Smart Unions for New Industry

Swedish meeting

Luleå (Sweden)

May 29, 2018

Where we are on the project?

Work stream 1

- **Preliminary research** (1 kickoff meeting + 4 national reports + 1 comparative report + 1 Swedish meeting)
- Months 1-5

Work stream 2

- **Capacity building** (4-day training course in three out of four countries involved + teaching material and a questionnaire + 3-day study trip to Bochum + 1 handbook «Workers' rep 4.0» and translations)
- Months 5-16

Work stream 3

- **Dissemination** (1 final event in Brussels + reports and outputs made available in SUNI website and partners' websites, dissemination via ADAPT International bulletin and each partner's communication channels)
- Months 16-19 (though, articles, interviews and events on the contents of this project are very welcome during its whole duration)

Comparative report: preliminary results

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Section 1. Governmental plans for Industry 4.0

Date from which the measures came into force	2011: Germany (a working group named "Industrie 4.0" was established) 2015: Spain ("Industria Conectada") 2016: Sweden ("Smart Industry") and Italy (Piano nazionale "Industria 4.0")
Institutional promoters	Germany > the **Federal Ministry for Education and Research** set up the promoter group «Kommunikation», whose spokesman led the working group «Industrie 4.0». Spain > the General Secretariat for Industry and SMEs launched the strategy «Industria Conectada». Sweden > the reference is generally to government (but the document available online was produced by the Ministry of Enterprise and Innovation). Italy > the Ministry of Economic Development, supported by government, launched the Italian Industry 4.0 plan.
Objectives	Quite homogenous objectives of national strategies: - To boost national competitiveness and industrial innovation.
Scope of application	Sweden > all industrial sectors. Spain > focus on automobile and textile manufacturing (less attention paid to metal industry). Italy > from «Industria 4.0» to «**Impresa 4.0**» (*Enterprise*) to encompass as many economic sectors as possible. Very similar attitude in Germany.

Degree of centralisation	Apparently centralised (government-led) strategies in all countries. However, in Spain, important regional programmes have been launched. Plus, in all national strategies, connection with territories is encouraged e.g. via digital innovation hubs (in Spain and Italy), or place-based research and innovation investments in Sweden.
Pivotal topics/pillars	Widespread attention to digital transition and skills' development. In Sweden, **quite unique focus on environmental sustainability**.
Main tools	- Fiscal tools (including tax credits in Italy and semplified procurement procedures or public funds for innovation projects in Sweden) - New infrastructures (e.g. open data, data protection and security) - Guidance programmes (e.g. pool of facilitators in Spain and Italy) - Skills and research policies (e.g. increase in the number of industrial 4.0 PhDs in Italy; lifelong learning opportunities)
Role of trade unions	A multi-stakeholder governance in Germany, via the «Plattform Industrie 4.0» (where business and labour representatives are deeply involved in both implementation and strategic development). A multi-stakeholder governance «wannabe» in Italy, via the «Cabina di Regia» (a sort of a consultative-coordinating body). The Swedish «Smart Industry» strategy developed in close dialogue with trade unions. Apparently, **scant involvement of Spanish social partners** > intense lobbying activity performed by social partners.

Section 2. Main features of industrial relations in the metalworking sector

	ITALY	SPAIN	GERMANY	SWEDEN
Trade unions and employers' associations in the metalworking sector	**Union pluralism**. ->No law establishing a union representativeness threshold to sign NCLAs. ->Main unions are FIOM-CGIL, FIM-CISL, UILM-UIL, which sign NCLAs with Federmeccanica (Confindustria), Unionmeccanica Confapi, Confimi Impresa Meccanica + cooperatives and craft industry.	Main unions are UGT-FICA and CCOO, that sign the National Industry, Technology and Metalworking Sector Services Agreement with Confemetal. -> **A union representativeness threshold** (i.e. the number of delegates) to select most representative unions.	**A single main union**: ->IG Metall, affiliated to DGB, which signs sectoral collective agreements (at the regional level) with Gesamtmetall (member of BDA). A marginal position is held by the Christian metalworkers' union (CGM), affiliated to the confederation CGB.	**Nation-wide trade union confederations for blue-collar and white-collar workers**: ->LO represents blue-collars (IF Metall is a member of LO)+ TCO organising white-collars. They sign NCLAs with the Association of Swedish Engineering Industries (Teknikföretagen), affiliated to the Confederation of Swedish Enterprise.

	ITALY	SPAIN	GERMANY	SWEDEN
Collective bargaining in the metalworking sector	**6 NCLAs** (signed by FIOM-CGIL, FIM-CISL and UILM-UIL) **covering the sector**. However, the most popular is the NCLA Federmeccanica. -> no erga omnes -> **two-tier collective bargaining structure** (national + territorial/company) -> rules of coordination: delegation, ne bis in idem, opting out in certain circumstances -> **a problem of vertical coordination** and CB governability -> sectoral CB coverage is about 80/85%, while company-level CB coverage does not exceed 35%	1 NCLA covering the sector: the National Industry, Technology and Metalworking Sector Services Agreement (CEM). ->**general efficacy** («erga omnes»). The CEM is published in the Official State Gazette. ->**three-tier CB structure**: national either industry or non-industry (on non-pay issues), provincial, company-level ->labour reforms of 2011/2012 allowed company-level collective agreements to deviate from higher-level ones.	**Industry-level collective bargaining is the core of the system**. It takes place at the regional level. + **works agreements** can be reached at company level on *integrative* issues. -> works councils can negotiate only if they improve standards (favourability principle) or opening clauses are allowed by industry-level agreements. ->legal mechanisms to extend the efficacy of CB. ->**declining CB coverage** due to firms leaving employers' federations.	**2 NCLAs for blue-collar and white-collar workers**. ->**two-tier CB structure**: industry + local (workplace) level, that can regulate any issue following the rules established by national level CB (however, decentralised CB cannot lower pay increases fixed at the national level). -> High CB coverage: about 90%.

	ITALY	SPAIN	GERMANY	SWEDEN
Workplace labour representation in the metalworking sector	• **RSU: the unitary workplace union structure**, elected by all workers among union candidates, endowed with bargaining rights (in companies > 15 employees) • RLS: elected by all workers and dealing with health and safety issues • Joint committees on *integrative* issues	**Dual-channel system of employee representation**: • In companies >10 employees: an employee delegate (only formally independent from unions) • In companies >50 employees: works council (only formally independent from unions) with bargaining powers. + trade union sections gathering all union members in companies; in companies >250 employees: a trade union delegate.	• In companies > 5 employees: **a works council** (formally independent from the union) endowed with co-determination rights on social issues. • In companies > 50 employees: health and safety committee • In companies > 100 employees: an economic committee • In bigger companies: shop stewards elected by the union.	Union-based employee voice at the workplace level. **Union representatives are endowed with bargaining rights on any issues**. + workers' safety representatives appointed by the union; and joint safety committees.

	ITALY	SPAIN	GERMANY	SWEDEN
Participatory rights in the metalworking sector	• **Article 46 of the Constitution**, dedicated to workers' right to collaborate in the management of enterprises, **never materialized.** • Participation practices introduced via industry-level (in the metalworking sector, in companies > 1500 employees) or company-level CB. • Fiscal and contributory incentives to direct employee participation practices introduced via CB.	No rights to employee board-level representation.	• In companies >500 employees: employee representative on supervisory board. • **Co-determination rights** on social issues attributed to works councils.	• In companies > 25 employees: **employee representation on boards**. • The UVA agreement (1982) > **consultation/negotiation rights before significant changes** (work organisation; personnel changes, annual budget + other areas e.g. technical developments). • **Union veto power** over engagement of subcontractors. • **Union right to use consultants** paid by the employers.

Section 3. Overview of the perspectives of trade unions and employers' associations in the metalworking sector on Industry 4.0

Trade union perspectives (1)

- By and large, **a quite homogeneous positive and proactive approach** to Industry 4.0, as an opportunity to develop the content of work, improve work environments (and, according to IF Metall, ensure job security).
- However, this bright future perspective cannot be realised without conditions:
  1. **Trade unions do not have to infringe their roles and responsibilities** so that no worker is left behind by digital development.
     - The main instrument trade unions have at their disposal is **collective bargaining** (the concept of «contrattazione d'anticipo» in Italy).
     - Focus areas are: lifelong learning, career development, work-life balance.
  2. **Governments should play their part** by overcoming austerity policies (as suggested by the Italian UILM-UIL), thus developing research and innovation policies through increased collaboration between industry and academia, and making targeted investments to encourage firms' development.

Trade union perspectives (2)

- Trade unions' willingness to participate in Industry 4.0 is reflected in **a number of actions** already initiated:
  - The IF Metall's programme for future industrial work;
  - The IG Metall's advisory board «Zukunft der Arbeit», composed of works councils' members, scientists and state secretaries;
  - The CGIL's project «Work 4.0» including the online platform «Idea Diffusa» and an industrial committee;
  - The CISL's «Laboratorio Industria 4.0» to investigate the effects of Industry 4.0 on workers and their working conditions.
- Finally, **there is no shortage of criticisms or concerns** within the union movement:
  - Increasing precariousness of employment relationships, the perspective of a digital Taylorism, the blurring of boundaries between work and life (FIOM-CGIL)
  - Difficulties to ensure a fair redistribution of income (UGT-FICA)

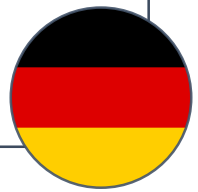
Employers' association perspectives

- By and large, **Industry 4.0 is conceived** by employers' associations **as a huge opportunity** to boost competitiveness.
- A goal of employers' associations, particularly stressed in the Italian report, would be to participate in Industry 4.0, by assisting their affiliated companies.
- Employers' associations have already taken part in many projects related to Industry 4.0 (this is particularly evident in the case of Federmeccanica and the Association of Swedish Engineering Industry).
- Focus areas are: technologies, workers' skills (emphasised by both Federmeccanica and Gesamtmetall), work organisation.
- **Excitement is contained by some persisting issues**: SMEs' lagger condition, international competition from third countries (as highlighted in the Spanish report), too employee-oriented labour regulation (according to Gesamtmetall).

Section 4. The role of trade unions in Industry 4.0

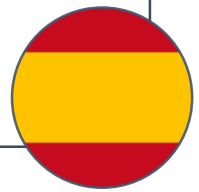
- Emerged after the Second World War from the former German Metalworkers' Association, founded in Frankfurt am Main in 1891 and banned by Nazis.

Ig Metall



- The Federation of Industry, Construction and Agriculture, adhering to the General Workers' Union, founded on August 12, 1888. It emerged in 2016 from the merger of MCA and FITAG.

Ugt-Fica



- Formed in 2006 by the merger of the Swedish Industrial Union (Industrifacket) and the Swedish Metalworkers' Union (Metall).

If Metall

- The Italian Metalworkers' Federation, adhering to the Italian Confederation of Workers' Trade Unions (CISL), founded in 1950 after the split of the former General Italian Confederation of Labour (CGIL).

Fim-Cisl

Scope of representation	While all representing workers in the metal industry, the analysed trade unions have **slightly different scope of representation**: • Less sectors seem to be represented by FIM-CISL, more sectors are represented by UGT-FICA. • IF Metall represents only blue-collar workers, whereas FIM-CISL represents both blue-collar and white-collar workers; Pensioners are represented by IG Metall and IF Metall; IG Metall and UGT-FICA are also open to self-employed members.
Organisational structure	• All trade unions adhere to a national confederation, though maintaining their autonomy; plus, they are affiliated to international union organisations. • They are all articulated in territorial and regional branches. • The composition of decision-making bodies at the national level is generally decided upon a long, complex democratic process, which starts at the lower levels and concludes in the national trade union congress.
Values and mission	• All analysed unions have similar missions: to work for the interests of their members, promote a democratic and equal society, support the development of the human personality (see particularly FIM-CISL). • Some important concepts in unions' identity are: autonomy from external powers (although the Swedish confederation LO has a complex relationship with the Social Democratic Party); collective bargaining; workers' participation.
Core activities	All the above-mentioned trade unions are responsible for collective bargaining, advancing and defending workers' interests in workplaces, and providing services to workers.

Trade union discourse

Overall, **the main goal** of the analysed trade unions in the face of Industry 4.0 is to participate in it and make the change sustainable to workers.

INTERNAL STRENGHTS	INTERNAL WEAKNESSES
i) A good **knowledge of Industry 4.0** and an idea on how to tackle it; ii) An approach to Industry 4.0 that considers it not merely as a technological phenomenon but also as a human and social process; iii) A proactive role of unions in the public debate on Industry 4.0, oriented to drive the directions of change; iv) Already initiated training activities and qualification programmes targeted to workers' representatives (IT); v) Fruitful **relationships with other relevant players** (e.g. research institutes, employers' associations, companies, public authorities) (IT i.e. with researchers; SE also with companies and employers' associations).	i) **Declining membership rates** and the difficulty to organise young workers; partly related is the increasing gap between membership rate and collective bargaining coverage (SP, DE); ii) The quite general low level of education and skills in trade unions' members (SE, SP); iii) A slow decision-making process due to a hierarchical organisational structure (SE).
EXTERNAL OPPORTUNITIES	**EXTERNAL THREATS**
i) The benefits that Industry 4.0 potentially brings to economy, labour and society; ii) A **favourable political constellation** at governmental level and public policy choices, focused not only on technological development but also on labour issues; iii) Assertiveness and pervasiveness of the results from collective bargaining (SE, DE).	i) An **unfavourable political constellation** at governmental level ant the scant institutional involvement of trade unions in decision-making processes on Industry 4.0 (IT, SP); ii) **Gaps in workers' representation and collective labour regulation** (e.g. multiplication of signatory parties and NCLAs (IT); regulation "blind spots"; decentralisation trends at the expense of NCLAs (DE)).

Trade union action (1)

Scope of intervention	Main content	Observations
Research + Innovation (SE, DE)	IT: **qualitative research** on the impact of new technologies or organisational models on workers. SE, DE: **multi-stakeholder innovation projects** to introduce technological and organisational innovation in workplaces. E.g. APPsist (DE); The production lift and Produktion 2030 (SE).	Only **in IT, unilateralism prevail**. In DE, Ig Metall also contributes to outlining the calls for proposals with state ministries.
Communication and dissemination	IT and SP: conferences, seminars with various players – and documents, booklets. IT and DE: social media and online coverage. SE: multi-stakeholder project to sensitise young people with a concrete output. E.g. Smart Factories (SE)	These initiatives are mainly directed to workers and public opinion, but also to union members (IT) and specific audience e.g. young students (SE)
Lobbying	IT: Green Paper and White Paper with a research centre (ADAPT) to influence governmental strategy. SP: demands for a multi-stakeholder industry observatory; the "Declaración de los Agentes Sociales instando al desarrollo de un Pacto de Estado por la Industria" (2016)	**In IT and SP, unions rely heavily on lobbying** to influence public debate; in DE and SE the involvement of unions seems to be more institutionalised.

Trade union action (2)

Scope of intervention	Main content	Observations
Training activities	IT: to enable workers' reps to promote and design lifelong learning programmes in workplaces. E.g. REWIND (IT). DE: to enable works councils to co-create organisational and technological innovation in workplaces. E.g. Work 2020 and Arbeit+Inno>ation.	
Collective bargaining	**Industry-level** is a crucial venue for advancing workers' conditions in Industry 4.0: attention is paid **to workers' training** (IT, DE, SP, SE), employee participation (IT), working time self-determination (DE), validation of competences (SE). The relevance of decentralised CB is highlighted just in IT (welfare provisions, smart working, performance-related pay schemes, employee direct participation) and DE (the role of the archive of works agreements of the Hans-Böckler-Foundation).	Contents of industrial relations at company level are highlighted only in the IT and DE reports.
Other	International union cooperation: DE (Frankfurt Paper on platform-based work) and SP Tertiary education: SE (and Technology Colleges)	**In SE, the union plays a crucial role in the labour market**.

Some preliminary observations (1)

- Despite different institutional settings, all analysed unions show a quite similar attitude towards Industry 4.0: the willingness to take part in Industry 4.0 and make it sustainable to all.
- The fact that all unions are interested in Industry 4.0 may be partly attributed to the attention paid on the issue by governments (and other relevant stakeholders i.e. companies) in all countries.
- But the explanation for their proactive behaviour should be probably traced back to the identity of unions (this seems to be particularly true for the Italian Fim-Cisl, that comes to perceive Industry 4.0 as a chance to realise its own objectives).

Some preliminary observations (2)

- Unions' activities in this field slightly vary presumably due to the differences in their degree of institutional embeddedness (e.g. the relevance of lobbying in Italy and Spain; the multistakeholder approach of innovation projects where the Swedish If Metall is involved). CB is commonly perceived as the main tool to achieve unions' goal and workers' training is regarded as a central topic by all unions.
- As regards union discourse on Industry 4.0, all analysed organisations seem to agree more on what is considered as internal strenghts and weaknesses; however, more relevant differences concern the perception of their external opportunities and threats, probably given the divergencies between the institutional frameworks they are part of.