TRADE UNIONS
AND THE GROWTH OF
THE INFORMATION ECONOMY

Marcus Kahmann

DWP 2003.02.01
“Trade Unions enter the new Millennium with confidence in our principles and values, and in our ability to re-fashion, re-focus and continually re-energise our movement. And we must become stronger and more effective if we are to realise our vision.”

(Extract from a Statement adopted by the 17th World Congress of the International Confederation of Free Trade Unions - Durban, April 2000.)

The ICFTU World Congress in 2000 launched the Millennium Review of international trade union priorities, strategies and structures, to stimulate a broad and inclusive debate about future directions for the international trade union movement.

The European Trade Union Institute was approached by the ICFTU to carry out research and analysis on four key issues relating to possibilities for and constraints on trade union action on a number of issues, specifically:

- the information economy
- young workers
- migrant workers
- trade union mergers

A researcher, Mr Marcus Kahmann, was contracted by the ETUI to carry out this research and produce a report on each of the themes. The reports were compiled following surveys of the available literature and interviews with trade unionists.

Given the complexity of the issues covered, and the limitations on time and resources, each report includes information from a few selected countries. The reports are not intended to be comprehensive – rather, they seek to stimulate debate and further analysis, including through the identification of aspects on which new research would be particularly useful. Comments and suggestions for follow-up work may be directed to the ETUI (etu@etuc.org), to the ICFTU (press@icftu.org) or to the author (kahmannma@gmx.de).

For information on other aspects of the Millennium Review, please contact the ICFTU (press@icftu.org).

This work was carried out with financial support from the International Labour Office, under a project financed by the Ford Foundation.

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ISSN 1025-2533
D/2003/3163/04

The ETUI is financially supported by the European Commission.
Trade unions and the growth of the information economy

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1. Introduction

In the industrialised countries the information and communication technology sector (ICT) is growing in importance, in terms of both employment and economic growth. As unions have widely accepted that, if they want to play a role in shaping future employment relations, they have to move beyond their strongholds in the declining industrial sector, ICT seems a natural sector into which to expand. But unions, worker representation and collective agreements are not common in many parts of it. The reasons for this are manifold: the relatively highly skilled labour force, the age composition of its workforce, the small size of many of its enterprises, the strong US background of the industry and its influence on the employment relations and, last but not least, the very “youth” of at least parts of the sector (EIRO 2001). At the same time, ICT as a cross-cutting technology is characterised by its pervasive effects on everyday life, on scientific and technological developments, the economy in general and, last but not least, on work organisation. As such, the impact of ICT goes well beyond the sector itself. As the ILO has observed: “While much attention has surrounded the volatile new world of the ‘dot.coms’, this is a distraction: the true portent of ICT is how it will transform the ‘old economy’” (ILO 2001a: 2).

Looking at the development of ICT on a rather global scale, the impact felt is very different in the industrialised countries from in the developing countries. There is evidence that the vast and increasing gap in investment, employment and income is accompanied by a widening ‘digital divide’ (in 1960 the GDP of the richest 20 countries was 14 times that of the poorest 20 countries; by 1998, the gap had widened to 34 times. During the period 1993-1997, 38% of the world’s total foreign investment went to developing countries; in 1999 this share dropped to 24% (ILO 2001b)).

High-income countries have 22 times as many telephones per 100 inhabitants as low-income countries, but 96 times as many computers and 102 as many Internet users. It is not only the increasingly unequal distribution of access to technologies, but more the lack of scientists and well-trained people capable of applying and developing ICT (many of whom have been attracted away to industrialised countries (‘brain drain’)) that poses a severe problem in terms of future economic development (Campbell 2001; Stamm 2001). This is of ever greater significance in the light of the increasing technology-bias of products and services offered on the world market and the importance of the Internet and its related applications as the principal technology to restructure the economy with regard to business-to-business, business-to-customer and customer-to-business relations.

It is clear that the wide range of issues related to the impact of the information and communication technologies cannot be covered in a few pages. This would either require original research of encyclopaedic dimensions (see, for example, Manuel Castells’ recent endeavours to come to terms with the ‘network society’) or end up in the reproduction of mere clichés, which would not survive any systematic empirical and theoretical consideration. The ICFTU has therefore decided to do two things in this report: first of all, with a focus on the industrialised countries, the report will present the current state of the employment situation and relations in ICT and highlight some recent trade union organisational and political responses; secondly, a closer (trade union) look will be taken at the implications of the ICTs’ potential to make work independent of the traditional workplace and create high-speed, physically repetitive and routinised work processes under coercive conditions (“Neo-Taylorism”).

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1 The gap is also widening within the developed world and thus reflects the pronounced tendency towards – what sociologists have termed – the ‘polarisation of work’ (cf. Baethge 2001).

2 While the gender divide in Internet use has decreased in the U.S., in the European Union only 25% of Internet users are women. The proportions are 18% in Japan, 19% in the Russian Federation and 4% in the Middle East (ILO 2001b: 114).
To achieve these ends, the first section will present some information on employment distribution and dynamics in this sector, as well as on qualitative issues. Moreover, an overview of union presence and the extent and nature of collective regulation will be provided. A case study of one recent success in setting up a works council in a German Internet service company will seek to address some of the general problems for unions in this part of the economy. The second section will examine two recent forms of work organisation, which have been enabled by the development of ICT, namely, telework and call centres. Some of the issues and possible responses for trade unions will be charted.

2. Employment relations and trade union action in the ICT sector

2.1. Employment relations in the ICT sector

The nature of employment relations in the ICT sector has not, to date, been subjected to any systematic and comprehensive scrutiny at either the national or the global level. This may come as a surprise, considering the presence of the sector in the media in the context of the rise (and fall) of the ‘New Economy’. One reason for this, alongside the ‘industrial bias’ of labour research, is the relative ‘youth’ of the sector itself and, perhaps more important, its extremely dynamic development. The new technologies and fields of economic activity that have been subsumed under the definition of ‘ICT’ have evolved rapidly in recent years. Only recently has European research begun to fill this gap. In fact, the EIRO (2001) report on the “Industrial Relations in the Information and Communication Technology Sector” of the 15 EU member states plus Norway is the first and only attempt so far to give a cross-country overview of this matter. While there are no similarly systematic studies of the development of industrial relations in Asia or North America, or even the United States, there are indicators (such as the strong American background of the industry and its high degree of internationalisation) that the European findings may to some extent apply elsewhere, too.

To outline the sector with regard to essential employment features, as well as the role played so far by collective regulation and trade unions, some essential results of the EIRO study will be repeated here, and will be supplemented with research results from other sources on specific issues. It should be noted that in the EIRO study uses a rather broad definition of the ICT sector, one that identifies three segments in ICT: hardware and manufacturing; telecommunications; and software and services. This differentiation is based on the observation that some of the main regulation and employment-related differences in ICT follow these lines.

2.1.1. Organisational restructuring, employment dynamics and characteristics

Employment in the ICT sector in Europe has increased steadily since the 1970s. The growth rates were well above the overall rate for manufacturing and services (in Italy three to four times higher, while in Denmark employment in this sector increased by 20% between 1992 and 1998, compared to an overall growth rate of 3.5%). However, the sector cannot be regarded as a major employer. While the use of ICT is steadily increasing in jobs across the spectrum of employment, employment in the sector itself constitutes between 1.1% (Greece) and around 5% (UK) of the total workforce, with the majority of countries ranging between 2.9% and 3.9%. In terms of economic turnover, however, ICT accounted for 6.3% of GDP in western Europe. The distribution of employment growth is very uneven in the different activities of the industry. While hardware and manufacturing employment declined in a number of countries,

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3 A rise in hardware manufacturing employment could, however, be observed in comparatively lower labour-cost countries such as Portugal, Ireland and Costa Rica (ILO 2001A).
software and services experienced double-digit employment growth figures. In Germany, for example, the number of jobs in telecommunications and hardware went down or stagnated between 1997 and 2000, while the number of jobs in services rose annually by between 10% and 16%. With the recent crisis and restructuring of the industry, the employment dynamics can be expected to slow down, however. Regarding the much discussed skill shortages in the industry, a closer look reveals that this holds true for the services, but not necessarily for hardware and telecommunications.

There is also evidence of a tendency towards more flexible employment relationships, implying a partial breakdown of the standard (full-time, open-ended, male-oriented) employment contract with its associated employment rights and opportunities for freedom of association and its implications for social security (systems). These changes in the employment relationship cannot be restricted to this sector, however, but should be looked at in the context of a wider strategy of corporate and organisational restructuring. This restructuring was in part enabled through the very introduction of ICT but, more importantly, it has to be understood as a radicalisation of the market-liberal concepts employers have been advocating for a long time (Altvater and Mahnkopf 2000). Central to it is the shift from ‘bureaucratic’ to the ‘network’ forms of corporate organisation. “Traditional hierarchical forms of management are being dismantled as the costs of monitoring and surveillance of workforce activity are reduced. Associated strategies include decentralisation of decision-making, the creation of internal markets and the flattening (or ‘delayering’) of hierarchies” (Rubery and Grimshaw 2001: 169). Similarly, enterprises externalise functions that are not central to their core activities through outsourcing, spin-offs and sub-contracting.

The results are manifold and have important implications for union policies. First, the systematic and direct exposure of profit centres or divisions to market pressures, by either external or artificial internal competition, implies a blurring of the frontier between the employer and employee: the former bureaucratic rule of management is replaced by the abstract and the seemingly unchallengeable rule of the market. This blurring is complemented by the partial replacement of wages by stock options, reinforcing the notion of the capitalist firm as a “community of shared interests”. Secondly, as firms lose their shape and disperse into small and flexible units, employment is increasingly concentrated in smaller units. The EIRO found that small firms (with the notable exception of Microsoft or SAP) were dominating software and services (in telecommunications, however, large companies dominate) and that over time the average size of firms was decreasing. Thirdly, the smaller units tend to have only transitory character. An expression of this could be the rise of fixed-term and freelance service contracts. The ILO (2001: 120) has even announced the birth of a new type of self-employed ICT worker, “demanding, mobile, self-reliant”, who develops networks of contracting arrangements and moves quickly between jobs. Job choice is determined more by the desire to achieve labour

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4 The huge importance of the ‘shareholder value’ for the industry, which forces enterprises to achieve bigger profits in ever shorter time-spans, has to be seen as the decisive momentum behind the deregulatory drive. The fact that management was able to succeed in this reflects, at the same time, the problems faced by trade unions in withstanding neoliberal labour market deregulation (Altvater and Mahnkopf 2000).

5 Wilson and Blain (2001) emphasise for the U.S. that while e.g. the pre-packaged software sector (Microsoft, Adobe, etc.) is one of the most prominent and largest of the sectors of the IT industry, many more IT workers are employed, generally at lower wages and without the stock options, in other sectors. These include traditional retail companies with an Internet presence, e-commerce companies that have no physical storefront such as Amazon, IT consulting firms and staffing agencies, data processing businesses, database and network administration outfits, small businesses and contractors doing Internet development.
market employment than by (single-job) employment security through employability skills and access to job opportunities. Under these conditions, reputation becomes the basis of employability. This interpretation might however be too optimistic, as the ‘e-lancers’ are usually found at the extremes of the labour market: either they have failed to secure a more stable employment contract, or they are in a very strong labour market position and prefer to work independently. Fourth, the tendency to grant increasing autonomy to employees, working groups and profit centres in defining the ways to achieve their given goals has to be seen as a contradictory process for employees for, while many of them welcome their new ‘freedom’ to organise the labour process, increasing demands and responsibilities in combination with new insecurities take their toll. Working pressures have increased remarkably in recent years (ILO 2001a). Moreover, not all employees have either the resources (they are distributed inter alia along gender, age, family situation, educational opportunities) or the wish to adapt themselves to the new concept of labour force ‘entrepreneurialism’ (cf. Neff 2001; Voß and Pongratz 1998), or indeed, to the rather older concept of ‘survival of the fittest’.

The de-limitation (Entgrenzung) of the standard employment relation (Döhl et al. 2000) also concerns working-time arrangements and workplaces in ICT. Temporary work seems to be on the rise (ILO 2001A). Perhaps more importantly, the length, distribution and location of individual working time are becoming more flexible and/ or informal. A Dutch survey found that out of 1,700 IT employees, 56% worked overtime (Trautwein-Kalms 2001). A German survey amongst 205 self-employed “information workers” revealed that 43% were working more than 50 hours a week and 7.3% more than 70 hours (Vanselow and Schröder 2000). There is also a tendency to refrain from defining working time altogether and to replace it by mere target definitions (‘management by objective’). This spread of target agreements at the expense of executive forms of work may be explained in terms of mobilising productivity reserves of the employees hitherto inaccessible to capital and, to some extent, by the increasing knowledge-intensity of the activities in important parts of the sector (Klotz 1999) that renders hierarchical modes of work co-ordination and control partly obsolete (Töpsch et al. 2001). The diffusing of the workplace by the spread of telework and call centres (see below) has a profound legal, political and social impact. The mobility demands for employees generally have risen, too; working at several workplaces, while travelling (via laptop, handheld or cellular phone) or directly on the customer’s premises is becoming common.

Trautwein-Kalms (2001) presumes that these conditions in terms of working time, mobility and performance have an important gender (and probably also age) implication: the demands involved dissuade women (and men) responsible for the upbringing of children from considering a career in ICT. This would, in combination with the sector’s male-dominated culture, help to explain why it continues to remain relatively closed to women. The share of female employment in ICT in the EU is around a third, but there are indicators (in Belgium, Spain, Greece, Italy and the Netherlands) that female employment is catching up, particularly as a result of the call centre boom (see below).

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Döhl et al. (2000) speak of new forms of “self-rationalisation and extended self-control”.

Not surprisingly, the majority of the ‘limitless’ workers were men. As Gesterkamp (2001) notes, they have delegated anything ‘private’ to their partners or domestic employees (children, reproductive work in general). He draws a line of continuation of traditional patriarchy between the heroic industrial worker of the fordist era labouring to support his family, but remaining a stranger at home, and these present forms of masculinity.
2.1.2. Collective bargaining and trade union presence

In most European countries, hardware and telecommunications have a long tradition of collective bargaining, while in software and services, collective regulation (i.e. collective bargaining and labour law) is more recent and limited. There are, however, important national differences in this general picture. While in Belgium and Austria 100% of ICT employees are, at least formally, covered by collective agreements, in Germany, the Netherlands and Portugal the rates are much lower (20%, 23%, 44%). These figures are not unrelated to general collective bargaining coverage rates. Differences also occur in the different ITC subsectors. Telecommunications and hardware are covered relatively well. The picture is however completely different for software and services where most of the enterprises are not covered by any agreement. The reasons for this are, according to the EIRO, the youth of the subsector; the small size of many of its firms (in some countries collective bargaining is compulsory only above a certain size); employer resistance towards unions and bargaining; the self-concept of its employees as ‘professionals’; the tight labour market that induces employees to negotiate for themselves, the ‘flat’ internal hierarchies facilitating direct communication and the ‘partnership atmosphere’ within enterprises.

Table 1. Percentage of ICT employees covered by collective agreements

<table>
<thead>
<tr>
<th>Country</th>
<th>% of employees covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>100%</td>
</tr>
<tr>
<td>Belgium</td>
<td>100%</td>
</tr>
<tr>
<td>Denmark</td>
<td>60%</td>
</tr>
<tr>
<td>France</td>
<td>100% in telecommunications, 73% in IT services</td>
</tr>
<tr>
<td>Germany</td>
<td>20%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>23%</td>
</tr>
<tr>
<td>Norway</td>
<td>70%-75% in manufacturing</td>
</tr>
<tr>
<td>Portugal</td>
<td>44%</td>
</tr>
<tr>
<td>Sweden</td>
<td>62%</td>
</tr>
</tbody>
</table>

Source: EIRO.

In some European countries there appears to be no significant difference between the ‘average’ collective agreement and the ICT agreements. Examples are Austria, Denmark, Ireland (mostly because there are very few ICT agreements), Luxembourg and Spain. In other countries, such as Belgium, France, Greece, Italy and the Netherlands, collective agreements are more flexible. Such elements refer to working time and performance-related pay. As may be expected, flexible arrangements are much more common in company agreements than in sectoral agreements. There are also huge differences in the presence of works councils. In the majority of the EU countries, works councils either play no role in bargaining or do not even exist (Belgium, Ireland, Greece, Norway, Portugal, Spain, Sweden, UK). In other countries, such as Austria, Germany and Denmark, they do have a role, albeit much less so in software and services.

The unionisation rates differ according to country and subsector. Broadly speaking, hardware and manufacturing as well as telecommunications have considerably higher unionisation rates than services and software. In telecommunications this reflects the public sector background of the industry’s main players; in Austria, for example, unionisation in the formerly state-owned company
is nearly 100%, but is much lower in the private sector. In the Italian former state monopolies unionisation is between 40 and 50%, but only 5-10% in the new competitors. The same holds true for the partly state-owned Greek OTE. In hardware and manufacturing higher unionisation rates may be found, if the ICT companies have developed out of manufacturing with long-established relationships and high unionisation rates (e.g. in Germany). Where, however, hardware and manufacturing is dominated by US transnationals (such as Hewlett-Packard, Intel, Dell in Ireland) with elaborate ‘Human Resource Management strategies’

In many European countries, the new sector has had an impact on the structure of trade unionism. As old demarcation lines between trade unions broke down and against a background of falling membership rates, new and old unions have been, as the EIRO notes, either duplicating efforts, collaborating or competing. In Germany, affiliates of the Federation of German trade unions, DGB, signed a joint declaration to clarify organisational boundaries in ICT. The merger of German ver.di to form a unified service sector union (that was also associated with the UNI merger internationally) can in part be understood as a reaction to resolve some of the demarcation problems of vertical unionism in ICT and the challenges it poses more generally (see paper on trade union organisational restructuring). In Italy too, representation in the sector is fragmented. The most important division concerns the three metalworking confederations. Specific new unions are relatively uncommon but they can be found in Denmark, and to some extent France, where the CFDT has set up Betor Pub as its ‘new economy’ union, organising call centres, advertising and consultancy.

**Table 2. Unionisation rate in the ICT sector in selected European countries**

<table>
<thead>
<tr>
<th>Country</th>
<th>Unionisation rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>Near 100% in telecommunications, 15% in software</td>
</tr>
<tr>
<td>Belgium</td>
<td>Lower than the national average (of 70%)</td>
</tr>
<tr>
<td>Denmark</td>
<td>85%</td>
</tr>
<tr>
<td>Finland</td>
<td>Lower than average</td>
</tr>
<tr>
<td>Germany</td>
<td>Relatively high in manufacturing, low in services</td>
</tr>
<tr>
<td>Greece</td>
<td>57% (mainly in telecommunications)</td>
</tr>
<tr>
<td>Ireland</td>
<td>Very low, except in telecommunications</td>
</tr>
<tr>
<td>Italy</td>
<td>30% in manufacturing, 20%-25% in telecommunications, 10% in IT and software</td>
</tr>
<tr>
<td>Netherlands</td>
<td>7%</td>
</tr>
<tr>
<td>Norway</td>
<td>48%</td>
</tr>
<tr>
<td>Sweden</td>
<td>58%</td>
</tr>
<tr>
<td>UK</td>
<td>Not higher than services average (of 6%)</td>
</tr>
</tbody>
</table>

Source: EIRO.

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8 HRM strategies are based on a unitary (and paternalist) vision of harmonising the needs of staff and the company. This management approach became increasingly popular worldwide in the 1990s and is characterised by introducing elaborate communication channels between management and employees (team meetings, staff appraisal, staff development, learning groups, etc.) while circumventing trade unions and displaying a tendency to determine the employment relationship on an individual basis.
To approach employees from the ICT sector, trade unions have begun to review their collective agreements in order to adapt them to the sector’s and its employees’ needs. There is also a trend to extend union presence into the Internet in order to approach these workers via email and offer special services to them. For example, the Danish metalworkers’ union Metal, which covers about half of Danish ICT employees, has set up a social home page, Cybermeda, and initiated a special advice unit for IT workers. The Danish Prosa, covering mostly programmers, seeks to attract young trainees by offering them free membership, courses and books. A number of unions have set up special sections for IT staff, such as Datafölket by the Swedish financial sector union Finansförbundet, ver.di’s Connexx.av or the Information Technology and Professionals Association affiliated to the British MSF. Examples from non-EU countries include the foundation of a virtual union for software specialists and teleworkers by several Swiss unions in 2002 as a reaction to their problems in establishing a hold in the New Economy. Another example is the Australian IT Workers Alliance that was created as an online portal of several trade unions organising this sector. In Brazil and Argentina software developers have started to create their own organisations, albeit outside the established unions. American WashTech (Washington Alliance of Technology Workers, now a member of the Communications Workers of America, CWA) concentrated more particularly on specific groups in ITC, such as the ‘permatemps’ at Microsoft.9

The employer’s side is organisationally fragmented. Most employers do not see the need (in the absence of high rates of unionisation) to become members of employer organisations. Those who are organised do not, however, envisage any collective bargaining function for their associations. Where organisations exist, they tend to have developed from within or alongside existing organisations. In Sweden, for example, the Employers’ Association of IT Trade and Industry (ITTA) was founded in 2000 as an affiliate to the Swedish Enterprise employers’ confederation. ITTA will conduct collective bargaining for around 600 companies, representing 30,000 employees in IT and 30,000 in telecommunications. Some 180 companies have ‘service agreements’ with ITTA without being bound to bargaining. Together with the recently founded Norwegian IT federation these are the only European examples of single representation. In other European countries, such as Belgium, Denmark, Finland, France, Germany, Italy and Portugal, ICT companies in hardware and manufacturing tend to be members of the metalworking, electrical or industry federations. Telecommunications firms tend to belong to sectoral associations (Finland and France), but these are relatively uncommon. Software and services employers are hardly organised at all (with the exception of some associations, albeit with few members, in Denmark, Finland and France). In Greece, Ireland, the UK and Luxembourg there are no associations at all which could conduct bargaining. On the European level, an IT employers’ association, the ITC Consortium, exists but shows no interest in entering into social dialogue.10

2.2. Works councils and trade unions in the ICT sector

After this general account of employment and industrial relations in ICT, I shall now turn to a specific part of the software and services sector, namely, Internet services. The following case study on the establishment of a works council aims at outlining some of the problems facing unions in this industry.

9 These employees often did the same work under very different conditions from the regularly employed (concerning health insurance coverage, stock options, sickness pay).

10 Attempts of UNI to conclude cornerstones of a European framework agreement for the IT sector in the mid-90s were not successful, as there was no appropriate negotiation partner available to them.
2.2.1. Founding a works council: The Pixelpark case

Pixelpark is the biggest company providing Internet services in Germany. The Berlin-based firm, originally designed to create high-quality web pages, was founded in 1991 by Paulus Neef and some friends. At that time, the management announced the vision of a harmonious, open structure. Pleasure and liberty at work were to be of the utmost importance. For some time, this idea seemed to have become reality. Neef’s door was almost always open to his employees; conflicts and problems were solved in the “joint kitchen”. However, wages were negotiated individually, holidays were only minimum standard and additional payments were unheard of. When the Internet became established in the mid-90s, success came and the firm expanded into CD-ROM production and consulting. In 1995 Neef sold 75% of the company to the media giant Bertelsmann. In the meantime the firm’s prime goal had shifted to gaining market leadership. Increasing numbers of specialists were employed as the company diversified and technology demands rose.

In October 1999 the company was introduced to the stock market and expanded even more rapidly. The number of employees went up from 130 in 1996 to 500 in Berlin and almost 1000 worldwide, as Pixelpark opened offices in New York, London, Paris and Madrid. At the same time, the workload increased as Pixelpark increased prices and customer demands rose accordingly. Pixelpark lost an order from the German insurance multinational Allianz as they were unable to deliver within the period stipulated. In the process of rapid expansion the former culture of direct communication was lost (as expressed, for example, in the abolition of a “joint kitchen” and the absence of executive manager Neef whose preoccupation with expanding the firm left him less time to spend with employees). New, additional hierarchies were introduced and many of the newcomers earned considerably more than their colleagues. Internal communication deteriorated rapidly (emails circulated less openly, management decisions were no longer discussed, and certain incentives, such as juice and pizza, were discontinued). The employees learned about the future direction and problems of their company in the newspaper. At the same time Pixelpark workers found that they were paid unfavourably in comparison to other companies operating in the industry. Working time became a top issue amongst the employees. Several ‘round tables’ between employees and management failed to produce results, as the latter did not take up any of the suggestions. When in 2000 the ‘New Economy’ entered a crisis, the Pixelpark stock quotation (and thus the part of the employees’ wages that was paid in stock options) fell from 185 to 11 Euros. The main shareholder, Bertelsmann, brought in their own staff for two strategically important positions, head of Human Resources and Finance, and urged Chief Executive Officer Neef to finally deliver profits and pressed him to announce a programme to “enhance efficiency” (Kohlenberg 2001).

On 13 February 2000, connexx.av, a multimedia division of the white-collar union DAG and the media workers’ union IG Medien (later merged into the service sector union ver.di), sent an email to all workers at Pixelpark, in which they called for the establishment of a works council. In the email, connexx.av enclosed a link to a web page where the employees were asked to give their opinion. Within several hours more than 4000 people (not only the Pixelpark employees) had visited the site. The discussion was lively, ranging from fears that “incompetent” trade unionists could enter the firm, slow down necessary decisions and be ignorant of employees’ interests, to a much more pragmatic view that saw the need for a channel of interest representation equipped with certain guaranteed information and employment protection rights.

11 For a better understanding of the issues at stake here, it should be noted that under German labour law, company interest representation (works council) is not conceptualised as a trade union voice, but rather as an instrument to foster the well being of the company. Hence, tensions between the two sides (unions and work councillors) are to an important extent institutionally determined. Traditionally, however, many works councillors are unionists, recognising the mutual dependency (Müller-Jentsch 1997)).
In March, the first Pixelpark works council was elected in Berlin, with 68% of the employees taking part in the ballot. As the ballot received extensive and positive media coverage, Pixelpark management could not publicly denounce the worker representation without putting at risk their public image. When in May 2001 management announced the dismissal of 200 of the 1200 employees, the newly elected works council became immediately involved in juridically extremely complicated and time-consuming negotiations over a social compensation plan. Management refused to bargain over two agreements on bonuses and working time, leading the works council in the meantime to call for arbitration (in German labour law: Einigungsstelle).

Looking back, it seems as if the establishment of the Pixelpark works council was determined by the increasing discrepancy between the old participatory culture (“spirit”) of a medium-sized company (around 100 employees) and the reality of a rapidly expanding business exposed to shareholder expectations. As hierarchies became increasingly formalised, internal communication deteriorated, unequal wages were observed and overtime working became an issue, and the feeling of being an “ordinary employee in an ordinary company” came to predominate. Without the dedication of the Pixelpark people engaged in the founding of the council (being willing to accept not only the responsibility, but also the negative consequences for their careers arising from such an engagement) none of this would have been possible.

Although there currently seems to be a high level of acceptance amongst the Pixelpark employees of the institutionalised interest representation they and, to a lesser extent their works councillors, remain suspicious of trade unions. Not all of the works councillors have become union members and recruiting remains difficult. Connexx.av was not involved in the negotiations over the social compensation plan either. The reasons for this mistrust are twofold. On the one hand, the employees appeared to have a strong utilitarian concept of trade unions: if works councillors in the (German) New Economy become unionised they tend to do so – according to union sources – in order to receive the support and training necessary to do their work. Others might be grateful for union support, and yet still refrain from joining, as they do not wish to give the impression of being ‘infiltrated’ or ‘manipulated’ by unions; and they might also be very sensitive to the general political role of trade unions, since their vision does not grant trade unions a function beyond the work place. Employees are more likely to become trade union members if they are threatened by mass redundancies and want legal advice and protection; or they may avoid joining a union because they believe a works council already represents their interests. It should be noted, however, that these considerations are far from being restricted to this particular firm or industry.

On the other hand, unionists engaged in the Pixelpark case suggest that trade unions are regarded as ‘dinosaurs’: slow, ritualised and hardly capable of opening to society and the demands of workers and members. They are also thought of in terms of the cliché of merely dividing the workforce and organising strikes. Here unions have to argue against deep-rooted prejudices, perceptions and fears. Even the chairwoman of the Pixelpark works council, Katja Karger, a 32-year-old project manager and the only representative with previous works council experiences, shares this scepticism or disapproval of big union “apparatuses” like ver.di and their perceived traditional political forms and loyalties. In her view, unions clearly lack a “unique selling proposition” (USP). In other words, unions offer nothing that could make it worth considering membership. She feels that they need to target specific groups, become more professional and

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12 This was followed in December by the announcement of a second wave of dismissals.
13 The underlying problem of legitimation might be linked to the fact, among other things, that it is some years since a comprehensive debate over the fundamental direction of the German trade union movement as a whole has taken place, even in connection with the formation of ver.di.
become responsive to new developments. Approaching people in this industry requires more than offering insurance, she argues. Trade unions should come across with clear messages and reveal conflicts of interest between employers and employees, as many employees are politically interested and possess some kind of class-consciousness.

2.2.2. The trade union view: connexx.av

Connexx.av is a project belonging to the German service sector union ver.di. It was founded as a cooperation project of two ver.di predecessor unions, DAG (white-collar union) and IG Medien (media workers’ union). Originally designed to organise private radio, the film industry and audio-visual communication (av), connexx.av extended to the Internet in April 2001. This step was based on the observation that many of the av employees move between the ‘old’ and the ‘new’ (internet-based) media. Initially equipped with four officers, the project enjoys high-level support within ver.di and only recently has been extended until 2005 and provided with additional staff (from within the organisation and from the industry). The project follows two objectives. Externally, it aims at getting a hold in the industry and improving ver.di’s image by demonstrating that unions are still necessary even in the ‘modern’ industries. Internally, it aims at generating best practices that might be transferred to other areas. It is also conceptualised as a test to assess whether investing scarce resources in this area will be rewarded by commensurate political and recruitment successes.

Since the crisis of the ‘New Economy’ beginning in 2000, connexx.av has had to cope with a huge demand from the industry. The enormous media coverage of the founding of the Pixelpark works council and the role unions, or more precisely, connexx.av, played in this were partly responsible for this response. In the months following the Pixelpark success, further works councils were established in big companies such as Tomorrow Internet, Kabel New Media, EM.TV, Plenum AG and ID Media, although many of them have in the meantime ceased to exist. On the whole, connexx.av helped to establish works councils in almost 40 German Internet agencies.

Although the connexx.av experiences in the Internet industry are relatively recent, a number of problems have already become apparent. As became clear, for example in the Pixelpark case, union officers have to be very careful in approaching employees if they want to initiate a works council (in countries where the law provides for works councils) and develop a role in these processes that is essentially mediating between different factions of the employees and providing expertise. Concerns about union involvement (seen as an “infiltration”) seem to be omnipresent among the employees. Even when a works council is set up, it can still be difficult to guarantee its continuous functioning. Since most of them were established in times of mass redundancies, many of the elected representatives drop out once the crisis is over. Inexperienced works councillors often do so when they get over-burdened with the workload (which requires legal expertise) and responsibilities implied in crisis management. Finding new representatives proves difficult in this situation. Whether there is any potential for unions to create networks of lay (or honorary) activists, to take some of the load off the officers and stimulate democracy and activism, is a point in question. There is little evidence to suggest that the group in question will engage in any traditional long-term lay union activity: their jobs or their careers are often unstable; lay activities compete with the aspirations and obligations of a social and private life outside work; many, more used to ad hoc work rhythms, follow the professional self-image of being “high performers” (Trautwein-Kalms 2001) and develop a substantial commitment to their

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14 In the 1980s women unionists started criticising the traditional forms of union activity as impeding their involvement. Some of the arguments also apply to ‘modern employees’ (time and place of meetings; activism as a life-long career; the importance of informal male networking and loyalties, etc.).
Trade unions and the growth of the information economy

careers; as technologies change rapidly there is a continuous demand to upgrade qualifications – usually outside work. Hence, developing new approaches and attractive issues for enabling temporary participation seems to be crucial.

2.2.3. Trade unions in ICT: transforming into service organisations?

Today, claims are rife that if unions want to have a chance in this sector they must change drastically in organisation and policies to become service providers. Some trade unions operating in this area have already begun to go some way down this road. Traditionally, the functioning of unionism (this holds at least for the industrialised countries for much of the 20th century) was based on a process of proceeding from the recognition of shared interests to collective action and bargaining. New approaches envisage a radical shift to the provision of services to individual employees, based on the claim that people working in the industry no longer share sufficient common interests. Usually, the ‘employability’ of the individual member is placed at the centre of their strategy. Accordingly, trade unions should become experts in all forms of professional advice and education concerning work content and social competence (coaching, supervision, communication, etc.) and be able to deliver them in-house. With these services, it is argued, unions could enhance the individual member’s career opportunities and at the same time provide protection against employment risks. As a leader of a Scandinavian trade union recently put it: “In the old days unions tried to change society, today we try to insure against its risks.” To achieve this, unions might have to adapt certain areas of activity to approaches similar to those offered by professional service providers. Unions might, as a consequence, be able to differentiate themselves from non-union ‘competition’ in the marketplace by exerting leverage on the aggregate purchasing power of its membership, which could offer a broader variety of services or reductions in comparison with other service providers. The high level of trust the unions still may enjoy amongst the working population (for example, research recently carried out for the British TUC showed that the TUC was the most trusted advisor on work issues) and that has been built up by their action as political and ethical organisations in the past, in this view adds another ‘competitive advantage’ over other market competitors.

Undoubtedly, this approach – that has been portrayed here for the purpose of discussion in a very clear-cut manner (in reality, approaches are usually more blurred) – tackles some important issues with which unions are confronted in the ICT sector and, indeed, when reaching out to other occupational groups which require more advanced qualifications. There are, however, a number of important issues to be raised.

From a pragmatic point of view, the transformation of a union into a commercial service provider would raise the question of the capacity of unions to effectively compete in the marketplace. Unions, by taking such a step, would become subject to a new economic logic. This would raise not only the question, as one UNI official put it: “Can we beat our competitors or do we have to cooperate with them?”*, but also the possibility of failing commercially when other competitors offer the same services at a better price/quality ratio. Furthermore, with the introduction of such a customer-oriented approach, the pricing of specific services would be a logical next step and the concept of membership would be brought into question. From a historical perspective, there is evidence that unions’ efforts to enter the marketplace as enterprises have in a number of cases been unsuccessful (the bankruptcy of the German union-owned housing society *Neue Heimat* in the 1980s, leaving the national centre DGB short of allegedly € 2.5 billion (Müller 2001), provides a good example). Indeed, there is little evidence to suggest why trade unions would be particularly successful in a purely commercial environment. Neither the ethical, democratic and

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political underpinnings of unionism nor the general skills profile of staff working in unions suggest that such an approach would necessarily prove smooth or successful.

A more pragmatic strategy therefore acknowledges the need for unions to offer a variety of services related to professional matters, while also perhaps offering certain services through third party providers at reduced rates. They would need to be capable of identifying high-quality external experts, freelancers and institutions and then monitoring the quality of services delivered to the members. In doing so, however, unions would need to be very careful not to lose collective bargaining expertise and their credibility in core service matters, if they wish to avoid losing members. Current union services such as legal advice and works council qualification (as part of their traditional ‘unique selling proposition’), for example, are increasingly exposed to competitive pressure from private institutions (preferred by many German ‘New Economy’ works councillors as they promise to be ‘independent’, according to Meike Jäger).

The question remains, nonetheless, whether approaches favouring the individual employment relationship by enhancing individual competitiveness will prove effective in protecting or advancing the individual employment situation if they are not linked to broader employment-generating labour market policies, collective bargaining and legal regulation. It is difficult to see how a union that had moved away from its inherent collectivist political projects (be they class- or society-based (Hyman 2001)) and had become incapable of collective action will achieve this. In a more societal perspective this approach seems equally too limited to overcome the increasingly deep divisions in the labour markets (polarisation of internal labour markets between the well-paid employees in stable employment (core) and the “periphery” of (often outsourced) workers in unstable and precarious conditions; hardening of long-term unemployment; polarisation between simple and qualified work (Baethge 2001)). On the contrary, there is a danger that such an approach would increase the segmentation of the labour market along the lines of race, gender or age by excluding those who continue to be, due to lack of resources, discrimination or their type of employment, in need of collectively agreed social protection. Equally, giving up the unions’ inherent political projects would allow neoliberal policies to be pursued unhindered in dismantling social welfare and public services with severe consequences (Altvater and Mahnkopf 2001).16

On a more analytical level, it seems to be important to address more precisely the question of the employment conditions of people working in ICT. There is a danger of generalising certain trends and developments in ICT (such as the lack of interest in collective bargaining and political issues) and to adapt political strategies to these perceptions. Indeed, the discussion within trade unions on ICT workers seems to be based on the assumption that they are very well qualified, male, relatively well paid and very career-minded. This might be explained by the general lack of information and analysis available – a fact confirmed even by trade unionists working in the sector. In any case, the reality is much more complex. The emergence of media catchwords such as ‘netslaves’ or ‘cyberproletariat’ indicate this. What little academic evidence there is points at the importance of variables on the employment situation such as subsector, the historical

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15 This applies to unions with a broader emphasis on their role (e.g. in continental Europe, as opposed to narrower notions of ‘business unionism’) as representatives of all workers or even labour in general (cf. Hyman 2001; Kurz-Scherf and Zeuner 2001).

16 The consequences of such a development are not to be underestimated: The welfare state historically had at least two important functions for the union movement. First, to protect against employment risks (job loss), thus making industrial action less risky, and reducing downward pressure on wages due to unemployment. Second, to provide access to non-(market) priced quality public services (for example health and education) as an essential precondition for the development of democracy in societies – a core notion of social democracy.
industrial relations background of the enterprise, or company size (EIRO 2001). This is particularly true if a broader notion of ICT is applied that includes the hundreds of thousands of employees who develop and support software and hardware and use these technologies to produce and sell their products. For instance, manufacturing enterprises, banks, hospitals, insurance companies, and government agencies all tend to have large IT departments, marketing, media, etc. But a considerable differentiation can also be observed within the ICT firms. Wilson and Blain (2001: 37), two organisers at the WashTech IT union, emphasise that “any sweeping generalisations about IT workers or what they want, or what they think about unions, are inherently invalid. Employers in this shifting and amorphous thing called the ‘high-tech’ or ‘IT’ industry employ millions of different people performing thousands of different jobs, at all skill, education, experience, and pay levels. Any of these factors can significantly affect a worker’s attitude about unions, or his or her inclination to get involved with an organizing drive”.

Taking into account the diversity of employment conditions, the question of where and on whom unions should concentrate their efforts arises. Wilson and Blain (2001: 43) emphasise that, from their experience, they are “well aware that a highly skilled, highly compensated software engineer working a regular, full-time job that comes with a wide and generous array of in-kind benefits generally has fewer pressures than a customer rep making $10 an hour who is pay rolled through a temp agency that offers few if any employment benefits. That is not to say that many workers at the top of the IT hierarchy do not have significant workplace concerns, or that they are not interested in organising. Rather, it is simply saying that the objective conditions for a broad-based organising campaign are much more likely to be found among IT workers with fewer employment options due to circumstance, experience, gender or education, and who are typically frustrated and constrained by issues related to pay, job classification, access to training opportunities, or staffing intermediaries”.

If it is true that the reality of employment relations and the resulting demands and needs of employees in ICT are far from uniform, then unions need to develop more differentiated policies, if they do not wish to approach only a certain segment or group of employees. In this sense, generalising to the goal of transforming unions into service organisations also runs the risk, besides the problems already mentioned, of missing the target groups they were intending to reach. Moreover, as the Pixelpark works councillor argued, the service orientation may become a self-fulfilling prophecy: if unions only offer services, they shouldn’t be surprised if people only ask for services (and not solidarity and association with a broader political movement). There is no doubt, however, that they need to develop more individualised and professionalised offers, if they decide to organise workers in individualised employment relationships who are not so much in need of collective agreements.

While there are no easy answers to the question of strategy, research on union participation and democracy has regularly emphasised that the issue of participation is of central importance to the future involvement of these workers. One current of the research in question (Zoll 1996; Valkenburg 1996) has observed, albeit often without further specifying the empirical ground and range of their argument, a tendency of paternalistic behaviour towards membership within unions. If it comes to policy formulation, lay and full-time officers are said to analyse the ‘objective’ conditions and develop their policies for minority membership groups instead of with them (Zoll 1996: 83). Zoll concludes that “self-confident individualists are much more capable of real participation and the responsibility that this implies” (as for example, one could add, IT specialists) and suggests that unions might regularly open up their discourses with members and

17 The paper on young workers and trade unions provides a brief discussion of these hypotheses.
non-members in order to make a step into “real participation and modernisation” (ibid.). A second current of research on union democracy (Hyman 1996; Mückenberger 2002) has rather concentrated on the horizontal distribution of power and influence of different membership groups within unions and suggested that hegemonic majorities determine policy priorities at the expense of those underrepresented or with less voice. Despite the difference in perspective and argument, research tends to agree that unions should provide extended opportunities for participation and let these groups have an impact on union policies if they want to gain footholds in weakly organised sectors and occupational groups with an individualistic work ethos and differentiated employment relations and situations such as in ICT.

In short, unions need to formulate policies in a manner noticeably more participatory. One part of any reform should therefore be the attempt to, first, open up the organisation for active (and also temporary) participation of the employees, second, provide them with the opportunity to have an impact on policies and, third, become more responsive to their needs and demands. Here the very representational structures and personnel capacities of unions are themselves brought into question.

Some unions have already, sometimes limited to certain parts of their organisations, managed to go some way down the road of extended participation and responsiveness (Behrens et al. 2001), whereas in others outdated rituals, inflexible structures and often authoritarian and male organisational cultures have been able to survive on the whole and perceptions of reality and concepts are still too closely tied to the traditional employment relationship (Kurz-Scherf and Zeuner 2001). In this sense, trade unions still have to learn from other social movements and to explore many of the (relatively cheap) possibilities ICT offer in this respect (e.g. moderated Web discussions; forums for exchange of experiences and discussions; providing web space for articles; space for members to engage in activism with others, service information, newsletters, etc.).

The necessary change in the procedural and decision-making cultures of union apparatus poses the question of their capacity to engage in ‘organisational learning’ as well as, more precisely, the forms necessary for this. The establishment of small projects (such as Connexx.av) which target specific groups or enterprises, that follow clearly defined objectives and have an extended space for innovative organisational manoeuvring, could prove to be a fruitful way to ‘test’ certain targets and approaches (these tests must allow for the possibility of abandoning them, too) and eventually transfer certain practices to other parts of the organisation. The outcome of such reform programmes will probably be more diversified organisational structures and bargaining agreements patterns than unions have been used to. The eventual political success of such pilot projects may, as the connexx.av case has shown, help more than any brochure or press conference to alter the ‘image’ of trade unions, operating in environments with elaborate corporate branding strategies.

The first part of the challenge will be to find forms to articulate the new demands of a more participation-friendly and responsive, more flexible and – as a result of more heterogeneous employment conditions – more diverse trade unionism, paying particular attention to existing structures, members, organisational culture and – most importantly – integrating these demands into and transforming the workings of union democracy. The second part of the challenge will be to integrate such structural reforms into a wider (political) project that articulates the need for protection with active policies to enhance the opportunities inherent in work in ICT.  

18 For example, in 1999 German IG Metall started a project called ‘My time is my life’ (Meine Zeit ist mein Leben) that focuses on the de-limitation of the relationship between working time and leisure and tries to identify and construct common interests around this issue (cif. Döhl et al. 2000).
3. Telework and call centres: regulating and organising

3.1. Nature and scope of telework

Telework goes beyond the limits of the ICT sector and includes very different forms of work. These include (cf. European Foundation 1997a) the employment of individuals physically outside the company, who remain under the direct control of the employer; the establishment of ‘telework cottages’ (places that provide opportunities for telework, e.g. in rural areas); the establishment of inter-firm electronic telecommunication; apart from the telework performed exclusively at home, there are forms of alternating work between home and the company or mobile telework without any fixed workplace (e.g. pursued by certain types of insurance sales representative). The implications in terms of employment can be very different. Teleworkers may be temporary, fixed-term employees or self-employed. They may be bound to a single employer or be working for different firms; they may be working continuously or for only a limited time as teleworkers. The only similarity between them is (to use a functional criteria suggested by the European Foundation (1997b)) the use of computer and telecommunication technologies for the transfer of texts and data to the employer.

Largely due to the different definitions applied and the regularly informal nature of this work, the statistics on the issue vary considerably. According to the European Commission, the number of teleworkers in Europe has risen to over 4 million, or almost three percent of the workforce. Other estimates claim that in 1999 there were at least nine million individuals engaging in telework across the EU (Johnston and Nolan 2000). There are, however, pronounced differences between the member states, with the biggest share of telework in Northern Europe and Great Britain. In the US, most figures range between three and nine million people (3 to 8% of the workforce), including people who work from home at least several days per month of their normal work schedule. According to one report (Huws 2000), almost 70% of the teleworkers in the EU are men, despite their overall labour market participation rate of slightly more than 50%. However, women are catching up here, too, particularly in the financial sector. They are more likely to be working at home (reflecting gender discrimination in the labour market and society), whilst men tend to work from several locations, using the home as a base. Over a quarter of all EU teleworkers are reported to work in the business services sectors with another quarter in the public and voluntary sectors. Most teleworkers hold senior jobs: 28% of them are managers, 22% are professionals and 18% are classified in associate professional or technical occupations. In comparison to the rest of the working population, teleworkers are more likely to be graduates, married and to be in mid-career. Teleworking is increasing more rapidly among employees (22%) than the self-employed (15%). In 2000, the self-employed made up 44% of teleworkers (Werdigier and Niebuhr 2000: 9-10).

3.2. Issues at stake in telework

For a better understanding of its origins and implications, telework should not be simply regarded as a new form of work made possible by advanced technologies, but as one element in current management strategies to flexibilise and decentralise company and work organisation as outlined above. In this perspective, telework is perhaps the most spectacular element in the de-limitation of the workplace by the use of ICT. Although available data indicates that increasing use is made of telework, this is much less in the form of telework from home or ‘tele-cottages’, as predicted for example by the European Commission. It is, rather, alternating and call-centre work that will continue to increase most strongly in the future (Johnston and Nolan 2000; ETUC 2001).

19 Some commentators noted that telework was as easy to measure as a rubber band (Johnston and Nolan 2000).
Although notions of a completely digital economy are unrealistic,\textsuperscript{20} certain estimates suggest that about 30\% of the jobs in the world’s richest countries may, at least partly, be relocated by the use of ICT (Huws 2000).

With these changes the question arises whether collective agreements and labour legislation are prepared for such a change. Traditionally, both were based on the notion of a unity of space and time as it characterised most jobs, at least in the industrial sector. In other words, in the standard assumption of labour market institutions, ‘work’ is defined as something that takes place on the employer’s premises; ‘working’ then is the time spent by the employer on this site.\textsuperscript{21} The split between time and place as expressed in telework,\textsuperscript{22} challenges a number of fundamental principles of labour regulation and hence unions’ political and bargaining agendas. The following (not exhaustive) list of issues may illustrate this:

- Traditionally, the employer’s responsibility for health and safety was bound to the employer’s workplace. With the spread of (partially) home-based and nomadic work forms, work accidents increasingly will take place outside these premises. Labour courts have increasingly begun to recognise this. The health issue is particularly relevant for the self-employed as, with the exception of Ireland, there are no legal requirements concerning their working conditions.
- Traditional labour inspection of working terms and conditions is rendered difficult practically with the increase in dispersed work locations. This leads to problems with the supervision of general ergonomic norms, adequacy of equipment, general working environment and working time.
- Most induction and on-the-job training schemes were based on the idea that the new recruit or apprentice can sit alongside the more experienced employee or that there is an expert readily available for specific questions. The externalisation of novices or qualified employees may lead to a crisis of training in certain companies (Huws 2000).
- In the past, calculation of wages in Europe was usually time-based in the sectors under discussion. Trade unions fought hard to ensure that this method was preferred to alternatives such as piece-rate payment, which was associated with unacceptable pressures on workers to increase productivity. The trend towards a result-oriented ‘management by objective’ raises the question of whether and how ‘knowledge work’, for instance, may be regulated (cf. Töpsch \textit{et al.} 2001).
- In many countries legislation designed to minimise discrimination is based on the principle of finding comparators. Where workers are dispersed to different sites as a result of the introduction of ICT, it becomes difficult to prove comparability with workers at head offices or on other distant sites (Huws 2000). The dislocation has implications for the likelihood of the perception of common interests and hence also collective action and organisation.
- Since many teleworkers perform their work at least partially at home, a blurring of the limits between professional and private life, working time and time-off, workplace and home might occur. The right to privacy guaranteed by the \textit{European Convention for the Protection of Human Rights} is acknowledged by most EU member states and applies fully to teleworkers. The question of the employer’s accessibility to the employee’s home as well as the control of the labour process therefore requires regulation.

\textsuperscript{20} Evidence suggests that the consumption of raw material is still growing, manufacturing and manual jobs are still increasing on a global level, traffic volumes continue to grow, regional economic differences persist and the segmentation between low- and high-skilled jobs increases.

\textsuperscript{21} There were always important exceptions to this, for example road haulage workers or salespeople.

\textsuperscript{22} The increasing number of merely virtually existing, ‘de-centred’ web enterprises implies the most radical change in the traditional concept of work spatiality.
The conventional means of internationalising production was either to transfer production to other countries or to ‘import’ cheap and flexible migrant labour. ICT now further enables enterprises to outsource in a cheap and uncomplicated manner to countries with a vast array of low-waged, highly productive and well-qualified labour on offer (Zanker 2001). This raises the question of the working conditions in these countries as well as social dumping, strengthening the need to look at the increasingly globalised dimension of labour markets and international trade union collaboration over working conditions related to companies employing workers and using contractors in more than one country.

Access to European social security systems is usually conditioned either by place of residence or status as an employee (or a mixture of both). Concerning the definition of the latter, national legal provisions often have difficulties determining the status of a teleworker (European Foundation 1997a). The access to social security systems is usually conditioned by a minimum wage or minimum number of working hours. Since teleworkers are often unable to meet these requirements, they are in danger of not being covered by social security.

3.3. Regulating telework

In most European Union member states the law has not explicitly regulated telework. Instead, the legal situation of teleworkers is predominantly determined by existing regulations, definitions and standards. In some countries, there exists a legal category between self-employed and employee, the homeworker, that is frequently applied. This does not, however, cover consequences for the workplace arising from ICT, as homework was conceived of as manual labour (cf. European Foundation 1997b). According to national law and jurisdiction, teleworkers might be defined as either self-employed or employed. Such legal distinctions of worker category have important implications in labour law with its minimum conditions of social protection as well as specific regulations of social security insurance systems. While those who are identified as performing “subordinated work” are treated as employees and are consequently protected by these norms, the self-employed may be protected only by formal or informal agreements between the parties.

Collective bargaining agreements on telework have become more common in recent years in Europe, particularly in Italy, Germany, Austria and Sweden. Most of them are restricted to particular companies. The fact that many teleworkers are, nonetheless, not covered by agreements is partly due to the frequently informal regulation of telework. For example, a survey carried out for British Telecom in 1997 found that only 6% of the enterprises had any formal approach to teleworking, while 49% had some kind of informal approach (Werdigier and Niebuhr 2000). The European Foundation (1997b) reports that collective agreements for self-employed teleworkers are unknown.

For example, the German airline company Lufthansa employs 200 workers in India who correct electronically erroneous flight tickets. They work in 3 shifts, 7 days a week and have a good command of German. The American data processing enterprise Saztec outsourced their data-input department to the Philippines in order to pay wages six times lower than in the US (but still considerably higher than the average on the Philippines). The catalogues of the British Library, the French Bibliothèque Nationale and the German Deutsches Literaturarchiv took advantage of this. The electronic banking software for Bank 24, a subsidy of the banking multinational Deutsche Bank was completely developed in India. A fourth example is Ireland where many multinational enterprises (e.g. Dell, Oracle, Gateway 2000) decided to set up their customer services. A good communication infrastructure in combination with moderate wages and good language skills were the decisive factors (Zanker 2001). There are also reports which claim that security staff of banks in Geneva are now located in North Africa from where they supervise the security monitors. It is difficult to evaluate this development. For developing countries the internationalisation of services can imply the deepening of economic dependence on the developed countries and, at least for some parts of the workforce, more chance of a more acceptable standard of living.
Today’s trade union stance on regulating telework might be characterised by four elements (cif. Bibby 2001):

- Importance of ensuring that workers do not lose their employment rights as employees;
- Any move to telework should be voluntary;
- Need for a guaranteed right to the workplace if the arrangements fail to work out;
- Preference for alternating home working in order to avoid social isolation.

After a flurry of trade union interest in the issue up to the mid-90s, when some observers were predicting a massive switch to telework, it was discovered that in practice there was far less demand in this area – in contrast with the call-centre trend treated in the next section.

One of the examples for collective bargaining on the telework issue is the agreement reached by UK’s BIFU (Banking, Insurance and Finance Union) with the Co-operative Bank in 1997. It included sections on health and safety, team structure and meetings, training, insurance and withdrawal from teleworking. In practice, there were few people who made use of the agreement, however, since the bank did not plan to expand telework (Bibby 2001). Another example is the German telecommunications company Deutsche Telekom. In 1998, the postal workers’ union DPG (Deutsche Postgewerkschaft (now part of ver.di) reached an agreement that was based on the three principles of voluntary decision to perform telework, employee status and cost reimbursement (Schröder 1998). DPG also set up, in cooperation with Deutsche Telekom and the minister of research and development, an online service and advice page (OnForte) in order to promote the spread of alternating and regulated telework.

In 1999, the European Social Partners (ETUC and UNICE) entered into talks and finally negotiations about the regulation of telework in the context of the process initiated by the European Commission called ‘Consultation of the Social Partners on Modernising and Improving Employment Relations’. These consultations will eventually end in an agreement that will not be made legally binding via a directive. The European Commission as well as unions and employers are displaying a lively interest in this issue. While the employers regard it as an instrument to provide them with more flexibility to enhance productivity and lower costs, the ETUC regularly emphasises the need for appropriate social security and that the issue of the quality of working life cannot be sacrificed to economic rationale, but must remain a goal in itself. The European Commission has occasionally expressed its wish to include the right of teleworkers to return to a conventional workplace, the maintenance of employee status and equal treatment with other employees in areas such as training, health and safety and redundancy provision. The process also builds on Europe-wide (voluntary) sectoral telework agreements for telecommunications and commerce, signed in 2000 between a group of employers and unions affiliated to Union Network International (UNI) (Bibby 2001).

The question of how teleworkers might be organised is difficult to answer. Historically, trade unionism has to a large extent been dependent on the existence of large worker collectives with relatively homogenous working conditions at spatially fixed workplaces. To different degrees, telework undermines (as well as other organisational restructuring strategies) this fundamental

24 The agreements seeks to guarantee that the same terms and conditions are applied to the teleworker as to the in-house worker (including measuring the hours of work in order not to exceed working time, making sure that equipment complies with minimum health and safety standards, making sure that there is social contact, insurance on the equipment, right to return to the workplace, pension rights, etc.).
organisational resource. The considerable number of self-employed workers cannot take advantage of the traditional collective bargaining function of unions. They need to be offered other membership incentives. European unions have either tried to conclude agreements aimed at keeping up the regularity of the employment relationship (see above) and have tended to integrate professional advice for teleworkers into their repertoire, be it in the form of brochures or web-based information pages. In a few cases they have (co-) provided resources for a telework hotline that will also take calls from non-members (such as DPG’s OnForte or the American Alliance@IBM). In the Netherlands, the FNV has set up a pilot project union for the self-employed called “FNV Zelfstandige Bondgenoten” that, although not specifically directed at teleworkers, might be of interest to the self-employed among them. This union offers, among other things, information, advice and legal advice on employment-related questions as well as training courses. It also seeks to stimulate mutual support amongst the members and to lobby on their behalf.

3.4. Call centres

3.4.1. Nature and scope of the industry

Call centres can be described as in-house establishments or independent companies which offer services, mostly customer-oriented, over the telephone (cf. Biehler and Vogl 1999). They were originally introduced to make customer relations more effective and efficient in the face of intensified market competition. Their labour process is commonly characterised by high-speed, physically repetitive and routinised work under coercive conditions, serving the twofold purpose of reducing customer waiting time and ensuring an even workflow. The use of ACD technology (ACD = Automatic Call Distribution) and CTI systems (phone and computer integrated) leads to enormous productivity gains. Customer information is immediately available to the agent from a database and may also be directly altered. “What was once a day’s work can be done in an hour, according to one call-centre manager”, reports the ILO (2001: 316). At the same time ACD has provided employers with new possibilities of electronic surveillance and control (Leittreter 2000). Cost reduction is a priority in these workplaces and wages are low. Meanwhile call centres have become part of a wider strategy of restructuring customer relations (business to business, business to customer, customer to business) with the result that there is a wider variety of working environments, demands and conditions.

Recent surveys claim that in 1999 the number of call centres worldwide was more than 100,000. Other sources report that up to 125,000 exist in the US, accounting for an estimated 10 million employees (Werdigier and Niebuhr 2000). In the European Union, there were over 12,000 with an estimated 670,000 agents in 1999 (ibid.). They are also emerging in developing countries such as India or Togo (ILO 2001a). Philip Jennings, general secretary of the global union federation for the services sector, Union Network International (UNI), has recently predicted that over 2% of workers in Europe will soon be employed in call centres which he characterised as the “new factories of the new economy” (EIRR 2000: 13). Although these numbers seem to vary considerably according to the definition applied, there is no doubt that call centres experienced a meteoric rise during the 1990s and are predicted to continue to expand in numbers and employment.

25 UNI’s campaign “Online Rights for Online Workers” addresses this issue by seeking to guarantee the rights of all workers to communications with union representatives using company e-mail systems.

26 In the European Union, the compound annual growth rate of call centres is estimated to be between 7% (Sweden) and 20% (Italy) between 1998 and 2003 (EIRR 2000: 19). Further development will however depend on the question of the extent to which call centre services might be outsourced internationally, as well as technological developments and their acceptance by the customers. The growing use of touchtone phones and interactive voice recognition (IVR) to undertake basic transactions (such as obtaining a bank balance or paying a bill) will reduce the need for a human ‘interface’. The development of Internet-based home-banking and insurance services might also slow down the expansion (Bibby 2000).
Most call centres seem to be operating for financial services (banking, building societies, insurances, and ‘mail’ order firms) followed by energy suppliers, telecommunication services, hotlines or help lines for soft- and hardware products as well as the hotlines behind Internet and e-commerce networks.

3.4.2. Issues at stake

Despite the variety of existing types of call centre, several features of work can be found in most call centres (cf. Bibby 2000; Holtgrewe 2001):

- An informal work culture and management style, which does not emphasise differences of status and hierarchy, peculiarly coinciding with restricted opportunities for staff to talk to each other during work; flat management structures with only one or two layers
- Team-integration of individual workers
- Competition of teams over handling performance and sales
- High percentage of women workers and young workers. According to Holtgrewe (2001), in Europe two thirds of the agents are women (often re-entering the labour market); roughly two thirds work part-time
- Weekend and evening operation, generally without additional premium payments
- A wide range of part-time and shift-working
- A ‘green field’ approach that regularly attempts to keep unions out and, consequently, non-adherence to or absence of collective agreements
- High use of agency staff by some employers
- Agents are “not-unskilled”, often (around 30% in Europe) with higher secondary or university degrees
- Lack of career structure; few opportunities for training
- Health and safety issues such as eyestrain or repetitive strain injury caused by long working hours at the screen and the keyboard.

3.4.3. Regulating and organising call centres

In the face of the often deplorable working conditions, trade unions should have chances to get a hold in call centres. Providing protection as a classical union function seems to be a necessity. Andrew Bibby (2000) cites a survey by Taylor and Bain that asked British call-centre employees to list the three things they most liked and the three they most disliked about their work. Amongst their likings were “colleagues, workmates and friends, etc.” (46.7%), “assisting customers, customer contact, giving customers satisfaction, etc.” (40.4%) and “hours, shifts, flexible hours, part-time hours” (30.7%). Their top ten dislikes were:

Bibby (2000) suggests, in his review of union strategies in financial call centres, that an organising strategy could contain the following elements:

1. Pay. The pay level; the loss of premiums has to be addressed, as well as the rise in performance-related pay and commission.
2. Hours of work and shift patterns. Unions should address the lack of control over shifts/ hours as well as the fact that evening and weekend working is no differently treated than other hours of work. Shift rosters need to be drawn up with adequate notice.
3. Employment status and rights. Employment contracts are often considerably less favourable than in the parent company and might often exclude workers from pension and social security benefits or imply poorer sick pay or less holiday entitlement. The spread of short-term contracts should be contained.

4. Health and safety issues. This concerns the provision of adequate ventilation, lighting and heating; the ergonomic design of telephone and computer equipment, chairs and desks; as well as the provision of regular breaks.

5. Control and privacy. Restricting the use of monitoring and letting the employee know whether he/she is monitored. Listening in on calls must take place only occasionally.

6. Training. Trade unions might become involved in organising vocational training to establish standards for call-centre work.

7. Equal opportunities. Promoting the development of family-friendly practices for single parents or the promotion of childcare facilities on-site.

<table>
<thead>
<tr>
<th>Issue</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Targets, sales targets — unachievable, etc.</td>
<td>39.5</td>
</tr>
<tr>
<td>Boring, monotonous, answering phone all day, repetitive, no variety</td>
<td>37.0</td>
</tr>
<tr>
<td>Management, supervisors — bad, dishonest, general treatment, lack</td>
<td>34.6</td>
</tr>
<tr>
<td>of respect, understanding</td>
<td></td>
</tr>
<tr>
<td>Pressure — stress, not enough time between calls, overloaded,</td>
<td>16.3</td>
</tr>
<tr>
<td>speed-up, understaffing</td>
<td></td>
</tr>
<tr>
<td>Hours, shifts — inflexible, expected to do overtime, etc.</td>
<td>13.0</td>
</tr>
<tr>
<td>Breaks — not enough, not long enough</td>
<td>11.7</td>
</tr>
<tr>
<td>Lack of career opportunities/prospects/development</td>
<td>10.8</td>
</tr>
<tr>
<td>Monitoring, surveillance, having calls taped, big brother, scripts</td>
<td>9.6</td>
</tr>
<tr>
<td>Customers — difficult/abusive, contact with</td>
<td>8.1</td>
</tr>
<tr>
<td>Pay, basic pay, wages, salary</td>
<td>6.0</td>
</tr>
</tbody>
</table>

Source: Trade Unions and Call Centre Survey, Philip Taylor and Peter Bain for Finance Sector Unions, 2000; quoted from Bibby (2000)

However, trade unions emphasise that it is difficult to institute changes. The high degree of monitoring and the oppressive atmosphere facilitate anti-union strategies; many employers would prevent any organisation attempt outright, even going as far as to close the firm. To form groups of core activists is not easy, as either the workers might risk their jobs by joining a union, as they are often very dependent on the income (e.g. single parent mothers) or they are transient (e.g. students) and willing to accept hardships at work for a limited period. The variety of status of individual workers in terms of pay and benefits makes bargaining more complicated. Organising efforts have nevertheless been made. In New Zealand, the financial sector union, FinSec, promotes itself as “Your Call Centre Union” and has opened a website for call-centre agents. The Dutch FNV Bondgenoten has a series of web pages with information on work in call centres, available to both members and non-members (ILO 2001a). UNI has been running a campaign on organising call centres and is currently concentrating on call centres in the telecommunications industry.
A particularly interesting and encouraging case of call-centre organisation was the intense industrial conflict at the Citibank call centre in Duisburg, Germany, in late 1998 and early 1999. In 1989, Citibank chose Duisburg and Bochum as the operational base to attract well-educated students, as the Ruhr region hosts a number of universities. The call centre was established outside the bargaining agreement for the banking sector. Nevertheless, the workers made successful use of their experiences in student activism: From 1991 to 1997 they negotiated an increase in pay from 6 to 7 € with pay rises according to seniority, 25-50% extra for work at nights and Saturdays, continued pay in case of sickness and – importantly for the student staff members – contracts could be interrupted for periods of training or exams. When in 1998 Citibank announced the closure of the Bochum centre in order to centralise all its call-centre operations in a new building in Duisburg and evade collective agreements, a campaign was launched which culminated in a strike on 8 December 1999, from 11 am to 4 p.m. The campaign involved – rather unusual for traditional German union action – churches, local politicians and also the international federation of service unions FIET (now part of UNI) and called for a boycott of Citibank.

Citibank retaliated by not extending temporary contracts for those who went on strike and by terminating existing contracts upon the opening of the new call centre. Works council negotiations concentrated on severance pay and soon went to the labour courts. While the strike resulted in an agreement on severance pay, the employees “took their appropriation of service professionalism and customer orientation one step further: They drew on their experiences both of work at Citibank and of the protest and on the distinctive and avant-gardist reputation they had gained within their trade union to invest their severance pay in the start-up of an enterprise of their own” (Holtgrewe 2001: 50). This start-up business (Tekomedia) specialises in information, communication, and campaigning and publicity services to non-profit and public sector organisations (http://www.tekomedia.de). The company employing 21 agents intends to promote the internationalisation of trade unions and workers’ initiatives and offers high-quality service training. Although the conditions found in this case seem to be rather specific, it might show us that there is a need and the will to pursue collective action to protect and enhance workers’ interests – even within the flexible, young and volatile labour force.

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27 I am drawing here on the case study prepared by Ursula Holtgrewe (2001).

28 Around 100 ex-Citibank workers invested at least 750 € each.
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