

Platform Labour in Bologna: Employment Status, Welfare, and the Challenge of Platform Cooperatives



The welfare and social protection status of platform workers has been a topic of political debate in the last years at different scales: local, national and European. In Bologna, this issue has been especially relevant because of food delivery riders' protests, but it involves other digital workers too. Based on three-year research done in the city through the European project PLUS, we have identified the major features and challenges for the development of platform economy. This policy brief sums up the research we have done with a particular focus on Bologna, proposing policies and recommendations tailored on the specific urban background. Beyond the issues of employment status and social protections, our proposal also discusses the hurdles of platform cooperatives as alternatives to for-profit platforms and recommends how cities can support them as a tool to stimulate a fairer market.

INTRODUCTION

Generally, PLUS research highlighted how the employment status of platform workers depends on the sector reflecting gendered labour segregation and varying intensities of labour struggles.

In Italy, there is **a mixture of employed and self-employed platform workers**. As autonomous workers, they may be regulated through several contractual forms: the continuative and coordinate collaboration, the casual autonomous work, the VAT. There are some cases where firms started to hire workers as employees, but this does not exclude the possibility to have on-call contracts that do not guarantee any job' continuity. Food delivery sector is the most debated and the one where all the different options take place. Since September 2020 all Deliveroo', Glovo' and Uber Eats' riders are enrolled in a national collective contract signed by the trade association of food delivery platform (Assodelivery) and the right-wing oriented union UGL. According to the contract, riders are recognized as autonomous workers paid with an hourly fee of 10 euros calculated on the algorithmic-estimated time of deliveries, that means basically a piece-working and no payment for waiting time during shifts. In 2021 another company – Just Eat – announced the decision to hire riders as employee according to the national contract of logistics workers.

Access to **social protection is closely linked to their employment status**. In Italy, the employee status also provides access to welfare, including health insurance, holiday, unemployment benefits, social security, pension coverage and maternity-paternity leaves whereas self-employed platform workers are obliged to pay for their own social protection and as a result they are often deprived of access to many kinds of welfare that employees have access to. However, our research showed that even when platform workers are granted employment status, **platforms are often exempt from covering social protection costs**, for example through subcontracting and in many cases platform workers are deprived of fundamental aspects of social protection, especially coverage against accidents at work and occupational diseases.

Since 2019, the project PLUS has researched the impact of platform economy in Bologna through focus groups, interviews, desk analysis and other activities with the participation of administrators, unionists, activists, workers, experts. We focused on two platforms – Airbnb and Deliveroo – and touched other two – Uber and Helpling – but project' outputs may be extended to all platform workers.

Deliveroo riders in Bologna are enrolled in two ways: as **casual workers or with VAT number**. The second option is mandatory when the riders achieve the (gross) salary cap of five thousand euros. In the first case they are considered as independent workers and they pay taxes for the 21% of the amount of platform income with no benefits or social protections even if by the time they achieved full healthcare coverage. In the second case, they are considered a sort of individual enterprise and so all protections are in his/her charge. This distinction could be related with another one. Indeed, we may identify two main typologies of riders in Bologna. On one side, there are young Italians working for Deliveroo as integration of other income sources that could vary according to the months or to the time availability. On the other side, there are mainly migrant workers who rely on Deliveroo as first and continuous income source, also to sustain their families abroad.

There is no specific employment status connected to work on Airbnb: smaller hosts earn their income privately, whereas semi-professional and professional hosts often are registered as self-employment or in a few cases estate agent. Our interviewees do also not assume to have an employment or even employment-like relationship with Airbnb. Consequently, they also do not expect social security or other benefits from the company. Generally speaking, they rather expect

to be helped or protected by Municipality with some tax reduction. The organization of hosting activities induced by Airbnb result in a variety of activities that can be divided in four groups: platform labour (creation of profile, booking management and communication with the guests); check-in and check-out management; bureaucracy; cleaning. Airbnb provides some emergency insurance services (for damage caused by customers or clear cases of fraud, for instance), but it does not take responsibility for most of the risk that hosts had, such as accidents during work.

Helping workers also have to face the consequences of a casualized and autonomous self-employment relationship similar to what happens for Deliveroo workers in Bologna. More specifically, according to the Italian law, they can be registered either as “occasional worker” until the limit of 5.000€ per year and, once the limit is overcome, as self-employed with a proper VAT number. However, this is a limit that is rarely reached mainly because of a lack of demand from customers. This means that **they lack of all those rights usually recognized to standard employments, such as paid holidays, a national minimum wage, unemployment insurance and collective rights**. In this sense, they very much resemble domestic work in the informal sector, except for the fact that Helping provides an insurance in case of work accidents.

Finally, in October 2020 Uber arrived in Bologna thanks to an agreement with a more traditional enterprise, Cosepuri, already operating in the sector of private ride-hailing. It seems not by case that Uber arrived during this period when traditional taxi faced difficulties due to tourism restriction. In this case, the digital company is furnishing its marketplace as digital infrastructure while Cosepuri operates as effective employer of taxi drivers.

POLICY IMPLICATIONS

Local administrations have limited power in Italy. They can operate on issues regarding safety and taxation of territory but not directly on labour rights and conditions. They regulate also taxi services through a licenses’ cap. The local administration may adopt regulations on working conditions in public subcontracts or facilitate moments of negotiation between stakeholders (with no coercion power) in case of conflicts and failed industrial relations. Regions have more prerogatives. They may legislate on labour protection and safety as well as establish specific taxation on productive activities. Both local administrations and regional governments may adopt social security cushions but more in the form of temporary subsidies, while universal measures are established at national level.

Despite the limited prerogatives, the city of **Bologna demonstrated a high dynamism in the experimentation of policies and alternatives** for a fairer platform economy. In May 2018 the innovative *Charter of fundamental rights of digital labour in the urban context* has been signed by local administrations, unions and some food delivery companies. The Charter is a sort of territorial agreement establishing basic conditions (e.g., a minimum wage linked to national collective contracts or clear and fix working times) for the workers of compliant enterprises. Moreover, an alternative delivery service – Consegne Etiche (Ethical Delivery) – has been launched in November 2020 thanks to the collaboration of two local companies together with the Foundation for Urban Innovation. The administration tried also to support platform workers during pandemic with provisional initiatives. As food delivery firms did not furnish PPE to workers, administration together with the informal union called Riders Union Bologna offered them for free. At the same time, they organized several free swab sessions for food delivery riders. Regarding Airbnb, during the pandemic hosts proposed to suspend local tourist tax to sustain reservations.

Considering all these premises – the results of PLUS inquiry and prerogatives of local administrations – we propose a set of policy recommendations.

Generally, we suggest policymakers **to not focus only on one kind of platform workers**. Even if food delivery riders represent the most visible category, PLUS research highlighted how self-perception and claims may vary between platform workers and inside same platform. Moreover, it is important **to include gender and race dimensions** into the evaluation of platform work as these two elements influence the working and living conditions (e.g., in terms of discrimination or social protections' access).

Secondly, all policymakers interviewed highlighted the need for public administration **to obtain clear and extensive data** to evaluate platforms' impact and elaborate effective and tailored policies. In this sense, it is relevant to strength the possibility to access or to collect info on platform action in urban areas. This goal could be achieved both through the definition of protocols or agreements of collaboration between public administrations and digital firms for **data sharing or the empowerment of public digital infrastructures**.

Thirdly, considered limited prerogatives for a direct regulation of platform labour, it is important **to sustain the definition of a system of industrial relation at local level** so to include as much as possible digital enterprises and unions – both traditional and informal – into a social dialogue with all urban actors. This goal could be achieved also through the **support to activities of mutualism or self-organization** by platform workers as their scattering and isolation emerged as critical points towards the definition of collective claims.

Even if we highlighted the varieties of platform workers to be considered, PLUS research detected some commonalities too in terms of claims and potential policies:

Regarding the employment status, it is clear that in Italy the possibility of local administrations to regulate the platform phenomenon seems to be really narrow. Apart from taxation, municipalities cannot intervene directly on working conditions. Nevertheless, the Charter experimented in Bologna is interesting for the role of local administration in facilitating industrial relations, as well as demonstrate the possibility to define forms of collective agreement. Which kind of contents may be identified as common for all platform workers?

First, we suggest **contrasting forms of fraudulent employment** – e.g., with the operation of labour inspectors – like bogus autonomous working conditions, accounts' illegal outsourcing (for example, in the food delivery sector) or subcontracting to black market (as in hosting sector where some activities are charged on workers without regular contracts).

Secondly, we identified a set of claims shared by all workers that could be implemented: **minimum wage, clear working time**, national health coverage, social security contributions.

Finally, there are some aspects of platform labour process that could be implemented through specific agreements so to improve working conditions: **abolition of ranking and rating systems, right to disconnection**, work and life balance.

Regarding the welfare of platform workers, access is extremely related to employment condition so, on one side, **a strategy could be to define stronger contracts for platform workers**, while **on the other side it would be important to establish measures universally valid regardless the kind of employment**.

As already mentioned previously, PLUS highlighted some shared welfare measures that could be important to implement through specific collective agreement at local level as **social security coverage, sick and injury leave, maternity leave**. Furthermore, migrant platform workers are

often conditioned by the permit to stay whose achievement would have to be enlarged so to weaken a factor of discrimination.

Moreover, at national level it would be important to strength unconditioned and universal welfare measures like UBI that could support workers like the ones in platforms affected by extreme flexibility and uncertainty in terms of wage and working hours.

Regarding alternative platforms, it is interesting to remark the role of facilitator played in Bologna by the Foundation for Urban Innovation and the local administration in favouring forms of platform cooperativism. The cooperative tradition is highly rooted in the Bologna territory, and it returns nowadays as a heritage to renew within digital technologies. Moreover, this local attempt could be understood as an attempt to territorialize platforms in front of the un-anchoring of international players. Indeed, it is relevant that only local platforms signed the Charter: PLUS focus group' participants highlighted the existence of a gap between the international dimension of platforms and the local dimension of city administrations and workers' organizations.

The development of local alternative platforms could allow, on one side, to influence in a stronger way the forms of employment and working conditions on them and, on the other side, to put an indirect pressure on international players so to stimulate them towards a fairer platform economy too.

In this sense, we suggest supporting the development of alternative platforms with public **activities of training and communication** so to favour their placement on the market. The support could include **tax benefits, public contracts** for institutional services and the facilitated grant of working spaces. All these benefits could be bound to **a local and public ethic code for digital platforms** including the previously-mentioned employment and welfare conditions as necessary to access the institutional support.

POLICY RECOMMENDATIONS BOX

- to not focus only on one kind of platform workers
- to include gender and race dimensions
- to obtain clear and extensive data to evaluate platforms' impact
- to sustain the definition of a system of industrial relation at local level
- to support activities of mutualism or self-organization by platform workers
- to contrast forms of fraudulent employment
- to define local agreements including minimum wage, clear working time, national health coverage, social security contributions
- to sustain alternative platforms with activities of training and communication, tax benefits, public contracts with reservation to respect a local and public ethic code for digital platforms