



# DIGITALISATION AND SOCIAL ECONOMY: WHAT'S NEW?



This article is written by **Melinda Kelemen**, Project Manager at Diesis Network and of the Seeding project, points to the need for public support for digitalisation in the social economy.

Emerging digital technologies make our modern lives quite different from those of previous generations. They affect not only industrial processes and production but come with a series of consequences for our individual working and private lives and even our social and human relations. They are also part of a bigger context: not only technology but society and economy have been changing as well. The Covid outbreak has given these changes an extra boost.

It started in the ITC sector but by now it is quite a challenge to name a sector or field where digital technologies have not yet appeared in some form. There are words that describe our life nowadays – a few still not so widely known but most already in common use – internet, mobile phone, artificial intelligence, big data, gig economy, blockchain, to name just a few. In academic and professional conversations, especially in the social sciences or economics, the vocabulary is catching up with the changes, but only with some delay.

There has been no common understanding of the various terms and categories, which has obviously made scientific debate more difficult. Eurofound **[1]** has made a continuous attempt to narrow the issues down and provide a framework of understanding.

It has broadly categorised the changes into three big areas, namely digitalisation, automation and platform economy. When it comes to working life, technology has led to the emergence of a number of new forms of jobs.

The social economy is not left out. While it tends to be seen as something secondary in national economies, this could not be further from the truth. There is a huge variety within Europe: the social economy carries out a very broad range of commercial activities, provides a wide range of products and services, and generates millions of jobs, especially in France, Italy and Spain, and includes cooperatives, mutual societies, non-profit associations, foundations and social enterprises. They range from small, grassroots organisations with social aims to huge national and multinational companies like the Mondragón Corporation in Spain or Groupe Up in France and around the globe.

Thus, jobs and working conditions in the social economy also show great variety: from standard employment through non-standard employment (temporary work, agency work, part-time work, self-employment) to a growing number of new types of jobs. Owing to this, platform cooperativism is also spreading quickly.



### How is the social economy coping?

The questions are how the social economy is affected in terms of jobs and working conditions, and how social economy enterprises cope (or do not...) with the challenges of digitalisation, automation and emerging platforms? Of course, from many angles, social economy enterprises are not so different from “ordinary” companies, even if we take a more “social” and democratic approach (for instance through partial or full worker ownership). All the findings in terms of jobs and working conditions may be applied to them as well. For example, work-life balance and stress in flexible jobs like telework or ITC-based work, the precariousness of casual employment, or the spread of platform work as an answer to rapid fluctuations in the demand for labour. Also, the employer-employee relationship is twisted – the standard working pattern is still prevalent in Europe, but non-standard work and new types of work raise many questions in terms of interest representation, social security and working conditions.

There is a growing amount of research on how digitalisation (and technological change in general) affect work and employment, but we know less about their specific effect on the social economy.

### Policy support is needed

A recent report published by DG Grow [2] suggests, on the base of research in four countries, that the social economy is somehow lagging behind in terms of digitalisation. Meanwhile the social economy is active in R&D, but its results are not into practice. To remedy this, the study concludes that “the most important step is providing the framework conditions for a digital social economy by developing and nurturing a tech-friendly environment for social economy entrepreneurship”. The EU and national governments have a significant role to play in supporting the digital transition of social economy and providing policy support

The Seeding research project, led by Diesis with FGB (Fondazione Giacomo Brodolini) as its main partner and with the cooperation of social economy organisations and experts from seven countries, is the first European project to examine how digitalisation effects employment, working conditions and industrial relations in the social economy. Its initial findings present a varied picture: there are several great examples of how social economy enterprises have switched from a traditional approach by using innovative tools to upskill and maintain employment, and also examples from the platform economy which address the challenges posed by new forms of work.

The project's background study and case studies are already available at [www.seedingproject.eu](http://www.seedingproject.eu).

[1] [Automation, digitisation and platforms: Implications for work and employment \(europa.eu\)](http://europa.eu)

[2][https://ec.europa.eu/growth/content/new-technologies-and-digitisation-opportunities-and-challenges-social-economy-and-social\\_en](https://ec.europa.eu/growth/content/new-technologies-and-digitisation-opportunities-and-challenges-social-economy-and-social_en)

