



With EU Contribution



The European social dialogue and the development of the solidarity between generations of workers: focus on “over 55” and young workers in the finance sector. Sustainable Growth and generation gap VS/2018/0040

The prisoner’s dilemma in the bank’s intergenerational solidarity

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The prisoner's dilemma

The **prisoner's dilemma** is a standard example of a game analyzed in game theory that shows why two completely rational individuals might not cooperate, even if it appears that it is in their best interests to do so. It was originally framed by Flood and Dresher in 1950.

Albert W. Tucker formalized the game with prison sentence rewards and named it «prisoner's dilemma».

The prisoner's dilemma

Two members of a criminal gang are arrested and imprisoned. Each prisoner is in solitary confinement with no means of communicating with the other. The prosecutors lack sufficient evidence to convict the pair on the principal charge, but they have enough to convict both on a lesser charge. Simultaneously, the prosecutors offer each prisoner a bargain. Each prisoner is given the opportunity either to betray the other by testifying that the other committed the crime, or to cooperate with the other by remaining silent.

The offer is:

- If **A** and **B** each betray the other, each of them serves two years in prison
- If **A** betrays **B** but **B** remains silent, **A** will be set free and **B** will serve three years in prison (and vice versa)
- If **A** and **B** both remain silent, both of them will serve only one year in prison (on the lesser charge).

The prisoner's dilemma and the axiom of negotiation rationality

Out of the metaphor, those who have **the negotiating responsibility** can decide:

- a) to "represent" only one collective interest, trying to maximize it: either the one of "**safeguarding employment levels**" or that of "**safeguarding the perimeter of the current employed**";
- b) to "represent" both collective interests, seeking a negotiating synthesis that is a "**relative best**".

Costs/opportunities of early departure from work

- The **"transfer"** of social costs to public welfare (pensions and health care) **is only apparent**
- **The tax system "recovers" from companies** the costs of expulsions, passed on to general taxation
- **"Adaptive" maintenance at work of the "aged"**, perhaps fiscally "facilitated" (in the case of an exchange ratio with new employment), would represent for the banks a **reputational advantage** (linked to a non-predatory perception of their "social function") and an **economic advantage** (linked to the effective capacity to use human resources), also guaranteeing **internal cohesion**, social peace, **well-being at work and corporate climate**.

Can the «digital divide» become the «digital ageing»?

- The new ways of organizing work and offering services on the market, through the so-called "**digital platforms**" introduced by the "**gig economy**" seem to have put in crisis the traditional criteria of qualification of the subordinate employment relationship.
- On the one hand, the platforms are presented on the market of the banking services' offer as subjects with a **rarefied organizational structure**, which moves on the threads of the algorithms; on the other hand, those who collaborate with it currently seem to do so in a spontaneous, voluntary, random and flexible way.

Alternatives to early departure and "geographical mobility" currently in the field

- Smart-working
- Part-time
- Job-sharing
- Cloud
- ...and the digital platforms (intranet &/o internet)???



Risks and opportunities

- Technological ... or cultural barrier?
- Role expectations: a different "**functional/cultural mobility**".
- **Transversality and vicarious function towards the "actors" of the commercial agonist**
- **Stable integration** into the work organization but... **autonomously**
- **Going beyond the static positions' framework** (role/work place/organization diagram) and liberating from commercial logic
- Provision of **experiential know-how**
- Is the bond of subordination loosened? Is it self-employment?
- Is it intended as an "internal offer" or also as an "external offer"?

External offer

In the latter case, it can be called into question and there is a need to clarify and **safeguard the formula of subordinate employment**. **If you un hinge the formula, the relay is no longer needed.**

One can strongly doubt the genuine autonomy of the worker:

- 1) he is subject to a managerial power, even if depersonalized, automated and exercised in a way that does not imply a direct contact between the platform and the worker;
- 2) whose activity coincides entirely with the corporate purpose of the company with which he collaborates and, if he is classified as autonomous, he works under the regime of "monomandate";
- 3) who is under an **obligation to provide the performance**, at least to a minimum extent;
- 4) who, in the specific case, **provides the performance** on a continuous basis .

External offer: current and "exclusive" dimension of digital platforms

First of all, **who is responsible for fulfilling the obligation towards customers: the worker or the platform?**

Who, then, bears the consequences of non-performance? And, in the end, against a (at least apparent) plurality of different contractual relationships between them (platform/worker, client/worker, platform/client), how and why does the possible non-fulfilment of one affect the fate of the other?

The answer lies in the fact that **the triangulation of relationships**, that is the basis of the functioning of the platforms, produces an obvious distorting effect: that of **fully passing on the risk of non-performance to the worker (young or old), keeping the platform untouched.**

External offer: better for young workers

It is an **algorithm** that, according to mechanisms not known to most, identifies the worker who can best or fastest perform a certain service for a certain customer. The algorithm, which in turn is enriched and improved by keeping a record of past experience, can sort the tasks between workers in order to **ensure the highest level of speed and efficiency**. The worker's freedom to choose whether or not to perform the service, a characteristic element of autonomy, is excluded from the clauses according to which the worker, in order to maintain access to the platform and, therefore, his relationship with it, **must ensure a minimum number of services** and remain available online for a certain number of hours during the week.

Rating systems take account of the **worker's downtime**: part of **the assessment** - useful for the worker's stay on the platform - is based on this element. While the "traditional" enterprise organizes different inputs (work, ideas, raw materials, technologies, etc.) to produce a new and different result to place on the market (the final product), **the platform "sells" a service that coincides substantially with the activity of the workers.**

High competition: few opportunities for the aged

"Adapting work to man": how?

It is a **different algorithm**, built for the characteristics of the "aged" worker (experience, prudence, knowledge of processes, knowledge of operational risks, history of customers and the square) able to respond to the different needs of a given internal customer. The "new" and "man-made" rating systems also take into account, in addition to response times, the quality of the assistance and advice provided.

Overcoming the limit of the "space" and "time" of the work performance, the digital platform "extends" and "prolongs", expanding them, the characteristics of strength of older workers, making them "differently present".

If the "quid novi" is **the social recognition of the value of "support" to the internal client**, the result cannot be achieved only "at a distance", but must enhance "also" (as an intrinsic value) the possible forms of physical protection: the company is a meeting place.

High collaboration, many opportunities for the "aged"

New banking models, new forms of "inclusive" and "solidarity" work organization between generations

- How can the wisdom of the "aged" in European banking companies be heightened in practice? If the political choice is shared, it is necessary to establish **new professional figures for operational control**, especially in the area of "risk management".
- Think of a "**MiFID II Guarantor**" or a "**Guarantor of the credit chain**": figures of widespread support, of operative role who, in "support", offer contents of experience (consultancy and assistance) **to young workers**: or to those **already hired**, stressed by budgets and more exposed to legal and disciplinary risks, or to those **hired ad hoc**, in a (negotiated) perspective of generational replacement. Here the ratio of exchange and assistance can reach a ratio of 1:1.

New banking models, new forms of "inclusive" and "solidarity" work organization between generations

- It is therefore a question of overcoming the collective agreements of pure exodus and of favouring the maintenance of know-how and the patient transfer of identity. **It is necessary (in Italy) to innovate the solidarity funds of the sector**
- These figures do not overlap, but perform a **valuable link between the compliance function and the business function**, enhancing the effectiveness of operational controls in advance and with management methods that have the merit of informality (making the best use of soft skills)



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Thanks!
Dzięk!
Grazie!

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