

TURBA! COMUNICACIÓN

HOW DIGITALIZATION IS TRANSFORMING THE WORLD OF WORK



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FOREWORD

What are we talking about when we talk about digitalization? What political proposals are coming from the transformative left on digitalization? Are the forces of the left being sound, realistic and credible in their approach to the subject? Digitalization is here to stay. The debate we need to have is: how do we want it to work?

We have been hearing about digitalization for years. However, the word has resonated even more strongly since the launch of the EU Next Generation funds: a massive deployment of resources and public funds, with the "green and digital transition" named as a priority.

Although the Next Generation Funds target various sectors, at Rosa Luxemburg Stiftung, we have focused on the impact of digitalization on labour. Guaranteeing labour rights and putting life at the centre are strategic priorities for the Rosa Luxemburg Stiftung Madrid office, as we work with and support grassroots trade unionists, and the emancipation and autonomy of women workers.

This publication began as a diagnostic report. However, the results obtained highlight strategies that take into account the vulnerability of a system marked by precarious employment and a lack of demand for labour, social atomisation and its response to the digital agenda, and the existing repertoires of social struggle.

The study has been rigorous and exhaustive in its methodology, and addresses the central questions of the impact of digitalization on labour: what the algorithm is and how it affects us; the problem of the digital divide; what the platform economy is, or what process automation means for women workers. But it goes further: it addresses the challenges we face at trade union and legislative levels. And, of course, there is a section on the cultural war: what do they really mean when they talk about flexibility, freelance or freedom? Neoliberalism has redefined concepts and here we aim to remember what they really mean. And, spoiler alert: they mean less labour rights for workers.

We hope that this theoretical text, as well as the proposals set out, will be useful for debate and reflection. It will also be useful for training on the subject, for activists and grassroots trade unionists, and for trade union leaders and officials.

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The power of the proletariat is founded on its class-consciousness, on its revolutionary energy brought to life by this consciousness, and on independent politics.

NOTE ON METHODOLOGY

This paper is one of the products of a qualitative social analysis on the impact of digitalization carried out by **turba! comunicación** for the **Rosa Luxemburg** Foundation Madrid office. It aims to be a tool of critical analysis that establishes elements of debate on the multiple oppressions caused by the impact of digitalization on our world of work. The research process followed by turba! comunicación can be summarised in the following stages: statement of the problem and objectives, exploration of documentation of interest, implementation of structured interview methodology and search for relevant social agents, comparison of results between the analysis of documentation and interviews, and preparation of the report.

This analysis has focused on two important aspects. First, the existing documentation on the impact of the digitalization agenda, specifically in the framework of the investment of the Next Generation Funds on our existing labour structures: Plan España Puede (the 'Spain Can' Plan), Ley Rider (the 'Rider Law'), the European Digital Agenda, Digital Spain 2025 Strategy, rulings issued in our territory on the use of algorithms or AIs, examples of international rulings, annual updates of Spain's DESI (Digital Economy and Society Index), proposals and declarations of international organisations such as the International Monetary Fund (IMF), the World Trade Organisation, or the International Labour Organisation (ILO).

Subsequently, planned and structured interviewing was applied as a qualitative social research technique, serving to more deeply interpret the impacts that actors have when acting or thinking in a certain way with regard to digitalization. A total of six interviews were conducted through a series of questions organised in four sections and in direct contact (online and face-to-face), under controlled conditions. The people interviewed were: **Naxo Parra**, lawyer specialising in digitalization and labour at Colectivo Ronda, **Gemma Galdón**, founder of Éticas Consulting, **Pello Igeregi**, ELA trade union, **Javier Arribas**, CCOO Confederal Secretariat for Strategic Transitions and Territorial Development, **José Varela**, Head of Digitalization at UGT and **Nuria Soto**, Riders X Derechos spokesperson. The interviews were conducted between May and November 2022.

Finally, the issues identified for this report were compared and analysed.

INTRODUCTION

In June 2021, the European Commission and the European Council approved the Recovery, Transformation and Resilience Mechanism of the Next Generation EU funds (better known as European funds). This decision has meant an injection of 750,000 million euros to be distributed among all the member states of the European Union, of which 144,000 million correspond to our country. The Spanish state requested 69.528 billion in the first tranche, the part of direct transfers that do not generate debt. It is quite likely that it will request the next tranche in 2023, which could mean another injection of almost 80 billion euros in the form of a loan, to deploy a series of investments promoting "green and digital transition".

To access their share, the executives of the different countries presented strategic plans delineating ways out of the crisis within this "green and digital" agenda. The Recovery, Transformation and Resilience Plan (PRTR) is the document drafted by the Spanish government to access these almost 70 billion euros. Some 28 per cent of these funds are to be allocated to **"digitalization", one of Europe's main proposals for economic transformation**. But absent from these plans to transform and boost the economy through the injection of these funds is any analysis of the negative consequences that this "digital gamble" may have on the world of work. This report addresses issues such as: what exactly is digitalization? How will it affect our economy? And: what about our labour rights and levels of employment? How is the distribution of these tools throughout our territory and productive framework being assured?

First, it must be stressed that **new technologies are not the genesis of casualisation and massive job losses**. As Aaron Benanav explains in his book *Automation and the Future of Work*, the chronic under-demand for labour - accompanied by recoveries without more job creation, stagnant wages and widespread job insecurity - stems from the "slowdown" in the economy, recognised by mainstream economists as "secular stagnation" or "Japanification". Its causes can be found in an industrial overcapacity, which, in the words of Benanav, has:

“ *killed the manufacturing growth engine, and no alternative to it has been found, least of all in the slow-growing, low-productivity activities that make up the bulk of the service sector.* ”

In his book, the author tells the story of what has happened to the world economy and its workforce over the last 50 years. According to his analysis of trend and productivity data, there is now a real and persistent under-demand for labour in the European Union, but its causes are not automation. There is another problem: labour productivity growth rates are slowing. And as economic growth slows down, job creation rates fall, leading to a reduction in overall labour demand.

“ *Put on the reality-vision glasses of John Carpenter's *They Live*, which allowed the protagonist of that film to see the truth in advertising, and it is easy to see a world not of gleaming automated factories and ping-pong-* ”

playing consumer robots, but of crumbling infrastructures, deindustrialized cities, harried nurses and underpaid salespeople; as well as a massive stock of financialized capital with dwindling places to invest itself. (Benanav 2021)

The situation we face is not the result of a series of "technological changes", but rather a mixture of the effects of depleted economies trying to revive themselves by cutting social spending, coupled with the socialisation of private debt that generated a deregulated financialised system. This trend is aggravated by a new global recession brought about by the impact of COVID-19 and the realisation that we live on a finite planet, which will not cope with an increase in production, but needs the opposite. In this context, we see the proliferation of new organisational forms of business and labour exploitation that have used technology to accelerate the processes of casualisation and give even more power to capital over labour. It has been called many names, starting with the misleading use of "sharing economy" and continuing with others such as "platform capitalism", "digital economy" or "turbo-capitalism". But what they have in common is the use of new technologies that, in many cases, **has led to the acceleration and increasing sophistication of old processes of labour exploitation or control**. Moreover, these technologies, together with false premises of progress, have served as a perfect blind for the owners of the technological means of production to hide behind, while they introduce euphemisms such as "collaborator", "connection", "flexibility" or "freedom" into the social imaginary and thereby veil the same strategies of exploitation and precarization of labour that the working class has been suffering for years.

There is therefore a huge **risk** that the **winds of digital transition coming from Europe shore up a system of labour exploitation and control through public funding of the development of these technologies**, the use of which is beyond public control and beyond the reach of workers and trade unions. The classic battle between capital and labour is now being cross-cut by technological improvements, which, apart from being in the hands of capital, are further tipping the scales and piling the benefits of these technological developments into the hands of big business, while the rest continue to fall into the depths of precariousness and inequality.

This analysis aims to identify what these risks are, as well as to point out recent experiences of labour struggles in the digital economy and platform capitalism. In this context, is it possible to imagine a world in which we all work less, have access to everything we need to live well, move as a society to take care of the most vulnerable, and also have space for leisure? It is possible. And technology is an opportunity if we are mindful of these areas and prevent digitalization from being just another excuse for the accumulation of power by capital against the rights of the rest; for this, **digitalization needs to be accompanied by a transversal strategy that puts labour rights at the centre**. Thus, it is necessary to study what these new labour relations are and their negative effects on the rights of the working class.



DIGITALIZATION

WHAT IT IS

Digitalization is a series of technological innovations, which can be more or less disruptive, with diverse potential developments and possibilities. There is no unequivocal, consensual delimitation of what digitalization is and its crystallization in a "digital agenda" would depend on the political objectives of that agenda.

In this so-called Fourth Industrial Revolution, digitalization poses challenges associated with hyper-connectivity, ever-faster data processing on ever-smaller devices, and business organisation.

From a transformative point of view, **digitalization could and should improve our lives, reduce work and support sharing**. Instead, it is emerging as an opportunity to increase the power of capital, entrenching inequality and the loss of rights. This is a consequence of the development of a certain type of technology and the use that is being made of it by big business in the face of the passivity of many public administrations, which see digitalization as a form of economic transition and a way of ensuring growth through increased productivity.



DIGITALIZATION AND LABOUR

Digitalization raises questions about the future, nature and quality of employment. It is simultaneously provoking diverse, even contradictory, employment impacts associated with **technological, social and institutional factors**. Specific interests are at work in the use, ownership and development of technologies, affecting working conditions, labour relations and the structure of the production model:

- ◆ **Structural transformation of the production model through the destruction/creation/displacement of jobs:**
 - Automation of production processes (transport, teleoperators, and manual work and liberal professions).
 - Changes within jobs.
 - New requirements in terms of qualifications and competences.
- ◆ **Rise in inequality:**
 - Increasing basic inequalities (wage inequalities, digital divide, etc.).
 - Gender inequality.
 - Failure to distribute productivity.
 - Accumulation of power and wealth.
- ◆ **Implications for labour rights:**
 - Emerging forms of precarious digital employment associated with the development of the gig economy, such as crowd-work and on-demand work via apps.
 - Low wages in a high percentage of cases, where the activities performed are fragmented into "micro-tasks".
 - Privacy, use of data in the performance of the activity and in everyday life.
 - Unilateral changes to payment terms and conditions.
 - Denial of employability.
 - Dislocation of working time: increasing flexibility and availability, loss of autonomy or privacy, and lack of the right to disconnect.
 - Individualisation of labour relations.
- ◆ **The need for new regulations and a new social contract:**
 - In a labour market weakened by structural precariousness and temporariness, digitalization has helped to evade responsibilities, circumvent rights, atomize and individualize labour relations, thus making them more unequal. The "innovation" of digitalization translates mainly into **deregulation** and **atomization**. With digitalization, we can break the chains of labour into many small parts to have expendable, interchangeable, individual or unequal workers.

Digitalization has an impact on the day-to-day lives of workers and jobseekers in three areas:

1. In **access to work**: recruitment algorithms determine how, by whom and why people get access to work, i.e. hiring.
2. In the **control of work performance**: productivity control and monitoring mechanisms.
3. In the **organisation of the activity**: delegating to computer systems the organisation of production and making decisions on shifts, wages and workloads to achieve the most efficient organisation.

All of these issues are intersected by problems such as biases in decision-making, transparency and the tools we equip ourselves with.

THE ALGORITHM

The algorithm is a technology for ultra-fast data processing by means of complex mathematical formulas and the use of an enormous amount of information that facilitates decision-making, with certain criteria and specific objectives. Despite the claims of sectors that defend the neutrality of these criteria, they can harbour biases and pose a risk to our rights.

Artificial intelligence is made up of algorithms, but not all algorithms are artificial intelligence. An algorithm is made up of instructions with an end in mind. The purpose can be simpler or more complex, from giving a green light if I hit the right answer to what is the fastest way to get to get to the station at night using the commuting data of the thousands (or millions) of people who commute daily and the available transport data.

The difference between the two is that in artificial intelligence the algorithm "learns" by doing and can even give itself orders, through what has been called machine learning.

An algorithm can lead to discrimination in access to work on the basis of race, age, gender, sexual orientation or class. These decisions are hardly or not at all transparent and place the algorithm outside of labour law.

WHAT DOES IT MEAN WHEN AN ALGORITHM IS IMPLEMENTED IN MY WORKING ENVIRONMENT?

The algorithm facilitates any task that is repetitive and automatic to speed up and make decision-making more precise. In our working environments, we may find algorithms ranging from very basic ones, which are usually used at a commercial level, to more complex ones, which are already having an impact in the service sector, logistics, transport, private security, law and medicine. We can also be confronted with an algorithm even before starting a job, as companies' human resources departments may have recruitment and selection algorithms at work.

The problem is which variables the algorithm uses to make decisions, as these can lead to discrimination in access to jobs based on race, age, gender, sexual

orientation or class, in performance, and in dismissal. These decisions are hardly or not at all transparent and place the algorithm outside labour law, leaving the working class uninformed and defenceless. As Eduardo Rojo, Professor of Labour and Social Security Law at the Autonomous University of Barcelona, explains in his blog, *Análisis jurídico de las sentencias que abordan el uso de algoritmos por las empresas de la economía de plataformas para regular las condiciones de trabajo* (Legal analysis of judgments dealing with the use of algorithms by companies in the platform economy to regulate working conditions):

Judgment of the Social Court No. 5 of Valencia of 10 June 2019

Is the delivery person free to refuse orders, without any impact on the subsequent allocation of deliveries? If we were to listen to the company and the two delivery drivers who testified in court in such terms, we would have to come to this conclusion, but from the extensive evidence, we arrive at a contradictory answer, with the judge assessing the thesis put forward by those who argued that there was a negative impact, and also some of the statements contained in the computer expert's report. On this point, the judgement is in line with the judgements of Social Court 33 of Madrid and 31 of BCN in highlighting that this negative impact did exist.

AMAZON 2021

Former Amazon employees claim they were fired from the company by automated mail generated when algorithms decided they were no longer doing their jobs properly

Discrimination is intrinsically linked to the use and development of algorithms. **Machines are not neutral and there is obviously also a human component that influences the perception of labour relations.** If the established logic is that instead of the principle of cooperation, competition is the way to generate greater productivity, this impacts the working environment, the organisation of work and the way we understand and relate to it.

Algorithms and artificial intelligence could be used to free workers from repetitive tasks and make better use of the resources of companies and also of the planet, to make work more efficient and productive and, in short, to better distribute the benefits of technology to make our lives easier. But the possession and use of these by employers alone - and never or rarely by public administrations or working people - leaves a prodigious device in the hands of capital that it will surely use for its own benefit.

THE DIGITAL DIVIDE

How the digital agenda is implemented is informed by existing economic, political and social conditions, as well as specific training capacities and digital infrastructures that make up what we call the digital divide. This also influences access to our labour rights. Compared to average European standards, in our territory we are working with **lower levels of basic digital skills and universal digital literacy** from the outset:

- 57 percent of the population compared to the 80 percent target set by Brussels for 2030 (Digital Economy and Society Index [DESI] 2022).
- 36 percent of the Spanish workforce still lacks basic digital skills (DESI 2022).

Annual monitoring will be essential. In the last year, the implementation of the digital agenda and the associated funds has meant that Spain has been ranked seventh among the 27 member countries of the European Union in the 2022 edition of the DESI prepared by the European Commission. The report highlights the improvement in the results in:

- digital technology integration (11th place, five places above 2021),
- digital public services (5th place, two places above 2021),
- human capital (10th place, compared to 12th in 2021),
- connectivity, where Spain is ranked 3rd for the second consecutive year.

According to this analysis, improvements have been made specifically in the development of infrastructures and the implementation of digital public administration. The problem is that these results are not matched, or at least not at the same pace, by an increase in digital skills, with 36 percent of active workers still lacking basic digital competences.

Moreover, it is also particularly worrying for the transformation of the production model that our country is well below the EU average in terms of the proportion of specialists and graduates in information and communication technologies (ICT).

In addition, there are **digital divides within society**, depending on various variables such as age, gender, education level, income level, household characteristics, territory and geographical area, which comprise the following inequalities:

- Territorial inequality in the use of ICT and the expansion of infrastructures linked to ICT development, especially along the rural/urban axis.
- Inequality within our productive and business fabric.
- Inequality by age.
- Gender inequality in access to infrastructure and tools, as well as in digital use and skills and in the creation of technological tools.

THE DIGITAL DIVIDE IN OUR PRODUCTIVE STRUCTURE

The investments from the digital agenda of the Next Generation funds have an impact on our productive structure, which is made up of more than 99.9 percent SMEs and micro-SMEs, of which 55.8 percent are self-employed individuals and 40.0 percent have between one and nine employees, according to the latest report on [Business Structure and Dynamics in Spain, by the Ministry of Industry, Trade and Tourism](#). Let us relate the business structure to other data on profits/income security: in 2021, 83.3 percent of the self-employed declared a loss of 60 percent of income according to the 9th survey of self-employed workers carried out by the Asociación de Trabajadores Autónomos (Association of Self-Employed Workers, or ATA) between 4 and 7 January 2021. Although they have subsequently experienced a gradual recovery (68 percent have recovered to pre-pandemic levels, according to the [2022](#) data), the feeling is more one of survival and vulnerability (not tending toward investment).

SMEs are important not only when it comes to understanding of the state of business; we must also highlight the importance of small and medium-sized enterprises in the economy in terms of their contribution to value added: 60 percent of value added is attributed to SMEs, of which 25 percent comes from micro enterprises and 18 percent from small enterprises.

This territory still has low levels of basic digital skills and digital literacy. 36% of workers do not yet have basic digital skills

Insecurity, added to a fragile economy with an atomized productive structure whose public subsidies favour large companies: this panorama is a weighty one in Spain. The digital agenda is being implemented in a context immersed in a survival economy where, in addition, according

to the report [Digitalización de las pymes españolas \(Digitalization of Spanish SMEs\)](#), prepared by the European Investment Bank, the adoption of digital technologies by Spanish companies ranks as 'low' or 'very low' for 75 percent of them.

The "need" for digitalization plans has been on the agenda for years, **but what should be established first is: what kind of digitalization are we talking about? How is it to be done, and for what purpose?**

The Next Generation funds aim to invest (just) 17 percent of the total amount in the digitalization of this productive structure; around 4 billion euros. The aim is to develop a digitalization agenda for SMEs with specific guidelines and infrastructures that pose several drawbacks:

- **Dependence on private software** owned by large transnational companies. The share of small technology companies in artificial intelligence, applications, are minimal, and there is no scrutiny of the digital model itself.
- **Marketplaces¹ that support a model of extraction of labour power** and extraction of the means of production. This is not the model we want to follow; it is impossible to compete against this business model.

1. A marketplace is 'an online marketplace', i.e. an e-commerce website where information on products or services provided by different suppliers is displayed.

- **Difficulty in** accessing established aid: techno-bureaucracy, because it is not easy to apply for European funds and this is a barrier for SMEs with zero to nine employees.
- Lack of foresight and planning around dependency and on what model of use is propounded by the very technology being implemented.
- Next Generation funds are proving difficult to access and SMEs are also failing to gain access to funds through **capillary routes**. In other words, investment in large companies does not guarantee that funds will filter through to SMEs and the self-employed.

THE PLATFORM ECONOMY

The platform economy is **economic and social activity mediated by digital platforms or technological frameworks**. "Collaborator", "pay" and "flexibility" are the words used in the applications, that establish themselves as "intermediaries" in a supply and demand relationship, shifting the employment relationship from the framework of labour law to a commercial "on demand" form of employment, trying to establish themselves in this way as mere "middlemen" or "service providers".

The service sector or services within the service sector - especially lawyers, solicitors, estate administrators, transport, private teaching of all kinds, or sectors such as care or psychology - are increasingly affected by this "type of work organisation" that establishes the timetable, salary, clients and quality of productive activity. This turns the companies behind the platforms into employers responsible for the work activity being carried out, an activity that, as work, is linked to certain rights set out in the Workers' Statute.

These platforms operate in very similar ways in various countries and have grown exponentially without any kind of liability, contracting costs or coverage, moving from one type of fraud to another, dodging the law and accumulating legal sanctions.

The main risks associated with this type of platform with regard to labour law, are as follows:

- **Discriminatory** scoring systems and forms of work organisation.
- Extension to other sectors, **uberization of the labour market**, incorporation of traditional sectors.
- Management of the employment relationship through **"on-demand" job boards**.
- Development of these conditions in the least unionised and most atomized sectors (where "false self-employment" is prevalent), impoverishing them and making their situations even more precarious.
- Work control systems that **generate stress and anxiety**.

Platforms operate in similar ways in various countries and have grown exponentially without any accountability, contracting costs or coverage, moving from one type of fraud to another, dodging the law and accumulating legal sanctions.

- Wage reduction despite task fulfilment.
- Use of **workers' data** without their knowledge.
- **Individualization** of relations and dismantling of workplaces.
- **Loss of tax revenue** for public administrations, both due to lower revenue from social security contributions as well as tax avoidance and evasion on the part of the companies.
- Denial of the employment relationship by different means:
 - Use of **falsely self-employed workers**: platform capitalism has introduced a fraudulent use of self-employment to reduce labour costs. Their interest is that it is cheap, because self-employment is structurally precarious.
 - **The digital self-employed**: proposed regulation of hybrid figures that actually lead to shackling large sections of the working class to the margins of the welfare state.

It is also interesting to note that the platform economy ends up taking the place of abandoned social reproduction work, or work that our system fails to cover, taking advantage of a group of people who have an unmet basic need. In the words of Nuria Soto, from Riders X Rights:



Platforms provide the opportunity to trade certain rights in exchange for things that are basic to survival according to the logic of "anything is better than nothing". This has two sides. First, offering labour we find the migrant worker without documentation, but also others who do have documentation but for whom the minimum wage is not enough to cover their needs and send money back to their country of origin. For these people, it is better to work 12 hours from Monday to Sunday and earn a wage above the minimum wage than not to earn this sum. Unfortunately, the labour rights that we have so often fought for do not feed the kids, or provide enough for family members left behind by these migrant workers. These are people who have to choose between eating, paying the rent or respecting the maximum working day, for example. And the choice is clear.

This is not the only case. Imagine the mother who does not have family policies that fit her situation. She may also need to give up some employment rights in exchange for a little more flexibility. And that is what she is offered by the company that does not recognise her as a worker. Flexibility should not be incompatible with being a worker, and that is not the fault of the platforms, but of our system.

Ultimately, labour rights become a bargaining chip for those at the bottom. The fact is that the failures of the system always weigh more heavily on those at the bottom. Thus, the companies take advantage of these failures and cover them up by talking about opportunities for the future, when what they are doing is taking advantage of people's precariousness and plunging them deeper into it. "The working poor".

Soto also reflects on the sector that demands this kind of labour:



The uberized sectors are usually the ones that have suffered the most from labour reforms or are the most precarious. Care is a case in point.

So is informal work: far from taking it out of informality, apps encourage informality in exchange for generating demand. This is evident in the proliferation of apps to find care work, tutoring, musicians, photographers, sex workers, etc. The app takes a percentage, often dictates the price, and provides you with clients. It usually subjects you to a score, and if you were already precarious in "analogue" informality, now you are even more so. Uberization makes a huge profit not only from the false self-employed, but also from informality.

In the riders' sector, the triumph of the company (known as "yellow") unions and the failure of the trade unions is significant in some respects. This is due to the fact that legal proceedings, which on average take 11.2 months, take up to three years or more. Companies drag out the proceedings and the judicial system is slow in any case. All of this means that the employment relationship is not recognised until approximately three years later and, as a result, it is not possible to recognise a trade union section during this time, or to have the right to unemployment or to be reinstated. Therefore many workers, even if they do not share the neoliberal discourse of the associations, find this the safest option. All this represents the success of uberization at the expense of the failures of the system.

PLATFORM ECONOMY AND THE PROBLEM OF THE NEGATION OF INDUSTRIAL RELATIONS

What is most notorious about the platform economy is how companies **evade labour law through digitalization** and thereby avoid providing coverage and protection of working class rights. The digital/technological element is used as a tool that allows companies to escape certain rules or certain protections that they are obliged to apply and comply with. The most obvious case is that of the riders (delivery workers). Also in this group are domestic workers who work through platforms and who are considered self-employed. In this way, a relationship subject to labour law is broken down and transferred to the realm of commercial law, overlooking on the one hand the importance of work in people's lives and on the other hand, positioning labour—a structural component of our society upon which a large part of our rights depend—as an exchange; not as production, but as an exchange of services.

PROCESS AUTOMATION

That jobs are lost as new technologies supplant them is not a new occurrence. Security was one of the earliest sectors affected. The installation of video surveillance cameras meant a huge loss of security personnel who used to make rounds and who, from that moment on, had to sit in a room checking the cameras newly installed by the company.

Innovations in the field of robotics and the automation of processes by technological tools can lead to the destruction, displacement and creation of jobs.

The risks of process automation include the risk of deepening structural inequality and generating a critical lag between job destruction and new job creation.

Some sectors are already heavily affected, such as banking, telecommunications and services. But the biggest losses are expected in industry and also in the telecommunications sector.

There are two aspects to labour automation: the area of employment, and simple cost-benefit economics.

Technology is just another kind of machinery for work, with some features that are worth noting:

- Not everything can be automated or replicated. There are still components of our jobs that require creativity, although there are routine components that can be automated.
- Process automation is not in itself discriminatory.
- Automation uses data learning and algorithms: for an algorithm to automate a process, it is necessary to write a path that the algorithm is able to read, and it learns from existing workers.
- The biggest problem we face is that process automation has some very significant risks of impacts, such as:
- Deepening structural inequality. Displacement is occurring in large numbers in many easily substitutable jobs, reinforcing the pre-existing unemployment/displacement dynamic.
- Not being prepared for the skills required, and a large time lag between job destruction and new job creation.

PROCESS AUTOMATION AND THE CHALLENGE OF MASSIVE JOB LOSSES

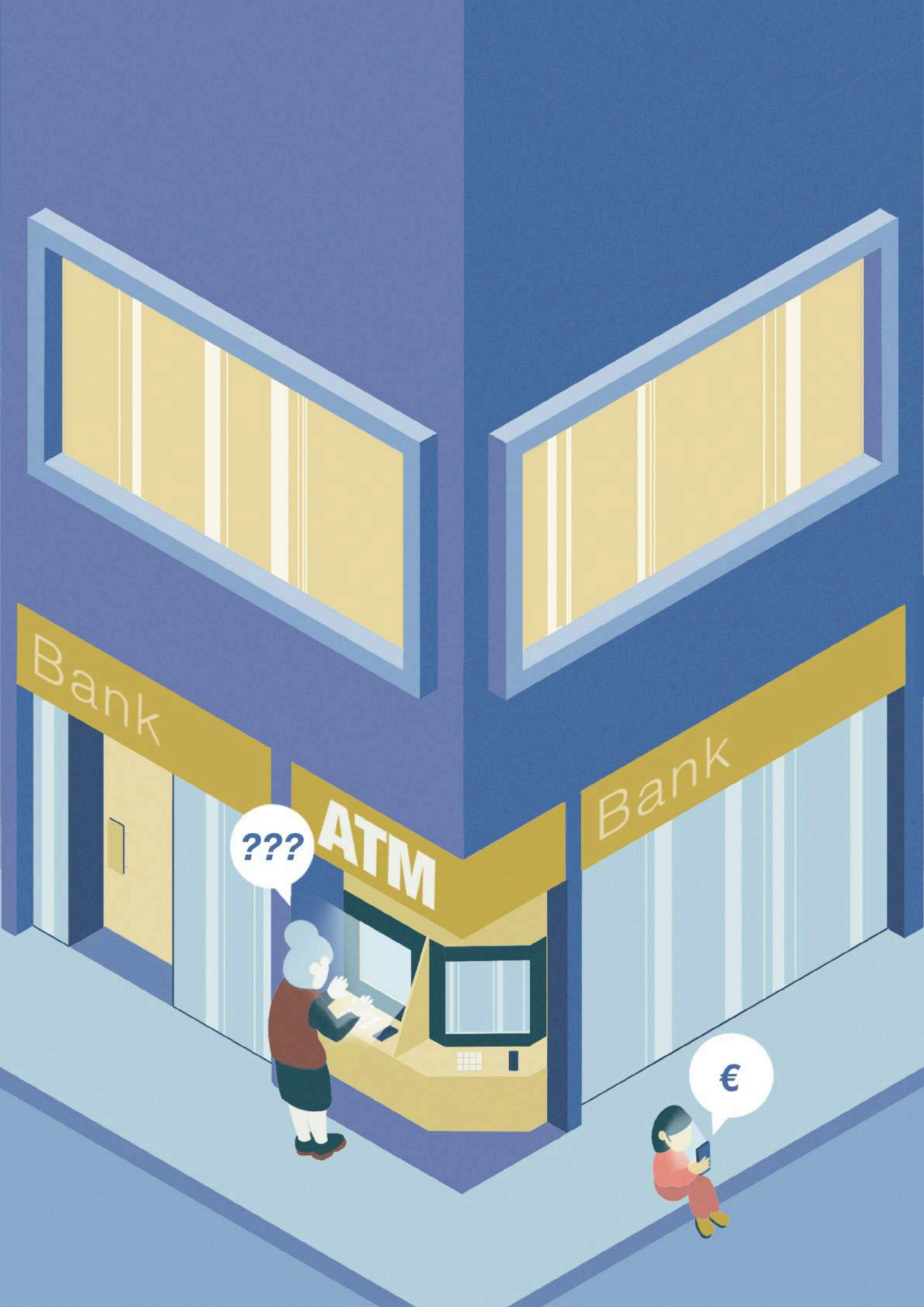
Article 52 of the Workers' Statute, where it covers objective dismissals, specifically provides that an objective dismissal can be due to the introduction of certain systems that make the job to be replaced unnecessary. This places us in a scenario where, from the outset, **only the public administration could be held accountable and not companies** with regard to the industrial conversion of certain sectors, not so much because of digitalization, but by the implementation of certain technology in productive sectors that no longer require a workforce. The spirit of

the standard goes against the idea that the company could have some kind of responsibility for the integration of improvements.

Taking into account other examples of restructuring in strategic sectors, such as just transition agreements in the context of the energy transition, the standard could be modified in a way that would give **companies more responsibility**. For example, if the introduction of a technological system improves productivity, this improvement in productivity will have to be accompanied by a responsibility that involves taking on the training of workers.

It is not single sector transition; there will be many, quite diverse sectors affected, and, moreover, they will be undergoing a process of green transition and change that itself will impact labour. This is especially true if digital conversion and productivity improvement are supported by public funds. The following may be necessary:

- An impact analysis of the implementation of new technologies shared with stakeholders (employees, union and company).
- Linking **public subsidies to compulsory training plans** in companies. Get to the point where lay-offs due to automation in strategic sectors might be banned.
- Supporting **negotiated agreement** processes involving all parties in order to avoid increasing precarity of labour relations or the destruction of jobs in the face of productivity increases.
- Promoting **new regulations** that establish the reduction of working hours, as well as access to early retirement and redistributive policies such as basic income.
- **Promoting self-organisation and the defence of rights in affected sectors**, such as the struggle of H&M workers against the closure of shops to be replaced by e-shops.



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THE CHALLENGES

Facing digitalization means not only analysing its impacts and how we might prepare for and mitigate them, but also analysing the contradictions it poses within the economic system as we know it, and developing tools to enable structural changes.

TRADE UNIONISM

As the elements of digitalization (teleworking, work organisation technologies, etc.), spread to the workplace, they make it possible to work without the need for daily contact, which impacts the sense of a collective. The lack of meeting places, of a workplace, and of contact, all have negative impacts on collective organisation, which leads to a lack of unionisation.

When it comes to negotiating working conditions, the results that workers could achieve through collective bargaining are far superior to those that can be achieved individually. The difference in power position, apart from being evident, results in undermining workers' capacity to defend their own interests insofar as labour law focuses on collective projects. When bargaining is taken from the individual to the collective level, it is a move to neutralise the intrinsic inequality that exists between the company and the worker when it comes to bargaining.

Thus, the introduction of certain technologies poses a number of difficulties for trade union organisations, which can be summarised along the following lines:

Platform economies shift labour relations from a collective to a purely individual aspect associated with a reduction in rights.

- ◆ Atomization of workers.
- ◆ Dislocation of working time and repercussions on job insecurity.
- ◆ Lack of physical workplaces and daily contact, which makes organisation difficult.
- ◆ A "belated" awareness by trade unions of changes to the algorithm and therefore to working conditions.
- ◆ Impact on sectors that are not usually unionised.
- ◆ Generational gap.

In particular, **platform economies shift relations that would have been developed in a collective manner, to relations developed on a purely individual basis.** If instead of employees the company has freelancers—even if they are false freelancers—the negotiation takes place directly with the individual worker, without any trade union involved; this is the beginning of the process in which the company establishes a relationship on an individual basis, generating a first impact.

THE CHALLENGES OF TRADE UNIONISM IN THE FACE OF DIGITALIZATION

In this section, we summarise some reflections on the challenges for trade unionism to sustain collective bargaining in the defence of workers' rights:

- Penetrate new areas of unionization that were previously less unionised: doctors, architects, psychologists.
- Need for newly created secretariats for work on the impact of digitalization on labour rights.
- New trade union strategies and skills: staff who are digitally literate and trained.
- Training and awareness-raising for trade union liaison officers on how to protect against negative impacts in the form of discrimination or worker control.
- Organisation and compulsory training in the event of dismissal due to process automation in profitable companies.
- New forms of trade unionism and new forms of organization and membership in precarious jobs.
- New environments of struggle and alliances. The work of Riders X Rights, the taxi sector or other emerging movements of self-employed workers have been at the forefront of new workers' struggles against this type of digital business organisation.

LEGISLATION

In the tumult of the new problems thrown up by the impact of digitalization on the world of labour, new regulatory frameworks have been generated. Among these it is worth highlighting what has been called the "Rider law," the proposal for a European Directive, and the law on artificial intelligence in Europe.

RIDER LAW

The [Royal Decree-Law 9/2021, of 1 May](#), which amends the revised text of the Ley del Estatuto de los Trabajadores (Workers' Statute Law), approved by Royal Legislative Decree 2/2015, of 23 October, was created to "guarantee the labour rights of people providing delivery services through digital platforms", and is commonly called the rider law.

This Royal Legislative Decree is a response to the complaints and legal judgements that have confirmed the employment relationship between transport companies and 'false self-employed' delivery drivers. The most interesting aspects of the law are:

- It establishes new rules to determine the presumption of employment in companies that deliver food or any other type of product.
- It obliges all companies using algorithms that may have an effect on working conditions to inform the workers' representatives of this use through the works council, or through the Labour Inspectorate if requested.

The first of the points highlights what was already established in point 1.2 of the Workers' Statute, i.e. the **presumption of employment**, which, moreover, was validated and underlined by the Supreme Court in its ruling of September 2020 in response to complaints from workers in the delivery sector. Thus, the first provision of this Royal Decree-Law 9/2021, of 11 May, consists of the incorporation into the Workers' Statute of a new Additional Provision (23) which establishes the following:



Twenty-third Additional Provision. Presumption of employment in the field of digital delivery platforms.

By application of the provisions of Article 8.1, the activity of persons who provide paid services consisting of the delivery or distribution of any consumer product or merchandise, by employers who exercise the entrepreneurial powers of organisation, management and control directly, indirectly or implicitly, by means of algorithmic management of the service or working conditions, through a digital platform, is presumed to be included within the scope of this law.

Another issue of interest is that the rider law has one single article that applies not just to transport platform companies, but to all companies. It is the modification of article 64.4 of the Workers' Statute on the obligation to provide information regarding the use of algorithms in the world of work. This regulation allows for workers to be aware of the algorithm and thus to observe how the workload is distributed, whether there is discrimination or not, and all conditions related to the

The amendment of Article 64.4 of the Workers' Statute on information duties regarding algorithms in the world of labour, makes auditing the algorithm and its decisions possible.

employment relationship between the company and the worker. This creates the possibility of **making the algorithm more transparent and promoting tools of algorithmic auditing and transparency** (revealing not only the codes but also the social values that have built the technical system by opening up this black box). For example, in a case as important as an algorithm-based awarding of a contract or a dismissal, this determines how and why one is hired and why one

might be dismissed. If it is an algorithm, somewhere there is a record of how that decision is made, making it possible to determine whether it is a fair decision or not.

The problems highlighted by trade unions and organised movements in the implementation of the law are as follows:

- Although it is aimed at companies, specifically those working with platforms, it does not extend to all sectors that are affected.
- It is not efficient to create standards according to each profession or function of each productive sector.
- Fines are not a deterrent.

- Trade unions and social organisations stress the need for a stronger Labour Inspectorate.
- The request for information on algorithms requires legal representation through works councils, which are not always allied to the interests of workers, given that these sectors are not very unionized.
- The law takes into account the demand for information, not the need for control. It would be beneficial to establish control mechanisms allowing workers and their representatives to hold tools for constant oversight of the use of algorithms in automated systems. When it comes to requesting information from the algorithm, we are losing the ability to control, exchanging it for monitoring. Ideally, any company should have to inform in advance when it introduces new technologies, just as it is required to inform about new work tools, their risks and impacts on the work of the people hired.

The latter point, in its turn, has impacts on several fronts:

- It does not establish corporate responsibility for the implementation of a newly-created algorithm, or one that contravenes labour laws.
- It does not consider the possibility of exclusion. Workers claim that certain algorithms, changes, or automation processes should be excluded from the workplace on the basis of their impact.
- Labour inspection capacities need to be reinforced in order to protect the various sectors that may be affected.

Despite the difficulties, trade unions, workers and experts alike continue to advocate making claims against the algorithm, considering this a vital area, key to battles in the years to come. In the future, we will not only be talking about the use of algorithms in decision-making processes and work organisation, but also about automation systems and their structural impact on our production model.

EUROPEAN DIRECTIVE

On 9 December 2021, the European Commission proposed a package of measures to improve working conditions on digital platforms and contribute to the sustainable growth of digital platforms in the European Union. In December 2022, the European Parliament's Employment and Social Affairs Committee approved the text.

Like the Spanish legislation, the proposed directive addresses three key elements, which are labour, algorithm and transparency.

On the first issue (the relationship between workers and digital economy or platform companies), the European Commission's proposal "seeks to ensure that people working through digital labour platforms are granted the legal employment status that corresponds to their actual working arrangements". To this end, it provides a checklist of five criteria to determine whether the platform is an "employer"; if the platform meets at least two

The EC list of criteria lacks important indicators of employment, such as working under a company's brand name or providing services within the main activity of that company.

of these criteria, it is presumed, from a legal point of view, to be an employer.

The five criteria are that the platform:

- i) effectively determines the level of remuneration or sets upper limits;
- ii) requires the person performing the work on the platform to respect specific binding rules regarding appearance, conduct towards the recipient of the service or performance of the work;
- iii) supervises the performance of the work or verify the quality of the results of the work, including by electronic means;
- iv) effectively restricts (the worker's) freedom, including through sanctions, to organise his or her work, in particular the discretion to choose working hours or periods of absence, to accept or refuse tasks or to use subcontractors or substitutes;
- v) effectively restrict the ability to build a client base or perform work for any third party.

The main criticisms of this formula to describe the employment relationship are that:

- **A closed list** of criteria makes it easy to design a working system that avoids them.
- The list **lacks important criteria that are indications of employment**, such as working under the brand name of a company or providing services within the main activity offered by that company.
- So, in general terms, the importance of this directive lies in that:
- It opens the debate and sends a message to big business, with a political intention in the right direction.
- An attempt will be made to harmonize legislation and thus impose minimum criteria to avoid any type of harm and any type of discrimination.
- It could be a useful tool for final auditing.
- It is not restricted only to the rider/transport sector.

But it also has some issues:

- It requires at least two of the five criteria to be met, thus leaving the door open for activity on platforms to be self-employed work.
- The importance of collective organisation is not mentioned, and without it labour law cannot be understood. One of the essential characteristics of work in the platform economy is that it atomises workers, ultimately eliminating the collective aspect of work. A guarantee-oriented reflection on how to strengthen the collective protections of workers is not present.
- It does not establish control measures beyond transparency, nor does it define the use of the information supervisory systems that must be provided to workers, nor which information must be provided to representatives. The law only talks about information; it does not talk about controls.

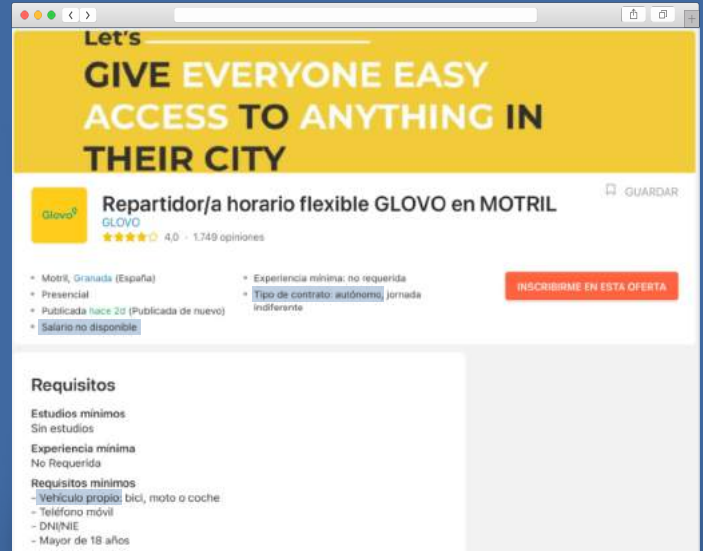
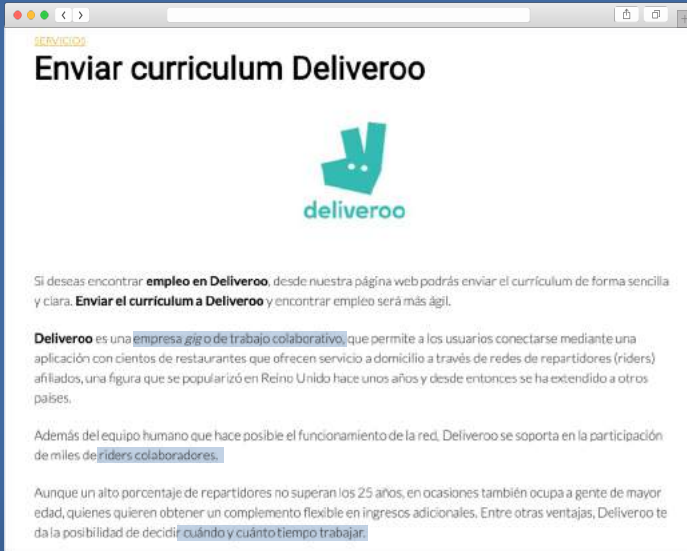
These issues are explained in more depth in a [report](#) by the Work, Algorithm and Society Observatory (TAS) and Worker Info Exchange (WIE), which identify the key gaps in the proposed directive.

THE CULTURAL FRONT

One of the main questions regarding the impact of digitalization is the cultural battle it opens: **freedom and flexibility versus rights**. The logic of "do it yourself" is an attempt to get workers themselves to appropriate the liberal discourse, selling certain virtues of the system. The hidden counterpart to the benefits of the "new" system is that the obligations of the old one are eluded.

This proposal is couched in an apparently modern discourse, using a particular set of terms in an attempt to supplant the classical employment relationship, which in the end is the tool the working class has to defend its position.

It is not just companies that do this; institutions such as the European Union use certain terms that also have a negative influence on the concept of the employment relationship and rights, underpinning the discourse that seeks to distance digitalization from the employment relationship. The concept of flexicurity, for example, emerged years ago within the European Union to modify rules and deregulate the labour sphere, the consequences of which could be defined as follows: when you win, the private sector takes it, and when you lose, we socialise the losses.



Send your CV Deliveroo

To apply to work with Deliveroo, send in your CV in an easy, clear process. Send your CV to Deliveroo and getting work will be simpler.

Deliveroo is a gig or collaborative company which uses an App to let users connect with hundreds of restaurants which offer home delivery through a network of affiliated deliverers (riders), a concept which took off in the UK a few years ago and has grown to other countries from there.

As well as the inhouse team which runs the network, the service Deliveroo offers is based on the participation of thousands of partner riders.

Although a high percentage of riders are under 25 years old, sometimes older people join who wish to boost their income in a flexible way. Among other advantages, at Deliveroo, you choose when and how much you work.

Flexible time GLOVO Delivery agent in MOTRIL

- Motril, Granada, Spain
- On-site
- Published 2 days ago (republished)
- Salary not available
- Minimum experience: not required
- Contract: self-employed, working day: not relevant

Requirements

Minimum qualifications

No qualifications

Minimum experience

Non required

Minimum Requirements

- Own vehicle, bike, scooter or car
- Mobile phone
- ID Number
- Over 18

These are some of the terms used, as you can see in the job offers:

- **Availability**, rather than working hours or working time.
- **Provision**, rather than employment relationship.
- **Earnings**, as opposed to remuneration, salary or pay.
- **Flexibility** instead of job security and rights.
- **Freelancer/collaborator**, rather than employee.
- **Agreement**, rather than contract.
- **Collaboration or cooperation**, rather than employment activity.
- **Circular**, for process outsourcing.

Moreover, in more performative terms, thinking about the construction of new realities or their new meanings, we see:

- ◆ **Innovation** as an adjective to purge, through language and the use of new technologies, any kind of obligation to its employees. The purpose of innovation is improvement, and if processes of innovation do not generate social welfare, they must not be such.
- ◆ **Freedom.** Within this logic, freedom is premised on the fact that in theory one can work from wherever, whenever and however one wishes. Apart from the fact that this is misleading —the company establishes control mechanisms (quality, timetables, users)— it should be pointed out that this arrangement implies that the worker has to provide the means of production. This means cost savings for one party and the transfer of these costs to the workers.

These terms are used to try to distance what can be expected from an employment relationship and —with the excuse of "modernity"— to hide what is, in reality, a neoliberal policy. The language is just another tool, a policy to expunge any facet or characterisation of what was an employment relationship, of what was a collective matter, of what could be a collective resistance, in order to reframe it as an individual issue.

The language is used to try to distance, on the one hand, what can be expected from an employment relationship and to hide what is, in reality, a neoliberal policy.

As explained above in the examination of faults in the system and uberization, the discourses themselves have an impact on certain failures of the pre-existing system that have to do with the conditions of precariousness that a large part of society already lives in.

THE BATTLE AGAINST COLLECTIVE ORGANIZATION

Within the confusing array of terms and discourses, the clearest element has to do with individualizing your relationship with the company. The mantra of "the collective is bad, the collective is of no use to you as a worker and what you have to do is negotiate with your peers" is one of the clearest proposals, concealing a political discourse that goes beyond the workplace, and which can be heard in public institutions, on the street or in the mass media, lauding the virtues of the individual over the evils of the collective. "Technological" languages often go hand in hand with **an unbridled criticism of trade unions, social movements or other organisations, which are the only actors able to redress the inherent inequality between business and the working class.**

Here we hold tight to collective organization, but we are aware that this is a long-term battle against the collective, understood as all that is public or common.



CONCLUSIONS

Digitalization was the condition that made what is called globalization possible, and is now its crutch for a **new phase of capital expansion** based on **cost reduction** and **productivity growth**. This is not to say that technology is bad in itself: simplifying processes, helping or automating routine tasks or generating new jobs is not harmful to society. The problem is the use of certain technologies in the hands of capital and the emerging new models of work that follow the pattern of capitalist accumulation and gradually deteriorate labour relations through what we have been told are small technical changes. We must bear in mind as a society that digitalization has important social impacts that change people's relationship with their labour rights, and even with some fundamental rights, in areas such as security, privacy, the right to protest or human mobility, beyond the scope of this report.

Technologies are not neutral tools, nor are their impacts neutral simply because of their technical nature. The initial problem is that this has not been taken sufficiently into account or managed. Thus, **digitalization (in the way it is applied) is reproducing and increasing pre-existing social tensions**. This is because it is linked to mechanisms of social control, to algorithmic logics that are discriminatory in terms of gender, race and class, or to an intense political meddling that influences public opinion on the relevance of collective bargaining and other avenues for the defence of workers. Therefore, despite its merits, it must be analysed and questioned and fall-back plans must be put in place.

This report is a preliminary proposal from the **Rosa-Luxemburg-Stiftung's Madrid office** to analyse the situation, anticipate strategies for technological protection and regulation, and incorporate the technological sphere into the defence of rights and not the other way around, while also considering how all of this can be translated into a legal framework that prevents the further reproduction of social inequalities. The digital agenda has landed in the midst of various problematic issues, like the growing precarity of working conditions, the interest of certain companies in generating alternative working arrangements to circumvent the country's labour laws, and an employment crisis conditioned by a global under-demand for labour, in which in recent decades workers have been increasingly exposed to job insecurity. Therefore, it seems pertinent to us to raise these challenges, for two essential reasons:

- ◆ The new challenges posed by the changing economic paradigm and how value is generated in our societies. The previous model of the social contract guaranteed certain rights in our communities; the globalized economy has meant a change in the balances upon which the Keynesian social contract was developed.
- ◆ The difficulties of sustaining the old social contract, broken after years of neoliberalism and the management of the 2008 economic crisis, which has generated a situation of greater inequality within and beyond European borders.

Adaptation to these impacts can take two paths: that of exclusion, inequality and reconstruction of society from a purely mercantile standpoint, or that of a reorientation toward inclusion and improvement of the social contract, taking into account sustainability and planetary limits. In this second approach, our idea is to put technology at the service, not just of capital, but also of human beings.

The benefits of technological progress and improved productive performance must be redistributed downwards to reach society as a whole. From this standpoint, we can outline some proposals to be considered so that labour, technology and its benefits can align with the logic of distribution:

1. Guarantee the distribution of income and the distribution of value through labour rights and, in particular, wages. We know that the social contract began to come apart due to neoliberal policies in the Reagan and Thatcher era that were consolidated through the deregulation and liberalization of the European market. In recent decades, formulas have been generated for the externalization of risks to companies, of subcontracting and of environmental issues. The situation needs to be redressed, and this involves generating responsibility along value chains.
2. Recover and protect basic benefits and expand universal basic income: guarantee access to healthcare, pensions and unemployment benefits, as well as the right to housing. The disruption caused by digitalization prepares us for a situation of structural unemployment (between some jobs being destroyed and others being created) that demands we delve into the debate on whether a universal basic income is needed in order to leave no one behind.
3. Explore instruments such as transition agreements similar to those deployed in some territorial decarbonization plans within the Just Transition Strategy, but in this case applied to automation processes in order to generate agreements and responsibilities in the most heavily impacted sectors.
4. Create new public systems to address emerging needs, such as in the care sector and care for dependent persons in the face of the massive incorporation of women into the labour market and the ageing of the population; or the need to deploy strategies that guarantee access to knowledge at a time when the training model and the skills required have changed. The fight against the digital divide involves not only investment in infrastructures, but also the support and development of training for all.
5. Understand these developments from a degrowth perspective, conscious of planetary limits. The green transition agenda calls not only for the decarbonisation of our economies, but also for a drastic reduction of emissions and energy. The world of work will also have to adapt.
6. Today, work is a fundamental part of sustaining life, which is why it is essential to establish open and participatory dialogues from realistic starting points, aligned with territorial and material needs.

It must be emphasized: there is a huge **risk** that **the digital transition agenda strategically promoted for and by European markets become a means of shoring up labour exploitation and control through public funding for the development of certain technologies**, the use of which is beyond public control

and out of reach of workers and trade unions. The classic battle between capital and labour is now shot through with technological improvements that are not only in the hands of capital, but are further tipping the scales and piling the benefits of these technological developments into the hands of the employer, while the worker continues to fall into the depths of precariousness and inequality.

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