

## *INDUSTRY REPORT CLEANING (HELPLING)*



## 1. ITEM1

### 1. Cleaning (helpling)

The focus group on the issue was held on April 27, 2021 with five experts: a representative of the union IG BAU (Industriegewerkschaft Bauen Agrar Umwelt); a representative of Oficina Precaria, an association and worker center for spanish-speaking migrants in Berlin; a representative of the Berlin senate administration; an expert from ArbeitGestalten, a research agency that works on the issue of retails, care and cleaning services for the Berlin Senate and a representative for the Senate administration on platform work in the European context. The event was held online and took around 90 minutes and moderated by Valentin Niebler for the PLUS team.

### *Employment and Working Conditions in the Cleaning Industry*

In Germany, around 674.000 workers are employed in the cleaning sector, 35.000 of them in Berlin (2.3 percent of all employed workers in Berlin).<sup>1</sup> The largest part of (formalised) cleaning work takes place in the B2B sector, with cleaners in companies and the municipal or state institutions (schools, municipal buidlings, administration offices). Studies point to the polarisation of the cleaning market in Germany: while cleaning companies with a turnover below 500.000 EUR represent 80 percent of the companies, they only make 15 percent of the turnover across the industry.<sup>2</sup> Most turnover by far is made by five big companies who have up to 40.000 employees. The formal market for private household customers appears smaller and facilitated by local companies or companies with a franchise system.

Cleaning in Germany is a trade ('Handwerk') and therefore subject to a specific vocational training system and certifications. A certified vocational training (title Gebäudereiniger/in) takes three years. However, the standards of the industry have been deregulated in the last 20 years due to efforts by the federal government to increase competitiveness and lower prices. This has led to a widespread tendency of outsourcing and temp work through agencies since the early 2000s, a trend that is ongoing until today. Platform companies such as Helpling can be seen as the most recent and most radical form of this outsourcing trend, although they have not reached the B2B market yet. For many workers in the cleaning sector, the competitive pressure in the last decades has also led to a shift in working times – workers are urged to work in early mornings, late evening or night times. This has intensified

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<sup>1</sup> <https://de.statista.com/themen/1673/gebaeudereinigung/#dossierSummary>; Bundesagentur für Arbeit 2020: Brancheninformation Gebäudereinigung Land Berlin.

<sup>2</sup> ArbeitGestalten 2017: Branchenreport Gebäudereinigung – Arbeitszeiten und Arbeitsverhältnisse. <https://www.arbeitgestaltengmbh.de/assets/Uploads/Broschuere-Branchenreport-GebRein.pdf>



the lacking visibility of cleaning workers and their labour, an aspect that is characteristic of cleaning work.<sup>3</sup>

As in most countries, work and employment in the German cleaning sector is traditionally low-paid, conducted by female workers and often takes place under precarious conditions. While the union wage for cleaners in the sector has risen to 11,11 EUR in 2020, most cleaners continue to earn the federal minimum wage of 9,50 EUR per hour.<sup>4</sup> For a large amount of workers (13 – 15.9 percent), their income is not enough to fulfil the minimum living standard in Germany, which necessitates them to support from social security funds. For many workers in the cleaning sector, their cleaning job is complemented with other forms of work; 40 percent of cleaners have other (registered) jobs. The market for paid domestic cleaning, where Helpling is mostly active, appears to be dominated by informal work, although exact numbers are unclear. In Berlin, the exponential growth of tourism and business travel since around 2010 has led to a demand of jobs in the cleaning sector generally. As of 2015, the share of female cleaners amounted to 58,7 % (Germany: 70,4 %), indicating that many – but by far not all cleaners – are female.<sup>5</sup> However, the share of female cleaners in the domestic cleaning sector is likely to be higher, as offers of established cleaning agencies suggest.

To our industry experts, the working conditions on cleaning platforms are not a new phenomenon itself. Although some of the technological tracking appears new, some forms of rating (and their association with the cleanliness of the worker) have been present before and are also done in the industrial cleaning sector. However, for interviewees the legal basis of the work has shifted from to a sort of semi-formality through platforms. In the same fashion, the trade association for cleaning services (Bundesinnungsverband Gebäudedienstleister) has called cleaning platforms a sort of “legalised work off the books” (legalisierte Schwarzarbeit), emphasizing the aspect of false-self employment on platforms. Reports also mention that besides the development of platforms, self-employed cleaners have become a more regular phenomenon in the last years. As they are not tied to a minimum wage, they can compete against companies who employ their staff.<sup>6</sup>

## Company Strategies

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<sup>3</sup> *ibid.*

<sup>4</sup> An exception appears to be the field of window cleaning, where higher earnings can be made.

<sup>5</sup> ArbeitGestalten 2017: Branchenreport Gebäudereinigung – Arbeitszeiten und Arbeitsverhältnisse, page 13. <https://www.arbeitgestaltengmbh.de/assets/Uploads/Broschuere-B Branchenreport-GebRein.pdf>

<sup>6</sup> *ibid.*: page 12



Unlike other industries such as accommodation or transportation, digital platforms have not established themselves as major players or pressured the existing industry players significantly. The representative of IG BAU describes the relationship as a “co-existence” and “not a serious threat” to the established players in the industry, as cleaning services in private households are usually not profitable for bigger cleaning companies. The union representative pointed out: „I believe that it is tolerated as long as platforms do not interfere more with the core business [of established companies]. That is our impression.”

It is likely that Helpling competes to some extent with professional agencies (Zauberfrau Franchise, Miss Finish, Frau Tüchtig) that offer cleaners tailored to customers’ needs; these services can also be booked online but do not make use of an app. However, the price range appears to be higher as cleaners are usually employed at such agencies. Some larger companies have recently made approaches towards online booking of cleaning services (with employed workers), but these offeres are tailored towards larger B2B customers. Although the cleaning industry exhibits high degrees of outsourcing, the development of Helpling has not led companies to adopt the model of digital marketplaces with self-employed cleaners. Instead, the form of outsourcing through temp agencies appears to be the model that ensure both profitability and worker’s compliance.

While the cleaning sector does not appear to adopt the platform model so far (and does not appear under pressure to do so), platforms have widely spread for other domestic services such as care work, specifically elderly care and outpatient care in Berlin and Germany. Platforms like “Betreut.de” or “Careship” have risen in the last decade and raised similar issues that have been raised about platform such as Helpling.<sup>7</sup>

## Industry Regulation

Both existing industry reports and our consulted experts agree that the working conditions and the income situation in the cleaning sector are not favourable in the conventional sector and in platform work alike. For the cleaning industry generally, conditions have worsened in the last decades through outsourcing. While higher pay and decent work standards could and should be enforced by lawmakers (such as limiting long-term temp work and enforcing an industry wage that makes workers not dependent on welfare benefits), demands by associations and unions have also been made towards bigger customers, especially state-owned or municipal institutions such as schools to in-source their cleaning workers again and reverse the trend of outsourcing.

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<sup>7</sup> Joboption Berlin; Senatsverwaltung für Integration, Arbeit und Soziales 2020: Gigwork in Betreuung und Pflege. Digital vermittelte soziale Dienstleistungen in Berlin.

<https://www.arbeitgestaltengmbh.de/assets/projekte/Joboption-Berlin/Expertise-Care-Gigwork-Web.pdf>



With respect to the regulation of platform work, our experts have pointed to regulation proposal of the Federal Ministry of Labour and Social Affairs (BMAS) called "Fair work for own-account platform workers".<sup>8</sup> This proposal attempts to require platforms to contribute to retirement contributions financially and aims to them in occupational accident insurance funds, even if their workers are self-employed. The proposal also aims to oblige platforms to prove that workers are self-employed: "if the platform worker provides indications that an employment relationship exists with the platform operator, the burden of proving that an employment relationship does not exist rests with the platform operator."<sup>9</sup> Helping has protested against this proposal in public communication.<sup>10</sup>

Press releases of the German trade association for cleaning services show that the incumbent industries in cleaning are interested in a regulation of platform work and a limitation of the scope of Helping or similar firms. To ensure this, the association also works together with the BMAS.<sup>11</sup> However, as has been emphasized in the focus group discussion, the limited scope of direct competition so far has likely also been reflected in a relatively low degree of lobbying.

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<sup>8</sup> <https://www.denkfabrik-bmas.de/en/topics/platform-economy/summary-of-the-key-issues-paper-fair-work-for-own-account-platform-workers>

<sup>9</sup> *ibid.*

<sup>10</sup> <https://www.helping.de/pressemitteilung-helping-gruender-ueber-gesetzesentwurf-von-hubertus-heil>

<sup>11</sup> [https://www.die-gebaeudedienstleister.de/fileadmin/\\_migrated/news\\_uploads/160922\\_PM\\_Kongress\\_DL-Plattformen.pdf](https://www.die-gebaeudedienstleister.de/fileadmin/_migrated/news_uploads/160922_PM_Kongress_DL-Plattformen.pdf)

