

# Paper on the European Union co-funded project VS/2019/0040 "Gig economy and processes of information, consultation, participation and collective bargaining".

By Davide Dazzi

(translation from Italian to English by Federico Tani)

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## Sommario

Introduction.....	2
<i>Gig Economy</i> : a defining framework .....	2
Platforms and Covid-19 .....	6
GIG workers: a quantitative dimension.....	10
On line outsourcing .....	11
Crowdworkers and Covid-19 .....	14
Working conditions of GIG workers .....	17
Covid 19 laying bare the asymmetry of social protections .....	21
Towards a protection system for platform workers .....	24
<i>E-commerce</i> in Europe.....	26
An overview of the extension and expansion of e-commerce.....	26
<i>E-commerce strategies</i> .....	28
Pure players.....	28
Traditional retailers .....	30
E-commerce and Covid-19 .....	32
A gallery of platforms: trends.....	36
Food delivery .....	36
Food delivery platforms and business models .....	39
Final Remarks .....	45
Household services: online housework.....	46
Household services platforms .....	48
Towards the “uberisation” of care services .....	50
Digital tourism .....	54
P2P accommodations .....	56
Platforms and digitalisation in the tourism supply chain: some experiences.....	59
Digital tourism and Covid-19 .....	62
Gig Economy and Covid-19: Fairwork and platform database.....	65
Final considerations.....	70
<i>Gig Economy</i> and industrial relations.....	72
A map of the protests in the platform economy.....	78
Covid-19 and some policy recommendations for trade unions .....	80

## Introduction

### *Gig Economy: a defining framework*

Digitalization is changing, and has now changed, economic and social processes, and the definition *webplatform capitalism* probably appears to be the most appropriate to interpret the transformations taking place<sup>1</sup> because it does not necessarily imply a discontinuity with capitalist transformations and indicates the appearance on the market of a new type of enterprise as a "hybrid between a market and a hierarchical organization".<sup>2</sup> Platform capitalism therefore represents a transformation of capitalism whose destination takes on trajectories that are not yet fully understood, swaying between optimistic and pessimistic perspectives. While behind the emergence of the sharing economy one could get a glimpse of post-capitalist scenarios, we have nevertheless reached a very distant reality of "work without workers"<sup>3</sup> and a change in future scenarios, from a *jobless* future to a *bossless* future<sup>4</sup>. As a capitalist form, platforms express an extractive drive<sup>5</sup> in the process of enhancing value not only of activities that are usually part of the informal economy, such as food delivery or *short-term renting*, but also of data,<sup>6</sup> the new raw material from which to extract value<sup>7</sup>. In an increasingly digital society, data becomes more and more valuable not only in a strictly commercial sphere but also in an organisational-political one, and its collection, management and sale becomes a strategic market. Platforms are in fact configured as *two-sided* markets where platforms do not directly offer the services sought by the consumer/user/ but create the conditions for the transaction to take place.<sup>8</sup> In this way it is also understood how platforms offer services at a loss, or free of charge, with the sole purpose of having access to user profiles and the collection of information giving rise to a trade union saying "*when the price is too low you are the product*". The monopoly of the network, or the monopolistic trend, becomes a forced way of strategic positioning because the more users the platform has, the more it gains economic value and positions in the market: what is known as the *network effect*<sup>9</sup>.

Although there are different classifications of platforms and different classification criteria, there is a general convergence on the meaning of platform, i.e. a digital infrastructure that allows two or more groups to interact, thus giving rise to an activity of online intermediation. Digital environments that allow to integrate production processes in new forms, to organize management processes. Virtual spaces governed by algorithms, the so-called invisible engines, in which the transaction costs - which represent the theoretical and economic presupposition of the very existence of the concept of company as a preferable alternative to free market exchange - are substantially reduced to zero favouring their attractiveness in

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<sup>1</sup> Garibaldi F. Il capitalismo delle piattaforme, in Somma A. (by) Lavoro alla spina, welfare à la carte – Lavoro e Stato Sociale ai tempi della *Gig Economy*, Maltemi, Milano, 2019

<sup>2</sup> Sundararajan A., *The Sharing Economy. The End of Employment and the Rise of Crowd Based Capitalism*, Mit Press, London 2016, p.54

<sup>3</sup> Referring to how Friedman G. describes the *Gig Economy* in "Workers without employers: Shadow Corporations and the Rise of the *Gig Economy*", in *Review of Keynesian Economics*, n. 2, 2014, pp 171

<sup>4</sup> Isabelle Daugareilh, Christophe Degryse and Philippe Pochet (eds) *The platform economy and social law : Key issues in comparative perspective*, Working Paper 2019.10, ETUI, Bruxelles

<sup>5</sup> Marrone M. *Gig Economy e sindacalismo informale*, in Somma A. (by) Lavoro alla spina, welfare à la carte – Lavoro e Stato Sociale ai tempi della *Gig Economy*, Maltemi, Milano, 2019

<sup>6</sup> N. Srnicek, *Platform Capitalism*, Polity Press, Cambridge, 2017

<sup>7</sup> Paul Mason, *Post-Capitalismo*, il Saggiatore, 2016

<sup>8</sup> Cattero B., *Oltre i confini della contrattazione collettiva?* in *Quaderni di Rassegna sindacale* 4, Ediesse, Roma, 2018

<sup>9</sup> Parker, Geoffrey & Van Alstyne, Marshall. (2005). Two-Sided Network Effects: A Theory of Information Product Design. *Management Science*. 51. 1494-1504. 10.1287/mnsc.1050.0400.

practically all sectors. Although formally companies and platforms act and are comparable to a market where the main product is not so much the service itself but the reduction of transaction costs.<sup>10</sup>

There is no common vocabulary among the EU member states in the semantic sphere that can be traced back to platform capitalism. The Dublin Foundation tried in 2018<sup>11</sup> to sort out the different definitions and the use and meaning of the same term in different national contexts. Generally speaking, the term *sharing economy* or *platform economy* takes on a broader meaning than that of *platform work*, since the former usually includes platforms for the exchange of goods or services without any monetary exchange, while the latter usually also includes those platforms for financial services and housing. Gig Economy, or the economy made of small side jobs, is the most used term in Anglo-Saxon countries and includes on location, app-based and on-demand services while in Denmark, Italy and the Netherlands the term refers more to physical tasks (such as domestic work or riders).

Picture 1 – European map of terms used for platform work

Country	Sharing economy	Platform economy	Gig economy	Crowd employment	On-demand economy	Collaborative economy	Crowd sourcing	Peer-to-peer economy	Freelance
Austria		X	X	X			X		
Belgium	X	X						X	
Bulgaria			X	X					X
Croatia	X	X							
Denmark	X	X	X	X					
Estonia	X	X		X					
Finland	X	X	X		X	X	X	X	
France	X	X				X		X	X
Germany		X	X				X		
Ireland			X						
Italy	X	X	X		X	X			
Latvia	X	X		X	X	X	X		X
Netherlands	X	X	X		X				
Poland		X					X		X
Slovenia	X	X				X			
Spain	X	X			X	X			
Sweden	X	X	X			X			X
United Kingdom	X		X						

Fonte: Eurofound, 2018

In Italy, moreover, the term Gig Economy has a negative connotation as it is often associated with precariousness as well as in Finland, Germany, and to a lesser extent in Austria, where Gig Economy refers to precarious jobs, discontinuous and not necessarily performed through an online platform. It is interesting to observe how in Poland the concept of platform work, precisely because it is less widespread and known, is often associated with distance work, externalizations, outsourcing, freelance and self-

<sup>10</sup> Del Prato F., Stagnaro C., Take it easy, rider! Perché la flessibilità dei lavoretti è un valore e non un limite, briefing paper, n. 167, Istituto Bruno Leoni, Torino, 2018

<sup>11</sup> Eurofound, Employment and working conditions of selected types of platform work, Publications Office of the European Union, Luxembourg, 2018

employment, while the Finnish trade union SAK has opted for the term platform economy and has invited its members to adopt it, trying to define it from above. The term Gig Economy came to the fore in July 2015 after the following statement<sup>12</sup> by Hillary Clinton: *"Meanwhile, many Americans are making extra money renting out a small room, designing websites, selling products they design themselves at home, or even driving their own car. This on-demand or so-called Gig Economy is creating exciting economies and unleashing innovation. But it is also raising hard questions about workplace protections and what a good job will look like in the future"*.<sup>13</sup>

The worldwide turnover generated by the Gig Economy is estimated to exceed \$ 82.4 billion in 2017, with an annual growth of 67% on an annual basis testifying that the trend is strongly expanding<sup>14</sup>. Leaving aside here the breakdown by type of work proposed by Staffing Industry Analysts, a consulting and monitoring company on the Gig Economy - as it cannot be superimposed on the analytical approach most frequently used in Europe - it seems however of interest to observe that a large part of the turnover (76 billion, 92.6%) is represented by Business to Consumer (B2C) platforms and the smaller part (6.4 billion, 7.4%) by Business to Business (B2B) platforms, recording however an annual growth of 19%. It is also interesting to note that 75% of the turnover of the Gig economy B2C market is concentrated in just 3 platforms (Uber 49%, Didi Chuxing 23% and Lyft 9%), while in the B2B market 5 platforms account for 42% of total annual turnover (Upwork 21%, GLG 8.2%, Work Market 5%, MBO Partners 3.9%, Axiom 3.1%).

Starting from the outline made by various authors (De Stefano, 2016 and 2018<sup>15</sup>; Graham and Shaw, 2017<sup>16</sup>; McKinsey & company, 2016<sup>17</sup>) jobs related to the Gig Economy, as also reported in the INPS 2018 Report, can be grouped into three broad categories:

- *On-demand* work through apps, in which each task is assigned to a person who performs a material and concrete activity. These are platforms that operate locally, such as Deliveroo, TaskRabbit, Handy, Wonolo, Uber, BeMyEye, Lyft, Care, Foo-dora and others;
- *Crowdwork*, the so-called work of the crowd: programmers, freelancers, computer scientists, professionals, who from home (or from their own studio) make themselves available to perform a multitude of different jobs. These are platforms that operate globally, such as UpWork, Freelancer, Amazon Mechanical Turk, Twago, GreenPanthera, CrowdFlower, Vicker and others;
- *Asset rental*, renting and leasing of goods and property, sharing economy. In these cases, the work performance, if there is one, is optional, as in the case of the owner of an apartment for rent on Airbnb who also takes care of the reception and final cleaning.

Some authors, more stringent, would exclude the third category, asset rental. Other authors, on the other hand, further broaden the definition to a fourth category, the sales platforms such as Etsy, eBay, Dawanda. The first two categories represent two substantially different types of workers. If on-demand workers via app are matched by an executive off-line translation (rider) in a physical place, crowdworkers perform their work online and therefore potentially anywhere with online access. While the former are physically interceptable and therefore subject to the laws of a State, compared to the latter the legislative attribution appears more complex. Usually when referring to platform workers we include crowdworkers (or even

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<sup>12</sup> "Meanwhile, many Americans are making extra money renting out a small room, designing websites, selling products they design themselves at home, or even driving their own car. This on-demand or so-called *Gig Economy* is creating exciting economies and unleashing innovation. But it is also raising hard questions about workplace protections and what a good job will look like in the future".

<sup>13</sup> Howard, A. 2015. "It's time to talk about the Gig Economy", *The Huffington Post*, 14 luglio 2015

<sup>14</sup> SIA (Staffing Industry Analysts), *The Human Cloud, the Gig Economy & the Transformations of Work*, 2018

<sup>15</sup> De Stefano, V. 2018. "Nuovi lavori, nuove regole?". Paper presented at the Festival dell'Economia in Trento, 1st June 2018

<sup>16</sup> Graham, M., Shaw, J. 2017. "Towards a fairer *Gig Economy*". Meatspace Press, Oxford, 2017.

<sup>17</sup> McKinsey Global Institute 2016. "Independent work: choice, necessity, and the *Gig Economy*". Executive summary.

cloudworkers) and workers on demand via app whose description can then take place according to six professional, organizational and content related criteria:

- **Task/activity scale:** from highly fragmented tasks to more complex tasks
- **Type of business:** software development, translations, design and graphics
- **The form of the service,** i.e. services that are provided online or require an offline translation on location: in many countries the two types coexist, while in Belgium, Estonia, Finland, Holland and Slovenia the on location service prevails;
- **Required skill level:** high and low professional content
- **Matching modalities** through a tender or an offer
- **The method of selection and choice of the worker:** customer, platform or worker.

Picture 2 – Platform typologies in the EU, 2017

type of platform	required skill level	tipo di erogazione	scale of tasks	selector	matching modalities	% of total platforms	% of total gig workers	Examples
on-location client-determined routine work	low	in person (offline)	large	client	offer	13.7	1.3	GoMore
on-location platform-determined routine work	low	in person (offline)	large	platform	offer	31.5	31.2	Uber
on-location client-determined moderately skilled work	medium-low	in person (offline)	large	client	offer	11.3	10.9	Oferia
on-location worker-initiated moderately skilled work	medium-low	in person (offline)	large	lavoratore	offer	4.2	5.5	ListMinut
online moderately skilled clic-work	medium-low	online	micro	platform	offer	0.6	5.3	CrowdFlower
on-location client-determined higher-skilled work	medium	in person (offline)	large	client	offer	2.4	3.3	appJobber
on-location platform-determined higher-skilled work	medium	in person (offline)	large	platform	offer	1.2	4.2	Be My Eyes
online platform-determined higher-skilled work	medium	online	large	platform	offer	0.6	1.9	Clickworker
online client-determined specialist work	medium-high	online	large	client	offer	5.4	30.3	Freelancer
online contestant specialist work	high	online	large	client	tender	5.4	4.6	99designs

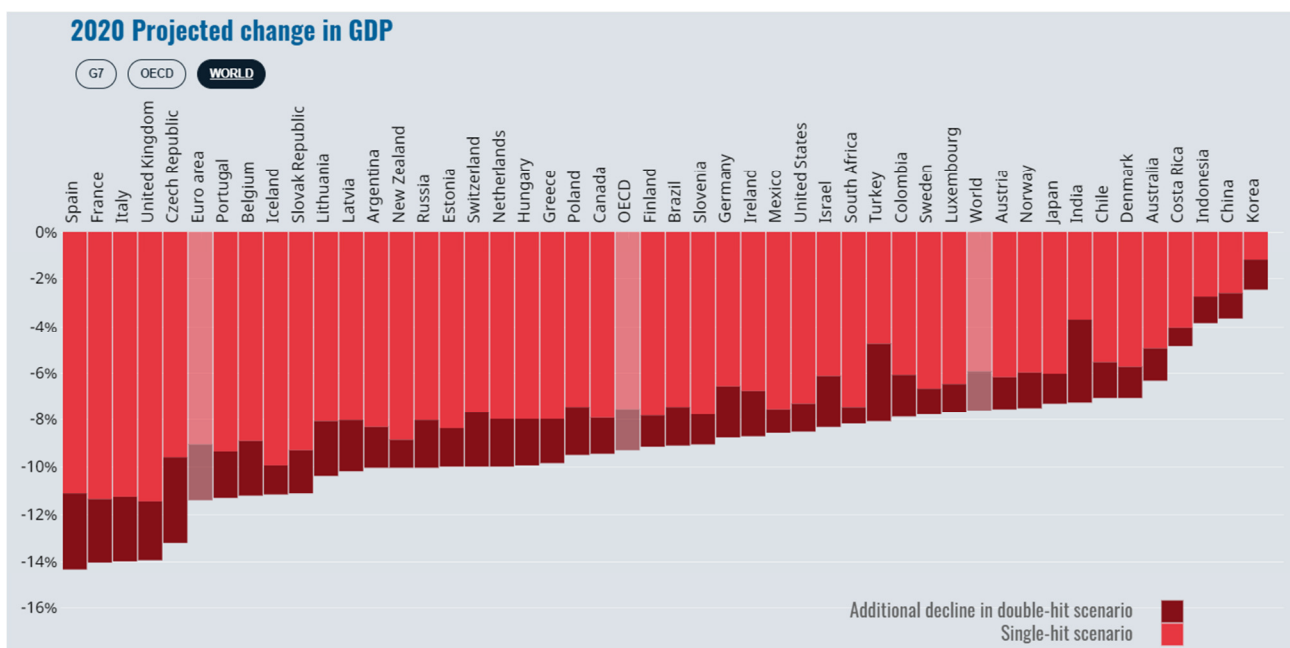
Source: Eurofound JRC database (Fabo et al, 2017) and De Groen et al (2017)

A 2018 Eurofound study estimates that in terms of workers, the types of platform work by 2017 with the greatest occupational weight are on-location platform determined routine work (such as Uber) - and therefore platform with offline operational translation in which matching is determined by the platform itself and with routine tasks - that collect the 31,2% of platform workers as of 2017 and 31.5% of the total of platforms and online client determined specialist work (such as Freelancer) - and therefore a platform with online service provision in which matching is determined by the customer with specialist tasks - with 30.3% of workers but only 5.4% in terms of number of platforms. Of particular interest is the on location client determined routine work type - i.e. platforms with off line performance on site whose matching is determined by the client and for routine work - which accounts for 13.7% in terms of number of platforms and only 1.3% in terms of platform workers.

## Platforms and Covid-19

The Covid-19 pandemic has certainly produced a fracture in the global economic system. According to OECD estimates ([Global Outlook](#)), it is above all the Euro area that will suffer the most substantial economic repercussions during 2020 with average falls in GDP of over 11% (with peaks for Spain, France and Italy, the United Kingdom and the Czech Republic) in the worst-case scenario, i.e. the occurrence of a second pandemic wave with the arrival of autumn, while if the entire world is considered, the drop in GDP is estimated at around 8%.

Picture 3 - Projected GDP decline for OECD countries 2020 (by type of scenario)



Source: OECD

And digital platforms, as economic players, have also been impacted by the measures of social distancing and lockdown of production. In particular, the quarantine imposed as a virus containment measure and the gradual reopening of the economic system have had a significant impact on the performance and prospects of the platforms' economy, albeit in divergent measures and directions.

Observing the data collected and reported on the online magazine [lavoce.info](#)<sup>18</sup>, it is possible to notice how the interruption of the movement of people and the policies of social (and therefore physical) distancing have produced negative effects especially on those platforms closely correlated with the movement of people, as a service (such as Lyft and Uber, whose stock market values collapsed in the lockdown phase by over -30%) and as a tourist destination (Booking.com -24,26% and Airbnb -46%). At the same time, however, the increase in online purchases and the attribution of the essential nature of food delivery in the lockdown period (as in the Italian case) have favored some e-commerce platforms such as Alibaba (+37.2%) or Amazon (+30.52%) and home delivery such as Delivery Hero, parent company of Foodora and

<sup>18</sup> Franco Bechis, Covid-19 and online platforms: who wins and who loses, [lavoce.info](#) 29 May 2020, <https://www.lavoce.info/archives/67360/covid-19-e-piattaforme-online-chi-guadagna-e-chi-perde/>

Foodpanda (+82.71%). In China as well, in the face of the fall recorded in the restaurant sector, the food-delivery platforms Baemin and Yogiyo have increased their revenues by +9 and +11% in just one month<sup>19</sup>.

As an alternative to monitoring the stock value of digital platforms, stock price trend analysis highlights the different growth trajectories during the pandemic and shutdown periods.

Picture 4 - Stock price of Amazon, Delivery Hero, Booking.com, Uber and Alibaba in the lockdown



In the month of March all stock values show a decline. What distinguishes the platform types are the rebounds recorded in the post-lockdown periods. If for Amazon and Delivery Hero, and to some extent also Alibaba, the share price in the post-lockdown months has exceeded what was recorded in the pre-lockdown period, for Booking.com and Uber the recovery trajectories appear more uncertain. For Uber, however, it should be noted, as pointed out by CEO Dara Khosrowshahi<sup>20</sup>, that a fall in passenger transport has coincided with an increase in the performance of the food delivery service (Uber Eats).

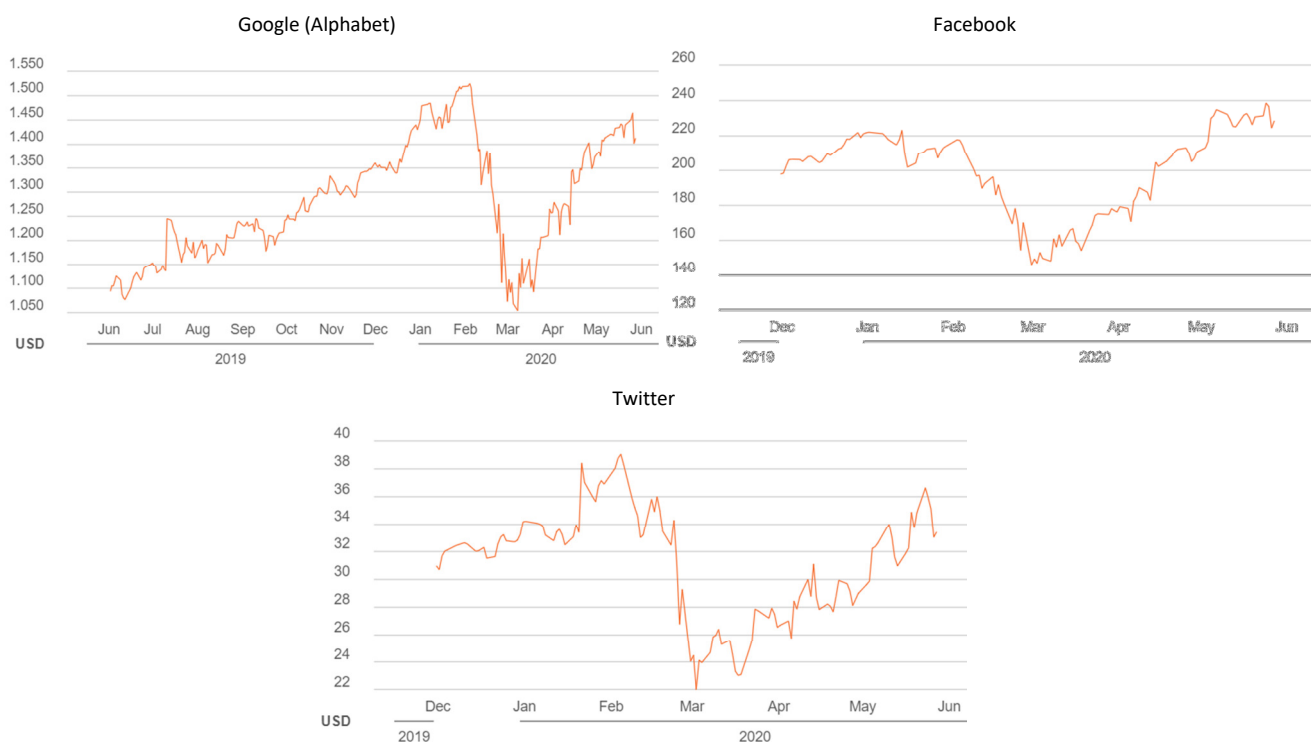
<sup>19</sup> Handelsblatt (2020), *Diese Unternehmen sind die Gewinner der Coronakrise*, 9 March.

<sup>20</sup> Reuters (2020), [Coronavirus likely to hit Uber ride-hailing, boost food delivery: CEO](#), 4 March.

The precipitous fall of online advertising has repercussions on platforms whose economic performance is closely linked to the advertising sector, such as Facebook, which in the lockdown period loses around 3 billion dollars in advertising revenues, or Twitter, which in the first period of 2020 loses 100% of its earnings, or Google (Alphabet) itself. However, the positive trend in stock market values suggests that the same platforms have managed to relaunch themselves, or such are the market's expectations, in the Covid-19 period, opening up, as for example Facebook through Facebook Shops, to e-commerce and therefore to social commerce.

If we move from the stock market value (Market Capitalisation) to the share price of the three big digital players (Google, Facebook and Twitter), we arrive at the same interpretation of the fluctuating effects attributable to the lockdown for Covid-19, but with a more evident temporal dynamism.

Picture 3 – Stock price of Google, Facebook and Twitter during lockdown



Source: Orbis and OpenCorporation

Those growing are mainly platforms, not included in this research report, linked to the diffusion of streaming audiovisual content such as Spotify (+36,33%), Netflix (+13,12%) and Zoom (+178,13%). And it is precisely the video conferencing platforms that are recording a sudden increase in subscribers: Cisco AnyConnect itself declares a growth in unique users of +86% between February and March 2020. Of interest, moreover, is the exponential growth of digital platforms linked to digital health and health service-related services. In China, for example, JD Health, an e-commerce company that mediates relationships between pharmacies, doctors and patients, estimates a growth of over 10 million Chinese who have consulted online health services<sup>21</sup>.

<sup>21</sup> The Economist (2020), Millions of Chinese, cooped up and anxious, turn to online doctors, 5 March.



Chart 1 – Stock value trend of main platforms during lockdown

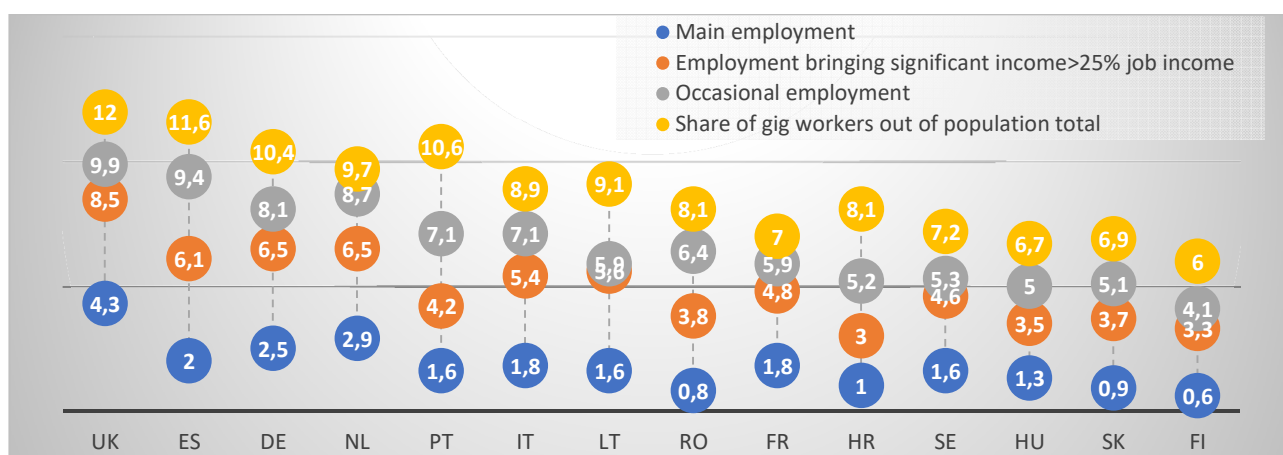
Platform	Earnings per share	Stock value pre-Covid (Bld\$)	Stock value May 2020 (Bld\$)	Stock value variation	Source of data pre-Covid	Source of data post covid
Zoom	0.09	16	44.5	178.13%	Report aziendali	Yahoo finance - 30 aprile
Uber	-6.81	75	48	-36%	Statista	Reuters - 8 maggio
Spotify	-7.63	20.75	28.29	36.33%	Musicbusinessworldwide.com - October 2019	Yahoo finance - 11 maggio
Netflix	4.94	158	178.73	13.12%	Statista	Yahoo finance - 30 aprile
Lyft	-11.44	15	8	-31.67%	Report aziendali	Reuters - 8 maggio
Facebook	6.43	495	527.28	6.52%	Statista	Yahoo finance - 30 aprile
Delivery Hero	2.88	8.5	15.53	82.71%	Report aziendali	Yahoo finance - 30 aprile
Booking.com	111.82	77	58.32	-24.26%	Statista	Yahoo finance - 30 aprile
Amazon	23.01	888	1159	30.52%	Statista	Yahoo finance - 30 aprile
Alphabet	49.57	741	863	16.46%	Statista	Yahoo finance - 30 aprile
Alibaba	3.5	402	551.53	37.20%	Statista	Yahoo finance - 30 aprile
Airbnb	Not available	26	14	-46.00%	Report aziendali	Report aziendali

## GIG workers: a quantitative dimension

The number of jobs attributable to the Gig Economy seems even more difficult to determine than the measurement of the number of labour platforms, the number of which varies from 173 (2017<sup>22</sup>) on the basis of some studies conducted on the European level to 273 of the European Commission (2016)<sup>23</sup> depending on the breadth of the starting definition.

Some studies<sup>24</sup> estimate that for about 2% of the active population in 14 EU Member States, work for a labour platform represents the main occupation, for 6% it determines a significant income (i.e. at least 25% of the average salary of a full time worker) and for about 8% it determines a working mode at least once a month. The same studies show an incidence and frequency of gig workers divided by individual country, with highest peaks in the United Kingdom, where for about 4% of the population the income from work is determined for more than 50% by the work of the platforms, and in Spain, however, with a greater dispersion of work, and with lowest peaks in Finland, Slovakia and Hungary where the share of those who find in the Gig Economy the main employment is very marginal.

Chart 4 – Impact of gig workers on the active population in the labour market and among internet users



Source: Ires Emilia-Romagna data processing based on COLLEEM dataset, European Commission

Separate surveys have been carried out in individual countries, the results of which are in line with the results of the Community surveys.

Countries	Source	Year	Results
Austria	University of Hertfordshire e IPSOS MORi	2016	37% of the sample searched for work in the last year through UpWork, Clickworker or MyHammer and only half found it. Generally, crowdworkers are only 11% students and 33% are over 45 in contrast to the common narrative. 36% of crowdworkers interviewed also use digital services, confirming the overlap between platform users and platform workers
Italy	INPS De Benedetti Foundation	2017	In 2017 there were 753,248 platform workers, of whom about 10,000 were riders (of which 67% were under 35 years old). 38% of the platform workers

<sup>22</sup> Fabo, B., Beblavý, M., Kilhoffer, Z. and K. Lenaerts (2017), *An overview of European platforms: Scope and business models*, Joint Research Centre, Publications Office of the European Union, Luxembourg.

<sup>23</sup> European Commission (2016b), *Assessing the size and presence of the collaborative economy in Europe*, Publications Office of the European Union, Luxembourg.

<sup>24</sup> Pesole, A., Urzi Brancati, C., Fernández-Macías, E., Biagi, F. and González Vázquez, I. (2018), *Platform workers in Europe: Evidence from the COLLEEM survey*, Joint Research Centre, Publications Office of the European Union, Luxembourg.

			declare to have little or no autonomy while 50% declare that their activity is controlled and organized by an algorithm.
Spain	Research Group PAIDI SEJ-332		About 700 thousand Spaniards consider platform work as the main form of employment, and the main motivation is the absence of other possibilities.
Bulgaria	Eurofound	2018	Freelancers registered in 2015 to the main platforms have gone from 23 thousand in 2015 to 43 thousand in 2018
Finland	Statistics Finland	2017	0.3% of the active population who have earned more than 25% of their income from platform work in the last year
Germany	Huws e Joice	2016	22% of the working population says they have sought work on online platforms and only 14% of them have found it
	Ohnemus	2016	77% of companies are aware of the possibility of outsourcing online, but only a small proportion use it: 6% in the media and 1.2% in manufacturing.
	Porgratz e Bormann	2017	The cloudworkers (at least once at least) are between 100 and 300 thousand of which only 5 thousand considers it the main source of income

Source: Etui

## On line outsourcing

Although this report is more focused on other types of online platforms, the audience of labour platforms most immediately attributable to crowdwork or cloudwork appears to be interesting as well, both for the direct impact on the market and for the consequent process of online outsourcing by the "traditional" economic entities. Some studies show results of certain value to read the dynamics in place<sup>25</sup>. Online outsourcing is a win-win solution for businesses and workers alike:

- Companies have access to a highly professional labour market, with flexible and fast hiring processes without transaction costs and with 24-hour productivity;
- For workers, access to a global labour market with low entry barriers.

Processes of online outsourcing concern both microwork (where the work project is segmented into smaller parts - microtasks - and entrusted to a plurality of workers) and freelancing (where the project is entrusted to profiles with a higher professional content). The most popular online outsourcing platforms are Freelanceer, Upwork, Crowdfunder, Amazon Mechanical Turk (AMT) Samasource and Cloudfactory. The demand for online freelancing comes mainly from small businesses while the demand for microwork from medium to large businesses. A survey of Fortune 500 companies shows that between 2016 and 2017 online outsourcing projects have increased by 26%, that 28% of Fortune 500 companies have used Upwork in the last year and that in 2017 companies such as Airbnb, Dropbox, GE and Samsung have posted more than 30,000 projects on Upwork. According to the Future Workforce Report 2018<sup>26</sup>, 90% of HR managers prefer to use online freelancing rather than temporary employment agencies for administrative savings and

<sup>25</sup> Kuek, Siou Chew; Paradi-Guilford, Cecilia Maria; Fayomi, Toks; Imaizumi, Saori; Ipeirotis, Panos. 2015. The global opportunity in online outsourcing (English). Washington, D.C. : World Bank Group. Corporaal, G.F., & Lehdonvirta, V. (2017). Platform Sourcing: How Fortune 500 Firms are Adopting Online Freelancing Platforms. Oxford Internet Institute: Oxford. An electronic version is available at: <https://www.oii.ox.ac.uk/publications/platform-sourcing.pdf>

<sup>26</sup> <http://documents.worldbank.org/curated/en/138371468000900555/The-global-opportunity-in-online-outsourcing>

<https://www.slideshare.net/upwork/2018-future-workforce-report-hiring-manager-insights-on-flexible-and-remote-work-trends/1>

faster performance. The McKinsey Global Institute<sup>27</sup> estimates that by 2025 cloudwork platforms will produce about 2% of the world's GDP.

Every single attempt to measure a phenomenon in such strong expansion, however, suffers from an inevitable delay in detection: today's snapshot risks representing the scenario of yesterday. Precisely for this reason, ILO has developed an online Labour index capable of tracking all the online "small jobs" uploaded on the top 5 online English labour platforms, which represent approximately 60%-70% of the existing cloudwork market<sup>28</sup>. The index is normalized by setting the volume of "small jobs" to 100 in May 2016 so as to be able to constantly track the trend over time. Despite some interpretative precautions also recognized by the ILO and the difficulty of an exhaustive measurement of such an elusive phenomenon, the indicator shows that work projects transited by online platforms in the world grew by about 40 percentage points in about one year (May 2016-June 2017) and then remained constant in the following two years, with negative peaks in January.



Source: ILO, Otto Kässi, Vili Lehdonvirta, *Online labour index: Measuring the online Gig Economy for policy and research, Technological Forecasting and Social Change*, Volume 137, 2018, Pages 241-248

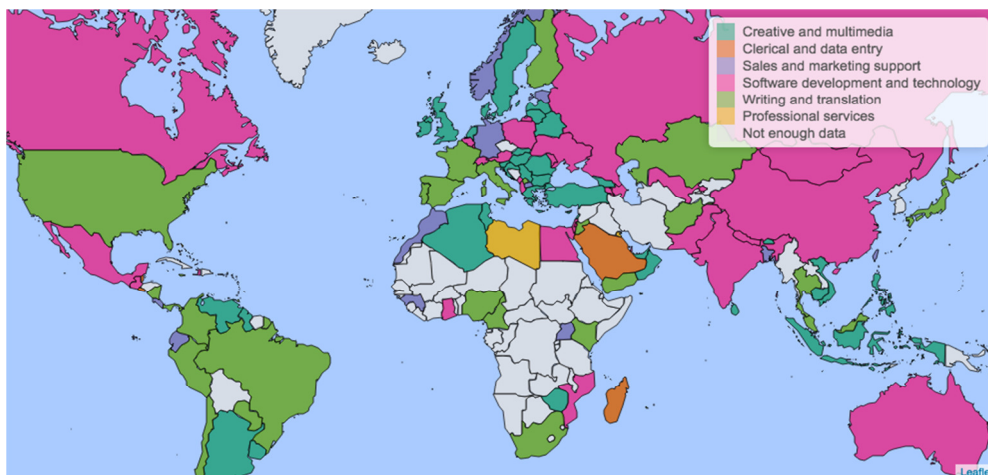
Since 2017, the ILO's online labour indicator has also made it possible to map the type of activity and the country of the person performing the work. This gives a broader view of the extent and distribution of online work. Although it is a part of digital work, not counting those "jobs" on demand through the app, you can discern some important data:

- The global map shows how, except for some areas of Africa, online work is distributed all over the globe, thus highlighting its scalability (Chart 5);

<sup>27</sup> McKinsey Global Institute, *A Labour Market that works: connecting talent with opportunity in the digital age*, 2015 [https://www.mckinsey.com/~media/mckinsey/featured%20insights/Employment%20and%20Growth/Connecting%20talent%20with%20opportunity%20in%20the%20digital%20age/MGI%20Online%20talent\\_A\\_Labor\\_Market\\_That\\_Works\\_Executive\\_%20summary\\_June%202015.ashx](https://www.mckinsey.com/~media/mckinsey/featured%20insights/Employment%20and%20Growth/Connecting%20talent%20with%20opportunity%20in%20the%20digital%20age/MGI%20Online%20talent_A_Labor_Market_That_Works_Executive_%20summary_June%202015.ashx)

<sup>28</sup> For additional information on methodology: <http://ilabour.oii.ox.ac.uk/how-the-online-labour-index-is-constructed/>

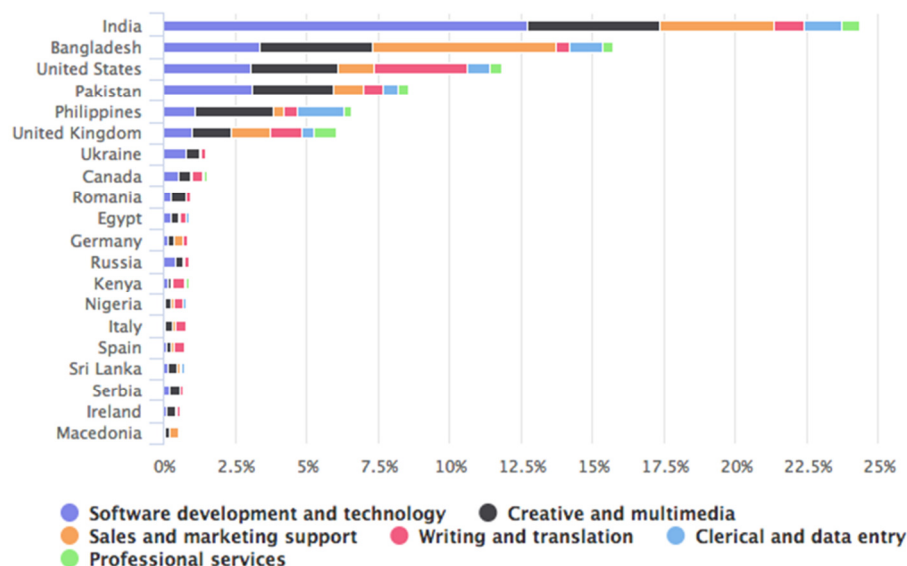
Chart 6– Geographic distribution of digital workers by specific activity, 2017



Source: ILO, Otto Kässi, Vili Lehdonvirta, [Online labour index: Measuring the online Gig Economy for policy and research](#), *Technological Forecasting and Social Change*, Volume 137, 2018, Pages 241-248

- Although there are geographical differences in terms of specialisation, the trend over the years shows that online work focuses mainly on the ICT industry. As ILO acknowledges in its reports, if other sectors were to open up to the online sector, territorial differences would arise;
- The global map (figure 5) shows the main activity for each country. If in almost the whole continent the prevailing online work concerns the development of software, Europe appears more diversified;

Chart 7– Online Labour Index top 20 per worker's country (% of labour demand), 2017



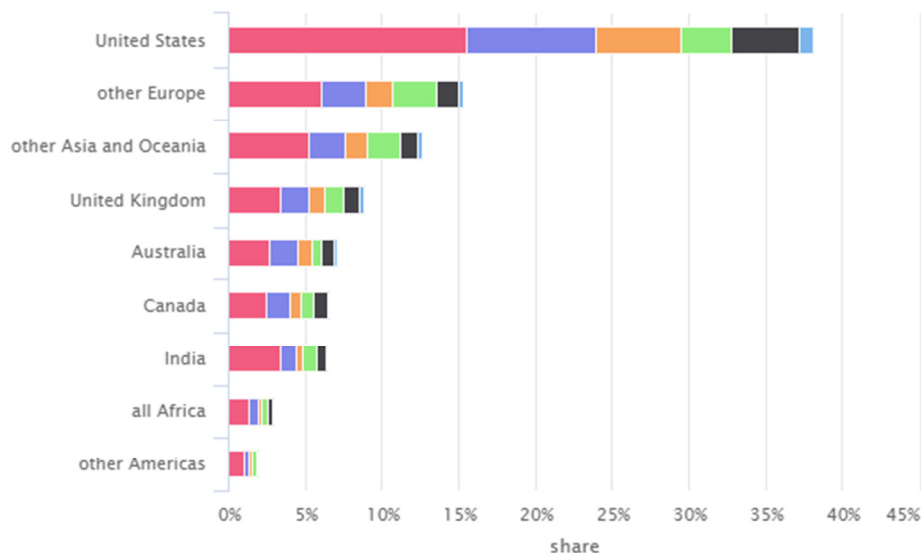
Source: ILO, Otto Kässi, Vili Lehdonvirta, [Online labour index: Measuring the online Gig Economy for policy and research](#), *Technological Forecasting and Social Change*, Volume 137, 2018, Pages 241-248

- Out of 100, global online job demand in a given period, about 24% find an answer in the Indian continent, more than 15% in Bangladesh, about 12% in the United States, about 9% in Pakistan and about 6% in the Philippines (Chart 6). In this ranking, the first European country to appear is the United Kingdom (with about 6%), followed by Ukraine, Romania, Germany, Italy and Spain with marginal shares;

- Asia represents, in the executive phase, 60% of the total European online job demand, including non-EU countries, a share between 15-20%;
- in general, the most requested activities concern software development, multimedia and creative industry, sales and marketing, writing and translation, data entry and professional services. If the demand for online writing and translation work has remained constant over time, the greatest variability is concentrated in software development, graphic activity, data entry and office work. But with one distinction. While the former expand as demand for labour grows, data entry and white-collar work signal an anti-cyclical trend;

if instead of the worker's point of view, the "employer's" point of view is adopted, i.e. the one who starts the digital labour demand, the geographical map is reversed. Almost 40% of labour demand comes from the United States, about 8-10% in the United Kingdom and 5-7% in India. When comparing labour supply and demand, the most obvious imbalances are in the United States, where labour demand is higher than supply, and India, where labour supply is significantly higher than labour demand. Europe, as a continent, seems to maintain a more balanced position.

Chart 8 - Online Labour Index by employer country of origin (% of labour demand) , 2017



Source: ILO, Otto Kässi, Vili Lehdonvirta, [Online labour index: Measuring the online Gig Economy for policy and research](#), *Technological Forecasting and Social Change*, Volume 137, 2018, Pages 241-248

## Crowdworkers and Covid-19

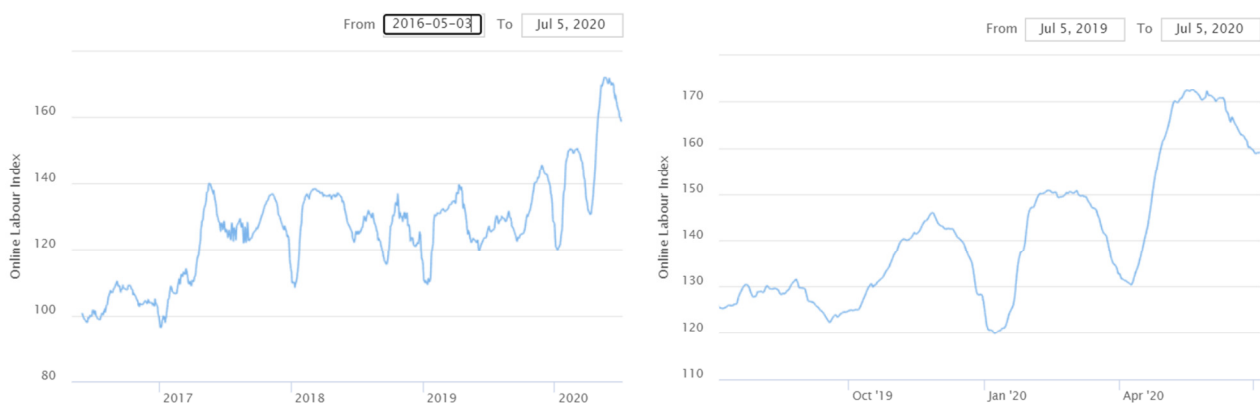
In dynamic terms, the use of crowdwork during the pandemic has seen a succession of factors accelerating and decelerating the phenomenon. Two forces appear to be at odds with each other, as also highlighted by the monitoring conducted by the ILO<sup>29</sup>:

- the distancing factor, which obviously favors the demand for remote work,
- the downscaling factor: in a logic of cost containment and optimization, companies tend to reduce outsourcing and, therefore, also the demand for online freelancing.

<sup>29</sup> Fabian Stephany, Michael Dunn, Steven Sawyer, Vili Lehdonvirta (2020), Distancing Bonus or Downscaling Loss? The Changing Livelihood of US Online Workers in Times of COVID-19 <https://osf.io/preprints/socarxiv/vmg34>

If we continue to observe the temporal evolution of the ILO's Online Labour Index, it is possible to observe a rapid growth in online freelance work precisely in correspondence with the first 6 months of 2020, e.g. in correspondence with the period of initiation and diffusion of Covid-19 (it should be remembered for strictly methodological purposes that the index monitors the main platforms of supply and demand for online work in English). Since May 2016 (with an index number of 100), the start date of the monitoring, the use of online job platforms marks a trend that is always very fluctuating but with a systematically increasing trend line. During 2020, moreover, there was a further leap in the index number from a value of around 120 at the end of 2019, down compared to the average for the year, to peaks of even 160 with an increase of over +30%.

Picture 9 –On line Labour Index trend during the 2016-2020 period and the pandemic



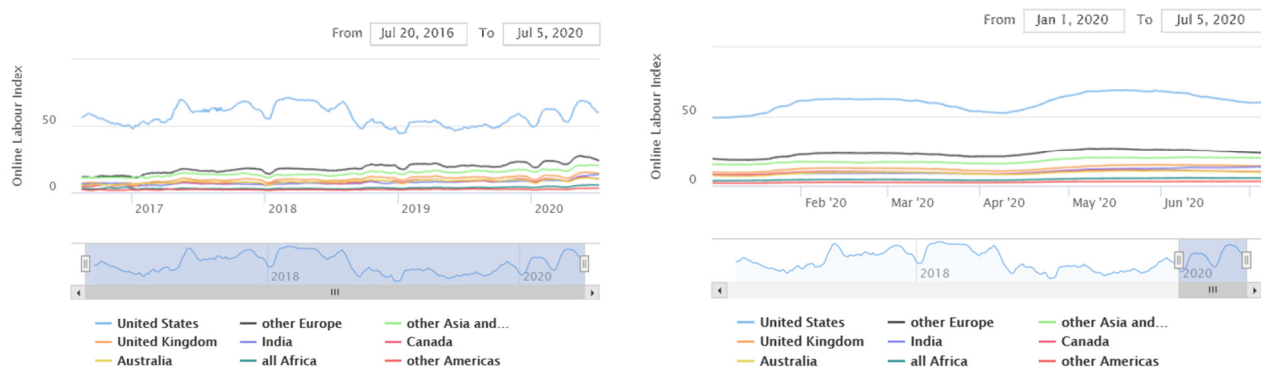
Source: ILO, Otto Kässi, Vili Lehdonvirta, *Online labour index: Measuring the online Gig Economy for policy and research, Technological Forecasting and Social Change, Volume 137, 2018, Pages 241-248*

A closer look at the economic evolution of the online Labor Index during the course of the pandemic identifies how the two factors of acceleration and deceleration of the demand for labor alternate repeatedly during the course of the pandemic according to the type of work and the country of reference. The dynamics of online labor demand seems to follow a seasonal trajectory in recent years with a drop around the Christmas break at the end of the year and then a steady rise from February through May. In 2020, due to the Covid-19, the demand for online jobs did not follow the same path, falling rapidly in April and then recovering with a significant jump in the May-June period.

A country-by-country comparison shows how the United States, which continues to record the highest index in a worldwide comparison (also by virtue of the observation method bent on English-language platforms) traces an overall trend more sustained than 2019 but not equal to the volumes of 2017 and 2018. In general, showing more consistent performance, also consistent with the different readiness and effectiveness of national measures against Covid-19, are Europe, especially Germany, and Asia, especially Southeast Asia. In particular, it should be noted that here, in South-East Asia, growth will remain constant throughout 2019 while in the United States and in Europe itself, including the United Kingdom, the trend appears more erratic and growth more discontinuous.



Picture 10 – On line Labour Index per country during the 2016-2020 and the pandemic

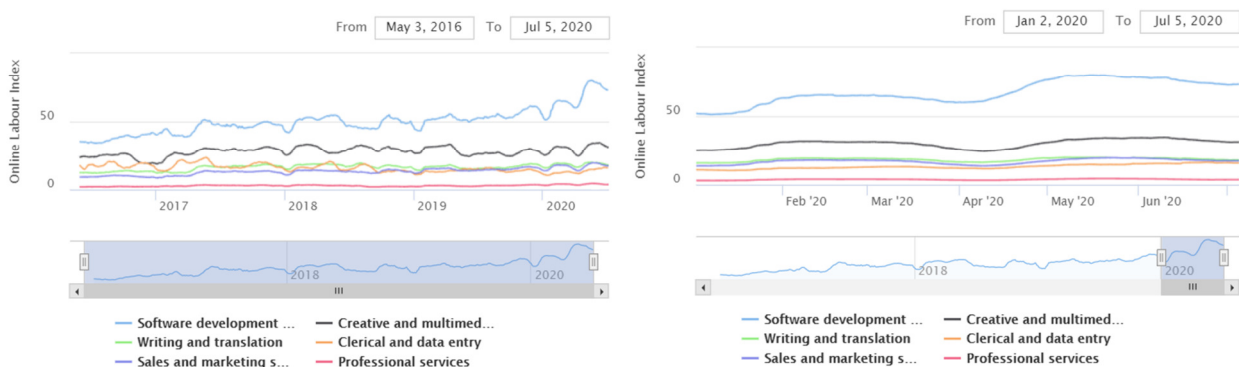


Source: ILO, Otto Kässi, Vili Lehdonvirta, *Online labour index: Measuring the online Gig Economy for policy and research, Technological Forecasting and Social Change, Volume 137, 2018, Pages 241-248*

Reproducing the same observation by type of work, it can be seen that not all the online work professions through platforms have followed the same trend during the pandemic. The demand for Software development and technology does not show particular signs of subsidence; on the contrary, a tendential increase is noted, mainly due to

- an increase in the demand for online work as a derivative effect of the expansion of remote work and online communications/conferencing;
- the strategies of companies, in a period of contraction, of maintaining essential services active, such as technical support, software and data management, and compressing non-essential costs, such as sales and marketing campaigns.

Picture 11 – On line Labour Index per job type during the 2016-2020 period and the pandemic



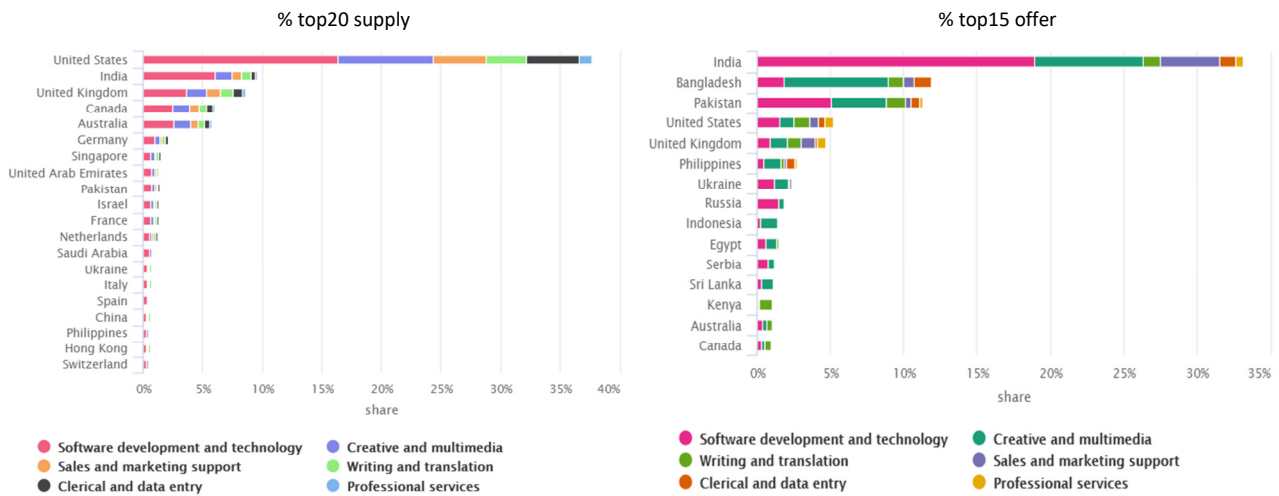
Source: ILO, Otto Kässi, Vili Lehdonvirta, *Online labour index: Measuring the online Gig Economy for policy and research, Technological Forecasting and Social Change, Volume 137, 2018, Pages 241-248*

Consistent with this analysis is the temporary drop (March-April 2020) in online outsourcing of marketing and sales services and also of the entire creative and multimedia area, which was followed by a positive bounce in the following months (May-June), recovering the pre-Covid-19 performance.

Also during the pandemic, the configuration of the online outsourcing market at a global level was confirmed. Demand for labor is primarily located in higher-income countries (the United States continues to generate almost 40% of the world's demand for online work), while labor supply is primarily located in low- or middle-income countries (India alone accounts for almost 35% of online labor supply).



Picture 12 – Online job demand and supply (% of market share)



## Working conditions of GIG workers

After approaching a quantitative measurement of gig workers, the report intends to move to a more qualitative mapping. In this case, as well as on the numerical dimension, there are different perspectives, surveys and results. There are different national and comparative studies. For descriptive ease, we prefer, here, to use, once again, the research conducted by the Dublin Foundation (Eurofound) both for the scope of the analysis and for the level of updating of the surveys. Furthermore, Eurofound's qualitative survey considers three types of platforms consistent with the sectoral guidelines that this report intends to cover together with e-commerce: food delivery, domestic work and tourism<sup>30</sup>.

In fact, three types of platforms were analysed:

- *on location platform-determined routine work*, or a job with low professional requirements carried out in person (on-location) whose assignment (to the gig worker) is determined by the platform. This category is approximate to food delivery and the definition already shows a sense of precariousness attributable to dependence on a platform;
- *on location worker-initiated moderately skilled work*, or a job with medium-low professional requirements carried out by a person whose assignment is determined by the gig worker himself. This category is approximated to the domestic work which is associated with greater discretion in the choice of jobs (or small jobs);
- *on line contestant specialist work*, works with high professional requirements carried out online in which the gig workers are selected by the customer on the basis of a tender. *Cloudworkers* suffer more from international competition and economic uncertainty. This third category is useful to offer a comparison between the *cloudworkers*, and therefore the online workers, and the on-

<sup>30</sup> As tourism platforms are more consistent with the concept of sharing economy or peer to peer platforms and not labour platforms, the report here describes the working conditions of the first two types of platform workers only.

demand workers via app whose performance takes place offline, and of which the first two categories of platform workers are the expression.

In terms of demographics, gig workers, as it also results from a previous survey,<sup>31</sup> are predominantly males, with a medium-high level of study, between 30 and 40 years of age and predominantly resident in urban areas. The composition of the household is affected by the type of platform: if on-demand workers and cloudworkers selected by the platform on average do not have children, for on-demand workers via app whose task is chosen by the worker (e.g. domestic work), hypothetically for an older age, it is more likely to have children.

The employment status of gig workers is a determining factor in the sphere of labour law. If for cloudworkers and app-based workers' determination the perception of being either "casual" or self-employed workers prevails, for those who work via app-based platform-determination (e.g. riders) studies seem to confirm a trend: the majority of workers are perceived as employed (on average 60%) and, for a secondary share, self-employed. The literature of recent years indicates two reasons for this inconsistency between perception and reality. First, by combining gig workers with different jobs at the same time, subordinate employment hypothetically refers to a prevailing activity different from platform work. Secondly, those who work mainly with the platform as the prevailing form are perceived to be subject to a constraint of occupational subordination despite the fact that contractually it is configured, instead, with forms of self-employment or para-subordination. Finally, in some countries, such as Sweden, the tendency to prefer forms of formal subordination is not to be ignored, even for those gig workers with platform determination. Finally, although they are not residual also for the other types of platform workers, for the cloudworkers the interviews reveal a greater frequency of forms of irregular work.

Autonomy is a dimension of work at the centre of the debate on platform jobs because, in addition to determining the link of formal subordination, it is a factor impacting job satisfaction and, at the same time, represents the other side of digital standardization that technological innovations produce<sup>32</sup>. But not only that. The topic of autonomy also recalls the relationship between work and platform, and therefore the control of the algorithm, and the forms of digital control exercised by the app and in particular the client rating, and therefore the evaluation of the customer, as a primary form of control.

Literature indicates that platform pay is usually additional to a student's status (especially in platform-driven work) or other prevailing occupation. In most cases, pay is considered insufficient to lead a decent life and is very often conditioned by the tax system (for casual workers, as in Italy or Germany, annual tax constraints produce "quantitative" maximum labour thresholds), the form of employment (in Austria employees in food delivery receive 7.6 euros/hour plus 60 cents per delivery while self-employed workers 4 euros/hour plus 2 euros/hour per delivery), the country and the type of work. Usually it is the cloudworkers, precisely because of the nature of the work, who perceive the greatest uncertainty with respect to the continuity of remuneration.

Regarding health and safety, some studies by the European Agency for Safety and Health at work<sup>33</sup> in 2017 identify some specific risk areas in relation to platform workers. In particular, a higher accident rate for gig workers can be compared to that found for the more fragile working areas, such as precarious and

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<sup>31</sup> Pesole, A., Urzì Brancati, M.C, Fernández-Macías, E., Biagi, F., González Vázquez, I., *Platform Workers in Europe*, EUR 29275 EN, Publications Office of the European Union, Luxembourg, 2018, ISBN 978-92-79-87996-8, doi:10.2760/742789, JRC112157.

<sup>32</sup> Gosetti G., La digitalizzazione del lavoro. Questioni aperte e domande di ricerca sulla transazione, in *Economia e Società Regionale*, I 2019, Franco Angeli

<sup>33</sup> EU-OSHA, Protecting workers in the online platform economy: An overview of regulatory and policy developments in the EU, Publications Office of the European Union, Luxembourg, 2017 <https://osha.europa.eu/en/tools-and-publications/publications/regulating-occupational-safety-and-health-impact-online-platform/view>

discontinuous workers. The greater exposure to occupational risk, whether physical or psycho-social, is linked to the younger age trend of gig workers, the absence of specific training in health and safety and, generally, the difficulty of determining a specific regulatory system. Working on online digital platforms involves risks such as permanent exposure to electromagnetic fields, eye fatigue and musculoskeletal problems. Psycho-social risks include isolation, stress, techno-stress, technology addiction, information overload, exhaustion, postural disorders and cyberbullying. All work on online platforms can increase the risk of stress due to the systems of continuous review and evaluation of performance, competitive mechanisms for the assignment of work, the uncertainty of payment and the increasingly blurred separation between personal and professional life.

Commitment to platform training is modest. Gig workers, especially "on location" workers, complain that they are overqualified for their job. On the other hand, cloudworkers, allowing a glimpse of a greater expressive<sup>34</sup> vision of the work, use the most advanced skills and often use platform races to enrich their skills. Interviews with gig workers show how the paths of professional growth and skills mainly pass through self-training and tutorials or resources made available by the network.

*Source: ILO, Otto Kässi, Vili Lehdonvirta, Online labour index: Measuring the online Gig Economy for policy and research, Technological Forecasting and Social Change, Volume 137, 2018, Pages 241-248*

Working conditions	Work via app determined by platform (riders)	Work via app determined by the worker (domestic worker)	Cloudwork
Motivational dimension	Low entry barriers Additional earning possibilities and organisational flexibility	Additional profit and possibility to expand the customer base	Organisational flexibility, consistency with interests and passions and the possibility of extending customer base
Autonomy and control	Limited flexibility in the choice of tasks with negative consequences in case of refusal of an assigned task (hidden or explicit penalties). The responsibility for "replacement" often falls on the individual gig worker. Regardless of the contractual form, there is a high level of traceability and control of work performance, with the risk that an excessively digital control system will not be able to manage real "unforeseen events". Little room for recourse in the event of accusations of insubordination	More flexibility in the choice of jobs, but especially in the cleaning services platforms exert more control (if some standards are not met several times your account is suspended). The evaluation is mainly determined by the customer and on a reliability index (important for domestic work). Usually the client rating is appreciated because it allows to discriminate on the basis of the quality of the worker and there are spaces for complaint.	Full discretion (the only constraint is respect for the rules of the platforms, such as plagiarism). Work mainly for objectives without control by the platform or the customer. The rating is based on the client rating which is usually judged an element of professional growth and not control.
Intensity and working hours	The time schedule varies from country to country and according to the contractual form: for employees it varies from a weekly shift (Austria) to a "calculated" shift based on the availability of workers (Sweden). The shift can be changed in progress but with predefined timing and in case of non-compliance you receive a negative vote that can lead to disconnection.	The working time varies according to the task and in any case depends on the choice of the worker. Work intensity depends on the ability to make the client understand the complexity of the work Cleaning services tend to work for the same clients, repeating the same pattern of working time	Working time depends very much on the project assigned. Specific (unpaid) time is dedicated to the preparation and research of the different competitions. The intensity of work can be stressful, depending on the type of activity.

<sup>34</sup> Dazzi D., Minghini C., Ripartiamo dal lavoro. Autonomia, riconoscimento e partecipazione, Editrice Socialmente, 2014

	<p>Usually there are no interruptions planned (except in Sweden where there is a break of 5 minutes per hour of work) and the time taken by the platform to assign jobs often creates a continuous work intensity, opening up health and safety issues.</p> <p>Non-stressful delivery times, but do not take into account unforeseen circumstances</p>		
Physical environment	<p>Often the workplace coincides with the street exposing gig workers to the risk of accident, pollution, bad weather, high and low temperatures. Often the platform does not provide the means of transportation (bike) nor smartphones but only some personal protective equipment (e.g. helmets)</p> <p>No information or training on health and safety is provided by the platforms. There is no accident insurance coverage extended to all workers but it depends on the individual cases (platform, country and form of work).</p>	<p>The workplace is often the customer's home.</p> <p>The home-work route often represents a substantial part of the working time.</p> <p>Domestic work, as well as lonely or homeworkers, are more at risk at work and often there is no form of control.</p> <p>There is also a chemical risk for cleaning services.</p> <p>Equipment is not made available by the platform but is part of the "professional capital" of individual workers.</p> <p>Lack of information, training and awareness of health and safety risks</p> <p>Third-party insurance is often provided for in the event of damage but not insurance for accidents at work</p>	<p>The workplace is any place where you can perform the assigned task.</p> <p>The equipment (PC, camera, software) is made available by the worker as part of the "professional capital".</p> <p>Complaints about musculoskeletal pains and eye fatigue were reported.</p> <p>Lack of attention to health and safety issues</p>
Social environment and relations	<p>Relationships with customers is limited.</p> <p>Relationship with the platform in case of direct "inconvenience" or through other apps (whatsapp). Complaints have been received, however, that response times are at odds with the rapid nature of operations.</p> <p>High sense of identity of belonging to a working community (the riders) and collaborative relationships between workers using the web.</p> <p>Platforms tend to limit contacts between gig workers and the spaces of aggregation.</p> <p>Higher risk of discrimination (for greater dependence on "platform algorithm") and harassment at work</p>	<p>Relations with the platform are limited to communications and information and assistance.</p> <p>The relationship with the customer has a priority role for both evaluation and business continuity.</p> <p>In order to avoid the repetition of work at the same client leading to the acceptance of jobs outside the platform, the same platforms introduce clauses or constraints in the rules of engagement and extending insurance coverage.</p> <p>Given the private and isolated nature of the work, the collaborative dimension with other workers is limited with the risk of alienation and reducing their bargaining power with the platform.</p> <p>Limited risk of discrimination and harassment at work</p>	<p>Relations with the platform are marginal.</p> <p>Relationships with customers are marginal and sporadic and are limited to feedback on the work done.</p> <p>Given the private and isolated nature of the work, the collaborative dimension with other workers is limited with risk of alienation.</p> <p>Minor risk of discrimination and harassment at work.</p>

## Covid 19 laying bare the asymmetry of social protections

The global pandemic shows with absolute clarity the need to bring non-standard work, a frequent landing place for gig workers, back into a common framework of social protection. There are still too many differences between self-employed workers, parasubordinate workers and employees in the coverage of illness, health and safety, leave, unemployment and all those forms of protection aimed at mitigating the difficulties of life or the market. The following table shows the limits of social protection coverage among the different types of work. It can be seen that there are 6 areas in which it would be opportune to intervene (ESPN<sup>35</sup>, European Commission's Council Recommendations)<sup>36</sup>:

- unemployment benefits/subsidies
- sickness allowance
- maternity and parental leave
- disability
- pension
- coverage for accidents at work and occupational diseases

Figura 13 — Synoptic table on the lack of formal social protection coverage for nonstandard workers

Benefit type	Casual workers	Seasonal workers	National specificities	Freelance	Apprentices	Trainees	Vocational trainees
Unemployment	RO, HU, MT, LT	BG, RO, LV, HU, MT, LT	AT <sup>a</sup> , CZ <sup>b</sup> , DE <sup>c</sup> , PL <sup>d</sup> , SK <sup>e</sup>		BE, EL, HR, MT, NL, PL	EL, FR, IT, LT, MT, NL, PL, RO	
Sickness	HU, LT, LV, RO	HU, LT, LV, RO	CZ <sup>b</sup> , SI <sup>d</sup>		BE, HU, NL, PL	DK, FR, HU, LT, NL, PL	DK, EL, FR, HU, PL
Maternity	LT, RO	BG, LT, LV, RO	CZ <sup>b</sup> , PL <sup>d</sup> , UK <sup>h</sup>	BG, FR	BE, MT	FR, HU, IT, LT	EL, FR, HU, IT
Accident/occupational injuries	RO, HR, LT	BG, LT, LV, RO	CZ <sup>b</sup> , ES <sup>f</sup>				
Old age/survivors' pensions	MT, LT	BG, HU, RO, LT	CZ <sup>b</sup> , HU <sup>g</sup> , LU <sup>g</sup> , MT <sup>b</sup> , PL <sup>d</sup>		BE, HR, MT	EL, FR, HU, IT, LT, MT	
Invalidity	HU, LT	HU, LT	AT <sup>a</sup> , PL <sup>d</sup>				

Source: European Commission<sup>37</sup>. Notes: The table reports in which branches and in which member states non-standard workers are excluded from formal coverage in the sense that they have no mandatory coverage and cannot opt-in to voluntary schemes. National specificities: a) marginal part-timers; b) agreement to perform a job; c) mini-jobbers; d) civil law contracts; e) employees on 'work agreement' with irregular income; f) domestic workers; g) on-call jobs; h) temporary agency work

<sup>35</sup> ESPN (2017) Access to social protection for people in non-standard employment and in self-employment, Synthesis report, European Social Policy Network, Publications Office of the European Union

<sup>36</sup> European Commission (2018a) 'Proposal for a Council Recommendation on access to social protection for workers and the self-employed', COM(2018) 132 final

<sup>37</sup> European Commission (2018c) Employment and Social Developments in Europe 2018, Publications Office of the European Union

Measures taken by different countries to contain and prevent the effects of the health crisis have often been inappropriate for important slices of the workforce and the gig economy, failing to achieve parity of coverage of social protection schemes across different work groups (OECD).

Chart 2 - Social protection extension measures announced by OECD countries in the face of Covid-19

	New and existing job retention schemes*	Extensions to unemployment insurance	Extensions to means-tested programmes	New targeted transfers to specific groups	New universal transfers	Additional direct help with expenses, including moratoria on taxes, social contributions and housing costs
Australia	✓	✓	✓			✓
Austria	✓	✓		✓		
Belgium	✓	✓		✓		✓
Canada	✓			✓		✓
Chile		✓	✓	✓		
Colombia			✓	✓		✓
Czech Republic	✓			✓		
Denmark	✓			✓		
Estonia	✓					✓
Finland	✓	✓	✓	✓		
France	✓	✓		✓		✓
Germany	✓	✓	✓	✓		✓
Greece		✓		✓		✓
Hungary	✓			✓		✓
Iceland	✓	✓		✓		
Ireland	✓	✓	✓	✓		✓
Israel		✓		✓		✓
Italy	✓		✓	✓		✓
Japan	✓				✓	✓
Korea	✓			✓	✓	✓
Latvia	✓	✓	✓	✓		✓
Lithuania	✓			✓		
Luxembourg	✓	✓				✓
Mexico						✓
Netherlands	✓		✓			✓
New Zealand	✓			✓		✓
Norway						✓
Poland	✓			✓		
Portugal	✓	✓		✓		✓
Slovak Republic	✓	✓				✓
Slovenia	✓	✓	✓	✓		✓
Spain	✓	✓		✓		✓
Sweden	✓	✓				✓
Switzerland	✓	✓		✓		
Turkey	✓			✓		
United Kingdom	✓		✓	✓		✓
United States (federal level)	✓	✓		✓	✓	✓

\*"Job retention schemes" are public programs aimed at protecting employment in the event of a temporary downturn in production activities through a reduction in the cost of labor for companies or income support measures for workers.

Source: Adapted from OECD (2020), "Supporting people and companies to deal with the COVID-19 virus: Options for an immediate employment and social-policy response", ELS Policy Brief on the Policy Response to the COVID-19 Crisis, OECD, Paris, <http://oe.cd/covid19briefsocial>. Accessed 19 May 2020.

Platform workers have often continued to work, with the exception of much of the domestic work, exposing themselves to health risks: particularly for platform-driven app work. The temporary closure of stores and restaurants induced by Covid-19 containment policies has represented, especially for online delivery, an opportunity to expand its market. This opportunity has been unintentionally supported, moreover, by the ambiguity or lack of clarity of the same measures adopted by different governments

([ETUC](#))<sup>38</sup> and by the different regulatory applications assumed within the same country on a regional basis ([Opencorporation Blog](#))<sup>39</sup>. In the face of strict limitations and safe delivery procedures, there are several measures put in place by online delivery platforms. Uber Eats, for example, has offered restaurants daily, rather than weekly, payment methods and simplified platform registration procedures, while at the same time reaching an agreement with Carrefour to organize deliveries in 30 minutes. Deliveroo has accelerated the conclusion of a partnership with the retail chain "Sole 365" in Italy ([Blog Opencorporation](#))<sup>40</sup> and with the food store Franprix to extend its market share: in France alone, the platform claims that over 1400 new suppliers have registered on the platform since March.

In the search to maximize the market opportunities offered by the health crisis, the business lines pursued by online delivery platforms have produced, as highlighted by the [European Trade Union Confederation](#) itself, abuses against workers in terms of social protection and working conditions, labor rights and health and safety. Some of the abuses highlighted by ETUC are:

- the strategies put in place by some platforms, such as Amazon and Deliveroo, of "zero contact delivery" seem to respond more to a marketing need than to real working conditions: it is enough to think of the queues of riders around the delivery points to understand how "zero contact delivery" is more a commercial slogan than a feasible commitment;

- health security strategies remain ambiguous. Some platforms, such as [Stuart](#) (an online platform for on-demand logistics) have introduced health prevention measures - such as the deactivation of the client's digital signature or the constant sending of messages on the correct behaviour to adopt in the execution of one's work - but do not provide for the supply of safety devices (masks, gloves, sanitizing gels). Deliveroo France, on the other hand, has established an allocation of 25 euros per rider to compensate for the possible purchase of safety equipment and a one-off sickness allowance for two weeks (230 euros) for riders who contract the virus and are therefore forced into isolation, provided, however, that riders in the last 4 weeks have had income of at least 130 euros per week. The same type and amount of compensation has been introduced by the four majors of the food delivery market (Glovo, Deliveroo, Just Eat and Uber Eats, [Blog Opencorporation](#))<sup>41</sup>. Deliveroo France has also "fired" riders involved in protests and strikes called to demand better safety conditions and higher monetary compensation in case of illness;

- despite the proclamations and various union protests, Amazon continues to sell online all types of products and not the "essential" ones (household and health products and food) subjecting its workers to a distancing not always respectful of the various governmental measures on social distancing and safe work.

Against a general opportunism shown by the platforms mainly bent to take full advantage of the market opportunities offered by the pandemic, some analysis ([Blog Opencorporation](#))<sup>42</sup> show how the "territorial platforms are the most virtuous towards workers" buying and distributing directly safety devices to workers and establishing more inclusive and protective working relationships.

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<sup>38</sup> ETUC (2020), Red Card for platform abuses in the Covid-19 crisis <https://www.etuc.org/en/document/red-card-platform-abuses-covid-19-crisis>

<sup>39</sup> Antonio Prisco (2020) rider ai tempi del COVID-19 tra Europa e regionalismi (Ita) <https://blog.opencorporation.org/2020/04/21/i-rider-ai-tempi-del-covid-19-tra-europa-e-regionalismi/> e (Eng) <https://blog.opencorporation.org/2020/04/21/delivery-riders-in-the-time-of-covid-19-between-europe-and-regionalisms/>

<sup>40</sup> idem

<sup>41</sup> idem

<sup>42</sup> idem



There are rare cases in which online delivery platforms pay their workers under "quarantine ". Hermès in the UK has set up a €1.13 million support fund for its 15,000 platform workers in the event of quarantine and forced isolation due to Covid-19. The fund is the result of an agreement with the GMB union in February 2020 to introduce paid leave and a statutory minimum wage ([Eurofound](#)<sup>43</sup>). But on the subject of coverage in the event of self-isolation, the behaviours are the most diverse. Uber in the US<sup>44</sup> has introduced 14 days of leave while platform workers of Amazon Flex Drivers<sup>45</sup> are not paid. The online delivery platform Postmates<sup>46</sup>, however, has set up a fund to offer possible support to its workers affected by Covid-19. The uncoordinated platform reactions to the issue of Covid-19 sickness/injury insurance have prompted a number of global union reactions and increased demands for expanded insurance coverage for all forms of work. Examples of such demands are the actions of the Deliverance Milano union in Italy<sup>47</sup>, the Siptu union in Ireland<sup>48</sup> and the FIRST Union in New Zealand<sup>49</sup>.

In Africa, millions of people find refuge in the gig economy job market. During the Covid-19 period, [gig workers in Kenya, Nigeria and Ghana](#)<sup>50</sup> found themselves without income as demand for labor fell and faced a concomitant increase in basic necessities, including medicines and food, putting them and their families at risk of malnutrition and hunger. Many platforms have provided training and information to workers and the necessary personal protective equipment. Companies in logistics such as [Max.ng](#), which already provided health insurance in the pre-Covid-19 period (as did the [Gokada](#) platform), have introduced ways to reduce contagion (no-contact delivery) while other companies have followed different paths. [M4Jam](#) built an alliance with mobile operator Cell C to pay workers for completing " home-based" training pathways, and [Sendy](#) initiated a new health insurance policy for drivers. Although some platforms in the United States or Europe have introduced benefits for workers in case of contagion, such measures do not necessarily cover gig workers in African countries where the digital market has only recently found a major expansion and where lending institutions remain wary of this form of entrepreneurship. Based on some interviews, it seems that the insurance coverage offered by some platforms, such as the American [Uber](#) or the Estonian [Bolt](#), does not cover gig workers in African countries.

## Towards a protection system for platform workers

While even in a pre-Covid-19 period it was evident that social protection tools left important, and rapidly growing, parts of the labor market uncovered, the pandemic has made these gaps no longer tolerable. In this regard, in May 2020, the European Trade Union Confederation (ETUC<sup>51</sup>) published a discussion paper on how to extend and structure the protection of non-standard workers and platform

<sup>43</sup> Eurofound (2020), Coronavirus highlights sick pay void for platform workers <https://www.eurofound.europa.eu/publications/article/2020/coronavirus-highlights-sick-pay-void-for-platform-workers>

<sup>44</sup> CNN.com (2020), [Uber to offer drivers 14 days sick leave if they fall ill with coronavirus](#), 9 March.

<sup>45</sup> The Verge (2020), [Amazon Flex drivers won't be paid if they have to stay home due to coronavirus, but Uber's and Lyft's will](#), 7 March.

<sup>46</sup> Tech Crunch (2020), [Postmates reveals plans to cover medical costs for couriers as part of COVID-19 response](#), 10 March.

<sup>47</sup> Il Fatto Quotidiano (2020), [Coronavirus, il problema delle consegne a domicilio: le misure per rider e clienti. "Ordini diminuiti del 50% e zero tutele"](#), 7 March.

<sup>48</sup> Irish Times (2020), [Coronavirus: Low paid, gig economy workers to be hardest hit, warns union](#), 4 March.

<sup>49</sup> Scoop (2020), [COVID-19 highlights precariousness of the gig economy, says Uber driver](#), 9 March.

<sup>50</sup> By Annabel Schiff, Jessica Osborn and Akua Nyame-Mensah, *How are platform workers in Kenya, and Ghana responding to the Covid-19 crisis?*, 29 aprile 2020 <https://medium.com/caribou-digital/how-are-digital-platforms-platform-workers-in-kenya-ghana-nigeria-responding-to-the-323f3d31a4c4>

<sup>51</sup> ETUC, ETUC discussion paper for the protection of non-standard and platform rights, 5<sup>th</sup> may 2020



workers, consistent with what emerged from the Vienna Congress in May 2019<sup>52</sup>, with the aim of breaking a business model built on pressure on labor. The ETUC document develops along two lines:

- **Workers' rights** and in particular the right to organize and collective bargaining, access to the minimum wage, social protection and attention to the working conditions of all workers regardless of employment status. In particular, Etuc's main proposals concern:
  - extending collective bargaining and the (legal) minimum wage to all workers to overcome the different coverage in terms of social protection resulting from being an employee or self-employed;
  - reversal of the burden of proof: it is the employer who must prove that the worker is not subordinate. If this is not the case, the worker is to be considered an employee;
  - a broader interpretation of the scope of application of the Temporary Agency Work Directive to make it fungible even within the triangular relationship inherent in the nature of platform work;
  - An interpretation of European competition laws that responds as a priority to the fundamental rights of workers and does not exclude the right to collective bargaining for the self-employed;
  - giving continuity to the implementation of the principles of the European Pillar of Social Rights to close social protection gaps for different forms of work;
  - Directive 2019/1152 of June 20, 2019<sup>53</sup>, on transparent and predictable working conditions in the European Union must be transposed quickly in the Member States, seeking to extend it, as far as possible, to all forms of work;
  - attention to the evolution and coverage of physical and psychosocial risk profiles related to working through digital platforms;
- **Platforms' duties:** First of all, platforms must be recognized as employers with all that this entails in terms of legislative obligations, tax duties, funding of social protection instruments, health and safety responsibilities, due diligence and social responsibility; secondly, it is important to establish a democratic control of the algorithm through also the procedures of consultation and information of workers.

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<sup>52</sup> The following was established at the Vienna Congress: an EU initiative ensuring standards for platform workers such as employer/employee relationship when applicable, adequate wages/remuneration and social rights. Dependent self-employed and freelancers providing services on platforms should also benefit from social and trade union rights

<sup>53</sup> The directive, as is well known, aims to ensure that workers have the right to be informed in writing at the beginning of the employment relationship of the rights and obligations arising from the employment relationship and the conditions of the probationary period, that, prior to any dismissal, they have the right to be informed of the reasons and to receive a reasonable period of notice, and that they have the right of access to effective and impartial dispute resolution and, in the event of unjustified dismissal, the right to appeal, including adequate compensation.

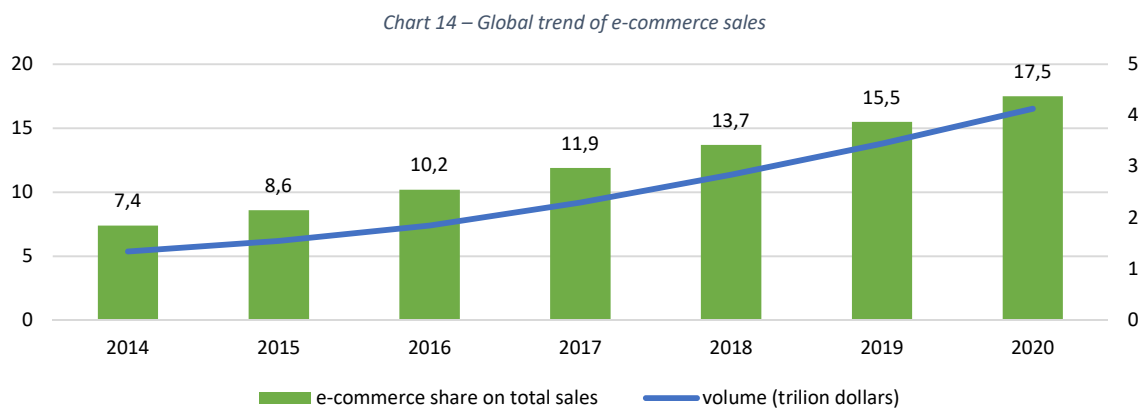
## E-commerce in Europe

### An overview of the extension and expansion of e-commerce

There are several online platforms or online shop windows created in the wake of the expansion of online sales (and commerce). E-commerce is a business model in which commercial activity is conducted either through a digital electronic network or mainly through the Internet. Like platforms, e-commerce models can also be classified into different categories<sup>54</sup>:

- depending on the parties involved in the commercial exchange, therefore B2B (business to business), B2C (business to consumer), C2C (consumer to consumer), B2A (business to administration)
- depending on the exclusivity of the online mode: the so-called pure players, i.e. platforms designed primarily for online sales, and omnichannel players, which combine physical sales points with online platform

In this case as well the measurement of the volume of e-commerce along a time axis does not appear to be a simple operation since, as we have seen, the types and models of business are different. Drawing on a consolidated source on e-commerce (statista.com), we can risk some estimates and growth forecasts. For 2019, the total value of online sales is estimated at \$3.45 trillion (or \$1000 billion), an annual growth of 21%. Globally, the share of online sales is 15% but the figure is partly "drugged" by the China effect that exceeds 23% (on 2019).

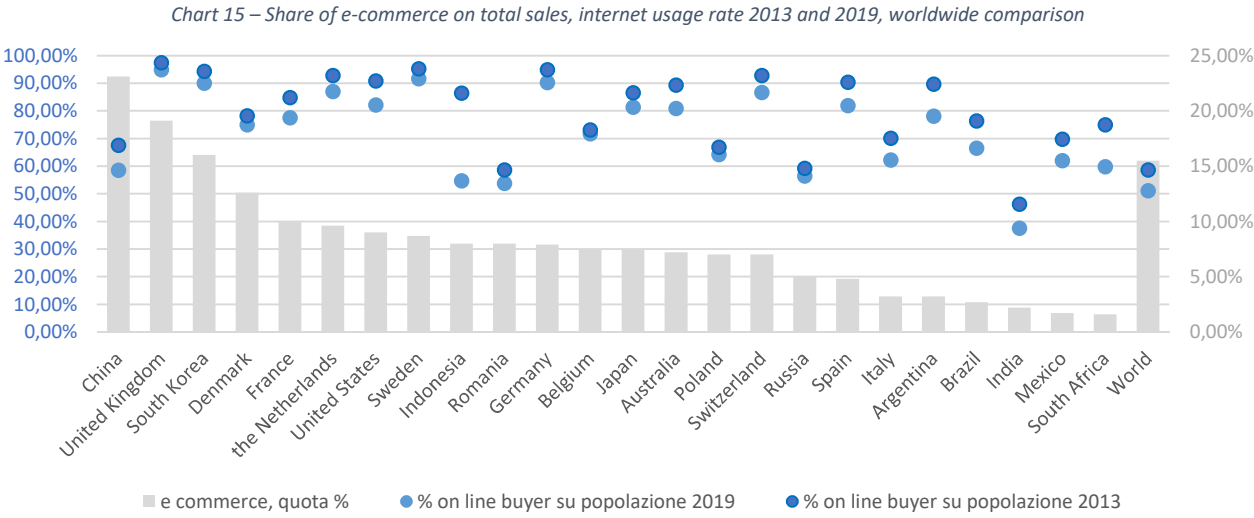


Source: Statista

In a global comparison, it is in fact possible to observe how only 5 countries exceed the 10% threshold of the incidence of e-commerce on total sales, of which 3 in Europe: the United Kingdom (19.1%), Denmark (12.6%) and France (10%). But it is interesting to note that in China the so-called user penetration, that is the share of the population that has made at least one online purchase - is still relatively low (58.4% in 2019) compared to European competitors, thus suggesting a possible further expansion in terms of consumers. Where, on the other hand, the use of the Internet is already widespread, e-commerce expansion strategies will not pass through paths of growth of users but through their persuasion and the

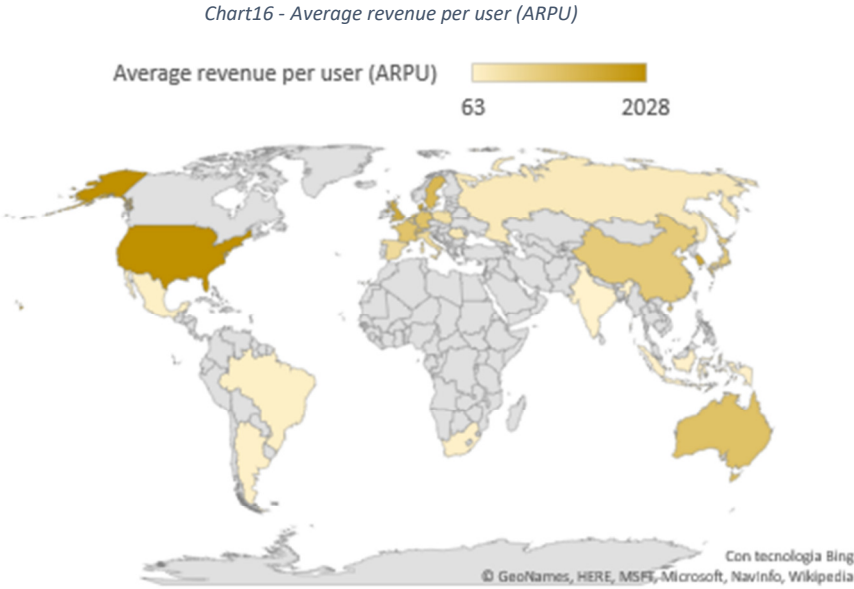
<sup>54</sup> Marcel Spatari, E Commerce: recent trends and impact on labour, Sindex, Working paper for Uni Commerce Global Union, June 2019

reduction of resistance to online purchasing. In Europe, Italy falls among the last positions in a ranking for the share of e-commerce in the total with only 3.1%, compared to an average of 8.9% among the most e-commerce oriented European countries. The online market shows a continuous growth trend with global average rates close to 9% and with particular acceleration in the period 2019-2023 in China (+11%), Indonesia, Romania, Poland, Spain, Italy, Argentina and especially in India (+17%).



Fonte: Statista

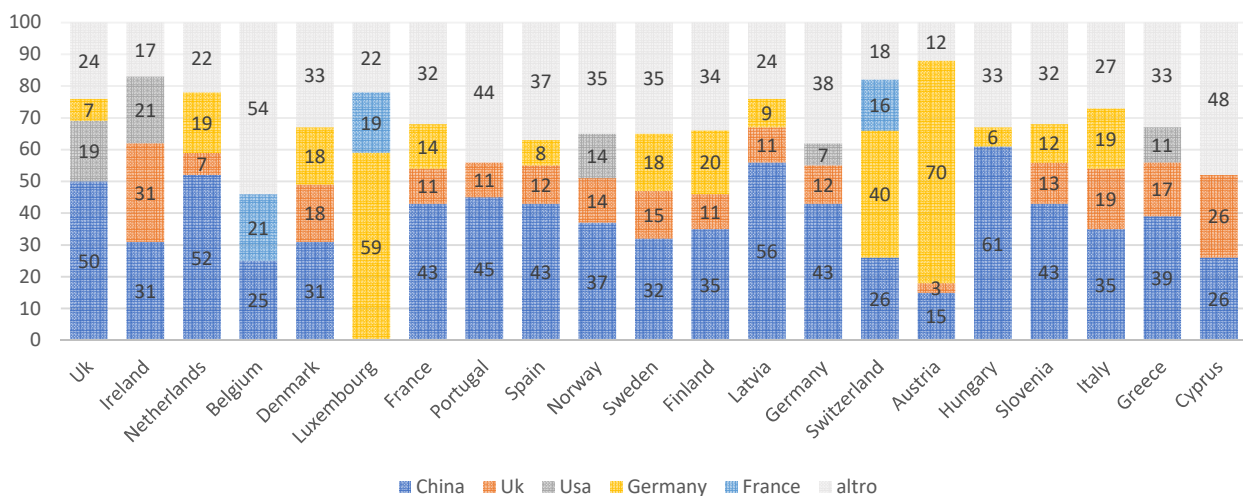
If, on the other hand, the annual share spent on online purchases (ARPU, Average revenue per user) is considered, the ranking also changes significantly according to the different purchasing power, going from \$2,028 in the United States to \$63 in India. In the European Union the average annual expenditure is equal to \$903 but with a lot of internal variability: from \$1,660 in Denmark to \$268 in Romania.



Source: Statista

By its very nature, e-commerce does not respond to national borders and, on the contrary, favours international trade. Studies show<sup>55</sup> that 38% of online packages purchased come from China (2018 data) and that online purchases are mainly made through multinational e-commerce companies such as Amazon (23%), Alibaba (16%), eBay (14%) and Wish (10%). If we focus the analysis on Europe<sup>56</sup>, 74% of online consumers buy from abroad, of which 54.6% from China (in 2017 the percentage was 38.7%), 28.1% from the United Kingdom, 26.6% from the United States and 22.9% from Germany. In about 60% of cases it is the "generally lower price" that pushes the consumer to buy online from abroad. Purchasing from China is always majority except in cases where a proximity market also prevails for online purchasing, as in the case of Luxembourg (where online purchasing from the Netherlands is decisive) and Switzerland and Austria (where online purchasing from Germany prevails).

Chart 17 – Distribution by country of origin for online purchases from abroad 2018



Survey on a sample of 33,589 people who were asked to specify the country of origin of recent transnational online purchases  
Source: International Post Corporation, Cross-border E-commerce shopper Survey 2018, Key findings: January 2019

## E-commerce strategies

E-commerce expansion strategies, however, not only bring new players to the market but also generate drivers of change for the entire world of commerce, whether traditional or digital. All traditional commerce companies have reacted to the competitive pressure imposed by online sales by undertaking low price strategies, preparing digital solutions for purchase or delivery, opening up to platforms of commercial display windows and then opening up to the world of e-commerce. The expansion strategies of e-commerce are therefore distinct in the case of pure players or traditional operators.

### Pure players

For pure players, i.e. where the exchange takes place mainly online, the main expansive strategy is based essentially on aggressive sales growth through low price policies in order to increase market share even at

<sup>55</sup> International Post Corporation, Cross-border E-commerce shopper Survey 2018, Key findings: January 2019 <file:///C:/Users/ddazzi/Downloads/ipc-cross-border-e-commerce-shopper-survey2018.pdf>

<sup>56</sup> Postnord, e-commerce in Europe 2018, [https://www.postnord.com/globalassets/global/english/document/publications/2018/e-commerce-in-europe-2018\\_en\\_low.pdf](https://www.postnord.com/globalassets/global/english/document/publications/2018/e-commerce-in-europe-2018_en_low.pdf)

the cost of financial losses and negative cash flows. Expansionary policies are often accompanied by negative profit dynamics. The corollary of this strategic approach is wage containment, production flexibility, automation and robotization driven by anti-union processes and policies: the Amazon case is emblematic of this strategic paradigm. Although the e-commerce engenders of itself a polarization of the market of the job, that is a process of occupational growth of the profiles to high (analysts, data scientists, computer science engineers) and low professional content (warehouse workers and drivers), the explosion of the supplying ability has seen mainly a growth of those with lower working qualification with negative repercussions on the quality and intensity of job. New warehouses often correspond to labor-intensive organizational models, with unreachable productivity targets, and poor working conditions<sup>57</sup>. Unlike Alibaba, which is proposed as an intermediation platform, Amazon acts as a traditional commercial operator covering the entire supply chain and not only the sales intermediation: from this derives the difference between the operating margin of Amazon (2.9%, 2017) and that of Alibaba (61.6%). Amazon's operating result, a measure of the company's profitability expressed as a % of sales, is equal to 5.3% in 2018, where, however, e-commerce has a partial result of 2.5% and Amazon Web Service, the component with the highest profitability, has an operating result equal to 28.4% of sales, or more than 10 times that recorded for e-commerce. In addition, with regard to e-commerce, there was a negative operating result on the international market (-3.3%) compared to a positive result in North America (5.1%). In other words, against more than 207 billion sales in e-commerce in 2018, profitability indicators continue to show either modest or negative values (for the international part). This trend shows that Amazon's strategy gives priority to an aggressive policy of revenue growth at the expense of net profits<sup>58</sup>.

Table 3 – Amazon profit distribution

	e commerce		Total e commerce	AWS	Total
	North America	International			
Net sales	141.366	65.866	207.232	25.655	232.887
Operating profit	7.267	-2.142	5.125	7.296	12.421
% on sales	5,10%	-3,30%	2,50%	28,40%	5,30%

Source: Syndex processing Bvd data

Although extreme, Amazon's strategic orientation does not appear to be an isolated trait among pure e-commerce players: high sales volumes are offset by low profit margins. The Chinese company JD.com, with sales equal to Amazon for international e-commerce, continues to record net losses in the last 4 years for a total of \$4.5 billion in the period (2014-2018). The same can be said for the Argentine MercadoLibre (with a loss of 37 million dollars in 2018), the Romanian [emag.ro](http://emag.ro) with a net loss of about \$20 million and the Polish [allegro.pl](http://allegro.pl) with a net loss of 32 billion in 2017.

Table 4 - Comparison of balance sheet data between digital and traditional traders

		AMAZON.COM, INC.	JD.COM	RAKUTEN INC	ZALANDO SE	CARREFOUR SA	WALMART INC.
		US	KY	JP	DE	FR	US
EBITDA margin (%)	2018	10,75	0,64	13,27	3,81	3,23	6,35
	2017	8,76	0,93	17,08	5,47	4,54	6,19
	2016	9,05	0,57	19	6,98	4,59	6,76
	2015	7,96	-1,76	37,31	4,17	4,93	6,96

<sup>57</sup> A number of journalistic inquiries have highlighted how at Amazon warehouses in the United Kingdom, ambulances had to intervene more than 600 times between 2015 and 2017, and in the United States, 189 emergency callers originated from Amazon warehouses from 2013 to 2018 for suicide attempts and other mental health incidents.

<sup>58</sup> In this regard, it is not irrelevant to think that the wealth of Jeff Bezos does not come so much from profits as from the share value of the company. <https://www.opencorporation.org/en/ranking/amazon-com-inc/2019>

Turnover (.000)	2018	232.887.000	67.418.616	9.938.465	6.190.560	89.213.865	514.405.000
	2017	177.866.000	55.644.042	8.365.580	5.397.808	96.414.091	500.343.000
	2016	135.987.000	37.428.654	6.694.486	3.853.472	83.035.639	485.873.000
	2015	107.006.000	27.926.819	5.921.619	3.231.697	85.886.449	482.130.000
Employees	2018	647.500	178.927	17.214	15.619	363.862	2.200.000
	2017	566.000	157.831	14.845	15.091	378.923	2.300.000
	2016	341.400	120.622	14.134	11.998	384.151	2.300.000
	2015	230.800	105.963	12.981	9.987	380.920	2.300.000

Source: OpenCorporation processing Orbis BVD data

If we compare profitability indicators (EBIDTA<sup>59</sup>) between *pure players* and traditional commercial operators (in this case Walmart and Carrefour) we note that, with the sole exception of the Japanese company Rakuten, the strong growth in turnover did not translate into an increase in profitability, but rather a contraction of it. In the case of Amazon, as already mentioned, profitability is attributable more to its web service component than to e-commerce.

Other emerging evidence is the divergence in growth of turnover and employees: while for traditional traders there are modest growth rates on turnover (6.7% Wal-Mart and 3.8% Carrefour between 2015-2018) and negative employment (over 4% less between 2015-2018), Amazon shows a turnover grown in 4 years of +117% and employment of +180%, JD.COM of +141% and +69% respectively and Zalando with +91% and +56%. The Japanese pure player shows a trend that is growing but more contained (+67% of turnover and +32% of employees), showing how less aggressive expansions are associated with higher performance profitability paths. The ratio between turnover and number of employees is increasing in all the commercial operators considered (average +30% among digital operators and +10% among traditional operators) with the sole exception of Amazon, where the number of workers is growing at a faster rate than turnover.

### Traditional retailers

The expansion of e-commerce has also led to a reorganization of traditional commercial channels. Among the top 250 commercial operators in the world, only 31, and therefore a small part, had not yet adopted omni-channel solutions, i.e. conjugation of sales in physical and virtual places, by 2015. There's much intertwining between traditional channels and e-commerce solutions and different synergistic bidirectional strategies, i.e. alliances from e-commerce to traditional operators or from traditional operators to e-commerce. An example of the first case is the acquisition by Amazon of the American Whole Foods for a value of 13.7 billion dollars. The merger between the e-commerce giant (Amazon) and the supermarket chain (physical) aims both to expand its market share and to offer Amazon a ground for the diffusion of its line of business of online grocery (B2B) and private label offers. At the same time Amazon has opened a chain of highly automated "convenience stores", Amazon Go, in which all activities (entry, choice, payment) are recorded and digitally processed without any intervention of "human" workers.<sup>60</sup> The push towards increasing automation also seems to be taken on by the German multinational retailer [ALDI](#) (acronym of Albrecht-Discount)<sup>61</sup> which has opened in the Chinese market<sup>62</sup> its first two markets in Shanghai with a

<sup>59</sup> Earnings Before Interest Taxes Depreciation and Amortization. EBIDTA margin indicates the ratio of % to turnover

<sup>60</sup> According to Bloomberg estimates in 2018, more than 3 thousand Amazon Go will be opened in the United States by 2021

<sup>61</sup> Multinational company based in Essen (Aldi Nord) and Mülheim an der Ruhr (Aldi Süd), founded in 1946 by the Albrecht brothers, with a total turnover of about 67 billion euros in 2015 for a total of 40,100 employees in Germany, 124,000 worldwide (Aldi Süd - 2016) 58,179 (Aldi Nord - 2015)(2016)

<sup>62</sup> [https://www.retaildetail.be/fr/news/food/longues-files-d%E2%80%99attente-lors-de-l%E2%80%99ouverture-des-premiers-magasins-chinois-d%E2%80%99aldi?fbclid=IwAR0DyQDaSPfLu8yl\\_EJvdRXJ7bk1J2xvm0Vt0tE-luZvsczfF2QKUGUaDEU](https://www.retaildetail.be/fr/news/food/longues-files-d%E2%80%99attente-lors-de-l%E2%80%99ouverture-des-premiers-magasins-chinois-d%E2%80%99aldi?fbclid=IwAR0DyQDaSPfLu8yl_EJvdRXJ7bk1J2xvm0Vt0tE-luZvsczfF2QKUGUaDEU)

SCAN&GO system (without checkouts, the customer scans the barcode and pay with WeChat) and offers a delivery service.

Examples of the second case, i.e. of omni-channel strategies of traditional operators, are very diverse. In particular, Wal-Mart, after the acquisition of pure e-commerce players such as Jet.com, ShoeBuy, Moosejaw, ModCloth and Bonobos, is now investing in the online grocery store (<https://grocery.walmart.com/>). Wal-Mart's strategic focus on e-commerce is also visible in its alliances with major global e-commerce players in fast-growing consumer markets: in 2016, it acquired 10% of the shares of the Chinese e-commerce giant JD.com and in 2017, it completed the purchase of the majority stake in the Indian e-commerce leader FlipKart. Similarly, Auchan has formed an alliance with the Chinese Alibaba in the food sector in order to explore the potential of the Chinese market through the enhancement of Sun Art Retail Group, of which Auchan is already a major shareholder. The other French retail leader, Carrefour, continues its expansion into e-commerce through the acquisition of the French retail leader in online sales of Rue du Commerce and Greenweez (European e-commerce for eco-friendly and organic products), the development of innovative delivery services that allow home delivery within one hour and the strengthening of the network of the Carrefour Drive system to 569 sites throughout France.

In general, the Drive Supermarket system (online shopping, digital purchase and collection within a set time from supermarkets or distribution centres) has found a field of strong experimentation and expansion in France. According to some surveys<sup>63</sup> it is estimated that in 2015 in France about 205 Drive Supermarkets were created with a total turnover of 5 billion euros of which 45% represented by the E.Leclerc group alone.

The solutions for approaching e-commerce do not therefore appear to be unequivocal. There are many ways to go about it. However, a comparative analysis of the behaviour of 22 traditional retailers allows us to trace some evidence:

- with the sole exception of the Casino Guichard Perrachon Sa group (France) for which the company of the Cdiscount group dedicated to e-commerce accounts for 18% of sales and Koninklijke Ahold Delhaize NV (Netherlands) sales through the bol.com platform account for 10%, the omni-channel and e-commerce solutions usually do not exceed 5% of the value of total sales. However, it is interesting to note that the two exceptions (Cdiscount and bol.com) were initially developed as well as players and subsequently acquired;
- for some companies, the development of e-commerce solutions has led to modest profit margins or even net losses due to software and organisational investments not offset by an increase in sales volumes, as in the case of the Japanese Seven & I Holdings Co Ltd, which recorded a loss of \$219.5 million;
- the main path towards e-commerce, as we have seen, is the creation of alliances or partnerships with so-called pure players. In this scenario, in addition to the cases already reported, the case of Distribuidora Internacional de Alimentacion SA (DIA SA) is of interest, having reached an agreement with Amazon according to which Amazon Prime users can order and purchase DIA SA products online with favourable delivery times. At the same time, DIA SA has opened a Digital Transformation School for the training of its employees, offering a response, the training, to one of the most important challenges of digitization: rapid obsolescence of skills.;
- e-commerce policies do not always go hand in hand with low price policies: in the case of Etablissement Franz Colryut, studies show that products ordered online (collect@go) cost more than shelf products.

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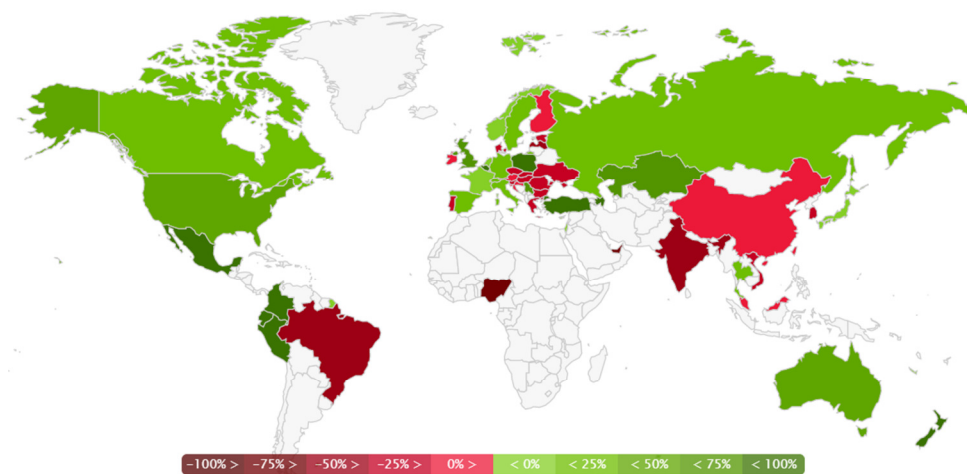
<sup>63</sup> <https://www.interroll.com/it/blog/automated-drive-supermarkets-in-france/>



## E-commerce and Covid-19

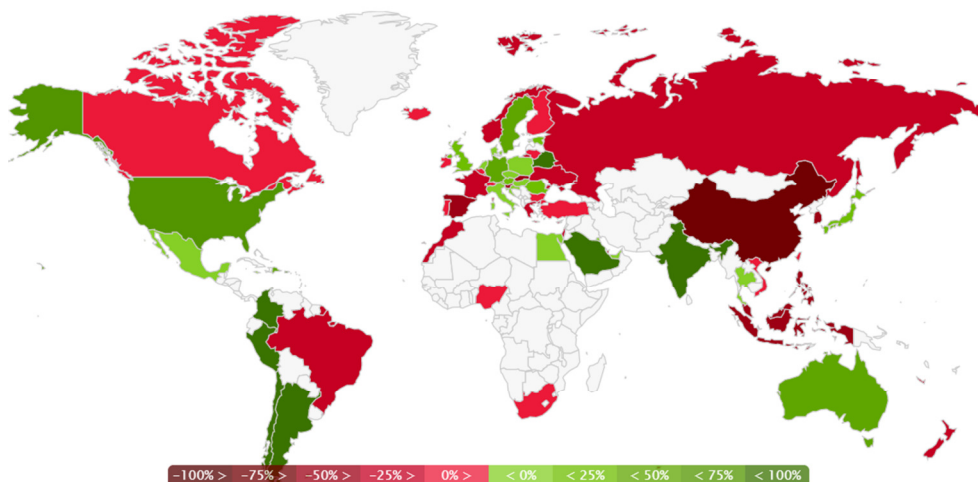
Measures of physical distancing and manufacturing lockdown have inevitably impacted the volume of online purchases, prompting many people to access online commerce for the first time. There are several sources that could be tapped into. In this regard, it is worth mentioning the daily monitoring platform of online transactions Covid-19 Commerce insight produced by Emarsys in collaboration with GoodData built on the observation of over 1 billion online transactions, 400 million orders in more than 100 countries worldwide. The interactive and dynamic maps allow to monitor the trend changes by type of operator (pure e-commerce players or online activities of traditional retailers), by product area and by analysis variable (number of orders, turnover, and average turnover per order).

Picture 20 - Trend (compared with the same period of the previous year) of the last 7 days of retailers' e-commerce (online activity) – revenue



Source: Emarsys and Good Data <https://ccinsight.org/about/>

Figure 21 Trend (compared to the same period of the previous year) of the last 7 days of e commerce pure players – revenue



Source: Emarsys and Good Data <https://ccinsight.org/about/>

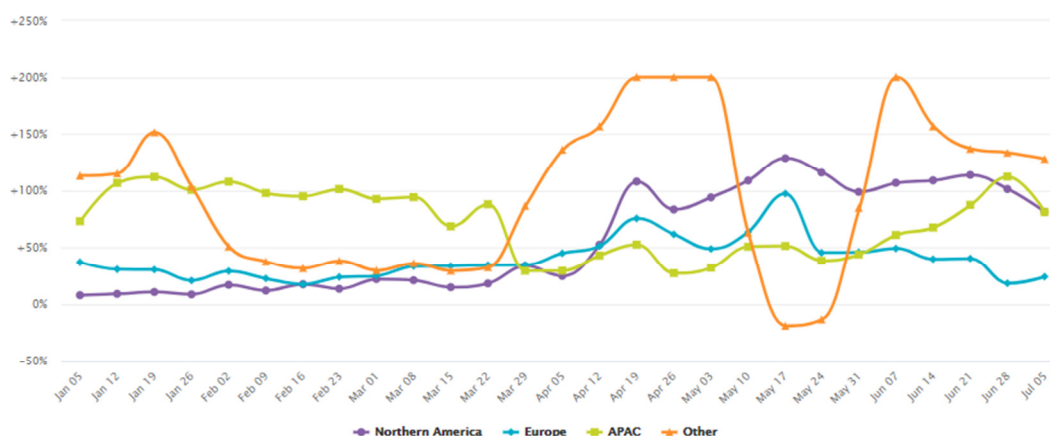
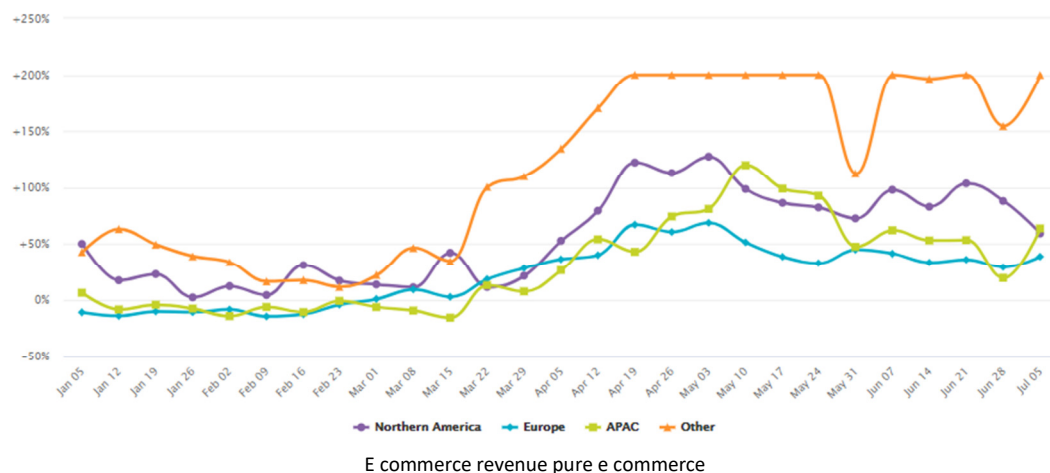
A first conjunctural analysis, i.e. relating to the last 7 days (data downloaded on July 7, 2020), clearly shows some general trends:



- expansion and contraction of e-commerce, in terms of economic value, follow different trajectories at global level according to the degree and spread of contagion (it should be noted that at the time of data extraction India and Brazil are the centers of greatest contagion together with the United States);
- the performance of pure players, in terms of economic value, is more concentrated at a geographical level and during the reference week shows a negative trend in most of the areas considered.

Expanding the time frame of reference and comparing January to July 2020 by geographical area, a more complete picture can be reconstructed than a snapshot of the economic situation would allow. Leaving aside the item "other", which includes very heterogeneous geographical areas, it is possible to observe how the trend in the ecommerce activities of traditional retailers (in terms of economic value, revenue) moves along the zero axis, and therefore with minimal or negative variations, for the Asia-Pacific area and for Europe, to then mark a jump at the end of March. The jump recorded in the Asia-Pacific area, however, should not be traced to the Chinese market, which continues to mark (in terms of economic value) a negative trend since March 2020. In the same period, the trend in North America also shows a leap of the same magnitude but coming from a start of the year that tends to be more performing. It should be noted, however, that Europe, in terms of dynamics, always shows a trajectory below that recorded for Asia and North America.

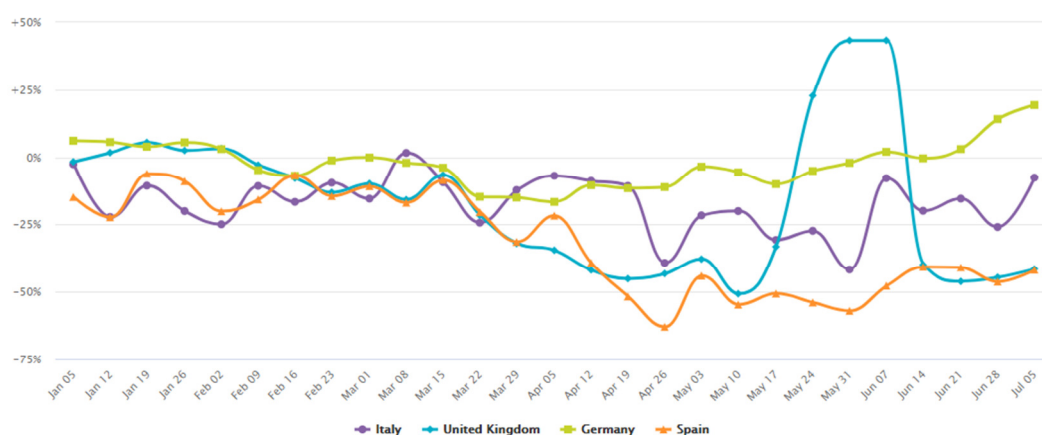
Picture 22 - Growth trend of e-commerce by type of operator and by geographical area, Jan-Jul 2020  
E commerce revenue on line activity retailers



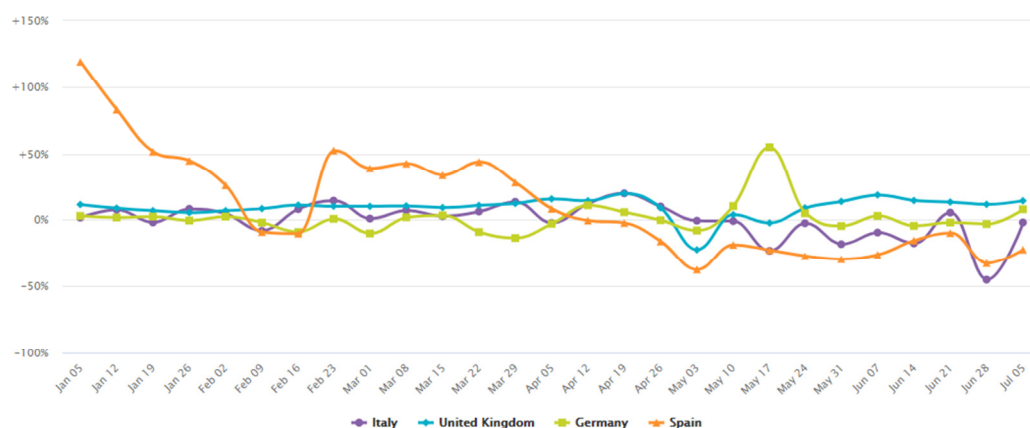
Source: Emarsys and Good Data <https://ccinsight.org/about/>

In contrast, in the case of pure players, evidently also in relation to the course of the Covid-19 contagion, the curves show higher changes in the first phase of the year, and then follow diverging trajectories. While the United States confirmed its position as the driving force behind e-commerce through pure players, settling steadily at over 100% variation since the end of March, and Europe accelerated (again in terms of economic value) between March and June, only to then show signs of a downturn, the Asia-Pacific region followed the opposite path. After the very high performance at the beginning of the year, during the period of maximum diffusion of the Chinese lockdown, in the Asia-Pacific region there was a significant deceleration towards the end of March before recovering towards the end of June. In this case the deceleration is largely explained by the Chinese market, which has been trending downwards since April, highlighting how the Asian e-commerce market is mainly dominated by the pure Chinese player (Alibaba).

Picture 23 - Trend in average value per online order for Spain, Italy, Germany and the UK in 2020  
Retailers (online activity)



Pure players



Source: Emarsys and Good Data <https://ccinsight.org/about/>

The economic value data, however, does not show an underlying element. The volume of orders has grown much faster than the overall economic volume producing a decrease in the average economic value per order: people order more frequently online but purchases are economically more limited. This trend can be clearly seen in a comparison between important European markets: Italy, Spain, Germany and the UK. Since March there has been an increase in negative trends, especially for traditional retailers, with peaks in Spain and troughs in Germany. Average values per order through pure players have also been falling since March, especially in the Spanish market, where the overall economic value of ecommerce has also fallen into negative territory since the end of May. In general, if Germany seems to show a better performance when

the two different types of operators are considered together, the United Kingdom shows a continual upward trend among pure players, while Italy, which shows the best relative performance in terms of overall economic volume of e-commerce between March and April (the lock-down period), shows negative changes in the average value per order since March, for pure players, and since January, for traditional retailers.

In general, there has been a strong increase in online purchases of food products (groceries), precisely because of lockdown and social distancing measures. For example, in China<sup>64</sup>, sales of fresh-food products through JD.com rose by 215% in 10 days in February, also due to a radical transformation in consumer behaviour, often highlighting phenomena of "panic buying" and "bulk shopping", i.e. purchases of large volumes in a short period of time for fear of running out of stock. Some products have seen their purchases increase by as much as 90% since the start of the crisis, and these include fresh food, household chemicals, hygiene and personal health products. At the same time, measures to curb physical contact have also driven a higher uptake of contactless payments: for example, in South Korea, card and mobile payments increased by 30% between January and February 2020. It should be noted, however, that some online sellers, taking advantage of the panic situation, have proposed on e-commerce platforms, such as Amazon, personal protective equipment (such as masks and hand sanitizers) at a price 2000% higher than the ordinary one. In this regard, it should be noted that Amazon has reacted by removing over 1 million ads from its e-commerce platform as not respecting the sales policies, and that in Italy legal action has been taken to investigate the exaggeratedly high sales prices of health devices, and that in France over 8 thousand people have reported fraudulent practices to the authorities through a special platform. The same e-commerce platforms in the United States, moreover, have taken action against sellers who have disproportionately raised the prices of products and promised miracle drugs against Covid-19.

The dynamics of e-commerce, inevitably produce repercussions on the chain of suppliers mainly concentrated in China and in countries severely affected by the pandemic. As highlighted by the study produced by the European Parliament, the closure of transnational transports, changes in consumption, lockdown and production closure policies, delays and missed shipments due to Covid-19 of the large logistics players (UPS and Fedex) and the same trade "war" between USA and China could lead large distributors and manufacturers to expand their supply chains outside China.

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<sup>64</sup> European Parliament Research Service (2020), *The rise of e-commerce and the cashless society* [https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/649341/EPRS\\_BRI\(2020\)649341\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/649341/EPRS_BRI(2020)649341_EN.pdf)

## A gallery of platforms: trends

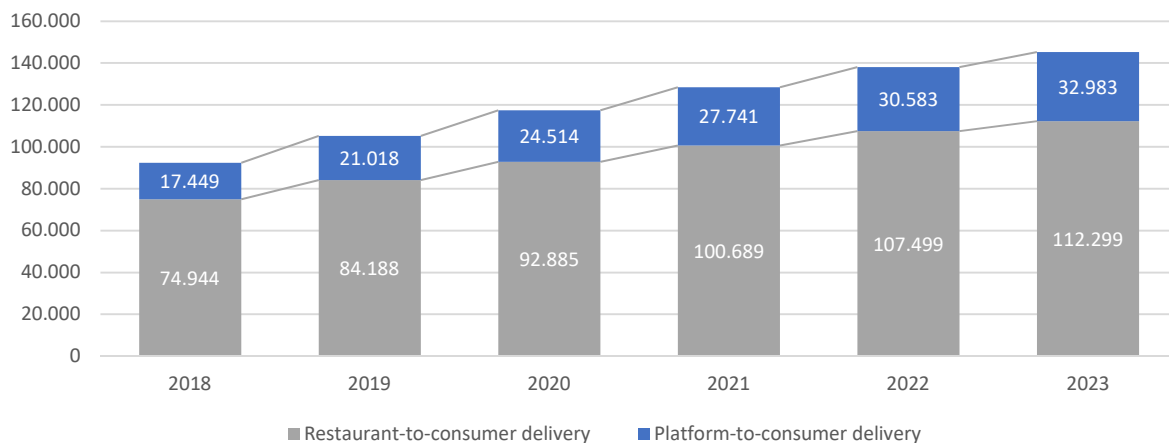
### Food delivery

Online food-delivery services can be divided in two groups:

- *Restaurant-to-Consumer delivery*, where meals ordered online are delivered directly from the restaurant, whether it is a platform order (e.g. Just Eat, Delivery Hero) or from the restaurant website itself (e.g. Domino's) and all online orders collected from the restaurant;
- *Platform-to-Consumer Delivery*, where the online order and delivery are made through a platform (e.g., Deliveroo).

Based on estimates by Statista.com<sup>65</sup> in 2018, the volume of online food-delivery amounted to approximately \$92 billion, of which approximately \$17.5 billion related to online distribution through platforms (approximately 18.8% of the total volume). The sector is expected to grow strongly in the coming years (+57% between 2018-2023) with an acceleration in online distribution via platform (+89% between 2018-2023) compared to online distribution via restaurants (+50%). By 2023, the weight of platform distribution is estimated to grow by about 4 percentage points to 22.7% of the total annual value of online food-delivery. Delivery via restaurant, regardless of how the order is collected, is the main method, but all this leaves exponential margins for growth in the world of platforms. Scenarios of progressive migration towards online distribution via platform are not unrealistic.

Chart 18 – Overall value of online food delivery (millions of euros)



- Data refer only to observer countries included in the outlook
- Source: Ires Emilia-Romagna elaborations on Statista Digital Market Outlook 2018 data

Based on a study by the McKinsey Institute in 2016<sup>66</sup> it is confirmed that traditional methods of delivery continue to be predominant, about 90% overall, of which about ¾ still by telephone at a global level. Digitalisation processes, however, are transforming the market in terms of both demand (consumption) and supply (delivery). On the supply side, two types of platforms have imposed themselves on the market:

<sup>65</sup> Statista, eServices Report 2018 – Online Food delivery, September 2018  
[https://statistacloudfront.s3.amazonaws.com/download/pdf/OnlineFoodDelivery\\_Preview.pdf](https://statistacloudfront.s3.amazonaws.com/download/pdf/OnlineFoodDelivery_Preview.pdf)

<sup>66</sup> The McKinsey Institute, The changing market for food delivery, 2016

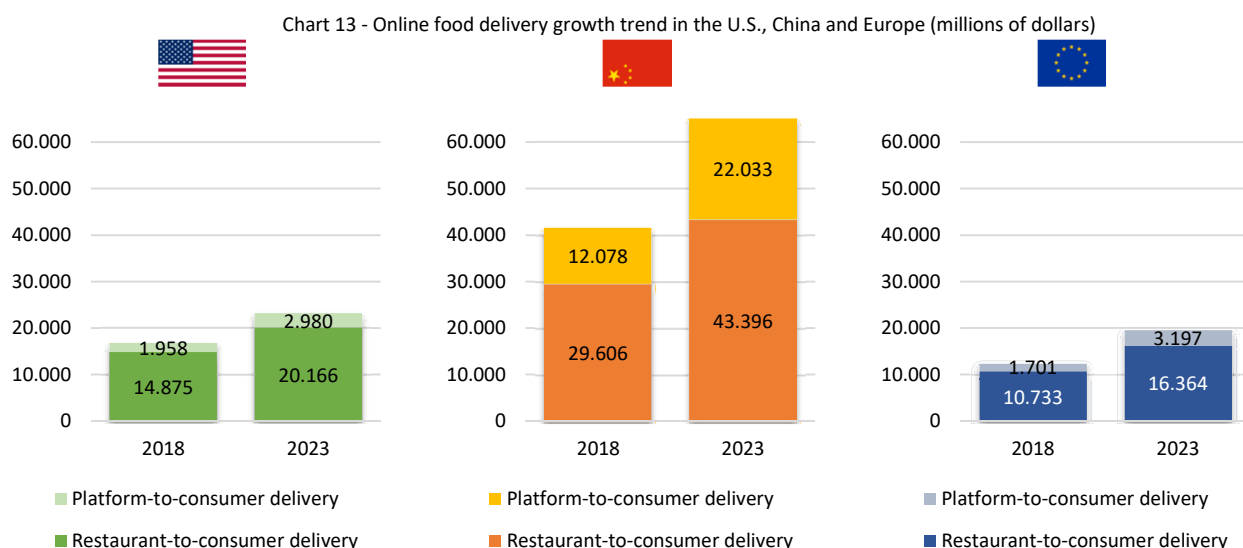
the "aggregating" platforms, created about 20 years ago as an intermediary between the consumer and the restaurant, and the so-called "new delivery" platforms which, in addition to intermediation, also provide the logistics network for delivery to restaurants that do not have them.

The "aggregating" platforms are based on a traditional delivery model offering access to a plurality of restaurants through a single online portal. The platform keeps a fixed margin on the order and the restaurant takes care of the delivery without an additional cost for the consumer. This business model guarantees very high profit margins (with an EBITDA of 40-50% of turnover).

New delivery players open up to a new segment of the home delivery market by incorporating a downstream part of the supply chain. These platforms receive a double contribution, from restaurants and consumers and despite operating costs maintain a high profitability (EBITDA equal to 30% of turnover).

The McKinsey Institute study hypothesizes how the development of new online delivery, as an expression of a strategy aimed at incorporating growing pieces of the catering supply chain, produces a significant acceleration in the online mode of food-delivery: if in 2016 online has exceeded the threshold of 30% of the total food delivery, in 2020 the threshold of 50% should be exceeded, progressively increasing to 65%, following a growth trend approximating to that recorded in the online booking of air flights.

In a global comparison, China is the driving force behind the market both in terms of online delivery methods with a current value of 41 billion and growth at an average annual rate of 9.4% to exceed 65 billion dollars in value in 2023. In China's growth, the weight of online platform deliveries is estimated to grow by more than 1 percentage point, rising from 11.6% to 12.9% of the total value of online food delivery. China alone represents 70% of the value of platform-to-consumer delivery by 2018, the United States 11.2% and Europe 9.7%. In terms of growth trend, Europe has the highest average rate of 9.5% between 2008 and 2023, with a significant acceleration (+88% overall growth between 2008 and 2023).

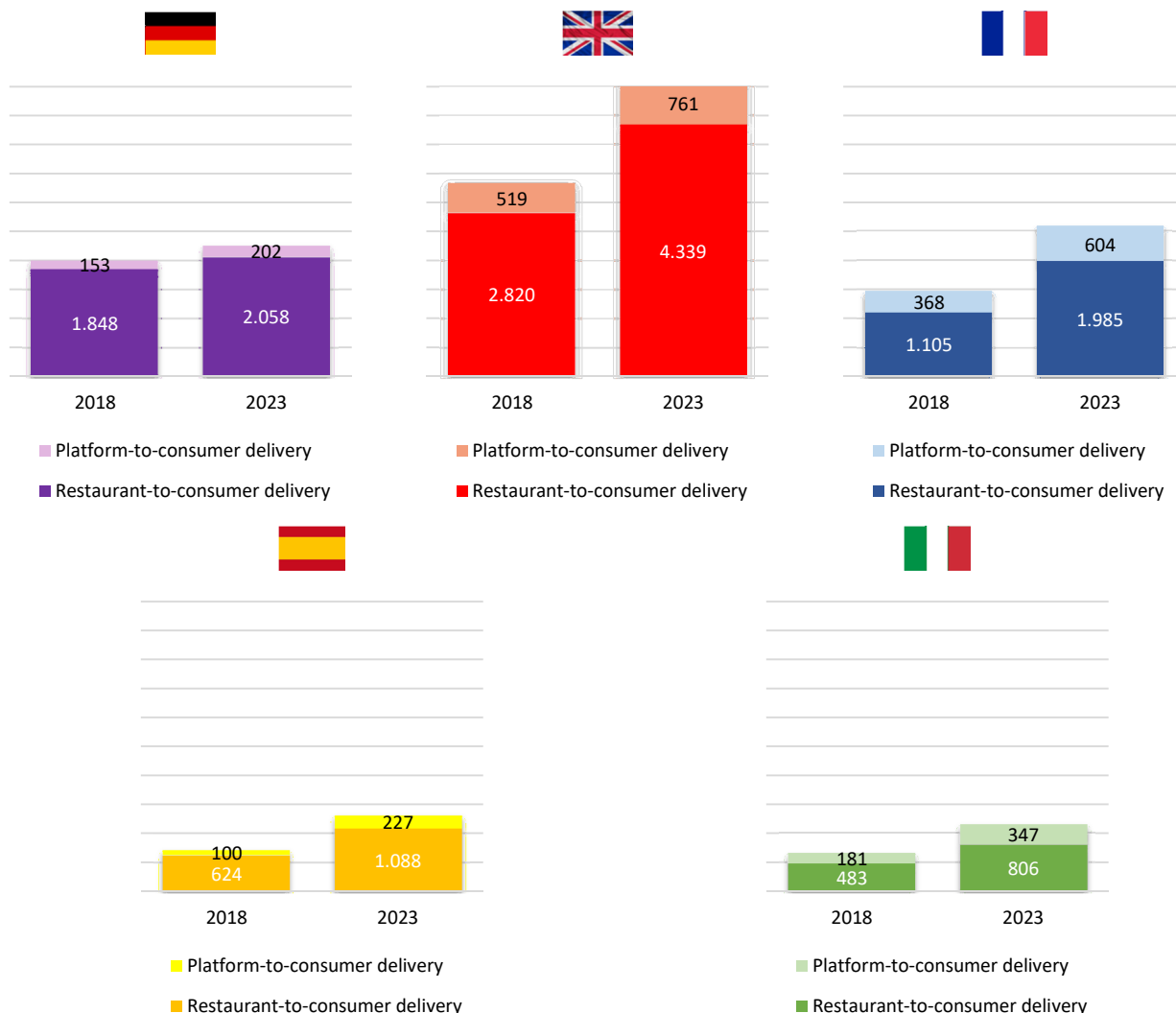


Source: Ires Emilia-Romagna processing of Statista Digital Market Outlook 2018 data

In Europe, the market segment is led by the United Kingdom, which alone represents about 26% (2018) of online food-delivery in Europe, followed by Germany (with 16.1%) and France (11.8%). The United Kingdom also represents 30% of the online market via platform, followed by France (21.6%) and Italy (10.6%). In this ranking it is interesting to note that Italy has a share of online deliveries via platform (27% in 2018) of the total online food-delivery market comparable to the Chinese one (29%) and misaligned with the European

average (13.7%). In terms of dynamics, Spain is the market in which the fastest growth of online deliveries via platform is estimated (+127% in the period 2018-2023) compared to an important but more contained European average (87.9%) and with different speeds: in the United Kingdom growth is estimated at +46%, in Germany at +32%, in Italy at +91.7% and in France (+64.1%).

Chart 19 – On line food delivery growth trends in main European countries (millions of dollars)

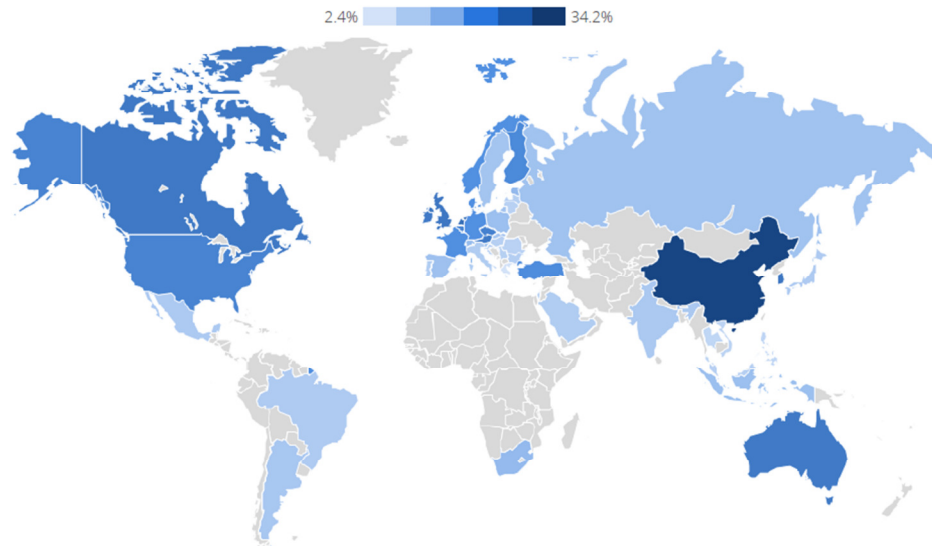


Source: Ires Emilia-Romagna processing of Statista Digital Market Outlook 2018 data

Overall data shows that online food delivery via platform is not yet a mature market, accounting for about 19% of the total value of online food-delivery worldwide. However, there are significant territorial asymmetries (if we only think of the weight of *platform-to-consumer* delivery in China and Italy), partly explained by a different rate of penetration of the online market (rate of active online customers on the total population), partly by rapidly changing consumption patterns and partly by aggressive policies of expansion of the platforms themselves. Because of the higher operating costs, compared to the *restaurant-to-consumer* delivery mode, the growth strategies of the platforms are focused, in fact, on an extension of the delivery coverage and an entry in the large urban agglomerations. The studies show that the main strategic guidelines are focused on the development of user profiling, data collection and their integration

in an IoT (Internet of Things) environment to enhance the potential (voice-ordering) and on a more automated and robotized delivery thanks to digital technologies<sup>67</sup>.

Chart 20 – The online food-delivery penetration rate in 2018 by country



Source Statista Digital Market Outlook 2018

## Food delivery platforms and business models

The business models of the food on demand market, as already mentioned, have a disruptive impact on the traditional market and proceed by incorporating pieces of the supply chain into an incremental logic. In theory, three different phases of the food on demand chain can be identified:

- Ordering, or customer orders collected via app, portal or telephone
- Cooking, or the preparation of food according to the orders received
- Delivering, the delivery of food at home
- 

EXAMPLES	ORDERING	COOKING	DELIVERY
Just Eat, Grub Hub, FoodPanda, Delivery Hero	Managed directly by the platform	In collaboration with restaurants	Restaurants have their own delivery channels or entrust to third parties
Munchery, SpoonRocket, Sprig, Maple	Managed directly by the platform	Managed directly by the platform	Managed directly by the platform
Postmates, Doordash, Caviar, Deliveroo	Managed directly by the platform	In collaboration with restaurants	Managed directly by the platform
RocketFood, ExtraPlate	Managed directly by the platform	In collaboration with Home Chefs (crowdsource)	Managed directly by the platform

<sup>67</sup> In the United States, many companies in the sector are experimenting with delivery via driverless vehicles. Domino's, the world's leading pizza delivery company, has developed a self-driving robot and delivery via drone, as well as Ele.me (Alibaba) in some areas of China.



Different business models incorporate different stages of the supply chain:

- The model focused on the management of orders mainly recalls to the so-called "aggregating" platforms such as JustEat, Grubhub, Delivery Hero where the preparation of the food and its delivery remains in the hands of the restaurant directly or indirectly. In this model, the factors of quality and competition depend very much on the relationship with the network of restaurants;
- The business model that integrates the management of orders and delivery and refers to the so-called new delivery players. Unlike the simple management of orders, this business model implies higher management costs but can enjoy greater barriers to entry for any competitors and can act on the price. The preparation of food is entrusted to a network of restaurants or, as in some cases, to a network of cooks hired through *crowdsourcing*;
- The full cycle model, where the platform manages not only orders and delivery but also the cooking phase: delivery can be instantaneous or immediate depending on the customer's needs. Obviously, the configuration of the supply chain imposes higher management costs but also the possibility of reducing transaction costs in the various steps.

The integrated cycle model has been tried by some platforms and in particular Munchery, SpoonRocket, Sprig, Maple. The model, probably, is the most fragile from a financial point of view. Munchery, a chef's platform set up in 2010 in San Francisco, was closed for bankruptcy in March 2019 after firing 30% of its employees (about 672 registered in 2018)<sup>68</sup>. Similar fate for the Brazilian SpoonRocket (bankrupt in 2016), the American Sprig (bankrupt in 2017, leaving more than 200 workers at home) and the New Yorker Maple (closed in 2017), which was unable to withstand the competition and was acquired by the multinational Deliveroo.

Even for the other business models the competition is always very high, so much as to kick out of the market Amazon Restaurant, meaning the food part of the giant of e-commerce Amazon, in June 2019. Opened in 2015, Amazon Restaurant has not been able to impose itself on the food-delivery market on the global market due to competition from the main world players Grubhub, Uber Eats, DoorDash and Deliveroo. After the closure of the London delivery business in November 2018, Amazon Restaurant is forced to close also the American office in 2019.<sup>69</sup>

The online food-delivery market sees an oligopoly of major world players:

- **Delivery Hero** was founded in 2011 in Berlin (Germany) and has become the world leader in online food ordering platforms. Today the platform operates in more than 40 countries in Europe, Asia, Latin America and the Middle East with more than 250,000 catering centres as partners processing more than 369 million orders in 2018. The strong push towards internationalization has developed mainly through acquisitions and mergers of the various national and transnational competitors with an aggressive strategy of expanding its coverage and adopting a multi-brand approach (approximately it moves on the market with 30 different global brands). Since its merger, under the impetus of its founders, the platform has entered the market in Australia and the United Kingdom and then expanded into Germany, Sweden, Finland, Austria and Poland and landed in

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<sup>68</sup> It is interesting to note, however, that in the face of bankruptcy the CEO of the startup wanted to reward himself with 250 thousand euros as a "success fee" for the sale of mobile assets and real estate of the company. <https://sf.eater.com/2019/5/9/18563459/munchery-sells-south-sf-headquarters-ceo-payment>

<sup>69</sup> It is interesting to note that the exit of Amazon Restaurant from the market was welcomed by a 5% increase in the share value of Grubhub. <https://markets.businessinsider.com/news/stocks/amazon-exits-restaurant-delivery-grubhub-stock-pops-2019-6-1028269857>

2012 in South Korea and China through YoGiYo and Amifan and increased investment in TastyKhana. In 2014 Deliver Hero enters Latin America acquiring control of PedidosYa and strengthens its position in Germany (with the acquisition of pizza.de and Foodora, in 2015, from the Rocket Internet incubator), South Korea (with the acquisition of Baedaltong) and Turkey (with the acquisition of Yemeksepeti for €530 million). In 2016, for a value of approximately 3 billion euros, Delivery Hero acquires Foodpanda and sells the English Hungryhouse to Just Eat. The rapid rise resulted in the listing on the Frankfurt Stock Exchange on 30 June 2017 with a value of more than one billion euros. During 2018, Takeaway.com, the Dutch platform that entered the stock exchange in 2016, acquired the German Delivery Hero business to stop its expansion in the German market for a value of one billion euros<sup>70</sup>. Before the listing on the Stock Exchange, the equity investments of the group have changed significantly seeing the participation of the Rocket internet incubator from a peak of 39% to a threshold well below 10% in 2019, while the shareholding of Naspers, South African giant of e-commerce with a threshold of shares with voting rights equal to 22%, and therefore majority shareholder of Delivery Hero, has risen. At the end of 2017, Delivery Hero became the majority shareholder of the largest food-delivery platform in Latin America (Rappi), it also invested in the Spanish Glovo platform and in 2019 it also acquired Zomato, a restaurant search service founded in 2018 and active globally;

- **Glovo**, a Spanish platform founded in Barcelona in 2015 and rapidly developing globally: by 2019 it was already operational in 20 countries, penetrating all continental markets. Food-delivery remains the core-business of the platform and the central business model, but services are also extended in a multi-product logic (detergents, clothes, letters, pharmaceuticals) and integrated business models are tested (cloudkitchen) with catering and cooking spaces for restaurateurs and chefs who want to expand their customer base. The opening to e-commerce involves the development of dark stores, or warehouses closed to the public, whose products can be ordered through the platform app. It is interesting to note that the statements of the company do not exclude the entry of private label products, which would ensure higher margins<sup>71</sup>, thus seeing the platforms also enter the food chain directly as producers. It is interesting to observe how, on an experimental basis, in Italy collaborations are being opened with actors of the large-scale retail trade for home delivery. In 2018, Glovo started the acquisition of Foodora, the delivery company of the German holding company Delivery Hero, to establish itself in the Italian market in which it had already entered with the acquisition of the Foodinho platform (the founder of which became CEO of Glovo Italia in 2018), thus pursuing an expansive strategy for aggregation.
- **Uber Eats**, the food delivery platform of UBER Technology (2009), created in 2015 after UberFRESH's experimental entry into the online delivery market in California. The platform, independent from the platform of the parent company Uber, enters in 2016 in London and in 2018 the same company announces plans to triple the workforce in the European market. The growth of Uber Eats is difficult to track as the food-delivery business is not always separable from the parent company's balance sheet. In preparation for the listing of Uber on the Wall Street for a value of over 100 billion, the document prepared for the IPO (Initial Public Offering) includes some separate information for food-delivery: 15 million meals delivered, a network of 220,000 restaurants and

<sup>70</sup> <https://www.ilsole24ore.com/art/la-borsa-sceglie-takeaway-olandesi-triplicano-prezzo-dall-ipo-ABhMgkrB>

<sup>71</sup> <https://www.ilsole24ore.com/art/gig-economy-glovo-non-solo-pizze-ma-anche-detersivi-e-lettere-domicilio---ABCvsLIB>

present in over 500 cities internationally expected to rise to 700, according to the company's plans for expansion. The food delivery service reached in 2018 a Gross Booking (i.e. revenues from races and deliveries) of 7.9 billion dollars and represents one of the main growth vehicles of the Uber Group since 50% of new accesses arrive at the Uber platform through UberEats. As an expansive strategy, Uber Eats announced its intention to open "virtual restaurants" in the UK (cloud restaurants); Uber is searching for ways to strengthen its food delivery service, Uber Eats. In large part, the food delivery market has benefited from the Covid-19 pandemic. Uber's latest quarterly report revealed how its passenger transportation business is slowing down while its food delivery service is, instead, growing. Gross reservation revenue for the rides segment fell 80% in April compared to a year earlier. In contrast, gross reservation revenue in Uber Eats increased by more than 50% to \$4.68 billion. The first attempt, then failed, to acquire Grubhub and then the offer to Postmates<sup>72</sup>, the fourth largest food delivery service in the United States by market share, for a total value of 2.6 billion dollars, should be seen in this context;

- **Deliveroo** (or Roofoods Ltd), the online food-delivery platform founded in London in 2013 by American founders (Will Shu and Greg Orlowski) and active in over 200 cities worldwide through partnerships with large restaurant chains or manufacturers (such as the 2016 agreement with Heineken International for the exclusive delivery of their products). In 2017 Deliveroo was one of the first to open up to the so-called dark kitchens (the project is called Deliveroo Editions), i.e. kitchens without restaurants, where food is produced exclusively for online orders: through the analysis of customer data, the platform is able to analyze the order market and establish the optimal distribution of dark kitchens in the territory. To date, the project has landed in the United States, France, the United Kingdom, Singapore, Hong Kong and Australia. In London alone, there are more than 12 Deliveroo Editions, often obtained from prefabricated buildings and warehouses. In Italy it is active in Milan, Turin and Rome. Also in 2017, Deliveroo entered into a collaboration agreement with TripAdvisor following the example of what was concluded with the American platform Grubhub: a process of integration between restaurant research and the ordering service. In May 2019, Amazon, world leader in e-commerce, consolidated its position in the capital of Deliveroo with an investment of 575 million dollars, bringing the total capital invested from 2013 to 1.3 billion;
- **DoorDash**, a platform created in 2013 in San Francisco with predominantly American coverage, recorded rapid growth in 2019. Its market share in the United States is growing very rapidly (from about 15% to almost 30% from March 2018 to February 2019)<sup>73</sup> eroding important positions at GrubHub and becoming the American market leader. After the last capital increase in 2018, the value of the platform is estimated to be \$1.4 billion. During 2018, DoorDash entered into a partnership with Walmart, a global retail giant, proposing itself as a player also in the distribution of food products from the retail sector;
- **GrubHub**, born in 2013 from the merger with Seamless (founded in 1999) and Grubhub (founded in 2004), the new online and mobile food ordering and delivery platform registers 19.9 million users, 115 thousand associates in 2200 cities in the United States. The growth strategy has been developed along a happy expansion by acquisition or merger of local delivery platforms (Delivered

<sup>72</sup> <https://www.bloomberg.com/news/articles/2020-06-30/uber-offers-to-buy-delivery-service-postmates-nyt-reports>

<sup>73</sup> <https://fortune.com/2019/03/11/doordash-tops-grubhub-on-demand-food/>

Dish in 2015, LAbite in 2016, Eat24 in 2017, LevelUP and the Israeli Tapingo in 2018). In 2014, after the merger, it will be listed on the New York Stock Exchange. In 2017, it entered into a distribution agreement with TripAdvisor<sup>74</sup>, so that consumers can also place orders directly from the page of a restaurant on the review portal. In March 2018, however, he bought Uber in Southeast Asia, incorporating Uber Eats.<sup>75</sup> Currently, GrabHub services in the United States, including the GrabHub app, Seamless, Eat24, MenuPages, Allmenus and DiningIn, account for about half of total food delivery;

- **Just Eat**, founded in 2000 in Denmark and then moved to the UK in 2005, currently has around 21.5 million customers and over 82,300 takeaway restaurants. The platform with a clear internalisation orientation expands first in the Netherlands (2007) and then in Ireland (2008) and since 2011 has been developing strategic partnerships for global market positioning ([www.eat.ch](http://www.eat.ch) in Switzerland, ClickEat in Italy, RestauranteWeb in Brazil and Alloresto in France) and acquisitions to strengthen the presence in the United Kingdom (Urbanbite), Canada (YummyWeb and GrubCanada). Confirming a strategy oriented towards aggregation, in 2012 it proceeds with the acquisition of the Spanish competitor SinDelantal, which ended in 2015 to ensure access to Latin America, in 2014 it strengthens its position in the French and Brazilian markets by promoting a merger with iFood and its subsidiary RestauranteWeb and in 2015 it sells to FoodPanda the shares of the Indian JV. In 2014 it will be listed on the London Stock Exchange. In 2016, Just Eat sells its Benelux operations for 22.5 million euros to the fast-growing European platform Takeaway.com in the Netherlands and buys HangryHouse from Delivery Hero. Also in 2016, Just Eat reached an agreement with Rocket Internet, the European industry giant based in Berlin, to acquire four businesses, and with Foodpanda, another Berlin startup active in the sector (supported by Rocket Internet), for an amount of 125 million euros. The acquisition concerns the online delivery of food at home in Italy (HelloFood Italia and PizzaBo), Spain (La Nevera Roja), Brazil (HelloFood Brazil) and Mexico (HelloFood Mexico). In 2019 the company buys Flyt, a software house for food and beverage services. During 2019, the Ceo resigned under pressure from investment funds - even though they hold non-majority shares of the group - oriented towards an option to merge with another partner - hypothetically the Dutch Takeaway - to be able to heal the losses recorded in recent years: Just Eat has gone from a market value of 5.5 billion pounds in 2017 to the current 4.87 billion, and its shares have lost about 13% in one year. On July 29, 2019, the merger between Just Eat and Takeaway.com was announced in a deal worth £9 billion. On January 10, 2020, 80% of Just Eat shareholders approved Takeaway.com's deal to acquire Just Eat but on February 4, 2020, the UK Competition and Markets Authority ordered that there be no integration and that the brands be kept separate until the completion of their investigation. On April 22, 2020, upon completion of its investigation, the UK Competition and Markets Authority announced its unconditional acceptance of the merger of Just Eat with Takeaway.com<sup>76</sup>. The merger between the two groups sees Just Eat shareholders take over 52% of the shares of the new group while, from an organizational point of view, each of the two players will operate in the countries where the presence is more structured. In this regard, it should be noted that in Italy Just Eat, leader of the national market with about 50 million pastas delivered since 2011, has recorded in the last two years (2019-2020) a growth of over 30% annually and in the lockdown period activation requests from restaurants have increased

<sup>74</sup> <https://fortune.com/2017/05/09/grubhub-tripadvisor-partner/>

<sup>75</sup> <https://mothership.sg/2018/03/grab-acquires-uber-explained/>

<sup>76</sup> Wikipedia [https://it.wikipedia.org/wiki/Just\\_Eat](https://it.wikipedia.org/wiki/Just_Eat)

fivefold compared to the pre-Covid period<sup>77</sup>. During 2020 the European group formed by the merger of Just Eat and Takeaway will also be joined by the American Grubhub, rejecting the merger proposals of Uber and Uber Eats<sup>78</sup>.

Moving from a more qualitative research to an analysis of the balance sheet data, confirmations and interpretative lines of some interest emerge. The following is a discussion of four<sup>79</sup> Global platforms with complementary business models.

*Table 5 – Financial Statements data of some food delivery players (thousands of euro)*

		DELIVERY HERO SE DE	GRUBHUB INC. US	JUST EAT PLC GB	DELIVEROO GB
Turnover	2018	1.069.500	879.700	864.624	n.a.
	2017	609.700	569.555	615.471	314.665
	2016	299.138	468.012	438.465	150.115
	2015	200.734	332.346	337.297	n.a.
	2014	90.734	209.104	250.941	n.a.
Employees	2018	19.834	2.722	3.290	n.a.
	2017	12.882	2.125	2.116	1.664
	2016	6.848	1.518	1.621	1.049
	2015	2.843	1.105	1.443	n.a.
	2014	1.018	1.090	1.018	n.a.
Gross profit	2018	756.800	879.700	678.682	n.a.
	2017	414.500	569.555	550.577	74.883
	2016	254.037	468.012	397.385	1.342
	2015	166.525	332.911	324.093	n.a.
	2014	73.981	212.032	237.957	n.a.
EBITDA	2018	34.700	155.286	168.312	n.a.
	2017	-199.700	122.737	163.472	-183.546
	2016	-105.982	114.141	113.789	-157.274
	2015	-165.474	83.743	68.330	n.a.
	2014	-71.500	62.537	81.247	n.a.
Sales	2018	765.300	879.700	864.291	n.a.
	2017	584.200	569.555	615.471	n.a.
	2016	297.026	468.012	438.465	n.a.
	2015	199.507	332.346	337.024	n.a.
	2014	88.008	209.104	201.833	n.a.
EBITDA %	2018	3,3	17,7	19,5	n.a.
	2017	-32,8	21,6	26,6	-58,3
	2016	-35,4	24,4	26,0	n.s.
	2015	-82,4	25,2	20,3	n.a.
	2014	-78,8	29,9	32,4	n.a.

Source: our elaborations on Orbis Bvd data

First of all, there is the rapid growth in terms of turnover with growth rates of up to 1000% (for Delivery Hero) and with a significant acceleration recorded in 2017. The number of employees does not indicate the complexity of the workforce involved - as many of those who work for the platforms are either self-employed or para-subordinate workers or occasional workers and therefore not contractually dependent on the company - but it is proposed as an indicator of comparison with the dynamics of turnover. If we compare the volume of turnover to the number of employees, we can see that for Delivery Hero the ratio over the years has fallen (from 89 thousand euros/employees to 53 thousand euros/employee) while for

<sup>77</sup> Isidoro trovato, Just Eat-Takeaway, scatta la fusione in Corriere della Sera, Economia, 11 luglio 2020

<sup>78</sup> <https://www.wsj.com/articles/just-eat-takeaway-com-nears-all-stock-deal-for-grubhub-11591797653>

<sup>79</sup> Companies were selected based on the availability of group consolidated financial statement information on Bureau Van Dijk's Orbis database

Grubhub (from 191 thousand euros/employee to 323 thousand euros/employee) it has grown and for Just Eat it remains more stable (about 250 thousand euros/employee). Where it grows, it implies that the turnover increases at a faster rate than the employment increases, with a constraint of subordination, while where it decreases, it implies that the employment dimension increases more rapidly than the turnover volume. Where it grows rapidly or where the ratio is higher, an outsourced use of the labour force through forms of autonomous or para-subordinate work is conceivable.

Despite the most impressive revenue growth for Delivery Hero, the largest gross profits are structurally higher for Grubhub. Profitability indicators (EBITDA) show both in absolute terms and as a percentage (of turnover) consistently negative values for Delivery Hero and, to the extent of data availability, also for Deliveroo a symptom of a negative cash flow and greater financial fragility. The profitability indicators also show structurally more modest values and growth trends compared to the dynamics of turnover. It is interesting to observe how the sales data, and therefore the revenues directly attributable to the sales of the products and services of the observed company, almost always explain the totality of the total revenues with a single exception recorded for Delivery Hero in 2018 when, instead, the sales revenues explain 72% of the total revenues.

## Final Remarks

The market for online food delivery platforms is an oligopoly with high barriers to entry for possible competitors and where growth strategies are mainly oriented towards the aggregation of national and international competitors by merger or acquisition, especially in the first phase of expansion, and consolidation in different markets - or abrupt retreat in case of difficulties in penetration - through a progressive strengthening and investment in the capital of local players. Acquisitions and disposals between large oligopolist groups are very frequent in a perpetual pursuit for maximum coverage, constantly recomposing the corporate structure: an example is the operations on Foodora, FoodPanda, HangryHouse. On the international scene, the Dutch Takeaway platform is emerging, whose turnover has tripled in a very short time and on which various attempts at alliances are concentrated within a logic of progressive centralisation to guarantee, paradoxically, the maximum decentralisation in the territory. In 2020 Just Eat-Takeaway will merge with Grubhub in June, creating the global leader in online food delivery and the first player outside of the Chinese market. The trend in food delivery is therefore clear towards a process of concentration on the global market, accelerated by Covid-19. In this regard it should be noted that Uber, after Grubhub's refusal, has launched a purchase offer to Postmates, the American leader in home deliveries.

The growth strategies do not only move in an intersectoral environment, and therefore between players in the same sector, but we are looking for alliances with players in e-commerce, such as Amazon - interested in entering the food-delivery after the closure of Amazon restaurant -, the large-scale retail trade, such as Walmart, or even looking for pathways to integrate the tourism sector such as the collaboration with Tripadvisor.

Compared to business models, the prevailing strategies see more and more continuous experimentation towards an integrated cycle model, including the cooking phase (dark kitchen), a multi-product distribution (not only food) and an opening to direct e-commerce (dark store). It is interesting to observe the entry of on-demand delivery platforms also in private labels as they would testify to their positioning in the food supply chain even as producers. The shareholding structures change very rapidly over time with the entry and exit of banks, investment funds and incubators from the corporate structure, testifying to the dynamism of the platforms in terms of investment, on the one hand, but also the financial exposure of the same, on the other, especially if listed on the stock exchange.



## Household services: online housework

The Gig Economy has developed into a plurality of activities. Not only food-delivery, transport services or cloudwork, but a so-called "uberisation" process has also been produced for domestic work. In a recent report<sup>80</sup> which brings together the results of 14 surveys carried out in 13 European countries between January 2016 and May 2019 are proposed different measures of the online community in a European comparison. Compared to a size of the online community that takes into account a wider use of online platforms for some form of income, Europe is essentially divided into two areas: high levels of online income in Central and Eastern Europe (specifically the Czech Republic, Slovenia and Estonia) and Southern Europe (Italy and Spain), on the one hand, and a low-income online generation in Northern and Western Europe (France, Germany, Sweden, the Netherlands and the United Kingdom). The report not only proposes a geographical mapping of online communities but also questions which variables significantly explain their distribution. It is absolute poverty that pushes a larger proportion of people to look for different forms of online income, not only labour platforms but also, and above all, platforms for the sale or rental of mobile and real estate: in fact, there is a correlation between the highest prevalence of forms of online income (from work or capital) and the incidence of absolute poverty.

In addition to outlining the incidence of platforms as a revenue lever in Europe, the report limits the field of observation only to work through platforms, identifying 4 categories of activity: transport and delivery, domestic work, online work - which collects a wide spectrum of high and low-content professional work - and commissions via platform (errands). The first evidence that emerges is that those who work through an online platform usually do not only one type of work but do on average 2.25 per week (2.34 for males and 2.13 for females). This figure suggests that workers on online platforms mainly seek additional forms of income by accepting any type of work.

In a counter-intuitive form, domestic services appear to be more widespread than platform work and delivery. The centrality of food-delivery (Foodora, Deliveroo, Glovo) and transport (Uber) in public debate and academic discussion therefore seems to depend more on the public visibility of the phenomenon than on its real diffusion. The comparison between national statistics, in fact, shows how domestic work via platform, certainly a segment of the market not much debated in political and trade union forums, is actually more widespread. It is therefore possible to induce that the most intimate dimension of domestic work, precisely because it takes place inside the walls of the house, does not manage to receive the same attention even though it has a greater presence.

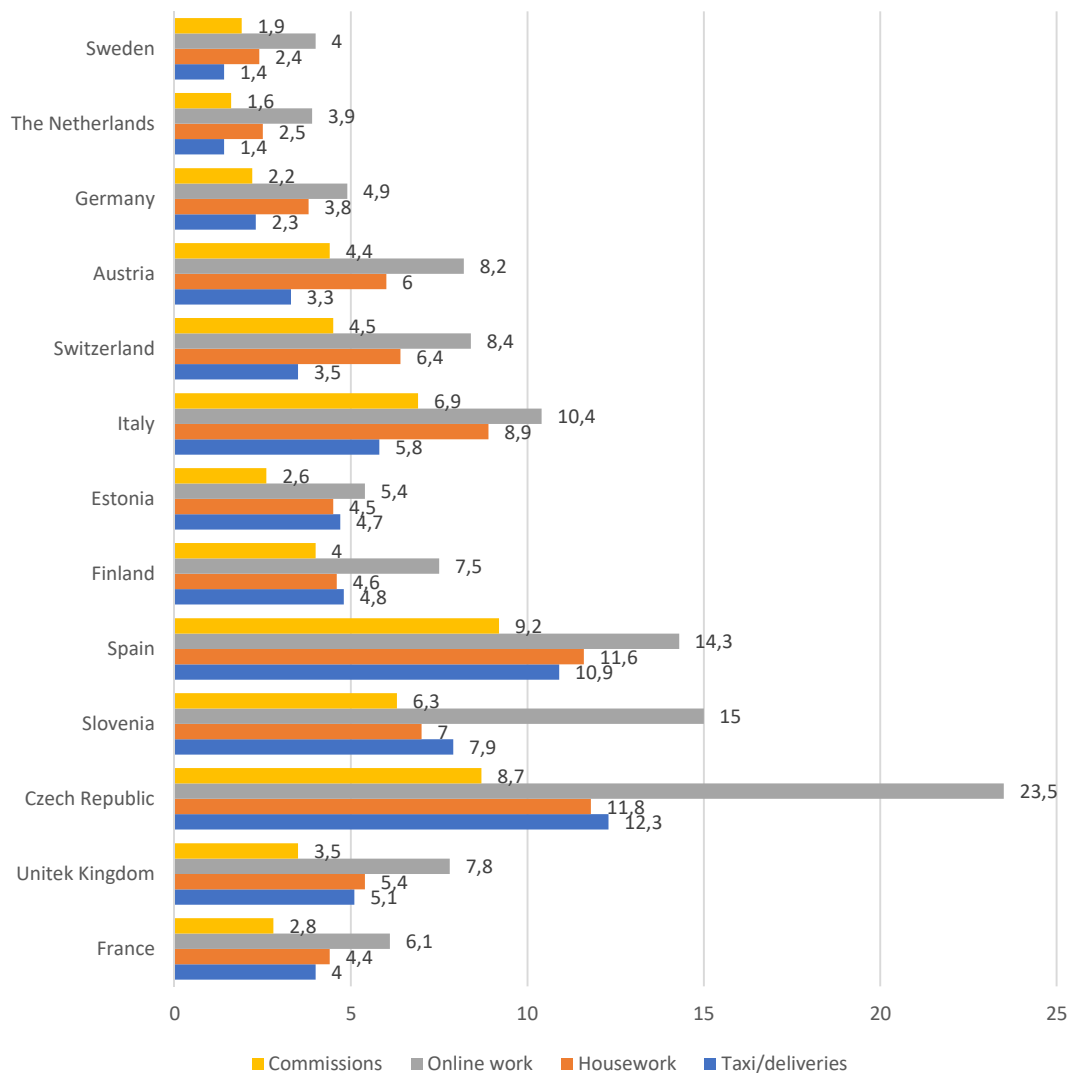
Those who carry out domestic services via platform have a higher percentage weight than the most medially visible category, i.e. "taxis and deliveries", in France, the United Kingdom, Spain, Italy, Switzerland, Austria, Germany, the Netherlands and Sweden. This confirms that it is more widespread. Following the geographical pattern of the spread of the online community, domestic work reached its highest levels in the Czech Republic (8.7%), Spain (9.2%) and Italy (6.9%).

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<sup>80</sup> Huws, U., Spencer, N., Syrdal, D., Holts, K. (2017), The Platformisation of Work in Europe, Results from research in 13 European countries, FEPS, UniGlobal and University of Hertfordshire (2019) <https://www.feps-europe.eu/attachments/publications/the%20platformisation%20of%20work%20in%20europe%20-%20final%20corrected.pdf>



Chart 21 – Share of the active population carrying out different types of platform work at least weekly



Base: 2155 respondents in France, 2226 in the UK 2019 survey, 1991 in Czechia, 1990 in Slovenia, 2173 in Spain, 1996 in Finland, 1978 in Estonia, 2185 in Italy, 1995 in Switzerland, 1955 in Austria, 2171 in Germany, 2118 in the Netherlands, 2139 in Sweden and 2234 in the UK 2016 survey (weighed).

Source: Huws, U., Spencer, N., Syrdal, D., Holts, K. (2017), The Platformisation of Work in Europe, Results from research in 13 European countries, FEPS, UniGlobal and University of Hertfordshire (2019)

The processing of online commissions via platform remains a generally minor form of income, but achieves significant shares higher than the one of those who work in transport and online deliveries in Italy, Austria and Switzerland. In general, the most widespread form of working via platform is, generally, cloudwork (online work), or a form of online work open to global competition. Although it is possible for an online worker via platform to perform several activities at the same time, clouworkers represent the majority type of work in all countries, with peaks in the Czech Republic, Slovenia, Spain, Italy and Switzerland.

The reports also allow a gender reading for the types of work via online platform. This perspective allows us to make three main points:

- For male workers, the percentage of those who carry out transport and delivery activities is always higher, with the sole exception of Italy, where the percentage of women exceeds (6.3%) the percentage of men (5.4%);
- cloudwork always remains the most frequent type for both genders but for the female component there are significantly lower percentages;

- Contrary to what a superficial reading might suggest, domestic work shows always higher incidences for male workers, with the sole exception, also in this case, of Italy where domestic work among women reaches 9.8% compared to 8% for the male gender. The figure in itself is not surprising because within domestic work are classified both jobs with a higher propensity for women (such as cleaning or babysitting) but also jobs with a higher propensity for men (such as electrician, carpenter, plumber, etc.).).

### Household services platforms

There are several online platforms for domestic work. And as with all platforms, market volatility remains very high due to margins of profitability that are always very squeezed and aggressive market competition. This is the case, for example, of the U.S. platform Homejoy, founded in 2010, which had 100 employees and thousands of self-employed in the cleaning sector. Despite rapid growth thanks to funding from incubators, such as Y Combinator, and venture capital funds, such as Google Ventures, Homejoy ceased operations in 2015 due to a difficulty in maintaining a constant profitability and managing labor lawsuits focused on the recognition of the subordination of employees (after the ruling of the California State Labor Commission in the Uber case, 2015) and part of the technical staff of the platform was hired by Google LLC. Other platforms, on the other hand, are being honoured by trade union successes, such as the Danish platform Hilfr as the first example of collective bargaining in an online platform. The Hilfr startup, oriented to the intermediation of cleaning and caregiving services, signed in 2018 an agreement with the Danish trade union 3F introducing minimum wage standards (a minimum wage of about 19 euros per hour), social security contributions, paid holidays and coverage in case of illness for the so-called superHilfr, or those who have exceeded a certain seniority of work on the platform (100 hours of work)<sup>81</sup>. Others, on the other hand, for behaviour that respects the quality of work, such as the Italian Le Cicogne ([www.lecicogne.net](http://www.lecicogne.net)) for the babysitting service, whose rates are in accordance with the National Collective Agreement (CCNL) for domestic work, respect the minimum union rates and are updated every year.

There are many intermediation platforms for domestic work and the best known are:

- **Task Rabbit**, American platform founded in 2008. Born from the experience of RunMyErrand, another platform for the management of daily commissions, Task Rabbit expands rapidly throughout the U.S. supported by several venture capital companies (Sasha ventures, First Round Capital, Baseline Ventures, Floodgate). In 2013, the company introduces "TaskRabbit Business" that allows companies to hire temporary workers from the database of the platform itself. In 2013, the company will enter the European market, experimenting with a new matching system in London, no longer based on the idea of a tender but on the willingness of the "taskers" to accept before the other jobs consistent with the professional profile uploaded on the platform. Thanks to this new selection metric, applications to be "taskers" have increased from 4,000 in 2014 to 15,000 in 2015.<sup>82</sup> In 2017, the Ikea group acquired the Rabbit task platform and launched a specific service dedicated to furniture assembly. It is estimated that the "taskers" currently active are about 60

<sup>81</sup> A cleaner may request coverage under the collective agreement if it has not exceeded the threshold of 100 hours, but after this threshold, coverage is automatically triggered, unless the worker himself explicitly rejects it.

<sup>82</sup> <https://www.telegraph.co.uk/technology/technology-companies/12026750/TaskRabbit-How-an-app-can-relieve-you-of-all-your-chores.html>

thousand covering a wide range of professional profiles and in about 45 cities in the United States and United Kingdom;<sup>83</sup>

- **Handy** (Hanybook the name until 2014), founded in 2012 in the United States with current headquarters in New York is a platform primarily dedicated to cleaning jobs and other domestic activities. It is active in 28 cities in the United States and Canada and, by 2015, has a staff of about 160 full-time employees and about 10 thousand employees for a total of about 1 million online bookings of which about 80% from regular customers. The platform was launched thanks to financial support from the Harvard Innovation Lab incubator and supported over time by venture capital funds (General Catalys Partners and Highland Capital Partners) and investment funds (Revolution Growth). In 2014, Hany buys Mopp, a similar platform on the London market, and enters the European market. In 2018, Handy was acquired by [ANGI Homservices](#) former owner of HomeAdvisor and Angie'List. In 2016, Handy builds alliances with Amazon, for "voice" booking through Amazon Alexa, in 2017 with Wayfair, for an integrated service when purchasing through the e-commerce leader, and in 2018 with Walmart, the global leader in retail;
- **Helpling**, founded in 2014 in Germany, is Europe's leading marketplace for domestic service management. Among its main founders (for a total estimated funding of 57 million euros) are Mangrove Capital, Lakestar, Rocket Internet, Unilever Venturs and Accel partners, already investors in Facebook, Spotfy and Dropbox. Helplig is active in 10 countries and three continents: Australia, France, Germany, Ireland, Italy, Netherlands, Singapore, Switzerland, United Arab Emirates and United Kingdom. In 2015 Helpling acquires Hassle.com - the UK market leader in the sector - and in 2018 the Swiss Book a Tiger through the investments of Tamedia AG, Switzerland's leading media group;
- **Care.com**, American platform launched in 2007 mainly specializing in home babysitting and care and other home activities. The site gathers almost 33 million customers in about 20 countries, has reached 111 million euros of investment and was listed on the stock exchange in 2014. The initial investment for the launch of the platform comes from private Matrix Partners, private equity funds. To date, the company says that 13.9 million caregivers have entered the platform to find work, more than 9.1 million families have sought care, and more than 1.6 million workers of their customers have benefited from their services. Care.com services are often used by digital leaders as benefits (e.g., Google and Facebook). In 2012 it opened up to the European market, entering the UK and Germany, and Canada. Also in 2012, it introduced a new model of private social networks via mobile (Karoo) through which to connect *caregivers* and families and launched Care.com recruiting Solution to facilitate the intermediation of labor in care work. In 2013, it is collaborating with Knowledge Universe, a non-profit company specializing in *childcare* services and training.;
- **Housekeep**, platform for work interactions in cleaning services and other domestic work activities (laundry, ironing) founded in 2014 in the UK. Again, embracing more quantitative methods of analysis on two of the most important online platforms for domestic work intermediation (Angi Homservices Inc and Care.com) shows rapid growth over time. Since their inception, growth in terms of revenues has increased exponentially, with +280% for Angi Homservices Inc and +84% for Care.com, but with very different trends: while Care.com shows a more continuous and structured

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<sup>83</sup> [https://en.wikipedia.org/wiki/TaskRabbit#cite\\_note-0-40](https://en.wikipedia.org/wiki/TaskRabbit#cite_note-0-40)

trend, Angi Homeservice shows a strong acceleration, especially in the last 2 years, that is, after the listing on the stock exchange in 2017 following the merger between HomeAdvisor and Angie's List in a mutibrand strategy (11 total on specific areas of services)<sup>84</sup>. However, the rapid growth does not correspond to the same performance of the company's profitability (EBITDA as a % of turnover) and for Angi Homeservices the year of the listing shows a negative Ebitda rate.

Table 2 – Consolidated financial statements of two international platforms (in thousands of euros)

	Year	ANGI HOMESERVICES INC.	CARE.COM, INC.
		US	US
Turnover	2018	988.856	167.913
	2017	614.013	145.160
	2016	306.735	153.452
	2015	316.088	127.382
	2014	259.460	91.188
Employees	2018	4.500	678
	2017	3.900	749
	2016	1.567	628
	2015	1.730	673
	2014	1.852	853
Ebitda	2018	13,6	5,57
	2017	-14,95	6,54
	2016	3,11	3,75
	2015	5,71	-7,36
	2014	-1,52	-26,49

Source: our elaborations on Orbis Bvd data

Obviously, workers do not grow with the same dynamics as turnover, as they grow in relation to management (or production) costs, but not in relation to turnover, which is more strictly dependent on the volume of intermediaries managed through the "external" workforce (self-employed, semi-subordinate, casual workers). However, the trends between the two platforms observed are distinct, in that Angi Homeservices INC, which has almost 1 billion turnover in 2018, records an increase in the number of workers of +140% while Care.com, in the same period and against a more limited turnover trend, shows a decrease of -20%. The ratio of turnover to employee inevitably falls from 150 thousand euro/employee (2014) to 136 thousand euro/employee (2018) for Angi Homeservices while it rises from 135 thousand euro/employee (2014) to 214 thousand euro/employee (2018) for Care.com.

### Towards the “uberisation” of care services

A sector in which the platform economy is rapidly spreading is that related to long-term care (LTC) and also to the so-called health 2.0 or digital health. Undoubtedly, the market of home care services is a terrain particularly subject to several pressures: progressive demographic aging, a backwardness of public services, high costs and low quality of service increase the scope for home care services where, however, the market is characterized by the presence of typically fragile and vulnerable work groups (women and very often migrants). The conditions of expansion and vulnerability of LTC home services have prompted the European Economic and Social Committee (EESC) to reiterate the need to improve the conditions of care workers<sup>85</sup>

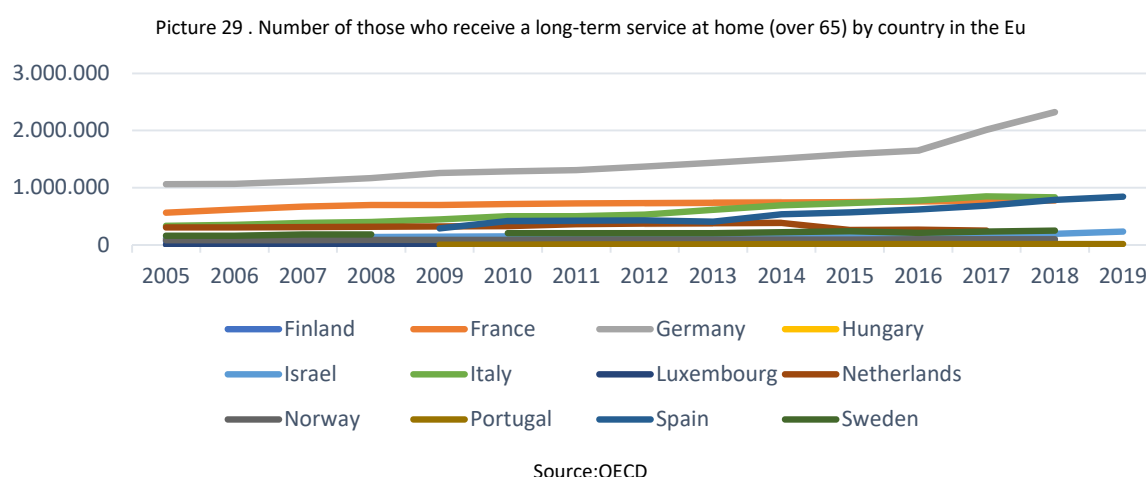
<sup>84</sup> <https://www.angihomeservices.com/brands/>

<sup>85</sup> EESC. (2016). The rights of live-in care workers (SOC/535-EESC-2016-00941-00-00-ac). Adopted on 21/09/2016. European Economic and Social Committee. Available at: <https://europa.eu/!gP44PW> (last access: 07/01/2019).

<sup>85</sup> EESC. (2018a). Economic, technological and social changes in advanced services for the elderly (CCMI/165-EESC-2018). Adopted on 15/05/2019. European Economic and Social Committee. Available at: <https://europa.eu/!cu33mr> (last access: 07/01/2019).

through collective bargaining<sup>86</sup> and through the lever of digitization<sup>87</sup>. In this regard, a study of the European Economic and Social Committee<sup>88</sup> wonders whether the entry of the platform economy in the market for LTC services could promote a process of uberization of the service, or a phenomenon whereby the work of platforms enters a market typically characterized by formal and regular work, weakening its structural elements through practices of social dumping and pushing towards aggressive forms of competition<sup>89</sup>.

In most EU countries, the number of people receiving LTC care services is rapidly increasing in line with the dynamics of demographic aging: between 2001 and 2018, the ratio of the population 15-64 years old to the population over 65 decreased from 4.2 to 3.3 (Eurostat, 2019).



The market for LTC home care services is, moreover, strictly dependent on national spending on care services, the relationship between public and private in the provision of the service, the share of public coverage of spending and the severity of policies to make public spending more efficient. Although there are clear differences at the European level, also as a result of the different histories of welfare state systems, the same trend can be traced: a progressive "de-institutionalization" of care services and an increase in home-based long-term care services (LTC). Comparison with data on the labor market in LTC care services, however, highlights how, faced with an increase in the opportunities offered by demographic aging, in terms of labor demand, an equal dynamic in the growth of the labor supply has not been recorded over time. On the contrary, in some countries there has been a contraction (2011-2016) in the overall share of workers in LTC services (home and residential) with respect to the over-65 population. This dynamic could be explained by multiple factors: an increase in the informal economy, the growth of part-time work, or a lack of care workers.

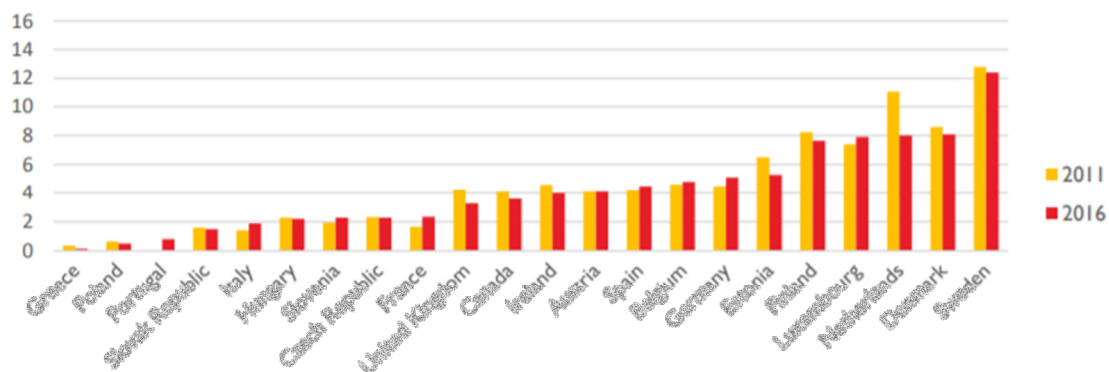
<sup>86</sup> EESC. (2018a). Economic, technological and social changes in advanced services for the elderly (CCMI/165-EESC-2018). Adopted on 15/05/2019. European Economic and Social Committee. Available at: <https://europa.eu/!cu33mr> (last access: 07/01/2019).

<sup>87</sup> EESC. (2018b). Digital transformation / health and care (communication) (INT/852-EESC-2018). Adopted on 19/09/2018. European Economic and Social Committee. Available at: <https://europa.eu/!FX86Bt> (last access: 07/01/2020).

<sup>88</sup> EESC (2020), Towards the "Uber-isation" of Care?, Report <https://www.eesc.europa.eu/en/our-work/publications-other-work/publications/towards-uber-isation-care>

<sup>89</sup> Fleming, P., Kyoung-Hee, Y., Rhodes, C. (2019). Uber might not take over the world, but it is still normalising job insecurity. [Blog post]. The Conversation. Available at: <https://theconversation.com/uber-might-not-take-over-the-world-but-it-is-still-normalising-jobinsecurity-127234> (last access: 07/01/2020).

Picture 30 - Workers in LTC services per 100 people over 65, 2011-2016



Source: Eurostat

In this market context characterized by a growing, and structural, labor demand dynamic and an equally underperforming labor supply, the gradual entry of digital platforms for LTC home services is not surprising. Examples are Pflégix and Pflégetiger in Germany, Curafides in Austria, Home Care Direct in Ireland and CeraFlex, Supercarers and Equal Care Co.op in the UK. Platforms are primarily intended as intermediary marketplaces between those seeking and those offering LTC services, and the same government policies geared toward promoting home-based LTC services have fostered, and continue to foster, market attractiveness for digital platforms. Acting as a marketplace, the functioning of the platform develops along successive stages where first supply and demand meet and exchange information on needs and skills, then the provision of the service and its payment is developed and concluded, followed by the evaluation by the "client". The scope of intervention of digital platforms varies, encompassing all three phases, and therefore offering matching, payment and assessment services, or specializing only in matching job supply and demand.

Given the centrality of the relational dimension of care services, the digital platforms active in the sector are classified as "on-location-worker-initiated work"<sup>90</sup> in which matching is not delegated to an algorithm but is strictly dependent on the choice of the worker.

In general, it is possible to say that the entry of platforms could generate an improvement in the wages of care workers, which are usually very low, by eliminating or reducing the costs of intermediation between "operator" and "client" and by exerting pressure so that the high demand for labor produces a rise in the wages of the labor supply. Research on service platforms on "domestic work" shows that demand through platforms is structurally higher than supply, thus suggesting room for pay increases for care workers<sup>91</sup>. This possible effect on pay dynamics, together with the presence in "traditional" care work of large pockets of informal and irregular economy, therefore leads to exclude that the entry of digital platforms can in itself trigger a process of uberization in an already highly precarious sector. In some cases, on the contrary, work through platforms could favor a process of formalization and transparency of work, increase visibility, and therefore job opportunities, and flexibility of choice and organization of the care worker. On the other hand, the demands for training, with respect to rapidly changing social and health needs, and for

<sup>90</sup> Eurofound

<sup>91</sup> De Groen, W. P., Kilhoffer, Z., Lenaerts, K., & Mandl, I. (2018). Employment and working conditions of selected types of platform work. Eurofound. Dublin. Available at: <https://www.eurofound.europa.eu/publications/report/2018/employment-and-working-conditions-ofselected-types-of-platform-work> (last access: 07/01/2020).

combating discrimination raised by the "traditional" care services market, to which digital platforms have not yet been able to offer an answer, remain suspended<sup>92</sup>.

Some examples of digital platforms active in LTC services are:

- **Curafides**, a start-up founded in Austria in 2016 and now also active in Germany, Czech Republic and Switzerland. The platform intermediates different professional profiles in the field of care services, from medical nursing figures to personal care work to caring. The platform acts mainly as a matching space between demand and supply of labor in which the registration, by the workers, is bound to the presentation of various documents (psychological test, educational qualifications, documents certifying the fiscal regularity ...). In order to remain active on the platform, care workers pay a monthly fee (about 14-50 euros) and are free to indicate availability and hourly rate. There are no substitution systems in case of illness, no online comparison systems with other workers and, since it is not part of their business, if problems arise in the payment or in the quality of service, the platform does not intervene in the relationship between worker and client;

- **Home Care Direct**: a commercial platform operating in Ireland since 2018 affiliated with Home Care Plus, a care agency active in the "analog" version of the care services market. The platform not only provides the matching service but follows the entire work process from the selection phase (for which there are also telephone interviews) to the monitoring of the service (care workers must confirm time of arrival and departure from the home of the "client"). Matching is not done by algorithm, but clients receive a ranking of potential carers based on geographic proximity. Contracts made outside of the platform can produce a block on the worker's account. The platform receives a commission equal to 13% of the payment. There is no minimum number of hours guaranteed and the client can cancel 24 hours in advance without incurring in penalties. The platform provides discussion groups and online communities for comparison, and those who provide their services through the platform are required to sign up for insurance;

- **Equal Care co-op**: is a platform founded in 2018 in the UK as a cooperative between care workers with the aim of balancing the balance of power with the large care service organizations that dominate the market. Only care workers with work experience (at least 1 year) and a current training certificate can sign up. Unlike other platforms, clients must also go through a registration process that involves family members. Care workers are only visible to limited groups of clients, and again, working relationships based on geographic proximity are encouraged. Workers can set the hourly rate and the commission for the platform is 15% per hour per hour paid (lower commission than other platforms and "traditional" agencies of 20% and 50% respectively). There is no guaranteed amount of hours or income. Also in this case there are no foreseen forms of social protection as care workers are self-employed. Instead, forms of meeting, confrontation and support between workers and sharing of experiences and insurance coverage are provided.

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<sup>92</sup> OECD (2019c), Policy Responses to New Forms of Work, OECD Publishing, Paris. Available at: [https://www.oecd-ilibrary.org/social-issues-migration-health/policy-responses-to-new-forms-ofwork\\_0763f1b7-en](https://www.oecd-ilibrary.org/social-issues-migration-health/policy-responses-to-new-forms-ofwork_0763f1b7-en) (last access: 07/01/2020).

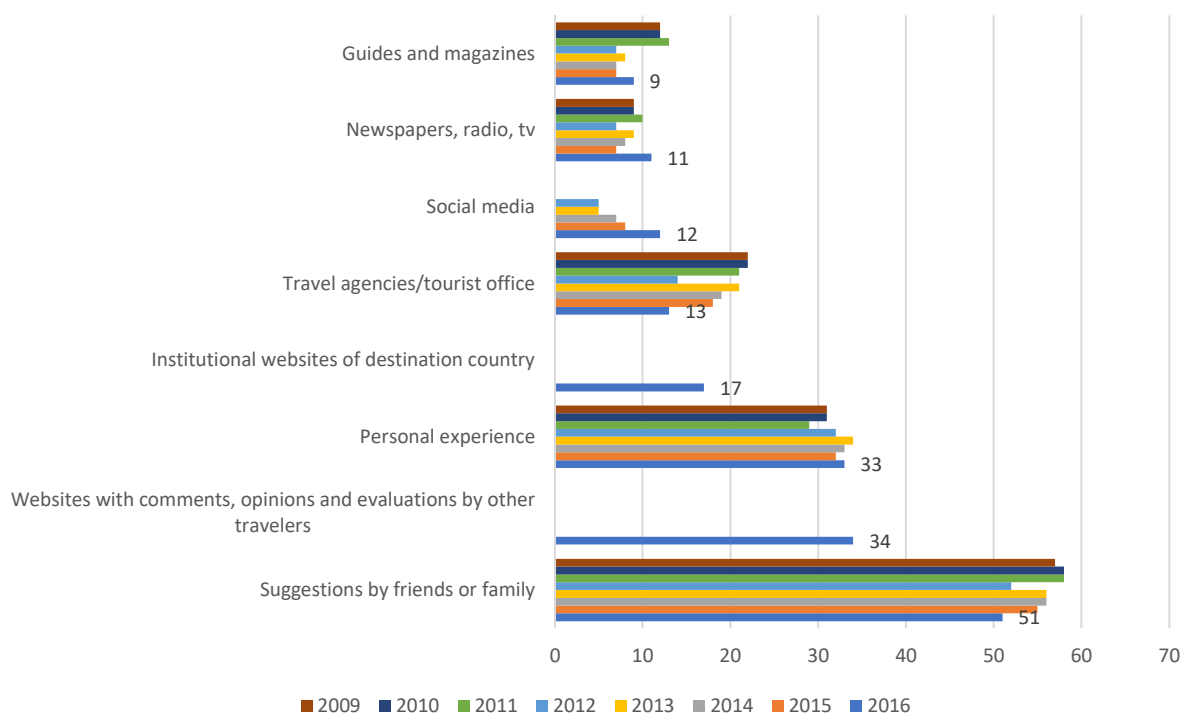


## Digital tourism

In digital tourism, the world of platforms does not present itself as a labour platform, but very often as online booking platforms or peer-to-peer platforms that more closely reflect the original concept of sharing economy. The collaborative economy is developing in a context of rapid growth of international tourist arrivals worldwide and also in the European Union (EU). Compared to 331 million arrivals in 2000, the 28 EU Member States hosted 478 million international tourists in 2015.<sup>93</sup> In the same period, the number of international tourist arrivals worldwide increased from 674 million to almost 1.2 billion. In the long run, these figures are expected to grow both in the EU and worldwide, leading to increased demand for tourist services.

Tourism in the EU and in many other regions of the world is also evolving in response to the changing behaviour of tourists. As the OECD pointed out in a 2016 report, tourists are, in general, more open to self-guided holidays and seek more information from other tourists (friends and relatives or anonymous tourists posting reviews on the Internet) than in the past. According to the Flash Eurobarometer Report on tourism preferences and choices of European citizens in 2016<sup>94</sup>, consumer choices regarding tourist destinations continue to be increasingly influenced by personal experiences (about 1/3 of respondents) and by the advice of friends and relatives (always more than 50% of respondents).

Picture 31 - Sources of information before choosing a tourist trip (2009-2016)



Source: Eurobarometer 2016

In particular, there is an inverse relationship between the growth of websites and social media and a reduction in the importance of travel agencies and tour guides, suggesting a substitution effect between the two trends (Chart 17) - although only data as of 2016 is available for websites and social media. It



































<sup>93</sup> <https://www.e-unwto.org/doi/pdf/10.18111/9789284418145>

<sup>94</sup> [https://data.europa.eu/euodp/it/data/dataset/S2065\\_432\\_ENG](https://data.europa.eu/euodp/it/data/dataset/S2065_432_ENG)

should also be noted that travel experience sharing sites in particular (about 1/3 of respondents in 2016) are the preferred information channel. Many tourists use digital technology and social media to plan, buy or review travel experiences. Again, digital consumption is affected by different personal inclinations and national trends towards digital accessibility and usability: the use of traveler rating platforms and sites exceeds 40% of respondents in France, the Netherlands, Ireland, the United Kingdom and the Czech Republic, while it remains around 20% in Portugal, Romania, Hungary and Slovenia.

Digital consumption becomes even more disruptive if you look at how you book your holidays. Online booking is the main mode, whether through tour operator search engines or private accommodation platforms (Figure 18).

Picture 32 – Booking procedures for travellers in 2015 (% share)

		Other online commercial services such as tour operators, airline companies, etc.	Online commercial services listing private housing offers from individuals	Through someone you know	Over the counter at a travel agency	Over the phone	On-site (place of holidays)	Over the counter of a transportation company (airline company, railway company, etc.)	I did not need to book anything (SPONTANEOUS)	Other (SPONTANEOUS)	Don't know
EU28		32	24	16	16	15	9	6	11	6	2
BE		38	28	28	17	16	12	10	6	7	3
BG		15	16	16	9	15	13	2	19	4	6
CZ		24	24	26	11	12	10	2	13	7	1
DK		60	15	16	4	9	5	2	7	7	1
DE		28	23	11	27	13	10	3	10	4	2
EE		30	17	6	7	8	2	3	33	7	0
IE		55	17	9	11	17	5	4	3	4	2
EL		26	15	13	8	18	12	5	19	8	2
ES		31	24	10	23	9	4	2	13	5	2
FR		33	25	19	10	16	10	7	11	11	2
HR		7	16	18	14	9	5	6	26	5	2
IT		22	33	13	15	10	6	5	10	4	1
CY		46	24	8	19	11	1	3	5	2	0
LV		25	15	26	10	13	22	13	18	7	2
LT		11	24	16	8	15	13	5	17	8	3
LU		44	25	20	33	15	10	19	6	4	1
HU		15	28	21	8	9	2	1	21	6	4
MT		33	30	10	25	6	13	5	6	2	2
NL		44	27	9	9	9	8	2	9	11	1
AT		46	13	15	26	17	14	6	6	5	0
PL		19	35	21	10	24	13	8	17	3	2
PT		22	21	19	14	12	8	3	13	7	5
RO		14	17	22	10	15	20	7	10	6	4
SI		10	19	12	20	18	9	1	15	3	0
SK		11	24	16	16	14	4	2	19	5	2
FI		58	21	19	7	23	13	14	10	2	3
SE		47	16	8	11	10	3	6	14	4	3
UK		52	19	20	15	26	11	12	5	4	1
MK		8	8	26	30	15	25	6	22	1	2
ME		2	11	14	17	9	8	2	32	5	7
TR		22	6	17	9	11	11	4	30	5	3
IS		47	14	19	7	10	12	10	8	11	5
MD		6	8	28	8	6	7	3	23	6	9

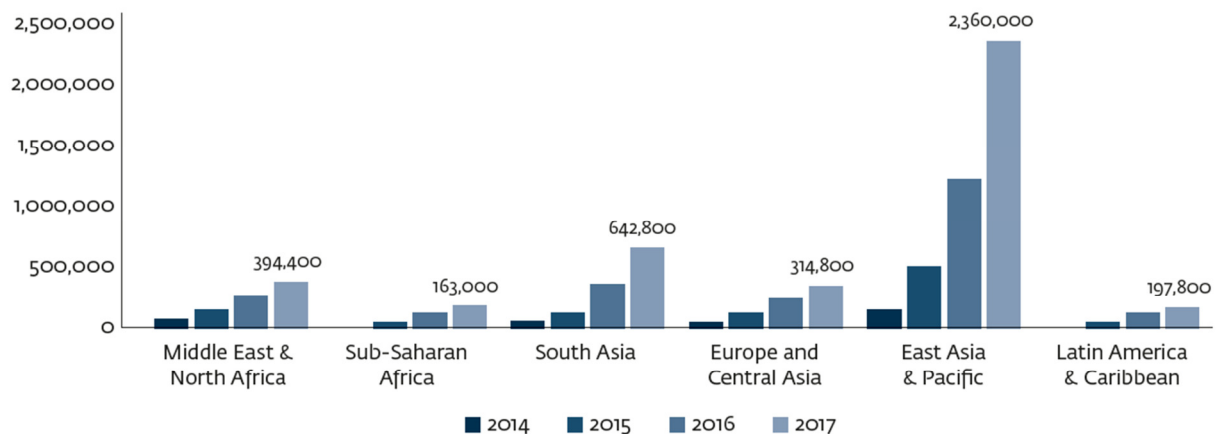
Source: Eurobarometer 2016

Tourism has always been a sector with a high technological impact, if you consider the transformations induced by the so-called OTA online travel agencies, i.e. online travel agencies such as Expedia or TripAdvisor, Booking, and more recently by the so-called peer-to-peer accommodation.<sup>95</sup>

## P2P accommodations

Based on a report by the World Bank<sup>96</sup>, P2P accommodation reaches approximately 8 million beds worldwide, or 7% of the global offer, with an estimated growth rate of 31% from 2013 to 2025, or 6 times the growth rate of the traditional offer (B&B and Hotels). Some studies estimate the growth of the P2P economy (independent studies of Mastercard) in about 75 billion dollars in 2017 with growth to 139 billion dollars in 2020. Growth, however, will be more concentrated in emerging markets while the trend will remain stable in mature markets. Processed data provided directly by Airbnb shows that the number of guests in low-income countries has grown by 1.160% from about 323,000 in 2014 to over 4 million in 2017 (Indonesia, Philippines).

Picture 33 – Growth in arrivals of Airbnb guests in low and middle income countries, 2014-2017



Source: World Bank Group using Airbnb data

The trend shown here confirms what has already been observed with respect to the increase in domestic work, i.e. how the expansion of the platform economy also depends, and above all, on the opportunity connected with it of incremental or substitute forms of income/wage to the traditional ones. In a recent report by Uniglobal on the platforming of the economy, it is shown that the share of the workforce that uses the various online platforms as a source of income is growing rapidly. It is interesting to note that it is not so much labour platforms that are used as a source of income as asset platforms for selling products (such as Amazon, on average about 40% of the workforce or E Bay, with about 50%) or renting housing (such as Airbnb, with an average of 20% of the workforce, with peaks of over 30% in Spain and the Czech Republic and a rapidly growing trend - in the United Kingdom it goes from 8.2% to 18.7% from 2016 to 2019).<sup>97</sup>

<sup>95</sup> People who provide accommodation directly to clients through online platforms

<sup>96</sup> World Bank Group, Tourism and the Sharing Economy, 2018

<http://documents.worldbank.org/curated/en/161471537537641836/pdf/130054-REVISED-Tourism-and-the-Sharing-Economy-PDF.pdf>

<sup>97</sup> Huws, U., Spencer, N., Syrdal, D., Holts, K. (2017), The Platformisation of Work in Europe, Results from research in 13 European countries, FEPS, UniGlobal and University of Hertfordshire (2019)

Moreover, the P2P economy has not only changed relations with commercial operators but also and above all the relationship with other digital tourism players such as the OTAs themselves. The offers of P2P platforms and the offers of online travel agencies (such as Expedia and Booking) are becoming increasingly similar. The initial difference, offered by private individuals and offered by commercial operators, is gradually disappearing. For example, Airbnb itself also lists hotel rooms, second homes and B&Bs as possible options, allowing commercial operators to constantly monitor the availability of rooms in their hotel structure. Likewise, the OTAs, like TripAdvisor itself, also offer apartments and accommodation. In 2018, Booking.com announces that among the 27 million ads, about 5 million are related to homes, apartments, housing. In this direction should therefore be considered the purchase by Airbnb in 2019 of HotelTonight, a website for booking last-minute hotel rooms, for over \$ 400 million.

Platform	Established in	Ads	Geographic coverage	Guests/visits
P2P accommodation				
Booking.com	1996	5 millions*	226 countries	
Airbnb	2008	4,85 million	191 countries	200 million guests
HomeAway (Expedia)	2005	2 million	190 countries	
TripAdvisor Rentals	2009	830.000	200 countries	
Tuja	2011	300.000	China	
9flats.com	2011	250.000	140 countries	
Homestay.com	2013	50.000	160 countries	750 thousand beds
OYO Rooms	2013	8.500	India	40 million beds
Ome finestay (AccorHotels)	2009	2.500	USA, EU and AUS	
Xiaozhu	2012	250.000	China	
Reciprocal accommodation				
GuestToGuest	2011	280.000	197 countries	
Love Home Swap (Wyndham)	2009	100.000	140 countries	
HomeExchange (di GuestToGuest)	1992	67.000	150 countries	135 thousand exchanges
Free accommodation Exchange				
Couchsurfing	2004	400.000 hosts	200.000 cities	4 million guests per year
Trustroots	2014	6.000 hosts		
WarmShowers	1993	61.000 hosts	161 countries	
BeWelcome	2007	35.000 members		

Sources: Platform websites, December 2017

\* Booking.com has 27 million ads, of which 5 million classified as alternative or non-hotel accommodation.

\*\* The HomeAway portfolio include HomeAway.com, VRBO.com e VacationRentals.com

\*\*\* The TripAdvisor Rentals portfolio include FlipKey, HolidayLettings, HouseTrip, Niumba e Vacation Home Rentals.

The digital platforms for housing can thus be divided into three categories:

- P2P accommodation, where the provider, who rents the accommodation, asks for a payment and the guest pays the provider directly (as for the Homestay.com platform) or through the platform (as in Airbnb). In addition, the platform retains a transaction fee from the provider, guest or both. New platforms are also emerging in emerging economies such as the Indian OYO network which also entered the Chinese and Indonesian markets, the Xiaozhu and Tuja platform in China and other smaller platforms operating at regional and national level. Of this category of course the best known is Airbnb with 4.85 million ads in 65 thousand cities and 191 countries along with HomeAway, which also includes VRBO, which offers 2 million ads and TripAdvisor Rental with 830 thousand ads. In comparative terms, consider that the largest hotel chain in the world, the Marriott International group, has a potential offer of 1.2 million rooms.;
- *Reciprocal accommodation platform*: The platform facilitates the exchange of temporary accommodation between two or more people and holds a commission for transaction costs. For

example, HomeExchange charges \$150 for 12 months while the largest platform in this category, GuestGuest, retains 3.5% of the deposit, which is the amount that the owners pay and the platform retains until the end of the exchange of homes. Overall, it is estimated that the *reciprocal platforms* have a total tourist offer of 500,000 beds globally;

- *Free accommodation platform*: where the exchange of accommodation is without commissions and currently has about 500 thousand beds. The best known platforms in this category are Couchsurfing and WarmShowers.

In general, hoteliers claim to have suffered loss of revenue due to the rise of housing sharing platforms. A 2015 University of Boston study <sup>98</sup> estimated that Airbnb reduced its hotel revenues on the examined market (Austin, USA) by 8-10 % between 2008 and 2014. The biggest impact was on lower priced hotels and hotels without conference facilities. But the effect is not only competitive but also urbanistic-organizational and economic-redistributive. Several studies have been conducted to understand the effects and externalities generated by the uncontrolled rise of Airbnb, and of the platforms for sharing private accommodation for a fee. The explanation of the different effects, however, requires a context premise aimed at highlighting how all the transformations of urban organizations were, in reality, already underway even before as a result of a sprawl started after the Second World War and continued until the 90s through various waves of building speculation, but also by mass tourism, low-cost flights, habits that change<sup>99</sup>. The phenomenon of short-term rents, however, has boosted and accelerated these distorting effects on the environment:

- the re-conversion of the use of housing from long-term to short-term renting and the progressive process of "hotelisation", i.e. uploading cheaper housing than hotel rooms online, not only creates unfair competition with respect to traditional accommodation structures but removes the real estate market from residents and leads to higher property prices themselves;
- the phenomenon of short-term rents also generates a process of gentrification or segregation <sup>100</sup> encouraging residents, especially those on low incomes, to live in areas of the city not affected by tourist flows and in any case outside the city centres and to "disneyfy" the historic centres <sup>101</sup>, the transformation of historical city centres from places of art and culture to "consumption citadels" with the aim of keeping tourist consumption close to the accommodation and thus encouraging the distance between the centre and the periphery, the desertification of historical centres<sup>102</sup> and the change of identity of the city itself<sup>103</sup>;
- the governance of city services becomes particularly difficult to plan as the identity of city centres has changed from areas of residents or long-term rents to areas of consumption for short-term rents, making it urgent for local authorities to have access to online platform databases;

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<sup>98</sup> Georgios Zervas et al., "The Rise of the Sharing Economy: Estimating the Impact of Airbnb on the Hotel Industry"

(L'ascesa dell'economia collaborativa: stimare l'impatto di Airbnb sull'industria alberghiera), 2015, pag. 1.

<sup>99</sup> D'Eramo M., Il selfie del mondo, Indagine sull'era del turismo, Feltrinelli, 2017

<sup>100</sup> Guttentag, D., 2013, "Airbnb: disruptive innovation and the rise of an informal tourism accommodation sector", in «Current Issue on Tourism», 18(12), pp. 1192-1217

<sup>101</sup> Semi, G., 2015, Tutte le città come Disneyland?, Il Mulino, Bologna

<sup>102</sup> Mammone, L., 2017, "Cultura: la desertificazione dei centri storici italiani e il fenomeno delle sponsorizzazioni dei beni culturali. A chi giova?", LaRiscossa <http://www.lariscossa.com/2017/02/24/la-desertificazione-dei-centri-storici-italiani-ed-fenomeno-delle-sponsorizzazioni-dei-beni-culturali-cui-prodest/>

<sup>103</sup> Sans, A.A. e Quaglieri Domínguez, A., 2016, "Unravelling Airbnb: Urban Perspectives from Barcelona", in A.P. Russo, G. Richards (a cura di), Reinventing the Local in Tourism: Producing, Consuming and Negotiating Place, Channel View Publications, Bristol, pp. 209-228

- from an economic point of view, the expansion of the phenomenon of short-term rents increases inequality and the processes of concentration of wealth. As shown by some research <sup>104</sup> the initial nature of the sharing economy that seems to inspire some online platforms (e.g. Airbnb) seems to be threatened by the entry into the market of large players (brokers, real estate agencies, international economic agents) who manage increasing shares of housing on platforms for third parties. The costs of rents also show an inverse relationship with the distance from the city centre, highlighting, therefore, how the greatest profits are concentrated in the central areas, that is, where the real estate wealth is already concentrated, exacerbating, and not reducing, inequality.

Faced with the effects triggered by the growth of the phenomenon of short rents, many local governments have reacted in an attempt to put up barriers or build legislative and fiscal instruments capable of regulating the phenomenon. The different orientations mainly include the introduction of limits on the number of overnight stays (Amsterdam), the inclusion of hosts in special registers (Barcelona), limits on the conversion of accommodation from long-term to short-term rentals (Berlin), limits on the use of Airbnb in certain central areas of the city (Paris), subdivision of the urban area into areas with differentiated use of tourist licences (Barcelona), direct acquisition of buildings for rent regulation (Barcelona and Berlin) or specific forms of taxation on rents (Italy)<sup>105</sup> or by extending or raising the tourist tax (Barcelona). Faced with different requests, the Airbnb platform has proved very often collaborative, but not without tensions even bitter negotiations (think of the comparison between Airbnb and the City of Barcelona<sup>106</sup>), offering local administrations their own databases to promote the programmability of services and the control of tourist flows (as in Barcelona), collecting tourist tax (as in several Italian cities including Bologna) or automating the limits of rent per host in accordance with local regulations (London). The attention to the requests of local administrations shown by the platform is a symptom of a policy that is attentive to reputation, also in view of the forthcoming listing on the stock exchange. In 2018, some of the main European cities<sup>107</sup> have joined forces to create a network to request the European Union to go beyond the pressure already exerted by the European Commission on Airbnb for greater consumer protection<sup>108</sup> (price transparency and elimination of unfair terms) and to encourage the American multinational to share its data in order to facilitate the planning of cities. Along with pressure from cities, several digital initiatives to make the platform and its data on temporary rentals more accessible are flourishing on the net, among which Inside Airbnb stands out (<http://insideairbnb.com/>) created in 2014 by Australian photojournalist Murray Cox to map, monitor and critically review Airbnb ads.

### Platforms and digitalisation in the tourism supply chain: some experiences

However, the tourism supply chain is not limited to accommodation but includes a range of diversified services and activities that are also under pressure from the processes of digitalisation and transformation of the platform economy:

<sup>104</sup> Picascia, S., Romano, A., Teobaldi, M., 2017, The airification of cities: making sense of the impact of peer to peer short term letting on urban functions and economy, Proceedings of the Annual Congress of the Association of European Schools of Planning, Lisbon 11-14 Luglio 2017

<sup>105</sup> It should be noted, however, that non-progressive taxes, such as the 21% fixed tax present in Italy, lead to a worsening of inequality by favoring the central areas and penalizing the peripheral areas.

<sup>106</sup> <http://temi.repubblica.it/micromega-online/la-citta-come-bene-comune-cosi-barcellona-contrasta-il-regno-di-airbnb/>

<sup>107</sup> Among which Amsterdam, Barcellona, Vienna, Bruxelles, Berlino, Parigi, Bordeaux, Valencia, Monaco and recently also Bologna

<sup>108</sup> [https://europa.eu/rapid/press-release\\_IP-18-4453\\_it.htm](https://europa.eu/rapid/press-release_IP-18-4453_it.htm)

- **TripAdvisor** was founded by Stephen Kaufer in February 2000 and was purchased by Sebastian Mendoza in 2004. The original financing was obtained from Flagship Ventures, Paletto Group and private investors. The site collects the evaluations written by the users of the structures; each review is evaluated by the staff that judges if it is consistent with the guidelines of the site; otherwise it is not published. Today its community reaches 455 million users for an amount of about 570 million contributions per minute, according to what reported by the site itself. The App intervenes in the supplier-customer relationship. For the supplier it represents an important showcase and at the same time it is an indicator of the "brand reputation" of the structure/service. For the customer, travel advice. Reviews, however, can be extremely subjective and personal, and can confuse the future consumer or even mislead him. Finally, the "review" tool also lends itself to being a sort of "marketing lever", which legitimizes the customer to demand special treatment under penalty of bad review. If on the one hand TripAdvisor is an alternative to travel agencies, as we have seen above, with regard to advice on destinations and services and accommodation facilities, on the other hand has also fed a market aimed at enhancing the reputation of tourist facilities and services with the creation of dedicated agencies;
- **Expedia** is an online travel agency of Expedia Group for booking trips, hotels, and holiday packages. Launched in 1996 as a Microsoft Division and formally launched in 2011 following the acquisition by Usa Network Inc. Expedia is one of the world's leading online travel agencies and offers access to more than 435,000 bookable hotels worldwide (including luxury hotels and major chains and over 218,000 in China through eLong), more than 400 airlines and a wide range of car rentals and on-site activities;
- **E dreams** is an online travel agency based in Madrid, founded in 2000 it allows you to identify and choose flights, hotels, cars, package holidays and insurance working with over 450 airlines, 855 thousand hotels in over 40 thousand different destinations worldwide. In 2011, e dreams is the first online travel agency in Europe with over 14 million customers and a value of 3.9 billion euros in booking volume. In 2014, e dreams was listed on the Spanish stock exchange in Madrid and in 2015 performance grew to 4.5 billion euros in booking volume for a total of 10.7 million online purchases, growing in 2017 to 11.7 million (+3%). E dreams is part of a competitive logic for offline travel agencies and in 2011 it was fined in Italy, together with Expedia, for unfair business practices;
- Several apps and websites are dedicated to tourist guides such as **Freetour.com** and **Paesionline.it**, where you can find tourist information, multimedia travel guides and diaries, events and useful tips for travel (destinations, hotels, flights). In Paesionline.it you can browse through the pages dedicated to about 10 thousand destinations in the world: guides, stories, maps and videos are available. Established in 2001, the site is also available in English, French, Spanish, German and Portuguese, and available in apps for Android and iOS; it has about 2 million visits per month, 650 thousand registered users, over 864 thousand fans on Facebook and the page is followed by 851 thousand people. Directly from their website you can assess the strength of the brand in the social world and online in general, with particular attention to the target: almost 60% of users are over 45 years. Travel portals, from promotional to booking ones, have replaced the physical location of the travel agency. And with it also the staff. They have replaced the paper guides, some of which are still in use, but have collected the information in a few large containers that can handle it. They have intercepted the needs of customers: always little time to choose, desire for quick and simple bookings, certainty of the result among thousands of options. To satisfy many tourists, this is one of the solutions available. For tailor-made travel, on the other hand, the direct relationship with the trusted travel agent continues to be preferred;



- Born in 2016 in Florence, **Keesy** is an app that allows you to check in and check out online without spatial and temporal constraints. It is a flexible, easy and automatic way to check in and check out in extra-hotel facilities, from B&Bs to room rentals, to home sharing rooms. It's a depersonalized service, especially convenient for the owners of the accommodation, who entrust the Keesy Point with the keys to their apartment. The Keesy Point is in fact a physical place, where tourists come and go from and to every place, supported 24 hours a day and 7 days a week by an online operator. The result is an automated reception for a type of accommodation that does not have reception, concentrating in a limited place access to thousands of beds, wherever scattered. At the moment the app is confined to some Italian cities and for non-hotel facilities. Future scenarios would allow us to glimpse the application also for traditional accommodation facilities replacing, in synergy with Pepper robots<sup>109</sup>, the role of the reception;
- Tested in 2017 and then applied in all the Best Western Chain Hotels in Italy (160 hotels), **Best Friend**, the Best Western chatbot is a service that connects the user to his hotel and a tool for support and automatic response to customer questions, also able to sell additional services and perform check-in directly. A booked customer can then check in, request information on activities and events in the area, thanks to the partnership with Musement - another tourist app - have a personalized support from the bot, which is able to manage, as reported by the same hotel chain, 80% of requests in total autonomy. It is integrated with the Messenger Facebook platform: the service is therefore available and immediate 24 hours a day, thanks to the fact that Messenger has an interface for the direct exchange of data between the web user and the online service.;
- **Classpass Inc.** founded in New York in 2013 provides access to gyms, yoga centers, fitness, boxing and health centers with a single subscription that promotes the ability to continue physical activity even during tourist trips. In 2017, the start-up was valued at €470 million with a total of online bookings of more than €45 million per year;
- **Packing Pro** is a more widely used app for those who want to prepare their suitcase in a "scientific" way: from a simple system for compiling the list of items to take on the trip, Packing Pro has become a very precise tool that allows, for example, to calculate the weight of baggage to avoid paying extra costs at the time of boarding. Other functions of Packing Pro include: management of baggage lists, object databases, compilation of automatic lists based on the type of participants and the destination, sharing via iTunes and email and the possibility of customizing the design.;
- **Monument Tracker**, application that sets the itinerary, choosing the monuments and attractions to visit. Monument Tracker proposes quizzes to learn more about the city you are visiting and, when the user is near an interesting monument, sends push notifications that provide stories, anecdotes and curiosities;
- **Musement**, an Italian app born in 2013 and acquired in 2018 by Tui Group, European leader in tourism and leisure. Musement selects the best activities for every type of tourist proposing to view and book panoramic tours, trekking, diving, balloon trips, food and wine activities in more than 30 countries around the world. The company is based in Milan and its main competitors are

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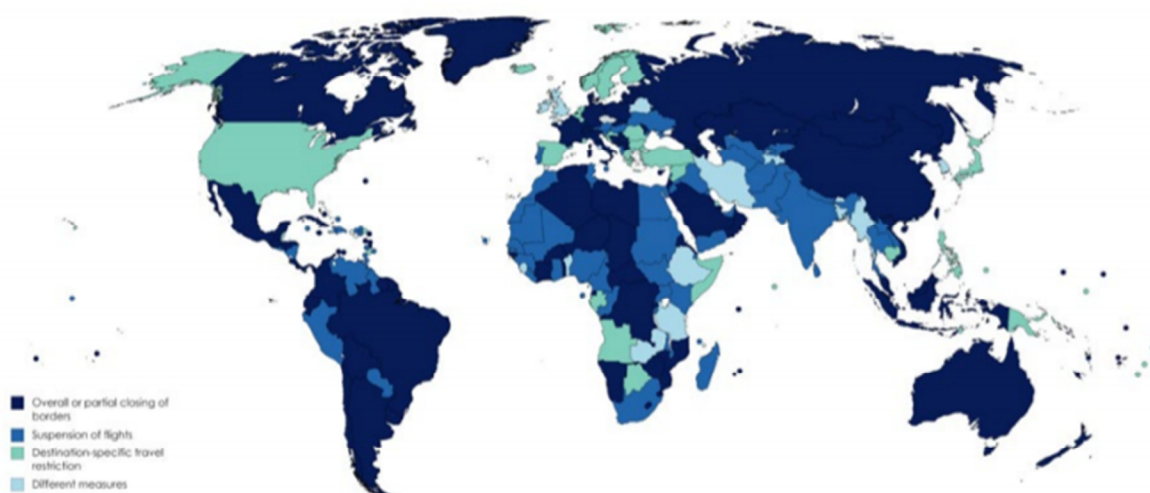
<sup>109</sup> Already widespread all over the world with other functions (e.g. in supermarkets), in Italy the Parc Hotel in Peschiera sul Garda (Veneto) will be one of the first accommodations to be equipped with it, starting from spring 2018: the Parcs Hotel chain, in fact, will initially use it for the receptionist role and then move on to the Banqueting & Events service. Costa Crociere has recently embarked him as a steward on its ships. Certainly it is an investment: each one costs about 30 thousand euros. Ultrasonic transmitters and receivers, laser sensors and obstacle detectors, cameras and tactile sensors in the hands, and the entire programming process make it an investment that can be made only by structures capable of bearing the costs and maintenance, as well as having the availability of adequate space.

Viator (acquired by TripAdvisor), GetYourGuide, in Berlin, Klook, based in Hong Kong, and Peek.com, based in the United States.

## Digital tourism and Covid-19

The tourism economy has been hit particularly hard by Covid-19. Depending on the duration of the crisis, scenarios indicate a potential economic shock that could range from 60% to 80% contraction of the international tourism economy depending on the duration of travel restrictions. As of April 20, 2020 (source UNWTO, World Tourism Organization<sup>110</sup>), every country in the world is experiencing some form of travel restriction due to Covid-19 and even until May 18, 75% of countries continue to keep their borders closed to international travel.

Picture 34 - Map of travel restrictions by destination due to Covid-19, as of April 20, 2020



Source: Data compiled by UNWTO as of 20 April 2020

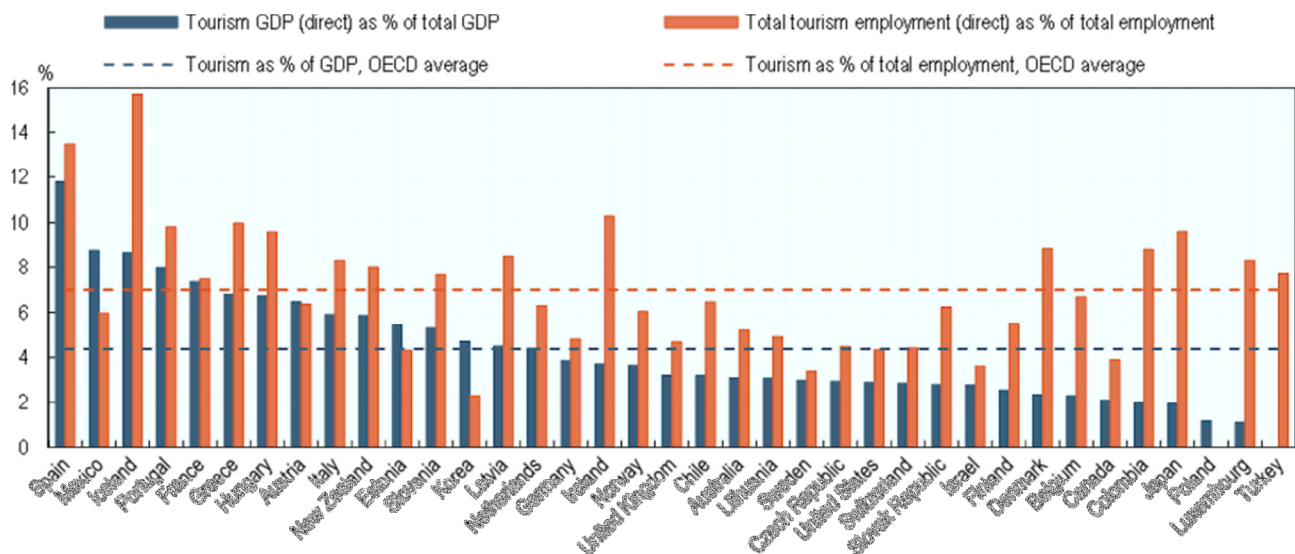
Scenarios for the recovery and relaunch of the tourism economy are closely dependent on two factors: the incidence of tourism on the national economy, first of all, and the weight of domestic tourism on the national tourism economy.

In a logic of proportionality, it is evident how the impact of restrictions on international tourism has been all the more serious the higher the incidence of tourism on the national economy. On an OECD average of just over 5% weight on GDP and around 7% of the workforce (counting only direct employment), it can be seen that the countries that exceed this threshold are Spain (with almost 12% of GDP), Mexico, Iceland, Portugal, France, Greece, Hungary, Italy, Austria, New Zealand, Estonia, Slovenia, Korea, Latvia and the Netherlands.

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<sup>110</sup> UNWTO, Covid - 19 related travel restrictions a global review for tourism, second report as of 28 April 2020, <https://www.unwto.org/news/covid-19-restrictions-on-tourism-travel>

Picture 35 - Weight of tourism activity in terms of GDP and direct employment



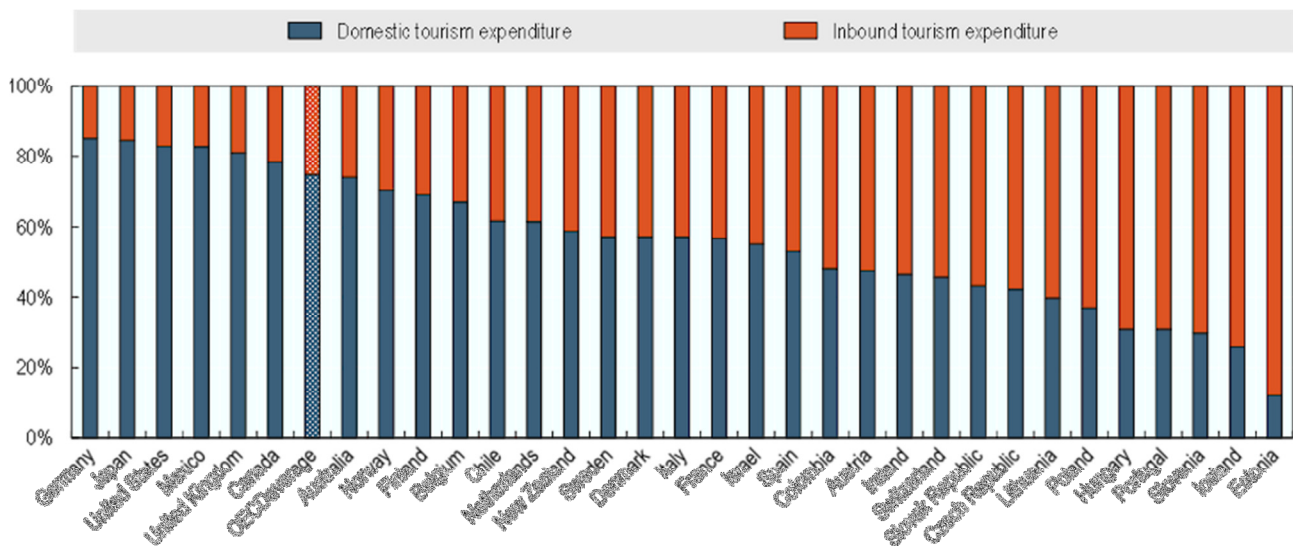
In these countries, therefore, a more important economic repercussion can be hypothesized. The ranking is different if one compares the direct occupational weight attributable to the tourism economy: where the higher the occupational share, the greater the likelihood of a structural fallout on the national labor market. In this regard, the cases of Iceland, Ireland, Spain, Greece, Hungary, Denmark, Colombia, Japan, Luxembourg and Turkey should be noted. Also of interest is the relationship between the incidence of tourism in terms of GDP and employment. Where the employment share of tourism is significantly greater than tourism's share of national GDP, the lower the added value produced by labor.

It is estimated that domestic tourism, which accounts for around 75% of the tourism economy in OECD countries, can recover more quickly and can act as a driving force for the relaunch of the tourism industry. On the other hand, if the tourism economy is more strongly dependent on foreign flows, recovery times will be longer. In this regard, it should be noted that Spain, Italy, Austria, France and Ireland are, in the European Union, the countries with the highest exposure of their tourism system to "incoming" spending and, at the same time, the countries with the highest incidence in terms of GDP and employment of the tourism economy. The greatest urgency for economic recovery in the sector seems to be concentrated on them.

Overall, China has emerged as the main tourism player in the last ten years, ranking first in terms of outbound tourists (10.6%) and fourth in terms of international tourist arrivals (4.5%, after France, Spain and the United States). It is therefore understandable how the sudden interruption of outbound tourist flows in January 2020 has produced a demand crisis in destinations all over the world. For airlines, a drop in international passengers from 44% to 80% is estimated during 2020 ([International Civil Aviation Organization](https://www.icao.int/sustainability/Documents/COVID-19/ICAO%20Coronavirus%202020%2005%2008%20Economic%20Impact.pdf))<sup>111</sup> with a global economic impact on the airport system equal to a loss of around 97 billion<sup>112</sup>. In Europe, 76% of hotels have been closed with an average occupancy rate of less than 30%.

<sup>111</sup> ICAO, Effects of Novel Coronavirus (COVID-19) on Civil Aviation: Economic Impact Analysis, 8 May 2020 <https://www.icao.int/sustainability/Documents/COVID-19/ICAO%20Coronavirus%202020%2005%2008%20Economic%20Impact.pdf>

Picture 36 - Structure of tourism spending by country: domestic and "inbound" spending



Source: OECD

Faced with such a drastic and impetuous fall in the global tourism economy, digital tourism has also been profoundly affected, especially in its most transnational forms in accommodation services and online travel agency services.

Airbnb announced a 25 percent cut in its workforce, about 1,900 employees, and a contraction of investments in hotels and [Airbnb Luxe](#) and the suspension of activities aimed at transportation, including flights, and the Airbnb Studios service. After the 2019 acquisition of HotelTonight, Airbnb is committed to not acquiring ownership of any more hotels.

From the words of CEO, Brian Chesky, addressed to its employees, one can sense a strategy of returning to the origins of the business "This crisis has sharpened our focus to get back to our roots, back to the basics, back to what is truly special about Airbnb - everyday people who host their homes and offer experiences." The need to get back to basics and recover the original relationship with hosts also stems from the need to respond to increased dissatisfaction in managing the economic losses that hosts have faced due to an increase in cancellations of bookings due to Covid-19. In this regard, Airbnb has allocated a total of \$250 million to support host losses, an amount deemed by most to be inadequate. Airbnb's exit strategy from Covid-19 would thus seem to focus on strengthening and specializing its apartment and vacation rental offerings to distinguish itself from the broader range of accommodations offered by rival platforms Booking.com and Expedia. It should be noted, however, that as of July 8, the Airbnb platform recorded over 1 million bookings globally for travel and vacations starting in August, highlighting a rapid positive rebound that could weaken the push for a rethink of the tourism supply chain, in general, and of digital tourism, specifically.

<sup>112</sup> Airports Council International, Economic impact assessment of COVID-19 on the airport business, 5 May 2020

## Gig Economy and Covid-19: Fairwork and platform database

The Covid-19 pandemic has certainly impacted the Gig Economy by accelerating home delivery, remoting several of the activities previously performed in an analog dimension, or preventing other activities from being performed due to social distancing. There are contradictory pushes of acceleration and deceleration depending on the type of platform, service offered, and the timing and manner of national measures to respond to Covid-19. The different national reports and observation points show how in some cases about half of the platform workers have stopped working<sup>113</sup> because of the containment policies while in other cases they have continued to work but losing about 30% of their wages<sup>114</sup> (up to 66% as reported in the cases of Uber in the USA and Gojek in Indonesia).

In order to monitor the different behaviour assumed in the world by different platforms, [Fairwork](#) has produced a comparative report on the reactions put in place to counter and mitigate the impact of Covid-19<sup>115</sup>. The report represents a valuable work of collection and systematization of information coming directly from online platforms, interviews with trade unions and worker representation, surveys conducted among workers and other research material on workers' direct experience. The research work concluded with a database (summarized in the table below) developed by all 7 national work teams of which Fairwork is composed<sup>116</sup>. The database contains information on 120 platforms in 23 different countries around the world. It does not purport to be a representative sample of the gig economy universe, but rather a field survey to be updated over time.

In general, existing reports and analyses do not provide a clear, comprehensive and complete picture of the real impact of Covid-19 on the gig economy and gig workers. The dematerialization of work is, in fact, also an obstacle to a systematic survey of the workforce involved and, moreover, it is always complicated to be able to take a picture of a phenomenon when it is still in progress because the cause-effect relationships continue to reproduce and change over time.

The behaviours assumed by the platforms were classified into 5 different categories, and 13 subcategories, in order to make the information more easily readable and comparable:

1. Fair Pay, i.e., all those measures that provide for forms of payment in the event of job loss or incentive increases (Pay Loss Compensation) or access to subsidized loans, suspension or postponement of payments for loans, rents (Financial Deferral);
2. Fair Conditions
  - a. Prevention, i.e. all those preventive measures such as sanitization, contact-less solutions, preventive systems and processes (Physical protection), provision of sanitization products and masks (Personal protection), training on the treatment of viruses (Virus Safety Knowledge) and health monitoring and control at the expense of the platform (Healthcare Assistance)

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<sup>113</sup> E.g. Stabile, Mark, Bénédicte Apouey, and Isabelle Solal. 2020. 'COVID-19, Inequality, and Gig Economy Workers'. VoxEU.Org (blog). 1 April 2020

<sup>114</sup> Adjie, Moch. Fiqih Prawira. n.d. 'App-based "ojek" drivers demand compensation as new social restrictions bar them from taking passengers'. The Jakarta Post, Online edition. Accessed 25 April 2020. <https://www.thejakartapost.com/news/2020/04/07/app-based-ojek-drivers-demand-compensation-as-new-social-restrictions-bar-them-from-taking-passengers.html>.

<sup>115</sup> Fairwork (2020) The Gig Economy and Covid-19: Fairwork Report on Platform Policies. Oxford, United Kingdom.

<sup>116</sup> University of Oxford, University of Cape Town, University of Western Cape, University of Manchester, International Institute of Information Technology Bangalore e la Technical University of Berlin.

- b. Illness, i.e. sickness benefits for those who are sick or quarantined or continuity of pay (sick pay), health insurance (Health Insurance) and death benefits (Death Benefits);
3. Fair contract, ameliorative contractual changes during the pandemic period;
4. Fair management, i.e. the maintenance of economic incentives even in the face of a drop in work (Penalty Protection) or a declaration by platforms to clients that they will not tolerate discriminatory behaviour towards groups of gig workers (anti-discrimination);
5. Fair Representation, i.e. a commitment by platforms to take questions/requests from worker representatives on Covid-19 issues.

Table 7 - Summary table of measures taken by the various Gig Economy platforms in Covid-19 time

Policy category	1. Fair Pay		2a. Fair Conditions (Prevention)				2b Fair Conditions (Illness)			3. Fair Contract	4. Fair Management		5- Fair Representation
Sub category	Pay Loss Compensation	Financial Deferral	Physical Protection	Personal Protection	Virus Safety Knowledge	Healthcare Assistance	Sick Pay	Insurance	Death Benefits	No Policies	Penalty Protection	Anti-discrimination	No Policies
<b>UK</b>													
Deliveroo			•		•		•						
Uber Eats			•	•		•	•				•	•	
JustEat			•										
Uber		•	•	•		•	•				•	•	
DPD		•	•				•						
Hermes			•		•		•				•		
Kapten					•								
Syft				•		•							
Bolt				•	•		•						
<b>Spain</b>													
Glovo			•	•			•						
Deliveroo			•				•						
Just Eat			•	•									
Uber Eats			•	•		•	•				•	•	
Uber		•	•	•		•	•				•	•	
<b>Italy</b>													
Glovo			•	•									
Deliveroo			•	•			•						
Just Eat			•	•									
Uber Eats			•	•		•	•				•	•	
Uber		•	•	•		•	•				•	•	
Domino's			•										
<b>Germany</b>													
Uber		•	•	•		•	•				•	•	
Clevershuttle			•	•		•	•						
Lieferando			•	•									
<b>Denmark</b>													
Wolt			•	•	•	•	•						
Hungry.dk			•										
<b>France</b>													
UberEats			•	•		•	•				•	•	
Uber			•	•		•	•				•	•	
Deliveroo			•	•		•	•						
Frichti			•	•									
Just Eat			•	•									
<b>US</b>													
Amazon	•		•	•		•	•				•		
Uber Eats			•	•		•	•				•	•	
Uber		•	•	•		•	•				•	•	

Lyft	•	•	•	•	•			•	
Postmates		•		•	•				
Doordash		•		•	•				
Instacart		•	•		•				
Grubhub		•	•	•	•			•	
<b>Australia</b>									
Uber	•	•	•		•	•		•	•
Uber Eats		•	•		•	•		•	•
Deliveroo		•				•			
Menulog		•							
Domino's		•							
Coles		•	•						
<b>Chile</b>									
Uber	•	•	•		•	•		•	•
Uber Eats		•	•		•	•		•	•
Didi			•			•			
Cornershop									
Papa John's		•							
<b>Turkey</b>									
Yemeksepeti		•	•						
Banabi		•							
Bitaksi	•								
Migros Hemen		•							
Istegelsin		•	•						
Getir	•	•	•		•	•			
<b>Egypt</b>									
Uber	•	•	•		•	•		•	•
Uber Eats		•	•		•	•		•	•
Careem		•	•			•			
Otlob		•	•	•		•			
Swvl		•	•	•		•			
Jumia									
<b>Unit Arabe Emirates</b>									
Uber	•	•	•		•	•		•	•
Uber Eats		•	•		•	•		•	•
Deliveroo		•	•	•	•				
Talabat		•	•			•			
Careem		•	•						
Zomato		•	•	•					
<b>Morocco</b>									
Careem		•	•			•			
Yassir									
Jumia			•	•	•				
Jumia Food			•	•	•				
<b>Lebanon</b>									
Careem		•				•			
Zomato			•		•				
Toters		•	•						
<b>Algeria</b>									
Temtem									
Yassir		•	•						
Wesselni									
Careem		•				•			
<b>Tunisia</b>									
Yassir									
Founa		•	•						
IntiGo		•	•						
Jumia		•							
Jumia Food		•							
<b>Jordan</b>									
Careem		•	•			•			
Uber	•	•	•		•	•		•	•
Talabat		•	•						
Basket		•	•						
<b>India</b>									
Amazon	•	•	•		•	•		•	•
Uber	•	•	•		•	•		•	•



Ola	•	•	•	•	•				
Zomato		•	•	•	•				
Swiggy		•	•	•	•				
BigBasket		•	•	•	•				
Grofers		•	•	•	•				
HouseJoy			•	•					
Dunzo		•	•	•					
UrbanClap		•	•	•	•				
Flipkart	•	•	•	•	•				
<b>China</b>									
Didi Chuxing	•	•	•	•	•				
Meituan Peisong		•	•	•	•				
Ele (Fengniao Peisong)		•	•	•	•				
FlashEx		•	•	•	•				
Dianwoda			•		•				
DADA Kuaisong		•	•	•	•				
<b>South Africa</b>									
Uber	•	•	•	•	•		•	•	
Uber Eats		•	•	•	•		•	•	
Bolt		•	•	•	•				
SweepSouth				•	•				
OrderIn									
MrD		•							
getTod			•						
NoSweat									
M4Jam				•					
Picup		•	•						
<b>Indonesia</b>									
Grab		•							
Gojek	•				•				
<b>Philippines</b>									
Grab	•	•		•	•				
<b>Singapore</b>									
Grab	•	•			•				
Deliveroo		•	•	•	•		•		

Source: Fairwork

An analysis of the various areas of intervention immediately highlights how lacking, in the platforms observed, are practices relating to fair contract, and therefore oriented to contractual improvement, and fair representation, that is, recognition and involvement of workers' representatives as a space of interlocation to build tools to respond to Covid-19. In fact, just the opposite has occurred. In order to prevent the provision of economic coverage in case of illness from giving rise to claims of contractual improvement (shift from self-employment to employment), some platforms, such as Uber in the United States, have made it a requirement to formally accept that the receipt of a measure of economic assistance would not change employment status.

Few platforms have introduced forms of **wage compensation** in the event of loss of employment or earnings due to Covid-19:

- Amazon, in the U.S. and India, announced an hourly pay increase for all its workers of \$2 for April<sup>117</sup>;
- Flipkart in India said it would double the pay of temporary workers<sup>118</sup>;

<sup>117</sup> Kim, Eugene. 2020. 'Amazon Announces 100,000 New Hires and Pay Raise amid Coronavirus'. Business Insider, 16 March 2020. <https://www.businessinsider.com/amazon-100000-new-hiresand-pay-raise-amid-coronavirus-2020-3?r=US&IR=T>.

<sup>118</sup> Peermohamed, Alnoor, and Aditi Shrivastava. 2020. 'BigBasket and Grofers to Hire 12,000 Staff to Demand Surge'. ET Rise, 4 April 2020, Online edition. <https://economictimes.indiatimes.com/smallbiz/startups/newsbuzz/bigbasket-and-grofers-to-hire-12000-staff-to-meet-demandsurge/articleshow/74977919.cms>

- In Turkey, the Getir platform has announced that it will continue to pay its riders even in case of quarantine or illness<sup>119</sup> and the Bitaksi platform to reduce to zero the commission of riders to the platform<sup>120</sup>

Although many platforms directly or indirectly rent or lend vehicles to riders, only a small number of platforms decided to take action in the face of Covid-19 by reducing, deferring, or postponing rental and loan costs (DPD in the UK, Ola in India, Gojek in Indonesia, Didi Chuxing in China, Grab in Singapore and the Philippines, and Uber Eats in Egypt). Of interest to note is that this practice was applied by Uber in all countries observed, with the sole exception of France.

Another business strategy often adopted has been to expand the service offered by incorporating also those types of work less affected by the measures against Covid-19. Thus platforms for transporting people, such as Uber<sup>121</sup>, Grab and Lyft have entered the parcel delivery market and online food delivery platforms, such as Deliveroo, have included food delivery services.

Measures aimed at intervening on **working conditions** have been, and continue to be, different not only from platform to platform but also according to the different phases of expansion of the Covid-19 contagion. In the face of an initial attitude of lack of responsibility with respect to the containment and distancing measures to be adopted, it should be noted that, over time, the platforms have moved, albeit to different degrees, to implement **preventive** and measures in the event of **illness**.

With regard to preventive measures, the vast majority of platforms surveyed by FairWork (58%) have introduced "contact-free" and/or "cash-free" services, even where cash is traditionally the most widespread form of payment. It is worth highlighting, however, how these services tend to eliminate contact to the consumer but not between workers (drivers) and workers (restaurant workers) or between workers and consumers who refuse digital payment. More than half of the platforms have disseminated information material, but often not going beyond what has already been made available by the various national governments. Fifty-three percent of the platforms surveyed claim to have distributed sanitizing gel and 28% also distributed masks, although a large number of platform workers claim never to have received them<sup>122</sup>. 19% of the sample state that they have distributed other sanitizing and hygienic material and have provided for the disinfection of the premises/warehouses (as in the case of the Turkish platform Getir) and only a small number have been forced to suspend activities in order to protect their staff. Finally, it should be noted that in some cases (around 29 of the 120 platforms surveyed) monitoring practices of the health conditions of their workers have been made transparent in order to reassure consumers and, in some cases, even the suspension of the account of workers infected by Covid-19 has been carried out, without providing for any insurance coverage.

With regard to sickness interventions from Covid-19, as noted above, about 56% of platforms in the FairWork sample say they have introduced some form of pay coverage for their workers. The coverage measures, however, appear to be very diverse and with widely varying accessibility requirements. Uber Eats in the UK provides £30 for each day of sickness up to a maximum coverage of 15 days and a further £100 per week based on average earnings over the previous 6 months. The Bolt platform, also in the UK,

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<sup>119</sup> Haber Port. 2020. 'Alışveriş Uygulaması Getir Çalışanı Corona Virüs Nedeni Ile Gözlem Altında!' <https://haberport.com/>, 23 March 2020, Online edition. <https://haberport.com/saglik/alisverisuygulamasi-getir-calisani-corona-virus-nedeni-ile-gozlem-altinda-h32413.html>.

<sup>120</sup> HaberTurk. 2020. 'Yerli Girişimden Koronavirüs Hamlesi!' 20 March 2020. Online edition. <https://www.haberturk.com/bitaksi-den-koronavirus-hamlesi-haberler-2618940-ekonomi>.

<sup>121</sup> These expansion strategies take place mainly through the development of partnerships with other local players.

<sup>122</sup> Uber, Uber Eats, Deliveroo, Rappi e Ola, Ríos, Cristóbal, and Lucas Cifuentes. 2020. 'El Relato de Los Trabajadores de Delivery Que Viven La Pandemia Sin Acceso a Baños Ni Elementos de Protección'. CIPER Chile, 7 April 2020. <https://ciperchile.cl/2020/04/07/el-relato-de-los-trabajadores-de-delivery-que-viven-lapandemia-sin-acceso-a-banos-ni-elementos-de-proteccion/>.

provides flat-rate cover of £100 per week up to a maximum cover of 14 days provided that at least 150 "trips" have been made in the last 6 months, the platform has been notified in good time and there is proof of illness or self-certification<sup>123</sup>. A total of 53 platforms offer flat-rate coverage and only 16 attempt to guarantee pre-Covid-19 remuneration. It should be noted that only 2 platforms guarantee extended coverage to workers' families: Didi Chixing in China (about \$700 each) and Ola in India (about \$400).

In addition to offering coverage that is very often marginal in terms of wages - for example, the £100 per week of coverage on the Bolt platform is roughly equivalent to one-third of the national minimum wage - what worries workers most are the requirements for accessing the economic assistance benefit. Of particular concern is the presentation of medical certificates that are difficult to find in the event of isolation. The few (only 15 platforms out of the 120 observed) funds set up to guarantee economic support to infected workers<sup>124</sup> are also not clearly accessible.

In any case, it should be noted, even in this case, that it is not so much the country/country as the platform itself that determines the extent of coverage, the amount of assistance and the accessibility of the measure. But not always. In some cases, in fact, the platforms maintain differentiated behaviours based on the country of the worker. This is the case, for example, with Deliveroo, which recognizes coverage in case of illness in all the countries observed with the sole exception of the United Arab Emirates. Deliveroo, according to the survey, also seems to maintain a differentiated policy in relation to prevention: personal protective equipment is provided in Italy and France but not in the United Kingdom, Spain and Australia. Among the sample observed, the only platforms that have introduced active practices of fair management and therefore the maintenance of productivity incentives even in the event of non-work are Uber and Amazon. In contrast, Lyft, Uber and Uber Eats have publicly introduced statements of non-discrimination towards those religious or ethnic groups to which consumers often tend to attribute the spread of contagion.

## Final considerations

In general, the measures appear to move along some general interpretive lines:

- Even when implemented, physical distancing and contact-less policies seem more designed to reassure consumers than to protect workers, whose exposure to contagion in the work phases preceding customer contact continues to remain high;
- Accentuations of stratification processes among workers based on:
  - **Income**, some workers even in the face of symptoms and illness reported that they did not stop working for fear of losing their pay;
  - **Gender**, insofar as women, often confined to online domestic work, have seen their work opportunities reduced precisely because of social distancing or, because of the lockdown, have had to go to work with their children, thus exposing them to the risk of contagion;
  - **Citizenship**, since migrants are often excluded from health and social protection coverage.

The pandemic does not seem to have altered the balance of power between platforms and gig workers. Even in the face of radical government policies and the abandonment of an austerity-driven conception of public finance, platforms do not show signs of radical reconversion of their entrepreneurial attitude. A clear example of this is the lack of measures aimed at the construction of practices for listening to workers' representatives and participatory industrial relations, and the absence of measures aimed at contractual

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<sup>123</sup> Bolt. 2020. 'Coronavirus: What Measures Are Bolt Taking?' 19 March 2020. <https://blog.bolt.eu/en-gb/coronavirus-what-measures-are-bolt-taking/>

<sup>124</sup> In Indonesia, the Gojek platform has established a \$6 million fund for its workers.

improvement. On the contrary, in the digital area where form and substance come together, particular emphasis has been placed on the terminology used to identify measures to cover in the event of contagion: not sick pay, which could have left room for claims, but "support payment" or "salary adjustment".

## Gig Economy and industrial relations

The relationship between Gig Economy and industrial relations is strictly dependent on the very nature of the theoretical assumption that underlies the definition of digital platform, namely the theory of transaction costs (Coase, Williamson) in which the conceptual duality of hierarchy (system of rules and mechanisms of operation of an economic entity such as the company) and market (freedom of initiative of individuals) is constantly oriented to the progressive decrease of transaction costs, or all those costs not strictly productive but related to the organization of an activity and caused mainly by information asymmetries, limited rationality and opportunism (moral hazard). Digital platforms, as mentioned above, are placed, in the framework of this theoretical approach, in a hybrid space of "hierarchy" and "market" when they offer intermediation services through which the transaction takes shape. The theoretical justification that limits a principle of hierarchical subordination between platform and platform workers appears "theoretically founded" but does not seem to strike at the heart of the problem<sup>125</sup>: *"How does a platform manage to bring supply and demand together efficiently?"* If in asset platforms the network effect is the main guarantee of transaction efficiency, in platform works, generally understood, the transaction is efficient if the availability of the workforce is guaranteed. It follows that the "platform" company, understood as a hierarchical unit, recovers the organizational and control tools of a hetero-direction and hetero-organization Tayloristic approach, enhancing them through the digital tool: *"the 'hierarchy' elegantly leaves by the 'front door' of the contract, returns from the window with the hetero-algorithmic and remote determination"*. And the "market" generated by the platform is asymmetrical because it is hierarchized in terms of the relationship between the platform and gig workers" (Cattero, p.29).

If, therefore, one leaves the formality of the legal status and enters the dimension of work organization, digital works are not so far from workers in "hierarchical" enterprises, since both are subject to the pressure of making more flexible and optimizing labour costs. Industrial relations, therefore, meet the main challenges in facing a new phase of capitalism, with new invisible formal subjects (algorithms) and with new strategies of alliances. But, at the same time, they encounter a field of confrontation that is certainly insidious but not foreign to the contractual life of a trade union organization. Topics of a trade-union nature, such as autonomy, control and organisation, are re-proposed in new ways, but for the management of which there is no lack of experience and contractual instruments to draw on.

Moreover, the development of industrial relations in the platform economy is becoming increasingly urgent as a means of countering an increasingly aggressive and growing form of capitalism in which, unlike past forms, the process of accumulation is continuous through the extraction of constant value in real time from the very life of human beings. It is the capitalism of surveillance<sup>126</sup>. Its purpose is to transform human experience into behavioural surplus by promoting its commodification as well as work, land and currency according to Polany's theory of the Great Transformation. Digital platforms are an extraordinary tool for the transformation of the individual into human capital without, however, an awareness of the value assumed by that capital on the market and of the process of continuous expropriation of the individual. Like a parasite, this economy occupies every behavioural space of the individual and transforms its nature. It is not only an exploitation practised by an external power, but it is the unconscious adhesion of the exploited to the exploiter. Industrial relations would therefore serve to restore an identity and a negotiating role to the parties and an instrument for balancing powers and for a re-appropriation of the individual's conscience with respect to the processes of capitalist accumulation.

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<sup>125</sup> Cattero B., *Oltre i confini della contrattazione collettiva?*, in Quaderni di Rassegna sindacale 4, Ediesse, Roma, 2018

<sup>126</sup> Zuboff S., *The Age of Surveillance Capitalism. The fight for a human future at the new frontier of power*, Profile Books Ltd, 2019

The literature and the various interviews conducted on the profiles of the gig workers confirm that the figures most easily organized in terms of representation are those who perform online work in person to determine the platform (on-location platform-determined work)<sup>127</sup>. As we have already seen, among them the sense of identity of belonging to a community, the collaborative relationship and the sense of sharing a condition of precariousness are more evident. Other types of gig workers (such as domestic services or cloudworkers) do not show a high propensity for representation, whether union or self-organized, precisely because of the very characteristics of their work: peer-to-peer competition, job isolation and professional individualism.

Compared to the economy of platforms, trade unions have reacted at different speeds, with different new and traditional tools and with different timeliness depending, among other things, on the propensity to trade union innovation and the degree of interaction between the sphere of industrial relations, judicial action, legislation and, more generally, with the ability to build relationships and alliances with new actors (self-organized workers' representatives and associations) at a territorial or national level.

In general, a number of trends can be observed:

in the face of the lack of organic legislation on the platform system, collective bargaining has moved towards proposing reference standards and protecting the working conditions of platform workers. Although they are not yet widely disseminated, there are contractual experiments dedicated to platform workers in several countries (Italy, Spain, Sweden, Denmark, Switzerland), emerging from the legal blockade on employment status (autonomy or subordination) in which legislation very often gets stuck;

- new actors enter the arena of industrial relations, establishing a conflicting or collaborative relationship with traditional trade union organisations. In particular, autonomous and self-organising forms of worker representation are developing, a phenomenon with which traditional trade unions will necessarily have to deal in a collaborative and not antagonistic logic;

- the competition of autonomous forms of representation has certainly contributed to triggering a dynamism of the traditional trade union as well, especially on the side of mobilizations and campaigns. In this regard, it is of particular interest to observe how many of the initiatives organized by the trade unions move in the construction of spaces of aggregation outside of work (for example, the workshops) to stimulate or strengthen a collective identity drive aimed at a rebalancing of the balance of power in platform capitalism. Identity drives, after all, that platforms tend to repress or oppose because they are aware of the repercussions in terms of representation;

- all trade unions show a certain dynamism in trying to intercept the workers of the platforms, but also the trade unions have a general public debate unbalanced on the forms of online work "on location" with public visibility: the theme of food delivery is mainly at the heart of the trade union commitment, when, in reality, cloud work and domestic work are the most widespread forms of online work;

- if trade unions, generally, are still not able to make a common stand because of internal frictions between sectoral categories (as in the case of the Netherlands) or external harshness with new forms of worker representation (as often happens in Spain or Italy), online platforms try to build a compact front by meeting in associations (as in Italy) or by lobbying against public actors.

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<sup>127</sup> Kilhoffer Z., Lenaerts K., Beblavy M., The platform economy and industrial relations, CEPS Research Report n. 2017-02, Brussels

<b>Austria</b>
<p>Despite the fact that, from a legal point of view, the regulation of the structures of employee representation provides for a constraint of subordination, Foodora has recognized as a representative subject the works council set up spontaneously by its freelance collaborators with the support of the VIDA tra union.</p> <p>Some research studies show the willingness of the Chamber of Commerce, an institutional body whose bargaining has an erga-omnes sectoral extension, to begin a path to a sectoral collective bargaining for work in platforms, and specifically in food-delivery.</p> <p>In November 2018, the Austrian confederal trade union (ÖGB) placed at the centre of the contractual debate the possibility of introducing also in Austria the mechanism provided for in the Danish contract in the Hilfr platform, i.e. the transition from self-employment to employee, with the consequent application of the national collective agreement, once more than 100 hours of work for a platform.</p>
<b>Belgium</b>
<p>In January 2019, the CNE trade union, a member of the national trade union confederation CSC, set up experimental pathways of organizing self-employed workers of the platforms. Apart from this and a few other isolated initiatives, trade union organisations do not seem to have developed clear strategies for organising and representing platform workers. This difficulty is undoubtedly linked to the presence of the cooperative in the digital world. <a href="#">SMART</a> which offers services and social protection to freelance and platform workers and whose role is often interpreted, even in the Italian debate, as a "third way" in the combination of employment law and self-employment.</p>
<b>France</b>
<p>Only country to have a labour law in online platforms (2016). The law (the so-called El Khmori Act) also regulates and recognises the three fundamental collective rights of platform workers: the right to strike, the right to association and the right to collective bargaining.</p> <p>There are already experiences of platform workers' unions such as those of the Bordeaux riders, a local union affiliated with the CGT transport union. Although the law provides a point of reference for rebuilding relations between the trade union and platform workers, it does not always guarantee the desired result. The unionized workers tried to open a bargaining table with Uber, but he refused the confrontation on the pretext that the negotiating delegation from the world of drivers was not representative.</p> <p>Trade unions were generally oriented towards providing services to platform workers. In this regard, one of the most important initiatives concerns the trade union platform developed by the CGDT in 2016 for services and advice to self-employed workers (against a payment of 1% of turnover).</p>
<b>Italia</b>
<p>Although several proposals have been presented in Parliament at least in the last three Governments (Renzi, Gentiloni, Conte), a law regulating work in platforms was introduced only in November 2019 (l. 128/2019 that converted into law Decree Law n.101/2019 of September 3, 2019) thus allowing a wide and varied contractual phenomenology to be generated:: Deliveroo prefers to hire through casual or self-employment, Foodora through para-subordination, and Just Eat through service contract to a third company. In the absence of the late national legislation, the Lazio Region (and initially also the Piedmont Region) have produced regional laws regulating digital workers, although they do not have specific expertise. The Platform Workers Act of 2019 introduces minimum protections for home delivery workers (riders) regarding contract, compensation, information rights, non-discrimination, protection of individual data, accident insurance, and workplace safety.</p> <p>In terms of industrial relations, 5 are the elements of interest:</p> <ul style="list-style-type: none"> <li>- the budding of self-organized worker representatives among riders (Riders Unions) with local bodies strongly interconnected through the digital network. Several public protests were self-organized by the riders' workers between 2016 and 2018 (Turin, Milan and Bologna, the main cities of mobilizations) turning the media spotlight on their condition;</li> <li>- the Charter of Fundamental Rights of Digital Workers of Bologna (2018), signed by the self-organized unions, the Municipality of Bologna, some food-delivery platforms and the local unions (Cgil-Cisl-Uil). Territorial agreement that introduces minimum wage standards, linking them to the sectoral, information and insurance CCNL</li> <li>- In 2018, also as a reaction to the protagonism of self-organized movements, the CCNL for transport and logistics signed by CGIL, CISL and UIL introduces and regulates the figure of the "rider";</li> <li>- In 2019, LaConsegna (a food-delivery company) of Florence signed a company agreement with CGIL, CISL and UIL in which the subordination of the riders is recognized and the consequent application of the national contract. The agreement aims to be a contractual reference point for the entire regional territory (Tuscany).</li> </ul>



- In July 2018, the main digital platforms (Deliveroo, Glovo, JustEat, Uber Eats, Social Food) formed Assodelivery, the Federation of Platforms, and presented a Charter of the values of food-delivery in which they reaffirm the formal autonomy of the riders and generally commit themselves to ensuring an adequate and fair wage.
- at the beginning of 2020, emulating the Bologna experience, also in Naples the "Charter of rights of riders and Gig Economy workers" was finalized thanks to the collaboration between riders' representatives, trade unions (Cgil, Cisl and Uil) and local administration;
- at the end of 2019, Cgil sues, at the court of Bologna, the Frank algorithm used by Deliveroo. According to the Cgil, in fact, the working conditions that the algorithm imposes marginalize workers who, for personal reasons related to rights such as illness and strike, do not make themselves continuously available for work.
- In 2019 ANAR (national autonomous association of riders - close to UGL) is also born, in contrast to the law 101/2009 which provides for negotiating tables between the most representative trade unions and platforms and preferring a direct confrontation with the platforms

On the level of organization and local mobilizations we point out

- the Ciclofucina in Turin, born in the CGIL to provide riders with a space for "mutualism in solidarity on two wheels": tools to repair bikes, information on the contract, individual assistance/reverence paths and collective actions;
- Conventions with local cycle shops, such as in Florence, always by the CGIL and for riders who want a space to self-repair their bike or have it repaired, rest while waiting for the next call, meet, exchange experiences, get union advice;
- WORX, the co-working of CGIL Milano, to give logistic solutions at affordable prices to freelancers, provide them with advice on tax, administrative, social security, but also information on funding opportunities;
- The #NoEasyRiders cross-industry campaign organized by CGIL;
- The #DeliverYourRights campaign organized by the Cgil of Bergamo.

#### The Netherlands

Despite the lack of a tradition of collective actions - according to a restrictive jurisprudence of the Dutch Supreme Court - one day of collective action was organized against Deliveroo, however isolated initiative. In this regard, it should be noted that the company has in any case proceeded to the transformation of the form of work from subordinate and autonomous and has created a "Riders Forum" to inform and consult the riders, thus placing an alternative tool, but outside the sphere of industrial relations, to the works council.

Among the riders, representatives of the self-organized workers "Riders Union" have been developed, in particular in Deliveroo, but supported by the FNV union.

In the catering service, the FNV catering federation has entered into collective bargaining with Temper, a freelancer platform, which has led to the elimination of the commission paid to the platform, thus increasing the income of workers. The contractual path has opened up an internal conflict within the trade union, as the FNV Flex, which represents temporary and administered workers, considers Temper not as a platform but as a labour administration agency to which the dedicated national contract should be applied.

#### Spain

The main experiences of industrial relations in the economy of the platforms are:

- The development of forms of worker representation self-organized as in the case of RidersXDerechos, or a platform for riders born as contractual partner of Deliveroo, in Uber or Cabify. In the case of Deliveroo, however, it should be noted that the same company has not recognized the platform as a contractual subject and has, indeed, disconnected the main promoters.
- The relationship with the traditional trade union is contradictory: in the case of Deliveroo no support was sought from the more structured trade union organisations while in smaller cases alliances were sought.
- There is a strong capacity to network self-organised representations at European level.
- The more traditional trade unions have adopted digital information tools for digital workers - such as the portal launched by UGT in 2017 as an information and participation tool - and have co-supported lawsuits and activated labour inspectors using the so-called "colectivo conflict process" (a sort of collective lawsuit that determines future jurisprudence) against Glovo in 2018.
- Precarity war (to say Estamos contigo, contigo somos) platform created by CCOO to collect the different stories of precarity and develop a community;
- The most significant contractual experience is that of the Intersectoral Agreement of Catalonia (AIC) 2018-2020, signed by the social partners most representative of the territory. The agreement includes a section dedicated to the workers of the platforms, which establishes that in terms of work the applicable law is that of the country in which the service is provided and recognizes a commitment to study ways to promote the collective rights of gig workers.
- In 2018 Deliveroo and the Spanish Association of Riders (ASO) signed a first "professional interest agreement", a defensive agreement in which two key concepts are re-proposed - platforms are not employers and riders are not employees - to exclude

platforms from the perimeter of collective bargaining - In Spain, the trade unions CCOO and UGT have brought home food delivery cyclists back into the Convenio colectivo de la hostelería - Title V
<b>Switzerland</b>
In February 2019, an agreement was signed between Syndicon, the Swiss ICT trade union, and its employer counterpart (SML, Swissmessengerlogistic) for city riders and couriers recognising minimum wages, night and Sunday allowances, working hours, sickness and other social protection schemes (including paternity leave). The agreement covers 600 workers but is not implemented by Uber Eat and Notime, leading delivery platforms.
<b>Germany</b>
<p>The discussion that began in 2015 with the publication of the Green Paper on Work 4.0 has also affected gig workers, or rather cloudworkers, has not found in the White Paper, published in 2016 after the process of consultation with all stakeholders, a continuation as it is not considered the phenomenon of primary urgency.</p> <p>On the other hand, trade unions and primarily Ver.di and IG Metall have developed strategies for inclusive bargaining, dialogue and dedicated services for gig workers. In particular, together with other European trade unions, the "faircrowdwork" platform was developed in which, in addition to information and advice for cloud workers, a platform evaluation system based on the assessment of registered workers was built.</p> <p>Of particular interest was the case of Delivery Hero, which, with more than 2000 employees, fell within the scope of the German Codetermination Act. First Delivery Hero rejects its application but is then forced to introduce it after a legal action. It is then transformed into Societas Europea (SE) by introducing a European supervisory committee of six members, three of whom are members of the works council, one of whom is a rider. Trade unions such as CGIL (for Italy), NGG (for Germany), VIDA (for Austria) participated in the negotiations.</p> <p>By acquiring Foodora Germany, Takeaway.com has also "inherited" the Works Council of Cologne, a body for the information and consultation of workers, created by the riders with the support of the German union NGG. Three other companies that operate through digital platforms have transformed themselves into SEs without involving the union (Zalando / Hellofresh and Care.com, all based in Germany), with the result that workers have fewer means of participation than they are entitled to<sup>128</sup>.</p> <p>Another element of interest is the establishment of a works council in Deliveroo as the final trait of a claim process that saw the initial use of Whatsapp as a tool for collective communication, the support of the NGG food union and a Facebook campaign entitled "Delivering at the limits". Deliveroo, however, has transformed workers from employees to self-employed, who do not have the right to set up a works council.</p> <p>2019 saw the launch of DeadUploadDay the first 4.0 strike launched by Fairtube (IG Metall and YoutubersUnion) calling on Youtube creators not to upload videos on November 26, 2019 in order to convince YouTube to sit down at the negotiation table.</p> <p>NGG has launched a campaign for riders called #Liefern am Limit / Delivering at the limits</p>
<b>Denmark</b>
<p>There are two collective agreements of major interest in the area of platforms:</p> <ul style="list-style-type: none"> <li>- The Hilfr cleaning platform and trade union 3F concluded an agreement in 2018 which introduced a minimum wage (€19 per hour), pension contributions, paid holidays and sickness and above all a mechanism for switching from self-employed to employed after exceeding 100 hours of work for a platform;</li> <li>- A Danish interpreter platform Voocali and the trade union HK have concluded a collective agreement which regulates not only pay and working conditions for employees but also certain organisational aspects of the self-employed. The agreement introduces a minimum hourly wage, guaranteed payment for cancelled assignments, transport allowances, and an obligation for the platform to provide objective justifications for the possible exclusion of a worker from the platform.</li> </ul>
<b>Poland</b>
<p>To date, there is no law in Poland regulating platform work. The only law that in some way refers to platform work is the so-called Lex Uber Act introduced on January 1, 2020, an amendment to the Law on Road Passenger Transport. During the first month of the law's implementation, police inspected 140 drivers of which 27 were sanctioned for not complying with regulations (primarily the lack of a passenger license).</p> <p>In its 2018-2022 program, OPZZ Solidarnosc emphasizes the need for a legislative solution to classify platform workers within</p>

<sup>128</sup> Information is taken from the web platform created within the GIG Economy project of Filcams Nazionale <https://gigeconomy.y-b.it/index.php/it/>

the scope of subordination. In 2019, a Parliamentary Group for the Future of Work was formed in which social peers also participated and in which hypotheses for the regulation of platform work were discussed <sup>129</sup> .
<b>Norway</b>
In Norway, the transport union (Transportforbundet) signed in September 2019 with Foodora Norway a collective agreement after 5 weeks of "soft" strike (an economic agreement, including a wage increase, compensation for storage of clothing and equipment, a supplement for deliveries during the winter period and seniority steps) <sup>130</sup> .
<b>United Kingdom</b>
The GMB union signed a (voluntary) agreement with Hermes in 2019 for 15 thousand self-employed couriers, providing for 28 days of paid vacation per year, ad hoc payments for specific issues in addition to the minimum wage (National Living Wage), health and safety rights, information and consultation rights, right to collective bargaining <sup>131</sup> .
<b>Sweden</b>
In Sweden, a collective agreement has been signed by Svenska Transportarbetareförbundet and the Bztt platform, which provides transportation services along the lines of Uber)

The trade union attitude towards the e-commerce phenomenon is still uncertain<sup>132</sup>. On the one hand, management often uses the spectre of e-commerce competition to reduce working conditions and, on the other hand, some studies show that the retail crisis stems from factors other than the competitive push of e-commerce and in particular from:

- expansionary pressures beyond the threshold of economic sustainability
- management of private equity that penalizes companies with unsustainable debt
- Cultural resistance to change and investment in innovation

It seems clear that retail is one of the sectors most exposed to automation and, therefore, also to the expansion of e-commerce: according to a 2018 PwC analysis<sup>133</sup>, it is estimated that about 34% of retail jobs are at risk due to automation processes (ranging from 21% in Russia to 35% in Italy to 51% in the United States).

Despite the downward challenges that *e-commerce* giants are launching, online sales still remain a marginal mode of sales that does not exceed 10% of total sales volumes in EU countries, with a few exceptions including the UK and Denmark. The particular contractual difficulty encountered by European trade unions in comparing contracts with individual e-commerce platforms or in the omni-channel processes of commercial operators consists of:

- the ability to rebuild, under the contractual sphere, a supply chain that is very dispersed in terms of workers and value generation. The attempt by the Belgian trade union ACV Plus to map the value chain of large commercial operators and propose sector-specific standards to be met with resistance from management and the efforts of the Dutch trade union FNV to organise the bol.com e-commerce platform clashes with strategies to outsource warehousing activities (to Ingram Micro) and customer service (to Teleperformance);

<sup>129</sup> Izabela Florczak, Marta Otto, National Report on platform work – Poland, IREL <https://irel.fmb.unimore.it/>

<sup>130</sup> The information is taken from the web platform created within the GIG Economy project of Filcams Nazionale <https://gigeconomy.y-b.it/index.php/it/>

<sup>131</sup> Idem

<sup>132</sup> Marcel Spatari, E Commerce: recent trends and impact on labour, Sindex, Working paper for Uni Commerce Global Union, June 2019

<sup>133</sup> Hawksorth, John, Berriman, Richard and Goel, Saloni. Will robots really steal our jobs? An international analysis of the potential long-term impact of automation. PricewaterhouseCoopers. 2018

- in contrasting the growing cultural drift oriented towards the loyalty of workers by pure players, such as Amazon, whose expansive strategies naturally imply the contraction of working conditions. The cooperative dimension is used to create a sense of identity of belonging (in Amazon workers are "associates") to maximize flexibility and gather maximum availability.

Again, the Swedish trade union (in this case Handels and Unionen) stands out because it takes a non-biased negative view of the phenomenon of e-commerce. Many of the small e-commerce companies in Sweden are organised or open to trade union membership: the Handels trade union has recently concluded an organising campaign by unionising 3500 people and signing 250 collective agreements. In addition, given the environmental impact of e-commerce, the Swedish commerce trade union together with its employers (Svenk Handel) have allocated an annual budget of €1.9 million to support research projects on the relationship between commerce, distribution and e-commerce.

During the 2019 Davos Economic Forum, some participants showed a willingness to engage in trade negotiations on the topic of e-commerce. In the face of this position, the International Trade Union Confederation (ITUC)<sup>134</sup> saw the goal of expanding market access for digital companies like Amazon, Google, and Facebook. And this is precisely why ITUC stresses the importance of data governance, as e-commerce opens up the global challenge of transparency, use and ownership of big data and its "exploitation" for commercial purposes.

In addition, the union's concerns also focus on the lack of a local legal presence for e-commerce companies. As stated by the ITUC, "the proposed changes would introduce public regulation provisions and prevent governments from forcing companies to open local offices and host servers on their territory. Without a local business presence, there is no entity to sue, and the ability of the nation's courts to enforce labor standards, as well as other rights, is called into question."<sup>135</sup> The lack of a legal headquarters, in addition to depriving the union of a space of interlocution, particularly complicates the construction of union representation, the agility of union rights and the protection of workers' rights and would open the risk of anti-union policies.

### A map of the protests in the platform economy

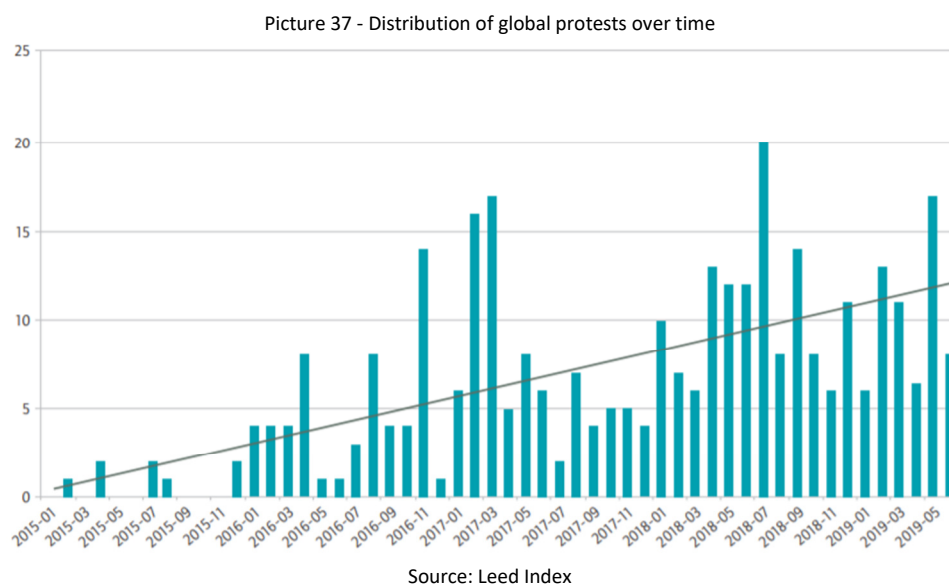
In recent years, along with the number of digital platforms, the number of protests organized by platform workers has grown in order to demand better working conditions, higher wages, recognition of individual and collective rights, social protection, information on the functioning of the algorithm and on the strategies of the platforms themselves. A comprehensive mapping and analysis of the various protests, mobilizations and initiatives organized directly or indirectly by platform workers is provided by the Leeds Index Platform Labour Protest developed by researchers at the Centre for Employment Relations at the University of Leeds<sup>136</sup>.

<sup>134</sup> Here is the Italian version of the working paper for Uni Commerce Global Union (updated October 2019) on "e-commerce: recent trends and impact on labor" [https://uniglobalunion.org/sites/default/files/files/news/e-commerce\\_report\\_syndex\\_october\\_2019\\_it.pdf](https://uniglobalunion.org/sites/default/files/files/news/e-commerce_report_syndex_october_2019_it.pdf)

<sup>135</sup> See also: "E-commerce" push at WTO threatens to undermine labour standards, International Trade Union Confederation, 25-01-2019, available at <https://www.ituc-csi.org/e-commerce-push-at-wto-undermines-workers>

<sup>136</sup> The information gathered comes from online sources, reports from labor organizations, activists, online forums, and most importantly the Global Database of Events, Language and Tone (GDELT) which accesses information in 65 languages translated in real time. Given the methodology, some "less transparent" geographic areas may be underrepresented.

The Leeds Index Platform Labour Protest tracked from January 2015 to July 2019 over 320 cases of worker protests in the form of strikes (30%), demonstrations (27%) and legal action (34%) particularly concentrated in 3 sectors: food delivery, transport (people) and logistics. Started in 2015, protests show a rapidly growing trend with maximum peaks during 2018<sup>137</sup>.



From a geographical point of view, protests are largely concentrated in Western Europe. Analysis of the data shows that in the United States and Europe, protests also tend to include legal action against platforms, much more so than in mobilization initiatives organized in Sub-Saharan Africa, Latin America and Asia, which are more oriented towards organizing forms of strikes. The trade union approach also changes according to the variety of industrial relations systems<sup>138</sup>. While in the first case (first and foremost in Europe), a logic of influence prevails, aimed at building relations with external players, in the second case (the South of the World), an approach based more on the logic of membership prevails<sup>139</sup>.

<sup>137</sup> Simon Joyce, Denis Neumann, Vera Trappmann and Charles Umney, A global struggle: worker protest in the platform economy, ETUI Policy Brief N° 2/2020 European Economic, Employment and Social Policy

<sup>138</sup> Eurofound (2017), Mapping varieties of industrial relations: Eurofound's analytical framework applied, Publications Office of the European Union, Luxembourg

<sup>139</sup> Vandaele K. (2018) Will trade unions survive in the platform economy? Emerging patterns of platform workers' collective voice and representation in Europe, Working Paper 2018.05, Brussels, ETUI. <http://bit.ly/ETUI-WP2018-05>.

Picture 38 - Distribution of protests by geographical area



Source: Leed Index

The causes driving the protests are, in the vast majority of cases, linked to the wage dimension. But with a geographical distinction always linked to the variety of industrial relations systems and the different structures of social protection systems. While in the United States and the United Kingdom, pay remains the sole cause of many of the protests, in the rest of Europe "pay" is a central issue, but along with working conditions, employment form and union representation. In India and Pakistan, "pay" also remains the central theme, while in Africa, pay is the cause of conflict along with working conditions. In Latin America, moreover, pay is practically absent as a driver of mobilizations while workers' conditions are the main cause of protests.

Globally, it is mainly traditional or informal (unofficial) trade unions that organize and lead protests. In Europe, traditional trade unions are the most important actor in organizing protests although they are involved in only about half of all protest initiatives in the platform economy. In the South of the World, it is mainly the grassroots or autonomous unions (Unofficial Unions) that promote the initiatives, while in the United States and the United Kingdom there is a substantial balance. Globally, only 30% of protests in the platform economy are organized by traditional unions.

Chart 3 – Distribution of protests by type of organization

	UK and Ireland	US and Canada	Western Europe	India and Pakistan	Southern and Central Africa	Latin America	Other regions	Total
Unofficial Unions	52,2	25,9	25,9	66,7	40,0	48,1	29,4	38,6
Mainstream Unions	37,8	27,2	51,9	16,7	13,3	3,7	23,5	30,7
Informal Organisation (Social Network)	1,1	6,2	3,7	0,0	13,3	7,4	8,8	4,7
Combination of union and other actors	0,0	0,0	1,9	0,0	0,0	0,0	2,9	0,6
Uncategorised	0,0	6,2	7,4	11,1	13,3	22,2	20,6	8,2
Other	8,9	34,6	9,3	5,6	20,0	18,5	14,7	17,2
<b>Total</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>
Total (number)	90	81	54	18	15	27	34	319

Source: Ires Emilia-Romagna elaboration on data on Leed Index

## Covid-19 and some policy recommendations for trade unions

The global survey conducted by FairWork on the behaviour of platforms during the pandemic concludes with the systematization of policy recommendations by comparing 9 different groups of unions and

representatives of gig workers<sup>140</sup> in the UK, USA, India, Italy and Indonesia and taking into account the *Charter of Recommendations* coordinated by the *Centre for Internet and Society and Tandem Research* in India.

Without prejudice to the need to place at the centre of any claim the wage dimension and the recovery of lost income, the recommendations are divided into 5 areas, following the categories of analysis used to observe the behaviour of platforms in the pandemic period:

- **Fair pay,**

- o immediate access to minimum income for those unable to work due to the pandemic, reduced costs (platforms' commission), or increased payments for those working but with reduced earnings and pay premiums for those working during the pandemic;

- o waiver by platforms of loans made for the purchase of work tools, access to emergency loans, income recovery measures even in post-lockdown periods, expand the pool of beneficiaries of economic support schemes;

- **Fair Conditions,**

- o Regular and free provision of personal protective equipment, installation of protective barriers in drivers' cars, adopting contact-less modes throughout the work chain, daily sanitization of vehicles and workplaces, free check-ups for workers and their families;

- o An affordable sickness benefit, commensurate with regular earnings and extended to all those unable to work due to illness, quarantine or care for family members, for those hospitalized for Covid-19,

- or provision for general medical and life insurance;

- **Fair contracts**, no pejorative contractual alterations during the pandemic;

- **Fair management**

- o Encourage and build accessible and understandable forms of communication, protect worker privacy;

- o Maintain productivity bonuses and incentives even during non-work periods

- o Public statements of non-discrimination against religious or ethnic groups;

- **Fair representation**, develop forms of listening and involvement of workers' representatives.

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<sup>140</sup> UK (Independent Workers of Great Britain, United Private Hire Drivers), US (Rideshare Drivers United, Silicon Valley Rising, Gig Workers Collective), Italy (Riders Union and Deliverance), India (Indian Federation of App Based Transport Workers, OTU Drivers and Owners Association) and Indonesia (Two-Wheel Movement Union - GARDA, Online Driver Association - ADO)