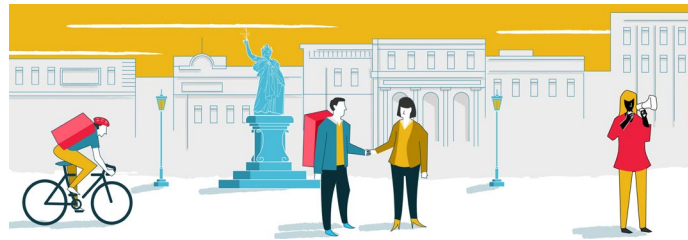




platform labour in urban spaces

Platform Labour in Paris : Employment status, Welfare and the Challenge of Platform Cooperatives

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Caption : Picture from Coopcycle website

Paris is a center of platform work on a global scale, particularly for Uber, Deliveroo and Airbnb. As part of the PLUS project, interviews were conducted with platform workers to determine their employment status, welfare, and effects on daily life, while situating them in the specific framework of the city of Paris. In addition, particular attention was paid to the most precarious of them, notably migrant workers. This brief proposes recommendations to policymakers based on the main results of the PLUS project. We advocate giving platform workers access to employee status and welfare, as well as promoting development of platform cooperatives, or even public platform services.



Introduction

In France, Deliveroo riders and Uber drivers have to be registered under the existing “micro-entrepreneur” regime, whereas Airbnb renters, who mostly hold down other kinds of work as well, must be registered and must declare their Airbnb income. Regarding social protections, the platform workers are affiliated with the Social Security for the Self-employed, which is integrated to the General Social Security System. However, qualitative interviews with platform workers illustrate that work-related accidents and occupational diseases are not covered by the health insurance regime for self-employed workers, leaving them without social protection. Moreover, Uber drivers who don’t declare part or all of their income renounce to part or all of their social protections. Finally, undocumented migrants who work for Deliveroo renting accounts illegally to third parties, because they don’t have access to the micro-entrepreneur status, do not benefit from any form of social protection or health insurance.

Regarding income, data collected during the PLUS project shows that Deliveroo has considerably reduced prices during the last few years (25 % or more). Deliveroo provides only a remuneration per delivery, without minimum rate, but the rides are paid by distance. Moreover, migrant working with rented accounts are only partially paid, as the owner of the accounts takes from 30 to 50 percent of earnings. Uber has a minimum rate per ride of 6 €. Increase in the number of drivers in recent years, lower fares and a greater economic pressure push drivers to increase their working hours and sometimes to organise their working day according to the “majorations”, a system of real-time fare increases defined according to supply and demand in certain areas at a given time. Uber drivers declared working an average of 50-60 hours per week for Uber and/or several ride-hailing platforms, adjusting their hourly volume according to a minimum turnover target of around 4.500 euros. However, removing all the costs linked to their activity, this barely allow VTC drivers to achieve an income equivalent to the monthly minimum wage. This has a negative impact on their work-life balance, especially for those with family responsibilities.

During the Covid crisis, most platforms didn’t take sufficient measures to protect workers, including necessary protective equipment as masks, gloves and disinfecting liquids. Moreover, platform workers did not benefit from the social protections associated with the employee’s status (unemployment compensation or sick leave). Extraordinary welfare measures have been introduced by the French government for self-employed workers. However, as they had to prove that the platform activity was their main working activity, and that their income in March 2020 was 70 % lower than the past year, many Deliveroo riders and some Uber drivers couldn’t be ineligible. Many of them were forced to work in extremely dangerous conditions in order not to remain without any form of income, especially illegal migrant workers who had no access to exceptional welfare measures and who therefore had no choice but to continue working. For Uber drivers and Airbnb renters, another problem was the drop of demand, while Uber drivers are often indebted, and many Airbnb renters need this income to pay their lease or loan.

Policy implications

Employment status

The only EU Member State to introduce legislation specifically regulating the employment status and taxation of platform workers is France. It also differs in that it has not introduced a new “(independent) worker” status as a midpoint between the independent contractor and the waged worker. However, this traditional distinction has been partially challenged by the introduction of the “auto-entrepreneur” (or “micro-entrepreneur”) status in 2008. It refers to individuals working on their own as individual entrepreneurs or as employers in their own right. This status enables the platforms to avoid social security contributions and taxes associated with full-time work. In France, since the status of employee gives access to social protection and remains the majority status, it would seem more logical to attach platform workers to the latter.

Welfare of Platform Workers

Access to social protection enjoyed by platform workers is closely linked to their employment status. In France, all workers who carry out paid activities are obliged to affiliate to a social security regime. Platform workers have access to the social protection regime of the self-employed and need to contribute to the are attached to the Primary Health Insurance Fund (CPAM- Caisse primaire d'assurance maladie) and to the Unions for the recovery of social security contributions and family allowances (Urssaf - Unions de recouvrement des cotisations de sécurité sociale et d'allocations familiales). They do not contribute at the same level as employees. This system, at least in theory, covers healthcare (sickness, maternity leave, daily allowances), family allowances and retirement (pensions). However, low pay and widespread fiscal frauds often result in very low contributions. More importantly, work-related accidents and occupational diseases are not covered by the health insurance regime for self-employed workers. For this reason, the Law 2016-1088 introduced the so-called “social responsibility” of platforms. It consists in the covering of part of the self-employed worker’s “work-related accidents - occupational diseases” contributions when s/he subscribes to a “voluntary insurance”. However, subscription to voluntary insurances had a very limited success and the cover offered varies significantly depending on the platforms.

To solve this problem, there are two alternatives. First, platform workers might enter the status of employees, which would give them access to the social protection of employees. Another option, perhaps more ambitious and in the long term, could be to reshape social protection at a more universal level, in order to reduce differences in treatment across different forms of work, and to expand existing social protection schemes to include non-standard workers – which would encompass most platform workers. This also means recognising and ensuring old age security systems for all workers, irrespective of formal status in employment law and continuity of social insurance and workers' rights when moving from one job to another.

	Alternative Platform and Welfare Models : Platform cooperatives, Universal Basic		
Income,	Local	Welfare	Platforms

Platform cooperativism is both the most relevant for Paris and the most developed. One of the main proponents of the platform co-ops movement is Trebor Scholz (2021). It is based on four principles : broad-based ownership of the platform, in which workers control the technological features, production processes, algorithms, data, and job structures of the online platform; democratic governance, in which all stakeholders who own the platform collectively govern the platform; co-design of the platform, in which all stakeholders are included in the design and creation of the platform ensuring that software grows out of their needs, capacities, and aspirations; and an aspiration to open source development and open data. In France, several projects have taken this form: there are currently 38 delivery cooperatives. One of the most interesting is Coopcycle, a federation of logistics cooperatives specialized in last-mile bicycle delivery. This project is born following the bankruptcy of Take Eat Easy, and Deliveroo riders mobilizations in 2017. Coopcycle takes the radical opposite form of « foodtech" : it is a platform in which code is open and software is shared. The company's decisions are taken collectively. The delivery riders are no longer self-employed, but salaried employees with permanent contracts. Finally, Coopcycle is less about delivering meals immediately after the order than about rethinking urban logistics in an ecological approach, by promoting delivery by bicycle.

The PLUS project also wants to put forward a more long-term reflection for the public authorities. Even if it will probably not be implemented in the short term, but rather in the medium or even long term, it seems interesting : welfare alternative platforms controlled and promoted directly by local authorities. They will implement for example a public digital platform capable of providing accommodation on the AirBnB model by signing agreements with local platforms and cooperatives (through public/private cooperative agreements) resulting in lowest host fees. The covid crisis also led to government measures that momentarily turned unicorn platforms into welfare platforms. This is the case of the "Appart Solidaire" initiative, which allowed Airbnb accommodations to be requisitioned to host medical staff mobilized in various hospitals in France. On its side, Uber launched Uber Medics, a service dedicated to all healthcare personnel with fare advantages. This service was extended during the second lockdown to medical analysis laboratory personnel and offered 20,000 free rides. Even if in this last case, the initiative came from Uber itself, it followed the announcement by the government of a requisition of cabs if needed. But in both cases, we have seen alternative uses of platforms that resemble to welfare platforms, which can be applied in very different forms and to very different degrees.

Feedbacks on our policy recommendations

Context

Six stakeholders were present :

- **Two local authorities** : Barbara Gomes, member of Paris city council, and Pascal Savoldelli, senator
- **Two members of the CGT** (the main french Union), one of platform worker, Jeremy Wick, and one of the hotel sector, Tiziri Kandi
- **Two scholars** : Nicole Teke, who is doing a PHD in sociology about household services platforms, and Pétronille Reme-Harnay, economist, expert in the platform economy

The discussion lasted three hours.

We discussed every aspects of our policy recommendations. Here are the feedbacks of each aspect of our recommendations.

1/ In the short run

- **Access to employee status**

For all the stakeholders, a third status is the worst solution. Anyway, no platform workers want this third status. If the employee status seems the best alternative, two problems were stressed during the discussion. First, some stakeholders raise our attention to the fact that the employee status is not a guarantee regarding work conditions. Second, some platform workers prefer having the micro-

entrepreneur status. But for some stakeholders, it is because salaried status is very deteriorated. If it

Conclusion : Policy recommendations

1/ In the short run

• Access to employee status

Rather than attaching platform workers under the existing “micro-entrepreneur” regime, and rather than creating a third status as recommended by the platforms themselves, which would risk renewing the current problems, the easiest solution seems to recognize them simply as employees. This would require a legal decision at a national level.

• Access to employee welfare

This status also allows them to have access to employee welfare, which guarantees them all the French protection mechanisms (health, work accidents, minimum wage, etc.). No other measures would be necessary in this area.

• Promoting the development of platform cooperatives

But these measures won't solve everything, for example the issue of algorithmic management. We must therefore encourage the development of alternatives to platform capitalism, such as platform cooperatives, which are economically viable and offer collective management of the company. Policy makers should therefore finance these alternatives, at both local and national levels.

2/ In the long run

• Reshaping social protection at a more universal level ?

The questions raised by platform work may also lead us to question French social protection system : shouldn't access to social protection be universal, and not conditional on the status of worker ? This would require an in-depth reshaping of the social protection system : access to social protection could be linked for example to the status of residency in the country, and no longer to the status of worker.

• Developing and financing public platform services

Beyond the development of platform cooperative, another interesting measure would be to finance public platform services, which would be State services. Studies have shown that cooperatives are not accessible to all (it is often platform workers with the more resources who can join them), and that workers' income often remains quite low. Public platform services could overcome these two limits. However, this requires a strong political decision at the national level to develop and finance public services.

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was again perceived as a protective status, platform workers wouldn't prefer any other status.

• Access to employee welfare

All stakeholders agree that the employee status allows platform workers to have access to employee welfare, which guarantees them all the French protection mechanisms (health coverage, work accidents, minimum wage, etc.). But for them, even without the employee status, platform workers should have access to welfare.

• Promoting the development of platform cooperatives

For some of the stakeholders, the development of platform cooperatives is the best solution. But they must be supported by the State in order to be viable in the long run. Therefore, policy-makers have to employ platform cooperatives when they need these kind of services. Moreover, it creates local jobs. But policy-makers have to check that these cooperatives are really « virtuous » platforms, whose employees are not under the micro-entrepreneur status. In order to do so, there is a need to have social law clauses in public contracts. It would allow many municipalities to impose the use of service providers who do not subcontract to anyone. It would enable a public control over the work done. And it would benefit to real platform cooperatives.

Information is also the key. The example of a « Maison des coursiers » (Riders' house) was given. It is a place which provides, especially to migrant workers, legal and administrative advice : how to build a Union, what are their rights, and so on. It also gives informations regarding the alternatives to platform capitalism in France, such as Coopcycle, a federation of logistics cooperatives specialized in last-mile bicycle delivery. So, it provides the means for platform workers to have access to these cooperatives.

The Universal Basic Income was not perceived as a solution. Indeed, risks of neoliberal instrumentalization of the Universal Basic Income were deemed too high. For example, it could be used to justify the withdrawal of welfare protection. Therefore, instead of emancipating the individual, the Universal Basic Income would be used just to reproduce his/her labour force and to make him/her available to be exploited.

2/ In the long run

• Reshaping social protection at a more universal level ?

This question was not really discussed by the stakeholders. It seemed far from their concerns. For them, the question of welfare is linked to the question of status.

• Developing and financing public platform services

The option of a centralized public platform services by the State was discussed and seemed interesting for some of the stakeholders. At the level of a district (the 18ème arrondissement de Paris) such a platform called « Acheter à Paris » (Buy in Paris) is in the making, in order to fight against the development of quick commerce. It would give access to local places where people could buy what they are searching for, instead of buying it on line to remote sellers. They could retrieve it or it could be delivered by a logistic cooperative.

For other stakeholders, the only solution is to stop outsourcing : policy-makers have to organize the activity and not to delegate it. Therefore, when it is a public activity, it should be public employees who make it, on public platforms.

Some stakeholders raise our attention to the fact that the State is not a guarantee. Indeed, the State is one of the worst employer in France, and it is also true regarding platform labour. For example, amongst companies that offer the most degraded working conditions is La Poste [French Post Office], which is largely financed by the State. Thus, internalization must be combined with a real power on the employees' side, via Unions and mobilizations for example.

For others, if internalization is the best model, the problem is that the global trend is towards a loss of public jurisdiction. The development of platform cooperatives seems for them more realistic, regarding to the general political situation in France.