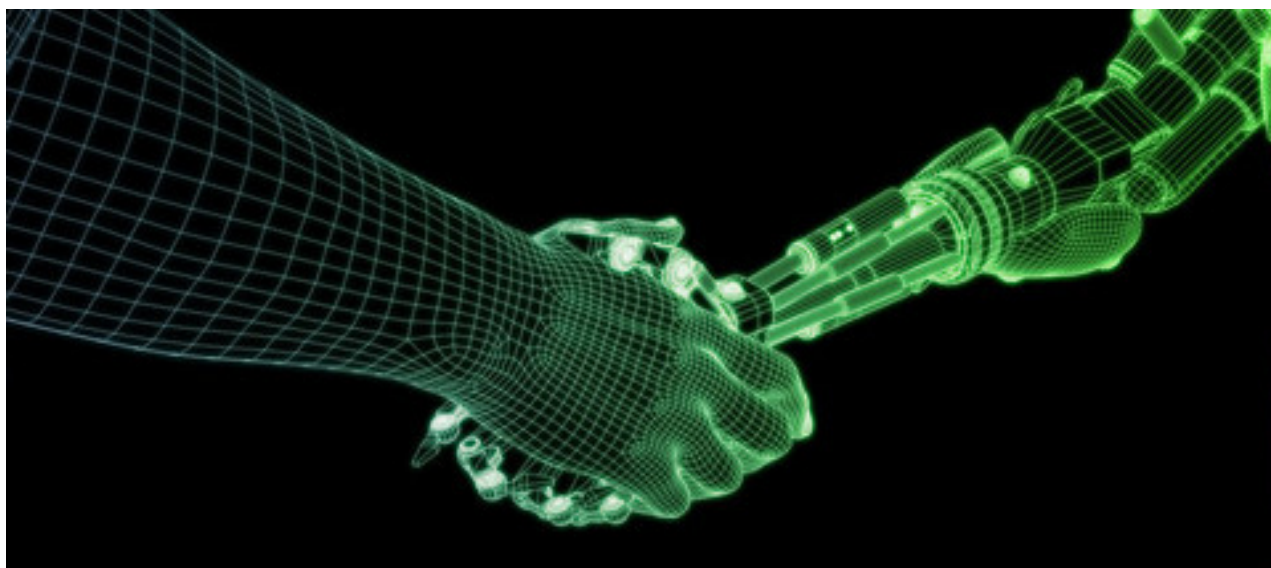


Governing Platform Labour

The present analysis takes the steps from a three-years European project called PLUS : Platform Labour in Urban Spaces. During its research, PLUS analysed four disruptive platforms (Airbnb, Deliveroo, Helpling and Uber) in seven European cities (Barcelona, Berlin, Bologna, Lisbon, London, Paris and Tallinn) considering their impact in

terms of working conditions, social protections and urban life. A multi-disciplinary approach which included field research and pilot actions was adopted in order to foster new alternative scenarios that could contribute to promote social protection, economic development and well-being in digital labour.

In this analysis we resume some findings and proposals emerged during the research concentrating on three main points : the multi-level challenges posed by platforms ; the main policy-relevant outcomes ; and finally a set of recommendations for a fairer platform economy.



Platform economy's main challenges : a multi-scalar approach¹

In the last three years, and in consequence of Covid-19 pandemic, platform economy moved from a disruptive impact on some specific industries to a well-established economic development. Nevertheless, there are relevant and main challenges still questioning the public debate and the action of policymakers in order to sustain a fairer platform economy. Defining such challenges, however, we should consider their geographical scale too. Starting from three different spatialities – local, national and European – we may identify specific issues at each level.

At the local level, it is not uncommon for platform workers to have less social

protections than other workers because their condition is not stable and depends on market demand. Local authorities face multiple obstacles to enforce regulations linked to the transparency and openness of data.

European Union Member States and the UK have mostly applied legislation, regulations and policies already in place in order to address labour challenges in the platform economy. Most Member States' responses to the platforms have been reactive and focused on specific sectors rather than aimed at the platform economy as a whole. Because the binary conception of employment versus self-employment does not apply easily to the

platform sector, most Member States that we examined have introduced in-between arrangements². Moreover, our research highlighted how the **employment status of platform workers depends on the sector** and overlaps often with gender issues and the varying intensities of labour struggles. Although legal actions have played an important role in changing national legislation, they concern specific platforms and/or sectors, mostly related to the passenger transport and courier. Whereas in other sectors – such as domestic work, hosting and cleaning – the informal and precarious status of workers was not contested.

Finally, the pandemic contributed to bring back

1 The selection of such platforms was guided by three main criteria. First of all, they are among the most meaningful in the field of the "lean platforms" in Europe. Secondly, they have been chosen because the users who offer their services should be the owner of the instruments used to implement the job. A car (Uber), an apartment (Airbnb), a bicycle or scooter (Deliveroo) or cleaning instruments (Helpling) are the assets or tools required to be the suppliers of these services. Third, such platforms have been the subject of interest or disputes by local stakeholder: Paris, London and Bologna are cities where riders of Deliveroo are developing collective bargaining; London and Berlin have locally legislated for regulating Uber services; Barcelona is imposing a taxation to Airbnb and it is trying to manage the boom through municipals acts; Tallinn has a parallel service on people transportation which is competing with Uber; while Lisbon has a parallel service of hosting competing with Airbnb, etc; Helpling has been largely supported as a tool against illegal labour in home services.

2 In States such as France, Germany, and Portugal, for example, sub-contracting is commonly creating a lower "middle category" between employed workers and the self-employed.

platform labour issues to the forefront of the European agenda as it became clear that platform services are more and more “essential”, while workers experience a lack of social and labour rights. As a matter of fact, a proposal “to improve the working conditions of people working through digital labour platforms” is currently under discussion³.

If we try to connect these three scales may highlight some commonalities. Firstly, platforms questioned all national and European legislation in relation to the legal status of platform

workers as the latter determines main labour and social protections. Secondly, we have witnessed a multiplication of legislative or regulative initiatives at different scales, from urban to European level. However, there is no common legal framework in the European Union so far, even if some legislative initiatives are in process. Third, platforms mainly presented themselves as commercial entities or marketplaces rather than traditional firms.

Moreover, it seems relevant to consider not simply platforms’ impact on workers operating

through them but the more general externalities that platforms’ operations produce on other actors and services. This creates uncertainty in terms of taxation and use of the revenues. Ultimately, platform economy affects a variety of actors – from urban dwellers to workers, from unions to policymakers – and one of the main challenges in order to build a fairer platform economy is exactly to define processes and policies capable to include all of these actors and to consider each particular perspective.

Some policy-relevant outcomes

We could divide main policy-relevant findings of PLUS for a fairer platform economy into three different axes : working conditions and legislation, urban impact and governance, and fiscal regimes.

The commission-based piece wage system, combined

with self-employment status on most platforms, led to degraded working situations characterised by instability, often combined with low pay and very long working hours. Even where local regulations force platforms to classify their workers as employees – which was the case at Uber

in several cities – many of these issues prevail. Although platforms generally have low entry barriers and ask for scarce formal skills and qualifications, a wide array of explicit and tacit skills are necessary to work effectively.

³ The proposed Directive of the European Commission seeks to ensure that people working through digital labour platforms are granted the legal employment status that corresponds to their actual work arrangements. It provides a list of control criteria to determine whether the platform is an “employer”. If the platform meets at least two of those criteria, it is legally presumed to be an employer. The people working through them would therefore enjoy the labour and social rights that come with the status of “worker”. More info here :

https://ec.europa.eu/commission/presscorner/detail/en/ip_21_6605

Platforms generally use internal skill-based certification and status systems, which are tied to rating systems and not transferrable to other working arrangements. Which is one reason why workers generally consider platform labour not a career path with advancement and development options. The Covid-19 crisis publicly exposed the vulnerability of platform workers, especially in terms of welfare and social protection. While platforms could scale down their operations with comparably little risk, workers were often left without income and remained with fix costs or high exposure to health risks. Said differently: the crisis emphasized a long-lasting necessity for platform workers to access the social protection systems and the lack thereof in the European platform economy.

Comparing the business development at urban level, platforms clearly have become important alternatives to established

suppliers in some industries. However, the impact of platforms' operations differs from sector to sector. In passenger transport, we can identify high competition between traditional providers and Uber or similar platforms. In cleaning service sector, platforms entered a market characterised by informal labour relations. However, "formalisation" alone is not enough as a step to guarantee decent work. Regarding accommodation services, Airbnb expanded particularly in cities that experienced a general boost in tourism. Finally, delivery services expand continuously both towards the delivery of other goods over than food, and taking over the very producers of goods and services (example with Deliveroo "dark kitchens").

In front of these tendencies, we identified three interrelated macro-variables contributing to define a more or less democratic and fairer urban governance of the phenomenon:

- The legal framework through which cities could regulate, with a direct and indirect cogency, the lean⁴ sectoral platforms activities.
- The public sphere through which non-institutional actors or stakeholders are included in the urban political spaces, bringing out their capacities for improve the public debate and negotiation over the regulation of platforms in the city.
- The urban technological agency to expresses the room of manoeuvre of municipal authority and the broader local society to propose their own digital and transformation strategies.

What emerges from the joint analysis of these variable is the **high degree of difference between the seven cities** investigated in PLUS. In some cases, local stakeholders defined collective agreements. In this sense, administrations may exercise a soft power facilitating negotiation, as for Bologna's "Chart of digital workers' rights in the urban context"⁵. Moreover, market access and industry standards

4 The term «Lean» refers to a production management method that focuses on «lean management». This school of management has its roots in Japan in the Toyota production system. Its school of philosophy is marked (in line with Taylorism) by the search for performance (in terms of productivity, quality, deadlines, and finally costs), which is supposed to be easier to achieve through continuous improvement and the elimination of waste, in order to improve overall value for the customer. (Source: Wikipedia)

5 http://www.comune.bologna.it/sites/default/files/documenti/CartaDiritti3105_web.pdf

can be tackled through trade regulations. This is the case in private passenger transport where sectoral regulations aim at establishing a level playing field among incumbents and platforms. Municipalities have also implemented measures to regulate hosting to some extent (protecting the local hotel industry from losses and neighbourhoods from gentrification), but the lack of data and transparency makes it difficult actually enforcing the guidelines and rules of cities.

About the fiscal regime, there is a wide debate on the taxation of digital services at European and international level which has generated different regulatory and taxing trends. The main purpose is to find a comprehensive answer to the allocation of taxing rights on wealth generated by businesses in the digital economy. Some European countries have taken steps to introduce “pioneering” forms of taxation, called Digital Tax, and the strong impulse to use services on digital platforms

represented a new incentive to seek an international agreement on the web tax⁶. Moreover, a Global Minimum Tax was agreed in October 2021 between 137 of the 141 countries who are members of the OECD. On European Union side, on 22 December 2021, the Commission proposed its directive to ensure a minimum effective tax rate for the global activities of large multinational groups.

6 In response to COVID-19 crisis, many governments have been called upon to implement hard tax measures, which is why the number of countries that will ask for a web tax will probably increase, as predicted by the OCED in its Report Tax and Fiscal Policy in Response to the Coronavirus Crisis (2020).

Policy Implications and Recommendations

Having framed the main challenges for a fairer platform economy, we propose to move from a multilevel spatial approach to combined policies. Consequently, we suggest the combination of multiple tools : the implementation of a "Charter of digital workers" rights, the empowerment of urban governance and innovative social investments financed with expansive fiscal policies.

Firstly, the PLUS project proposes a Chart⁷ that seeks to provide a synthesis of the protections that platform workers need, considering the specific features of this form of labour. In this perspective, the Charter aims to work as a model to be tailored practically to the specific characteristics of the platforms and to the different ways in which labour is carried out. The rights contained in the Chart could express an "expansive" labour law policy, consistent with the need to guarantee protection regardless of the

contractual schemes. In this light, the Chart could be characterized by a universal vocation that nevertheless always attempts to come to grips with specific conditions, statuses, and needs.

Regarding the "room for manoeuvre" for urban governance, we suggest some strategies of empowerment. In relation to the regulatory framework, an active trans-scalar collaboration involving the different levels of government seems to be a precondition for implementing measures to regulate or mitigate the impacts of lean sectoral platforms. In relation to the public sphere, we insist on the need to broaden the urban governance to non-institutional actors in order to make the public sphere more inclusive. In relation to technological agency, another recommendation concerns the technological autonomy of cities and the investment in open technological infrastructure that enable the creation of alternative

to lean sectoral and unicorn platforms.

Finally, they are potential social investments of fiscal revenues from platform economy that could benefit all urban actors as well as produce positive externalities. Even if it is still not possible to validate these measures at a general level, it could be fruitful to test them at local level to extend welfare and wealth redistribution in platform economy. The introduction of a minimum income as unconditional as possible, the development of co-op platforms, the creation of municipal and public platforms for the management of a number of welfare services can represent a package of synergistic and complementary tools.

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7 Free download available here: <https://project-plus.eu/deliverables/d5-1-chart-on-digital-workers-rights/>

8 University of Applied Sciences and Arts of Southern Switzerland

9 University of Bologna

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