

People interviewed:

LIS_AC_1 - Manager of the main Lisbon concierge and short-stay rental intermediary company. This company is the only official Airbnb partner operating in the Lisbon area.

LIS_AC_2 - Small Airbnb company, manager of 5 flats.

1. Accommodation/Hotels/Short-term rental (Airbnb)

Labour conditions in the tourism, and specifically in the sector of hotel and accommodation, have been strongly influenced by the expansion of the tourism market in Lisbon metropolitan area. Tourism as a whole, accounts for about 15% of total employment, and about 40% of national exports. Although, it is within the framework of a governmental economic strategy based on the development touristic industry that the impact of short-term rental and local accommodation platforms on hotel sector must be understood.

This strategy therefore intersected with the major development of platforms at global scale in the mid of the decade of 2010s. Within this context, Lisbon attracted international investment in the real estate. These investments have had an easy time in buying up decaying buildings and properties in many parts of the city at low price, and then renovating and putting them to profit, with high yield, in the tourist market. Simultaneously, national and foreign investment has greatly developed the hotel sector. Moreover, as in many other cities in the world, it is possible to reserve rooms in hotels and hostels through platforms such as Airbnb. Finally, an intermediary level of management for local accommodation and short-rental market, expanded the sector of ancillary activities previously linked to hotels, such as industrial laundries, the management of warehouses and deposits in which all the necessary goods for the tourist reception (such as towels, sheets and tablecloths) are stored, and finally the cleaning services.

The relevance of this intermediary management level in organizing and manage the market in short-term rental by platform is high. One of our interviewees reports that before the pandemic, the intermediary company he set up managed about 800 flats. There are others of a similar size. “[...] in Portugal, we already have several international players, but they are almost always concentrated in Lisbon and Porto. [...] How do you say? Enterprises that are almost hotels, which then have the concept of flats, which are then rented out to their owners. So, there are hundreds of companies that do this type of, of service, some of them only in their own condominiums, so to speak” [LIS_AC_1]. The case of this company is particularly relevant. Firstly, it is a concierge who is the official partner of Airbnb. This is seen as a guarantee of the quality of the service offered, helping to attract customers. Furthermore, it translates into a better placement of the managed flats in the platform's listing. Secondly, it is a Portuguese company, born in Lisbon, but with the ability to operate internationally, building networks with other concierges.

From another perspective, the post-crisis economic recovery strategy, has been announced, among other things, as a way to absorb some of the unemployment generated by the economic crisis of the early 2010s. Numerous social forces have contested this strategy from the outset, saying that a country's economy cannot be sustained primarily on one economic

sector, especially one as fragile as tourism. One figure above all gives an idea of the development of the accommodation industry (hotels + local accommodation): the total number of guests rose from 19.1 million in 2016 to 27.1 million just three years later in 2019, and then fell to about 1/3 in 2020 due to the pandemic outbreak.

From the perspective of labor market within this sector, the dynamic that was generated was as follows: the pressure of labor supply met the expansion of demand generated by investments in the hotel sector, but especially in the short-term rental sector. At the same time, the diversified investments in these two subsystems of the hospitality industry (traditional hotels and short-term rental flats) have put workers in hotels, in competition with the labor supporting the short-term rental sector by platforms. Working conditions in this latter sector are even more encompassed by great informality and intermittency.

Trade unions operating in the hotel sector continue to denounce pressure and blackmail by the bosses and the hotel owners' association itself. They denounce the large amount of informal work that is done in this sector during the peak tourist season, the shifts that far exceed the contractually agreed workload and low wages. While these claims are addressed to the hotel owners' association, the unions have also consistently attacked government action. The contractual conditions in this sector were reviewed by the troika intervention in 2011 and the growth of the sector has been also based on a cheap labor. Thus, trade unions demand contractual and salary adjustments. Moreover, one of the main demands is the strengthening of the labor inspectorate, which is the only way to reduce undeclared work and to limit the constant contractual violations.

A closer look at the impact of platforms on work contexts suggests further considerations. Firstly, in general terms, as suggested in one of our SopoLabs, temporary employment agencies are widely used in the tourism sector. However, if this is true for seasonal employment in hotels, looking at the work that supports short-term rental there are some specific issues. Both of our interviewees stated that for check-in/check-out activities, for housekeeping activities - mainly cleaning and changing towels, sheets, etc. - they rely on directly contracted workers. However, our fieldwork find that many other short-rental accommodation intermediary companies make extensive use of intermittent and part-time work, especially in the cleaning and check-in/check-out sectors. In a few cases this part-time jobs are regulated by a contract. In the majority of cases, it is informal work, paid directly per service.

As described extensively in our report on the impacts of the pandemic, the tourism sector has been severely affected by the spread of Covid-19. Below is a simplified picture of the impact of pandemic outbreak in this sector, with data for spring/summer 2020. Data for the last quarters are still to be processed. However, press reports suggest a worsening of the situation:

40% of the enterprises resorted to financing lines;

90% of emprises resorted to the simplified lay-off (65% for the period of 3 months);

Of these:

95% of the companies in lay-off placed more than 50% of the workers in

suspension of the work contract;
63% of the companies in simplified lay-off placed up to 30% of the workers in reduction of the normal work period;
12% of the companies in simplified lay-off placed all the workers in suspension of the work contract;
25% of the companies fired employees on a trial basis;
36% of companies did not renew fixed-term contracts;

2. Scope of the industry and company strategies

Outsourcing has grown a lot with the entry of platforms. Firstly, as already mentioned, the formation of these large intermediary companies has strengthened the entire outsourcing sector, which previously found its main customer in hotels. For the platform-mediated short-term rental sector, the following services are outsourced: industrial laundries; flat cleaning; check-in/check-out; flat repair and maintenance. While it is possible to point that the services of washing of all necessary equipment for the hotels is mostly outsourced, with regard to room cleaning services, smaller hotels generally use their own staff or small family-run businesses, while larger hotels make extensive use of outsourcing with larger cleaning companies.

In the case of local accommodation, we found the following typologies: intermediary companies that manage a larger number of flats, generally outsources only some tasks, especially laundry and non-routine maintenance of the apartments, while use directly contracted workers for the operation of check-in/check-out operation and cleaning. One of our interviewees suggests that this type of business organisation, which makes little use of outsourcing for cleaning services, has a higher cost, but is more effective in managing flats, reducing organisational and coordination costs. The process is explained as follows: “everything that is collected from the houses, of dirty bedlinen, is done by our teams, which must, obligatorily, go by car, obviously, and go house to house, collect the dirty bedlinen and whatever already needs to be changed, bath gel, napkins, dishwashers, and take them all out, put new ones on and leave for the next house. Then, at the end of the day, everything is deposited in our warehouses. The laundry companies come twice a day to collect clothes, which are then deposited there. So, only our employees go to the houses. The people from who do the reception, not all of them use cars, because, for example, in the case of Lisbon, it would not be very practical to use a car to go to check-in in Alfama (historic district in the city centre), when it is not possible to use a car. Therefore, they have to opt for situations such as cycling or even walking” [LIS_AC_1].

As suggests our second interviewee, there are also many tenants that use extensively outsourcing for practically all tasks. The owners of the flats, in this case, are often foreigners, or are investment funds, who rely on local intermediaries, in many cases simple real estate agencies, which offer the listing management service, when it is not operated remotely by the owner himself, and outsource all other management aspects. This model is based on a strong reduction of costs, accompanied by 'big investments. Many of these investments own entire buildings. However, in many cases, these rental flats are not registered with the local institutions that regulate the short-term rental sector, and the local institutions do not tax these activities. There has been, and still is, unfair competition towards small tenants or small

businesses. In my case, I directly contract the people who manage the apartments, from cleaning to check-in/check-out. The lack of regulation, on the other hand, means that this competition is not only determined by investment capacity, but also by competition to the bottom of labour costs. In this sense, the central and local government should strengthen not only the supervision of rented houses, but the whole sector"[LIS_AC_2].

It has to be acknowledged that also in this case, the lack of regulation and supervision of these sectors by public authorities is combined with the high use of informal labour. For this reason, it is difficult to reconstruct a detailed picture of the impact of COVID in these ancillary labour sectors. However, it must be stressed that this area has been excluded both from the public debate during the pandemic and from the reforms that the government and local authorities are discussing regarding the impact of short-term rental on urban space. In our fieldwork we have found that, due to the pandemic, there is a general trend of conversion of flats in favour of medium to long term rentals. Again, however, it should be noted that while small and medium-sized tenants opt for this solution, large landlords generally do not issue leases longer than 6 months/1 year. The aim is to return to business as usual as soon as health conditions allow. In this scenario, however, ancillary service workers have found themselves completely unprotected due to the informality of their working conditions. Whereas, as shown above, in the case of workers in the hotel sector, there have been very inadequate and time-limited protective measures in place.

3. Section Industry regulation

The Lisbon' municipality regulation for platform-mediated short-term rental operate as follows: first, all the short-term rental houses must be registered and licensed by the Municipality. Then, there is a system of quotas which determines that in specific neighborhoods or areas, the houses on short-term rental can't exceed the 25% of the total accommodation. There are also other mechanism such as the need to obtain the consent of all the inhabitants of a building in order to start there a local or tourist accommodation facilities.

Faced with this situation, we have recorded three different positions. The first one, coming from the movements for the right to housing, denounces the ineffectiveness of this law. The main argument is that the short-term rental mediated by platforms, generally with tourist purposes, which is seen by these movements as one of the main factors behind the increase in property speculation and the reckless growth of house prices and rents, moves to various areas of the city, continuing to produce the relocation of inhabitants to the suburbs, and extending the process of gentrification to various areas. The claims of these movements are the extension of this quota system to the whole metropolitan area and its retroactivity.

From another perspective, this quota system is criticised by the concierge companies as preventing new investments in this sector: "This prevents some investment by people who want to allocate houses. People who come to us and who want to buy a house, for example, in Alfama, since it is no longer... and want to make an end of it, rent it out all year round, or it is, or it is, just, just for investment, since there is no longer an allocation of LA; they will no longer make that investment, because it is no longer worthwhile. In the long term, it will bring consequences, in terms of investment, whether foreign or national". This position is generally

accompanied by a narrative describing the transformations brought about by the development of the tourism sector in a very positive way: “I remember that, in the old days, you didn't go downtown Lisbon after eight o'clock at night, it was closed. And, nowadays, you can walk around safely at night. There were lots of empty buildings in Lisbon. In fact, AHRESP, which is the hotel association, which has..., works a lot in the area of accommodation, did a study, nearly 50% of local accommodation were properties that were uninhabitable, which were recovered. There are some advantages to this local accommodation boom. And ready, obviously, it also helps a lot, Portugal lives a lot from tourism, the number of hotel beds is not enough for the number of guests we have. We, in local accommodation, are about thirty thousand, in Lisbon, in terms of beds...” [LIS_AC_1].

Finally, the position provided by our second interviewee reinforces the idea of competition between large investments and small tenants or management companies. On the one hand, they denounces the weakness of any inspection and supervision. On the other, it denounces the ways in which large investments circumvent the same system of established quotas [LIS_AC_2].

It should also be added that the diversification of the same group or investment in both the hotel and local accommodation sectors, together with the great expansion of tourist demand, have reduced the initial tensions between hotels and short-term rentals. These tensions, for example, have not prevented an exponential increase of hotels in many central areas of the city. Moreover, a further element of containment of this possible tension is inscribed in the very logic of digital platforms, from which it is possible to rent hotel rooms, or book a local accommodation room. These containment factors, however, have not entirely eliminated the obvious competition between these two sectors.

However, these aspects have played a role in mitigating conflicts that have exploded in another sector, the mobility sector, with the strong tension between taxi drivers and owners and Uber drivers.