade unions<sup>6</sup>. The unconditional sabbatical can be claimed in separate blocks. After a block of at most one year, the previous job is guaranteed if the person has been working for the same employer for at least two years. Unconditional sabbatical leave can also be claimed part-time at 50% or in the form of early retirement if desired.
  - The third component consists of parental leave that, unlike the present Swiss "narrow-gauge" option, really deserves the name of leave<sup>7</sup>. Parents are to receive a 24-week parental leave for every child, during which they will
4. See also [http://www.denknetz-online.ch/IMG/pdf/AEV\\_Das\\_Modell.pdf](http://www.denknetz-online.ch/IMG/pdf/AEV_Das_Modell.pdf).
  5. Swiss supplementary benefits are part of the system of social insurance, and are paid in addition to pensions if required. At present recipients of pensions (old-age pensions and people unable to pursue gainful employment because of a birth disability or a chronic illness) are entitled to supplementary benefits. The level of support depends on the discrepancy between recognised expenses and qualifying income.
  6. This is at present (2017) about CHF 3,200.
  7. Today mothers receive paid maternity leave for 14 weeks after giving birth; they receive 80% of their former income but at most CHF 196 per day.

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receive 80% of their gross salary with a maximum of CHF 196 per day. The parents may arrange freely which parent takes this leave and when.

- The fourth component is good public services, in the form of day nurseries and a wide range of options in the sector of old-age help, which will work against current gender disparities.

With this mosaic of improvements, the compulsion to accept precarious, undignified or badly paid work is considerably reduced. This constraint is a burden on those affected and massively reduces their options in life. It also affects some normal earners, who suffer from undignified working conditions or stress, and nevertheless do not dare to give notice because they are afraid of losing their income. Further, it is important to increase considerably the freedom to shape one's life as one wishes. For most people the period between age 25 and retirement is dominated by persistently high demands in employment and family. The unconditional sabbatical increases the space for individual life planning; parental leave which really is parental leave will ease young parents' transition to a new stage of life; and, lastly, well-established public services, especially in the care sector, provide security for all residents in Switzerland. Good public care services open up the possibility that children, parents, relatives and friends can look after their children, parents, relatives and friends exactly in harmony with their own aspirations in life.

## IS A ROBOT AFTER YOUR JOB?

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In January this year members of the European Parliament debated a call for comprehensive rules for how humans will interact with artificial intelligence and robots. The fear expressed by the politicians is that advances in artificial intelligence (AI) could elevate robots to the status of an electronic 'person' with rights and privileges in law. It is surprising that such a prospect has taken so long to enter public discourse as ever since the birth of the computer seventy years ago commentators have been writing on the prospects of technological singularity – the point at which intelligence would become 'non-biological', and creativity would be unbounded by human limitations. Machines would dominate production through processes of self-improvement, re-writing their own software to outstrip the functional capabilities of the human brain. The scenario of singularity signals a complete collapse of human employment. Researchers at Oxford University have already calculated that almost half of all jobs in the US are at risk from new forms of automation in the coming decades, while journalist Paul Mason has written a best seller on the nirvana of a new 'post-capitalist' society. While most routine jobs would disappear, the destruction would also overlap into professional work. Doctors may be replaced by smart phone apps that diagnose a patient's symptoms and robots that perform operations. The collection of big data and its processing by algorithms (machine learning) may also enable correlations of behaviour, genetic disposition, or symptoms to predict a person's health. Even information technology (IT) specialists would not be safe, as much of the 'knowledge' which enables them to hold down employment may be transferred to a central cloud computer accessible by all from any location.

The restraints of limited mobility and flexibility of robotic 'arms' have been eased by new technologies which enable a humanoid robot to grip and to turn with less pre-

programming. Advances in algorithmic programming utilise the 'principles of neural networks' that enable AI to discriminate, to 'remember' past decisions and to make finer judgements. In the early days of development, such 'thinking' was measured by the degree to which the robot or computer passed the 'Turing Test' (after the celebrated British computer scientist Alan Turing). The test is based on the proposition that a machine would be able to think if it could hold a conversation that was indistinguishable from one with a human being. Image recognition technology has improved, as well as text to speech (and vice versa). Robots can now be programmed remotely from the cloud computer, an advance that is equivalent to the launch of the first 'free standing' 'Progama101' personal desktop computer by the Italian firm Olivetti in 1965. Combined with the falling cost of robots in the product market, it is not surprising that their numbers are on the rise. The 'International Federation of Robotics' estimates that there were 1.5 million robots in operation worldwide in 2014. According to a report in the Financial Times, China now absorbs an increasing proportion of the total, spurred by rising labour costs and shortages with a falling 'payback' period for investment of 1.5 years. But we should not get carried away with the rise of the robots; while their numbers may well rise to over 2 million, this compares with a worldwide workforce of 3 billion. In the country with the highest density of robots (South Korea), there are still less than 500 for every 10,000 workers.

### **The False Dawn of Singularity?**

If we adopt a socio-technical approach to examining AI and robots, we may see that claims of total singularity may well prove to be a false dawn. For more complex tasks, robots still need to be minded by humans lest they break down or miscalculate precision movements. Efforts by a leading robotics manufacturer to create an affordable 'plug and play' robot capable of mimicking human movement for widespread use in industry also appear to have stalled. A simple way of understanding the problem is to imagine a robot attempting

to catch a tennis ball in flight. Not only the speed and angle of flight need to be finely calculated in a split second, but also the weight of the tennis ball (which a human would have remembered from previous experience) will determine how hard the robot needs to grip the ball once caught to avoid the ball bouncing back out of the hand. Such a seemingly simple task for a human is a logistical nightmare for a robot. Mercedes-Benz, which is a lead player in developing autonomous cars, has now begun replacing its robots with humans in its factories due to this very lack of flexibility in the robotic machine. Moves are now afoot to develop 'cobots', which operate side-by-side with humans to enable flexibility and creativity to flourish. While algorithms might replicate past human behaviour in robotic form, they are a long way off from 'consciousness' and the ability to 'think' at the level of a human. Returning to the 'Turing Test', the ability of robots to 'think' as humans do is only a remote possibility. Turing also identified a 'halting problem' whereby a computer using AI may never 'know' when it is 'right', and so will continue to compute. The algorithms they feed from remain subject to human input in programming and coding and repeat the mistakes and false assumptions that humans may have made in the past, but may consciously check against in the present. So, for example, the algorithm-fed robot 'Beauty.AI' only chose women of light skin when asked to judge an international 'beauty contest', suggesting an unconscious (or even conscious) racist agenda among those humans creating the algorithm.

A further obstacle we need to address is that of economics and the related political implications of choices made by employers. Computers are a relatively small proportion of capital stock, and investment in computers has been declining since the height of the 'IT Revolution' of the 1990s. The overall impact on productivity, growth and jobs appears less dramatic than might otherwise be assumed. In 2015 by Georg Michaels and Guy Graetz published evidence from a dataset of companies in 17 countries gathered between 1993 and

2007. They suggest that, while productivity increases with robotic innovation and some semi-skilled and lower skilled jobs are abandoned: "there is some evidence of diminishing marginal returns to robot use - 'congestion effects' - so they are not a panacea for growth. ... this makes robots' contribution to the aggregate economy roughly on a par with previous important technologies, such as the railroads in the nineteenth century and the US highways in the twentieth century." Neither do robots do away with the contradictions within capitalist accumulation. This is because, as capital-bias and labour shedding takes place proportionately less, new value is created (as labour is the only source of new value) relative to the cost of invested capital. Added to this, as the economist Michael Roberts reminds us, worker resistance to the dystopia of permanent joblessness would surely ensure that the road to 'full automation', if ever constructed, would be a very rocky one.

Indeed, the 'full automation' and post-capitalist schools of thought assume an ever-increasing thirst for new digital technology and a limitless supply of the necessary hardware and software. Yet these assumptions also need questioning. Predictions of the coming of singularity have been based on extrapolations from co-founder of Intel Gordon Moore's 'law', by which the number of transistors that can be inserted into a computer doubles every two years, both lowering the cost and vastly increasing computing power. However, this depends on a finite supply of rare earth metals, and Moore has himself acknowledged that there will also be a physical limit to how many transistors you can squeeze into an integrated circuit. As reported by the OECD in 2016, "... the introduction of new technologies is a slow process due to economic, legal and societal hurdles, so that technological substitution often does not take place as expected". For example, the development of autonomous or driverless cars is subject to regulatory concerns over insurance liability, which will act to slow down or even impede development. A sober analysis of the economics of singularity has been undertaken

by William Nordhaus at Yale University. Using econometric methodology on both the supply and demand side for digital technologies and AI, he attempts to predict when singularity might occur. He argues that two 'accelerationist' mechanisms could develop, either from accelerating supply or from accelerating demand, and then applies a series of time-linked tests to both hypothetical scenarios, focusing on the key input variables such as wages, productivity growth, prices, intellectual property products, and research and development. Five of his seven tests for the likelihood of singularity proved negative (including that for 'accelerating productivity growth' and 'rising wage growth'), while the two that proved positive (including a 'rising share of capital') indicated that singularity, if it did occur, would be at least 100 years away. And, as previously positioned, a rising share of capital may simultaneously lead not only to decreasing rates of productivity growth, but also trigger a crisis of profitability in the longer term.

We might suspect that the coming of singularity may falter, be delayed, or never happen because of the economic, social and political factors that stretch beyond the technology itself. Despite these limitations, the prospects of Irving John Good's 1965 musings of a 'last ultra-intelligent' machine ever being constructed, which will "surpass all the intellectual activities of any man however clever ... (so that) the intelligence of man would be left far behind", will no doubt continue to fascinate many. The dream of singularity would, however, be faced with a simultaneous collapse of the underlying dynamic of capitalism. The only surviving 'human' industrial sectors might be defence and space exploration, to guard against terrorist or foreign hostile cyberattack, and against attack on humans by the super intelligent machine!

# Reports

## **CLR BRAINSTORMING MEETING**

EFBWW office in Brussels, 9 February 2017, 11am to 4pm

Participants: Sam Hägglund, Marina Saegerman, Rolf Gehring, Stephen Schindler, Frank Leus, Pia Jensen, Linda Clarke, Colin Gleeson, Jörn Janssen, Werner Buelen.

Chair: Sam Hägglund

Minutes: Linda Clarke and Jörn Janssen

Agenda:

1. CLR legal structure and financing. Possible other legal structures and financing sources.
2. CLR network. How to activate/extend the network.
3. CLR communication, CLR News etc.
4. Forthcoming thematic issues in 2017-2018, editorial and article responsibilities.
5. Any other business

### **1a. CLR legal structure and financing**

Marina Saegerman submitted the CLR balance sheet and statement of income and expenditure 2016 and suggested two options for the future of the legal structure of CLR:

- a) The legal structure ASBL-VZW will be maintained. In this case Article 19 of the constitution needs to be amended in accordance with Belgian law and this amendment will have to be published in the 'Moniteur belge' at the cost of 124.63 EUR. Given the expenses related to the legal structure and the lack of any income the account will be depleted in a few years.
- b) The legal structure of CLR will be dissolved.

In the following discussion Linda Clarke argued that she might integrate CLR in research projects which require the existing legal status as well as provide financial benefits to the account. Though it is still open how CLR will be involved in future projects, a final decision was postponed. However, it was decided to amend article 19 now as proposed.



### **1b. Mediating office for the Social Dialogue**

Werner Buelen explained how the European Sectoral Social Dialogue (ESSD) between the EFBWW and FIEC depends on a mediating role that had been maintained by the European Commission. The European Commission is downsizing its support. In order to work effectively, the ESSD needs the body/person, who would work directly for the EFBWW and FIEC. CLR might provide this function, if it would be accepted by both sides.

The following discussion did not show any opposition and left a decision dependent on further negotiation and information.

### **2. CLR network, communication, CLR-News, publications, seminars.**

Jörn Janssen argued that network, communication, news and other activities are not separate items and need to be discussed with respect to a strategic focus, the transformation of labour relations and representation. He summarised this transition in four aspects:

- a) The individualisation of employment relations such as through platform labour, self-employment, agency labour etc. associated with the decline of collective representation/organisation and the rising importance of statutory labour and wage regulations as well as social rights and benefits;
- b) The waning identity of the construction sector through the diversification of companies, a relative rise of subcontracting and parts, components, materials from other sectors;
- c) The fragmentation and variability of companies, employers and owners across national boundaries;
- d) The difficulty to represent labour vis-à-vis global financial property and civil government, the declining power of the 'social partners'.

These developments might be central subjects for CLR-News, international seminars, a special advisory committee perhaps linked with the ETUC, empirical research projects. After an

intensified coverage of these subjects in CLR-News leading representatives of the EFBWW member organisations ought to be invited to discuss new labour union strategies under these auspices at a conference in 2018. To such a conference experts from a variety of organisations ought to be asked to join the discussion, e.g. Thorsten Schulten/WSI, Michel Husson/IRES, Jan Drahocoupil/ETUI. The results of this conference might be published as a book in CLR-Studies. At the same time, existing networks (e.g. CNBR, Critical Labour Network) could be circulated to identify people in each country interested in becoming involved in the network and the themes they would like to contribute to.

In the following discussion the general observations about the transformation of labour relations were not contested. However, it seemed difficult for CLR and the EFBWW to organise a debate on strategies with leading representatives of the member organisation. Sam reminded us that the diversity of labour relations in the European countries makes it difficult to discuss common problems and strategies. Empirical research needs extending and factors such as productivity need to be understood.

### **3. CLR communication, CLR-News**

The website could be the main medium of communication if somebody was able to keep it up to date and responsive to requests or even occasional interventions. For this purpose the website would also need a new design and the coverage of the cost of maintenance. Given the lack of resources for these requirements, CLR-News remains central for further communication.

#### **4. Forthcoming thematic issues of CLR-News in 2017-18, editors and article responsibilities**

After extensive discussions about a wider range of subjects for CLR-News, the following issues were decided:

- 1/17 The Transformation of Labour Relations, Individualisation of Employment, Diversification of the Employer, Financialisation of the Construction Sector, Jörn Janssen
- 2/17 Health and Safety in Construction, Rolf Gehring
- 3/17 The Housing Crisis: a Global Phenomenon, Linda Clarke and Colin Gleeson
- 4/17 National Disparities in Social Partnerships, Sam Hägglund and Linda Clarke
- 1/18 Labour Cost, Productivity and Remuneration, Sam Hägglund
- 2/18 The Impact of Globalisation on Labour Relations, Linda Clarke and Pia Jensen
- 3/18 Wood in the Construction Industry, Sam Hägglund and Stephen Schindler

#### **5. Any other business**

Sam Hägglund will investigate the possibilities of a conference of the EFBWW, possibly with the ETUI, on strategies for the development of labour rights.

Jörn Janssen

### **DU LOCAL À L'INTERNATIONAL: UN EFFACEMENT DE L'EMPLOYEUR?**

(From local to international: wiping out the employer?)  
Institut Européen du salariat/IDHES, Seminar 27 March 2017,  
Université Paris-Nanterre.

The Institut Européen du Salariat (European Institute of Wage Labour) in cooperation with the 'Institut et Dynamiques historiques de l'économie et de la société' (IDHES) has organised a series of 7 seminars at the University of Paris-Nanterre under the heading 'Où en est le conflit capital travail'. The main questions to be addressed are summarised in a short introductory note: "Wiping out the figure of the employer... mixing up the categories of workers: where are we with the conflict between capital and labour today? How to read and show class relations in this context of transformations of labour institutions, of the figures of the employer, of the status of the worker?" (Transl. J.J.)

The headings of the seven seminars are a speaking presentation of its subject:

- Introduction (05/12/2016)
- Splendours and miseries of the labour contract (09/01/2017)
- Splendours of the public function? (30/01/2017)
- What forms of employers in the world of finance? (06/03/2017)
- From local to international: wiping out the employer? (27/03/2017)
- Independent work: all self-employers? (15/05/2017)
- How to mobilise the invisible worker? Class conscience and invisible labour (12/06/2017)

In the seminar on 'wiping out the employer' on 27 March 2017 Alexandra Oeser presented a case study of mergers and acquisitions across national borders, which culminated in a court case to determine in the first place who was the

employer to be charged. The second presentation of Jean-Luc Deshayes explored the transnational development of employment in the region of Logwy near Luxemburg and Belgium after the closing down of the steel industry.

It seems that the debate about the transformation of employment relations is more advanced in France than in other countries. Unfortunately these seminars are all held in French with an almost exclusively French and predominantly academic participation. However, Bernard Friot, the founding father of the Institut Européen du Salariat, is tirelessly speaking at events organised by the left-wing trade union Confédération Générale du Travail (CGT).

# Reviews

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Christophe Degryse: **'Digitalisation of the economy and its impact on labour markets'**, ETUI Working Paper 2016.03, Brussels, ISSN 1994-4446, ISSN 1994-4454 ([pdf](#))

This ETUI Working Paper seeks to engage in the discussion and debate on new aspects of the digital economy symbolised by the growth of 'gig economy' platforms such as Uber, Airbnb, Deliveroo and Taskrabbit, and advances such as 3-D printing and robotics. There exists a lack of information on how trade unions are responding to new challenges brought about by digitalisation, and the author of the paper, Christophe Degryse, provides some examples of trade union strategy as it has developed across Europe and within the ETUC. There is no doubt that advances in digital automation have challenged existing work practices and strengthened employers' hands in the labour market. Two threats to labour are apparent. The first is that digitalisation may create fewer jobs than it destroys through processes of displacement. The second threat is that employers may seek to exploit workers even more in the gig economy by constructing new forms of precarious contracts, as we have seen for taxi drivers at Uber or cycle food couriers at Deliveroo. Degryse provides an overview of the arguments on job creation and displacement and offers real life examples that begin to suggest a potential polarising effect on jobs; lower skilled jobs are threatened, while high tech jobs and occupations are enhanced. More useful, however, is the second section of the paper, which focuses on trade union strategy within the context of government and employer initiatives such as the cases of 'Industrie 4.0' in Germany, Digital Belgium, or 'Usines du future' (Factories of the Future) in France. Different engagement processes are examined, ranging from the 'right to disconnection' (in France) to 'De robot de baas' (Mastering the Robot) in The Netherlands. This is invaluable information, and something with which all trade union activists should familiarise themselves. This ETUI paper should therefore be warmly welcomed.

WSI-Mitteilungen 1/2017 Schwerpunktheft (programmatic issue) **Wird atypisch normal? Beschäftigung im Wandel.** (Is Atypical Becoming Normal? Change of Employment.)

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The first programmatic issue (1/2017) of this year's WSI-Mitteilungen, the periodical of the 'Institute of Economic and Social Research' of the DGB, focusses on a subject which appeared in the limelight of publicity in 2016 under a range of different denominations, gig or shared economy, platform labour, crowdworking, digitalisation of employment etc.. These most recent developments in the transformation of labour relations have eventually directed attention to the very nature of socio-economic relations. The heading of this issue is indicative of neglect in perceiving and monitoring ongoing changes in labour relations. How else could a 'typical form' be a matter of reference? What can be 'normal' in a process of transformation and coexisting forms? What is 'standard' as opposed to 'non-standard' employment - another euphemism? But this publication is informative, whilst the 'introduction' by Karin Schulze Buschoff and Hartmut Seifert warns the readers that the following contributions are only material for a discussion on a 'body of theory' for the future.

In the first article, Hartmut Seifert uses empirical data from a variety of forms as a first step to identifying explanations for the "development and structures of atypical employment relations" (pp. 5-15). The next article presents data on the rise of part-time, fixed-term, short-time, and agency employment from 1991 to 2014 (Carina Sperber and Ulrich Walwei, pp. 16-26). Berndt Keller then criticises the unions for relying on and predominantly representing full-time permanently employed to the detriment of the remaining marginalised workers (pp. 27-35). A special aspect of the reduction of wage earning is the subject of Renate Neubäumer's contribution, the losses in earnings of those workers who tend to be on short-term contracts during times of search and intermittent temporary unemployment. These losses are even exacerbated through the costs implied in searches and applications for jobs (pp. 36-

## Reviews

44). Fixed-term and temporary employment has become an entrenched feature in public services as a means of maintaining a core of permanent employees and to save money by adjusting to fluctuations in demand through short-term contracting (Christian Hohendanner and Philipp Ramos Lobato, pp. 45-53). Solo self-employment is explored as a matter of international comparison between Germany and the Netherlands. Between 1992 and 2015 it has been rising much more in the Netherlands from about 6% to almost 12% of employment, whereas in Germany it has remained stagnant, at about 6% since 2006, even slightly declining since 2012. The comparison according to occupational segments shows the highest level of self-employment, 18%, in scientific and technical professions in the Netherlands. (Karin Schulze Buschoff, Wieteke Conen and Joop Schippers, pp. 54-61). Finally, Werner Eichhorst and Verena Tobsch present a trans-European comparative overview. Given an overall average increase in fixed-term, part-time, agency and solo self-employed labour in the last decade, these forms of employment nevertheless vary enormously across the 28 EU states, for instance in 2014 22% in the Netherlands were on part-time contracts and less than 1% in Romania. In 2014 solo self-employment was highest, almost 16%, in Greece and Italy, and lowest, at less than 4%, in Croatia. These differences are largely explicable through varying institutional socio-economic regulations (pp. 62-69). The publication concludes with an assessment of existing EU-regulations and their impact on these new forms of labour relations, assuming that, despite new regulations and reforms, "There is no basis for a significant reduction in agency labour and task-work. In the interest of employers, precarious labour subcontracting and abusive task-work constructions will be possible in the future" (pp. 70-73).

Whereas, as already indicated above, this publication is a very informative response to the debate on changing labour relations, it remains silent with regard to many issues at stake. The arguably most fundamental question is whether these



forms just fill gaps in a secular transformation of labour relations or whether they represent an early stage of emerging dominant more individualised relations, even perhaps the beginning of the liberation of labour from submission under capitalist employers. Such alternative assessments are, however, crucial for political decisions on how to respond with adequate regulations. A return to or consolidation of traditional 'typical' or 'standard' regulations is certainly doomed to fail.

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