

WP3 - PLATFORMS' SOCIO-ECONOMIC LARGER IMPACT ON URBAN ECONOMIES

SUBTASK 3.1.4 FOCUS GROUPS

The aim of task's 3.1.4 focus group discussions is to assess the impact of platform labour on the economic and regulatory development and working conditions in specific industries. These focus group discussions shall explore the sectoral development and the strategies of incumbents. Platform companies enter markets where incumbent companies already established their operations, including the markets' socially and politically evolved and contested employment relations. Each of these platforms performs activities related to a specific sector – Airbnb in accommodation/hotels/short-term rentals; Helpling in cleaning; Uber in passenger transport; Deliveroo in courier services.

We aim to investigate if and how established working conditions and industry regulations, but also market access and the scope of the sector have changed for the industry incumbents since platform companies have entered these sectors.

To achieve this, each city partner needs to conduct 1 focus group discussion for each industry where a platform operates. Each focus group should consist of 3-4 participants.

1) Courier and Food Services

Participant BO_1: Confcommercio (Retailers Association) officer

Participant BO_2: CGIL Union member

Employment situation and working conditions of workers in incumbent industries

BO_2 presented digitalisation of labour as mid-term process, already ongoing before the pandemic. He explicitly mentioned Amazon as one of the companies transforming the labour market. An internal survey of CGIL testifies the tendency to downgrade of retail and an increase in trade through platforms. Large-scale distribution is adapting as well as last-mile logistics. That is the case of food delivery couriers. In Bologna there are international players as Deliveroo as well as local enterprises as MyMenù now expanding in all Italy. CGIL estimates more or less 700 couriers working in Bologna.

BO_2 declared their interest in the phenomenon is to guarantee fair contracts as already done with MyMenù in relation to wage, rights and algorithmic management. He rested particularly on this last issue, highlighting how shifts and orders are assigned according to data-driven unknown criteria that may create discrimination between workers. The challenge is to national collective contracts into a scattered labour background.

BO_2 reported that such model of platforms is expanding beyond food delivery both at urban level (as cleaning or elder care) and at regional level (in logistics warehouses). This expansion is not producing only additional labour but also substitutive labour. Companies' investments in a first phase often leave the room to labour reorganization.

At the same time, BO_1 reported how the ongoing labour organization is limiting the shift towards digital services, especially for more traditional activities as they would have to change management.

Changing strategies of incumbent companies

Restaurants suffered the mobility restrictions caused by pandemic. In the first 4 months of 2021, restaurants have been open only 15 days on 115, reported BO_1. Food delivery services expanded particularly in 2020, but BO_1 highlighted some critical points in relation to a general opinion on platforms' opportunity. Firstly, many companies apply too much high service costs. Secondly, the slackening of mobility restrictions favoured take away service to the detriment of delivery services. Thirdly, not all kinds of restaurants may turn to food delivery, this depends on the quality and typology of the products: there are high quality meals that would lose their worth during delivery time. That is why some restaurants preferred to shut than to work at lower speed. We may also refer to protests by restaurateurs demanding the government to quit time and access restrictions, with clashes in front of Italian parliament and rallies in many cities.

So, while BO_2 generally described a tendency towards food delivery services by restaurants, according to BO_1 platforms impacted but did not transform the food market. Customers keep attention to neighbourhood shopping and restaurants organized to furnish delivery service inbound too because of high costs on platforms and short distances. The real potentialities of food delivery must be evaluated in a normal situation.

Finally, BO_1 underlined how as retailers' association they are working on other forms of digitalisation as social media communication or simple online marketplace. The general problem is that to adapt to such tools retailers need to change their strategies and organization but not all of them are capable or available to do it. Big companies adapt easily to digitalisation than small companies or local retailers, the latter support also in terms of state subsidies.

New aspects of industry regulation

According to BO_1, a better regulation would be favoured by more competition. The retailers' association wishes for a cost reduction and expressed interest for the attempt of local administration to lunch an alternative delivery service (even if BO_1 reported to not have much info). BO_2 demonstrated interest in a platform alternative to big players too and observed how the problem is to bear the competition with companies relying on high level of expertise and funding.

Moreover, BO_2 reported how platforms may be both a business opportunity but also a sort of workforce mediation.

The alliance with local administrations and the development of a smart city, referred BO_2, may help a collective process of regulation. A public data infrastructure or digital service could be a way.

2) Cleaning

Participant BO_3: Supervisor of cleaning services for a Bologna social cooperative

Participant BO_4: CGIL Union Member

Employment situation and working conditions of workers in incumbent industries

The kind of workers employed by a social cooperative are often fragile workers and cannot easily be adapted to platform labour organization or subcontracted to private, reported BO_3. This is a work with a high degree of effort and wear. Moreover, fragile workers have to be part of a group to be

efficient while platforms are based on an individual working relationship. Individuals may not afford all costs related to security, PPE, materials. Finally, not all the cleaning services may be digitalized. According to BO_3 platforms may be useful, on the other side, to deal with some historical problems of the sector in relation to informal labour.

BO_4 underlined how the union gets in touch with such transformation pretty always in a second phase, when problems in relation to the working conditions come out. As CGIL they already acknowledged some of them in terms of working time. These problems overlap with more traditional problems of this sector like informal labour performed essentially by women, the precarious public contracts and the fragmented labour organization. Home working, said BO_4, make labour conditions worse and difficult to be improved.

Changing strategies of incumbent companies

According to BO_3, a traditional company operating in cleaning services like a social cooperative is more open to work with public contract than private companies or individuals. Such cooperatives use to work with particular equipment which costs cannot be afforded by an individual. That is why this kind of companies do not focus on platforms.

BO_4 reported a shift between pre and post pandemic. Before the Covid_19 outbreak, the union detected some attempts to trigger platform cleaning services by some traditional companies. These attempts failed because of the restrictions adopted to contain pandemic and all the limitations to carry on home services. Nevertheless, BO_4 suppose that, once the emergency situation will be over, these attempts of traditional companies to move towards digital services will start again because of the increasing need of home and personal services (e.g. due to demographic causes as population aging). Public welfare is not sufficient to satisfy such needs and this opens to private platforms expansion. Moreover, workers will search for job opportunities too due to the risk of unemployment.

New aspects of industry regulation

According to BO_3 the platforms may be useful to oppose informal and black labour. Nevertheless, such model is not enough without a better public awareness and an active role of local and state institutions into labour regulation. The worker cannot be left lonely in front of a his/her job, both in digital and in traditional enterprises. BO_3 referred to the local administration attempt to introduce a regulation in food delivery sector – the so called Charter of Bologna – as virtuous experiment.

3) Accommodation/Hotels/Short-term rental

Participant BO_5: Bologna Manager of FederAlberghi (Hotel professional association).

Employment situation and working conditions of workers in incumbent industries

The rise of platforms such as Airbnb seems to have been facilitated by both long term and recent transformation, but also by the specificities of Bologna's urban landscape: during last years, the city registered an increasing tendency by economic actors to avoid the effect of formal regulation (i.e. in terms of short-term hosts registration), but also the impact of the tourism expansion so to label Bologna as the Italian "city of food". All in all, we can say that, while platforms are successfully operating in Bologna's urban market, they lack of redistributing such benefits, increasing precarity

and inequality among their workers, but also effecting traditional urban actors and the rest of the city. However, at a first stance, BO_5 states that Airbnb «drastically renewed the market» because it facilitated exchange among private persons even though who host on Airbnb theoretically should respect all the hospitality rules». Nonetheless, she considers «Airbnb just as a search engine» utilized also by traditional hotels.

From BO_5 perspective, Airbnb had not a disruptive impact in terms of occupational level in the hotels sector because «it arrived in Bologna when touristic market in Bologna changed dramatically: in 2012/13 the traditional business and student characters left space to the touristic one». Despite this, on one hand Airbnb impacted in terms of costs (not for the guests but for the host, due to platform commissions); on the other hand, due that Airbnb appeared once Bologna had a dramatic touristic increase, the occupational level in the traditional structure did not basically changed. Noteworthy BO_5 added: «since almost ten years now [basically contemporary to Airbnb outbreak in the city] traditional hotels started to outsource most of the services such as cleaning, cooking etc. This process led to a decies of the direct employee: more than Airbnb this was the cause of a workers reduction». All in all, since Airbnb arrived in the city the market has been shared with more competitors but, at the meantime, market itself increased a lot so that hotels did not suffered the new player.

Regarding the Covid-19 impact and the support by the Institutions, BO_5 confirmed the reduction by the 50% of the “rubbish tax” at city level. Furthermore, municipality cancel the taxes for the “public space occupations” so to allow a bigger open space. In terms of national support, national government 1) refunded with few “national action” some of the losses due to the pandemic, 2) it supported with unemployment benefits all the workers (even seasonal workers) who lose the job in this period, and 3) cancelled the local council propriety tax both for 2020 and 2021. Nonetheless this is impossible to esteem because it directly linked with the hotel revenue. On a Regional level «we are still waiting some concrete measures» BO_5 stresses.

Last point BO_5 wanted to highlight is quite crucial in term of sectoral occupation. According to her, since at a national level the measure called the “block of dismissal” will be active there will be no problem. Once this measure will be off, we will see a dramatic decies in the occupational level due that, in her opinion, tourism will start not before then three to five years. Today (end of April 2021) 50% of hotels are still close and most of those opened are just working at a reduced capacity.

Changing strategies of incumbent companies

According to BO_5 market offered the opportunity to outsource ancillary service since almost ten years now. This is something basically de-linked with platform impact in the city. Indeed, they outsource service without using platforms such as Helpling: they rather rely on big company specialized in room cleaning, bad or toilet sheet washing and so on and so forth.

New aspects of industry regulation

«According to the “Regional Regulation”, hotels, B&B, private apartments and all the other typologies of short-terms accommodations are already strictly regulated. The problem is that this law is seldom applied». BO_5 is pretty clear on this manner. According to her, Bologna would not need much more strictly rules in order to “contain Aribnb phenomena”. Unfortunately, she claims, most of the hosts that use Airbnb are “savages”, namely people that do not care about the law regarding short-terms accommodations.

Furthermore, must be stress that according to the “Regional Regulation”, those who host through Airbnb 1) should consider that activity as an “income support” and 2) should not give to third party the management of the room/apartment. However, this is not properly the case of Bologna where «there are around 1.800 touristic accommodations regularly registered to the “city book”, while there are around 4.000 Airbnb active announcements» (BO_5). This means that more than half of the accommodations lacks the formal authorization: which are “out of law” that are doing “unfair competition”.

All in all, «Airbnb should increase the transparency in front of the local administration, which is something that they intentionally don’t do because they don’t want to lose advertisers» (BO_5). The control capacity of the local administration is limited to the registered accommodation. Point is, according to BO_5, that half of the accommodations are fully out of law, which means that basically the municipality does not even know that there are i.e., active touristic accommodations in that place: basically, they are not fully aware about where are all the accommodations within the city.