Working conditions and strategies of social partners to platform work

Evidence from Slovakia

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Overview

1. Introduction of the IRSDACE project
2. Methodology
3. Overview of the platform work in three sectors: accommodation, personal transport and microwork
4. Industrial relations in the platform economy
5. Discourse among social partners, platforms and platform workers
6. Conclusions
7. Q&A
Introduction

• Research based on the project **IRSDACE: Industrial Relations and Social Dialogue in the Age of Collaborative Economy**
• Partners:

  ![CELSI](image1.png) ![CELSI](image2.png)

• Duration: January 2017 - December 2018
• Outcomes:
  – National case studies in Belgium, France, Hungary, Denmark, Germany, Slovakia and Spain
  – comparative report (Akgüç, M., Beblavý, M., Circule, E. and Z. Kilhofer 2018)
Methodology

- **Aim:** to identify how traditional players in the labour market (e.g. trade unions, employers' associations, member states and the EU) experience and respond to the platform economy

- **Desk research:**
  - literature review; analysis of legal regulations, news articles; social media analysis

- **Data:**
  - Web Data analysis based on “bag of words” (to see where the discussion happens)
  - Online survey among platform workers (comparative report)

- **Semi-structured interviews:**
  - unique empirical evidence
  - Slovakia: 9 with traditional social partners, experts and platform representatives
  - 12 with platform workers (6 at a focus group in November 2017)

- **Scope:**
  - 3 sectors: personal transport, accommodation, microwork

- **Terms:** sharing vs. collaborative vs. platform economy
Work in the platform economy

- **Platform economy**: a marginal part of the labor market, but it raises many emotions and legislative issues regarding taxation, fair pay, social security, transparency, health and safety at work

Experiences from other countries:
- **France**: one of the first instances of social dialogue involving price negotiation between a platform and a workers’ union for drivers in 2016
- **Denmark**: the first collective agreement between a social partner and a platform in 2018
- **Germany**: some existing unions have opened up to include platform workers as their members
- **Belgium**: social partners have been engaged in the debate and are trying to reach out to platforms, with a limited success
- **Hungary**: social dialogue is already weak in traditional sectors and even weaker in the platform economy
Work in the platform economy

- No specific regulation, no specific status of workers, no specific working conditions
- Valid regulations in the relevant sector apply to all
- No policy framework (exception: taxation of platform providers)

<table>
<thead>
<tr>
<th>Personal transport</th>
<th>Accommodation</th>
<th>Microwork</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Platforms:</strong></td>
<td><strong>Uber</strong></td>
<td><strong>Domelia</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Bolt (previously Taxify)</strong>, Hopin, BlaBla car, Liftago</td>
<td>Jaspravim, Mikropraca, Microjob, yuVe, Rukie</td>
</tr>
<tr>
<td><strong>Data:</strong></td>
<td><strong>Airbnb</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Uber around <strong>550</strong> active drivers (in 2017); Taxify around <strong>850</strong> drivers during a year</td>
<td>2,500 active listings in 2017 (SME); around 1,000 (interviews); around 1,353 listings and 619 active hosts (inside Airbnb)</td>
</tr>
<tr>
<td><strong>Workers’ time spent</strong></td>
<td>N/A</td>
<td>8,400 profiles on Domelia; 20,000 profiles on Jasparvim</td>
</tr>
<tr>
<td></td>
<td>Uber: More than 40% of drivers use it for less than 10 hours per week (2017); Taxify: average working time 12 hours; average length of stay 3 months; only 20% full time</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Status of the platform workers</strong></td>
<td>self-employed if accommodation + other services, or a natural person (pays a municipal tax + income tax from long-term accommodation); SVK: second option more common</td>
<td>self-employment not necessary; shadow zone (undeclared income and/or under-reported income)</td>
</tr>
<tr>
<td></td>
<td>self-employed with legal regulations valid for the taxi drivers (road passenger transport)</td>
<td></td>
</tr>
</tbody>
</table>
### Updated 3/7/19

<table>
<thead>
<tr>
<th>Number of active rentals (4/7/2018)</th>
<th>983</th>
<th>1,353</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of rental</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• entire home</td>
<td>77% (758)</td>
<td>79 % (1,073)</td>
</tr>
<tr>
<td>• private room</td>
<td>20% (199)</td>
<td>19 % (258)</td>
</tr>
<tr>
<td>• shared</td>
<td>3% (26)</td>
<td>2 % (22)</td>
</tr>
<tr>
<td><strong>Average rental size</strong></td>
<td>1.3 bedrooms</td>
<td>1.3 bedrooms</td>
</tr>
<tr>
<td><strong>Average number of guests</strong></td>
<td>3.9 guests</td>
<td>3.9 guests</td>
</tr>
<tr>
<td><strong>Number of active hosts</strong></td>
<td>619</td>
<td></td>
</tr>
<tr>
<td><strong>of which</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• superhosts</td>
<td>32% (196)</td>
<td></td>
</tr>
<tr>
<td>• multi-listing hosts</td>
<td>21% (132)</td>
<td></td>
</tr>
<tr>
<td>• single-listing hosts</td>
<td>79% (487)</td>
<td></td>
</tr>
<tr>
<td><strong>Rental activity</strong></td>
<td>39 % available full time</td>
<td>44 % available full time</td>
</tr>
<tr>
<td><strong>Average daily rate</strong></td>
<td>48 EUR</td>
<td></td>
</tr>
<tr>
<td><strong>Occupancy rate</strong></td>
<td>70%</td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>855 EUR</td>
<td></td>
</tr>
</tbody>
</table>
Social dialogue

Platform workers
Do they want to be organized and represented?

↓

Workers’ representation
How to organize them?

↓

Employers?
Who to negotiate with? Are online platforms employers?
# Industrial relations: overview

<table>
<thead>
<tr>
<th>Level</th>
<th>Industry</th>
<th>Traditional work proxy</th>
<th>Platform work</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Employee representation</td>
<td>EMPLOYERS</td>
</tr>
<tr>
<td>National</td>
<td>all</td>
<td>KOZ SR TU Confederation</td>
<td>RUZ AZZZ SR APZ Employers’ associations</td>
</tr>
<tr>
<td>Sector</td>
<td>Transportation</td>
<td>The Union of Taxi drivers (self-employed)</td>
<td>Taxi Drivers Guild (Professional association)</td>
</tr>
<tr>
<td>Sector</td>
<td>Accommodation</td>
<td>OZPOCR Trade union of workers in commerce and tourism</td>
<td>ZHRSR Employers association of hotels and restaurants ZCRSR Employers in tourism</td>
</tr>
<tr>
<td>Sector</td>
<td>Microwork</td>
<td>SOZZaSS trade union of workers in healthcare</td>
<td>not applicable</td>
</tr>
</tbody>
</table>
Discourse: established IR actors

Trade unions

- For the Confederation of Trade Unions in Slovakia (KOZ SR), platform work is not a salient issue in Slovakia
- General stand: platform work seen as a subset of new atypical forms of flexible work (potentially precarious); but KOZ focuses their actions on the representation of traditional employees
- Obstacles for inclusion of platform workers into the KOZ structures:
  - 1. How to identify them? How to contact and organize them?
  - Problematic if platform workers organized in existing sectoral unions > could complicate CB negotiations
  - 2. Structure of the organization and decision-making process within the organization: unions organized according to sectors; no individual membership; slow dynamics
- Possible solutions: new modern trade unions; one trade union uniting all platform workers across sectors; dynamic adaptation to new challenges on the LM > potential to increase membership base;
Discourse: established IR actors

Example of actors’ action:

- *The Union of Taxi drivers (transport)* is neither a trade union, nor an employer’s association:
  
  “we are representing ourselves” (TRA 3)

- Strong criticism of platforms and platform workers; lack of professional qualification and anonymity of their work
- calls for regulation of platform work; status-quo shall apply to all
- *Uber’s services suspended*; the same aim for *Taxify (Bolt)*
- Good example: a Slovak company *Hopin*
- Social dialogue:
  
  “unless the taxi drives demonstrate, nothing happens” (TRA 3)

- members are self-employed (90 %) vs. employees
Discourse: established IR actors

Employers
- in April 2018, Uber became a 55th member of the National Union of Employers (RUZ)
- Thus, Uber also a member of ITAS (member of RUZ)
- Opinion that Slovakia should not resist the trends and innovations which may result in a need to change traditional business models and legislative framework
- Some members of RUZ, such as the Slovak Tourism Association were surprised by this decision

Platforms
- Perception that online platforms are not employers
- No need for a formal structure of social dialogue: work for platforms is flexible and voluntary (80% of drivers are part-time)

State
- **Who is responsible for issues related to the platform economy?**
- The Ministry of Transport and Construction of the Slovak Republic follows the topic but “waiting” for an EU regulation
- Platforms are not employers, but workers seem to be calling for some representation
- Role of the ministry: guarantee of legal regulations
Almost all platform workers: platform work is a secondary job activity
  - Reasons for work: extra income; independence and flexibility
The most important issues for workers: unclear definitions and (lack of) clear legal rules and regulations (esp. taxation)
  - “Innovative” forms of employment in Slovakia
  - Uber/Taxify fleet; companies hiring drivers; companies managing Airbnb
Working conditions
  - Remuneration for their services: income and negotiations about it; fair (AirBnb) vs. unfair pay (Taxify, Uber)
  - Working time and flexibility
    Airbnb host available all the time vs. Taxify drivers who work when they want; Is it really that flexible?
  - Rating system: cancellation comes with penalization
  - Liability and safety (property-wise; costumer-wise; host-wise)
    “I was afraid she [mother of a child] would kill me in case of some accident”
    “I had a huge respect towards this type of job” (MIC 2).
Social dialogue and its (non-) presence

• The element of voluntariness and possibility to leave
  
  “It does not matter to me that much, even if they cancel Taxify today, I will survive.” (TRA 2)

• Definition of dependent work
  
  “I did not feel like an employee (...) If I needed to deal with something, I had to advise myself, it was not as easy as to just pick up the phone or write a message. It should be there when I'm an employee, I am expecting my supervisor to deal with any little problem right away. But they do not do anything, I have to take care of everything.” (TRA 2).

  “If I wanted to meet someone, not as a costumer, there was no chance.” (TRA 1)
## Comparison: discourse

<table>
<thead>
<tr>
<th>Sector</th>
<th>Actor</th>
<th>TRADITIONAL WORK</th>
<th>PLATFORM WORK</th>
<th>PLATFORM WORK</th>
<th>General stand</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Legal perspective</td>
<td>Legal perspective</td>
<td>General stand</td>
<td></td>
</tr>
<tr>
<td>National level</td>
<td>Unions</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>National level</td>
<td>Employers</td>
<td>Keep the status quo for all</td>
<td>Support/ Keep the status quo for all</td>
<td>positive</td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>Taxi providers (employers+ self-employed)</td>
<td>Keep the status quo for all</td>
<td>regulate</td>
<td>negative</td>
<td></td>
</tr>
<tr>
<td>Accommodation</td>
<td>Ministry</td>
<td>Deregulate the status quo for all</td>
<td>Equal regulations for all</td>
<td>neutral</td>
<td></td>
</tr>
<tr>
<td>Accommodation</td>
<td>Employers in hotels and restaurants</td>
<td>Deregulate the status quo for all</td>
<td>Regulate (but only necessary regulations)</td>
<td>positive</td>
<td></td>
</tr>
<tr>
<td>Microwork</td>
<td>Unions (healthcare)</td>
<td>N/A</td>
<td>N/A</td>
<td>neutral</td>
<td></td>
</tr>
<tr>
<td>All</td>
<td>Workers in platform economy</td>
<td>Not applicable</td>
<td>Keep the status quo or deregulation</td>
<td>positive</td>
<td></td>
</tr>
</tbody>
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## Comparison: social dialogue

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<td>EMPLOYERS</td>
<td>Social Dialogue</td>
<td>CBA</td>
</tr>
<tr>
<td>National</td>
<td>all</td>
<td>KOZ SR</td>
<td>RUZ AZZZ SR APZ</td>
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Conclusions

- **Platform economy is not seen as a salient issue in Slovakia and not a priority for social partners/relevant actors**
  - Explanations: in Slovakia, tourism sector growing (accommodation sector too); taxi drivers licenses growing; lack of information on microwork

- **No social dialogue in the platform work “sector”**
  - Traditional social partners follow the topic informally;
  - Focus of their attention: legal regulations and framework
  - Structural obstacles for new types of workers to join the unions
  - Opinion that there is no need to bargain collectively
    - Even in traditional sectors, there is no higher-level CBAs and little/no company level CBAs, except in the healthcare sector)

- **Unlike in other EU states, in Slovakia attempts to be organized come from the employers’ side**
  - Uber in the National Union of Employers; Uber in ITAS
  - Potential issue: fragmentation of representation; no unity, but potential for cooperation
Conclusions

• **No attempts to organize employees from workers side**
  – Only informal discussions on social media, BUT informal groups seem to be increasing in numbers
  – **Do we see an impact of the IRSDACE project?**
  – Results from the interviews: respondents do not feel the need to be organized
  – Results from the focus group: respondents see a potential to be organized

• **Overall, an agreement among all stakeholders:**
  – Based on the definition of dependent work in Slovakia, platform workers are not employees and platforms are not their employers
  • Potential to connect it to the research on:
    – Domestic workers in personal and household services
    – Self-employed persons and their collective representation
    – Migrant workers
    – Temporary agency workers
    – Trade union representativeness
THANK YOU FOR YOUR ATTENTION!

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