

A Word with Manfred Weiss: Participation and re-distribution: two principles for industrial relations

An interview by Chiara Altilio to Manfred Weiss, Emeritus Professor of Goethe-Universität Frankfurt am Main.

The interview took place during the 13th Edition of the International Conference by ADAPT, «<u>Towards a Workless Society? An Interdisciplinary Reflection on the Changing Concept of Work and its Rules in Contemporary Economies</u>», held in Bergamo from 30 November to 2 December 2023. Manfred Weiss contributed to the conference as Guest Chair of <u>Plenary Session #2</u>.

During this Conference we are investigating different aspects that affect today's meaning of work through a comparative and interdisciplinary approach. It seems that while the goals of labour law remain relevant today, the tools and institutions may need to be adapted to the changing economic and social landscape. What, in your opinion, does the "redefinition of labour law" signify today?

Redefinition encompasses a wide array of aspects. Changes have always been part of the scenario, but the current shift is dramatic due to digitalization and decarbonization. These two elements, I believe, are fundamental: we need to scrutinize every facet of labour law to determine whether it can be sustained as is or requires adjustments and, if so, in what manner.

Allow me to provide some examples. One fundamental example for me is the scope of labour law's application, or more specifically, the extent of protection it offers. Traditionally, labour law focused on the employment relationship as its cornerstone. However, this concept no longer suffices, not just in the digital realm but also in numerous other areas where new work models emerge that do not fit within this category. Consequently, one of our

primary challenges is to create a new protective framework that should encompass not only employees but extend beyond them. The crucial question is: what does "beyond" entail? Does it cover everyone engaged in work or only certain groups? And how do we achieve this? Via intermediary categories or by defining an entirely new category? These questions remain unanswered, but they constitute a monumental global issue. Various proposals exist but consensus on the approach remains elusive. One possibility is to continually expand the definition of the employment relationship with the risk of rendering the term meaningless. Thus, we must seek alternative solutions. Instead of starting with predefined categories, we should begin with a protective umbrella and ask ourselves: Who requires what kind of protection? It IS an arduous task, but a necessary one.

On the other hand, the transformations we are witnessing are causing more and more workers to fear job loss or skill obsolescence. Continuous upskilling is imperative to prevent their unemployment. Therefore, retraining programs are being developed globally. However, this isn't enough. The implication is that workers are increasingly burdened with apprehensions. Workers fear to lose

their jobs, skills, and the uncertainty of what lies ahead. In my view, worker participation is the key. This is not confined to areas undergoing digitalization but also applies to the current moment of decarbonization. Serious efforts to combat climate change necessitate ensuring that all produced goods align with climate-conscious philosophies. This responsibility cannot rest solely with employers; workers must be involved. Extensive worker participation is essential, whether institutionalized within companies or through collective bargaining. Although debatable, I believe maximizing participation in the specific production environment is crucial. Thus, some form of institutionalized worker participation beyond collective bargaining seems necessary to me.

To illustrate further, consider the vast number of people engaged in the informal economy that are far outnumbering those in the formal economy. Addressing this involves finding ways to uplift these workers. However, solutions cannot merely replicate those of the formal economy because the informal economy operates differently, demanding a thorough examination of its intricacies to develop alternative, culturally aligned structures.

Also, having worked extensively in Africa, I have learned that each country's situation is unique. There is no one-size-fits-all approach. Solutions need tailoring to individual contexts, which is both demanding and time-consuming but ultimately indispensable. Consider Social Security, for instance. The ILO's Convention n°102 outlines a blueprint for Social Security systems primarily based on the European experience. Yet, when applied to Africa, it appears incompatible with their traditions, leading to scepticism and dismissal. African societies historically relied on community structures and mutual assistance, which laid the foundation for their support systems. Constructing new frameworks should stem from this indigenous experience rather than relying solely on external models, which might evoke feelings of being colonized, considering that these conventions tend to have a Eurocentric bias. Therefore, while universal frameworks might be a starting point, the effectiveness of these frameworks in diverse cultural contexts often necessitates tailoring solutions to fit the unique socio-cultural landscapes of individual regions or societies. These are just some of the issues I perceive. There are many more complexities to consider, but these stand out as crucial facets.

According to international reports, the price of grappling with these challenges, both structurally and financially, will disproportionately burden the poorest individuals or the most vulnerable groups. Considering this, what, in your opinion, should be the primary courses of action to ensure greater environmental, economic, and social sustainability and mitigate these emerging social risks within the European countries?

From my perspective, we need to surpass our current paradigms. What is essential is a redistribution, a multifaceted redistribution.

First and foremost, a redistribution of education. Contrary to the myth of equal educational access across Europe, studies in my country, Germany - a wealthy nation - reveal significantly reduced chances for individuals from socioeconomically disadvantaged backgrounds to access higher education. There are myriad reasons for this discrepancy that require rectification. Ensuring equal opportunities for all, especially in terms of mobility, is challenging but imperative. This stands as a primary area of concern.

Secondly, we must strive to ensure that those who are currently poor do not slide further down the socioeconomic ladder but instead see improvements in their circumstances. Achieving this, in my opinion, can only be accomplished through redistribution. This necessitates robust tax policies. Labour law might have limited influence here, but legislators in the taxation domain possess substantial power. There appears to be no alternative to increasing the tax burden on the extremely wealthy. Failing this, redistribution efforts will fall short. This task is formidable, and in my country, considerable efforts are underway, although met with significant resistance. It is a complex and difficult path, yet an essential one.

Moreover, the re-establishment of the welfare state is vital. We need to ensure that nobody falls below a certain standard of living, a level that sustains life rather than pushing individuals into a state of deprivation. This requires a minimum standard, enabling individuals to thrive rather than struggle for survival. It is easy to advocate for these changes but

executing them is immensely challenging. I do not witness substantial efforts being made in this sphere. Take, for instance, the current situation in my country [Germany] where absurd debates on migration prevail. There is this unfounded notion that migrants are the root of all problems, leading to arguments about keeping them out or allowing them in, debates on refugees, and so forth. Some conservative factions even propose reducing social assistance, claiming it is too attractive for migrants, suggesting providing them with only a fraction of support. These are abhorrent propositions gaining unfortunate traction. These are strategies adopted by right-wing groups, and instead of countering these strategies, other parties adopt similar, albeit slightly altered, stances, which is a misguided attempt to combat the right-wing narrative. The fear of losing votes and elections drives these approaches, and this mindset needs a drastic overhaul in the political realm. So, there is a pressing need for a paradigm shift, particularly in political narratives and strategies, to move away from demonizing migrants and refugees. Instead, there should be a commitment to humane and equitable solutions that prioritize societal welfare over electoral gains.

Labour law, while important, holds a relatively smaller role in shaping these fundamental societal shifts. From my perspective, economic interests governed by labour law might exert influence, but compared to educational reforms and similar societal changes, its impact appears marginal. That is not to dismiss its relevance entirely; indeed, elements like ensuring a decent minimum wage are vital. However, they alone are insufficient.

In this scenario, at a European level, what role can industrial relations play in meeting these challenges?

If we consider the European member state level, the relationship among social partners, the social dialogue, and governments seems quite robust. There is often a formal or informal tripartite pattern where these entities engage in fruitful discussions and mutually listen to each other's perspectives, fostering effective collaboration. Some Member States, like Italy, showcase commendable collective bargaining strategies. However, this isn't uniformly replicated across all states. This discrepancy often stems from the relative weakness of trade unions and employer associations, particularly noticeable in

Eastern and certain Southern European countries, rendering collective bargaining structures ineffective, especially in small and medium-sized enterprises. Rectifying this imbalance is challenging; increasing membership in unions or associations remains voluntary and intricate.

Conversely, at the European level, the dynamics differ significantly. In the context of social dialogue and relations with the European legislator, especially the Commission, entities like the European Trade Union Confederation and Business Europe emerge as powerful lobby groups. They wield considerable influence on European legislation, functioning as pivotal players shaping policies. While these lobby groups wield substantial influence, the landscape of social dialogue itself presents various complexities. In essence, while lobby groups exert considerable influence on European legislation, the intricacies of the social dialogue landscape remain multifaceted and multifarious for various reasons. The European actors lack a mandate from local actors, and this issue becomes evident when engaging with social parties in Germany. They express reluctance to cede power to European actors, fearing a loss of local membership. Consequently, the European organizations are unlikely to wield significant influence. Even the agreements they manage to formulate lack binding authority, serving merely as recommendations for national actors. Moreover, these framework agreements only materialize when both sides share common interests in regulating certain aspects, such as stress management or managing violence at the workplace, where employer and employee interests converge. However, in critical areas like working hours, there's an impasse as trade unions lack leverage. Considerations of strikes within Europe seem far-fetched, both legally and practically, showcasing the weakness of this structure. A telling example is seen in the limited success of social partners in influencing European legislation post the Maastricht Amendment's Social Protocol in 2002. While they were given the chance to propose and influence law, the actual impact has been minimal. The few agreements reached afterward, such as fixed-term contracts, part-time contracts, and paternal leave in the '90s, were notably basic, reflecting the minimal influence of trade unions due to their lack of substantial power. The notion of bargaining in the shadow of the law, which once motivated agreements, no longer holds weight. Real

contentious issues remain unresolved due to the absence of substantial bargaining power. The social partners, although influential as lobby groups, lack substantial influence in negotiation patterns at the European level. Consequently, true collective bargaining at the European level appears unfeasible.

From the onset, at European level, there has been a struggle over the extent of sovereignty to be granted. The treaty delineates rules that specify legislative empowerment, safeguarding Member States' control over certain aspects. Regarding fiscal policy, there is a reluctance among member states to delegate authority to the Eurozone. While I empathize with the Member States' position, envisioning discussions on increasing legislative empowerment reveals the challenge of defining the boundary between Member States and Europe.

Attempts were made to establish principles such as proportionality and subsidiarity, but these principles remain rather ambiguous. Thus far, political strategies have maintained a relatively effective separation between the two levels. It is unlikely to change soon; as the European Union consolidates, Member States intensify their efforts to retain exclusive control over specific domains. Considering tax policy, for example, significant change seems improbable. However, there is hope that national states would take steps toward redistribution or intervention to contain risks and bolster the welfare state, although resource reallocation poses a significant challenge.

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