



# Fairwork **Austria** Ratings 2022: Labour Standards in the Platform Economy



# Executive Summary

This is the first Fairwork report for Austria. The report covers six digital labour platforms in four sectors (food delivery, grocery delivery, ride hailing, and cleaning work), rating them against the five Fairwork principles – fair pay, fair conditions, fair contracts, fair management, and fair representation.

In Austria, a country with a strong tradition of social partnership, the rise of the platform economy demonstrates some peculiarities, such as a high collective bargaining coverage rate, which encompasses virtually all the sectors included in this report. Nonetheless, in some sectors (bogus) self-employment is used to evade these agreements. At the same time, the platform economy highlights a segment of the labour market that is characterised by low union density, low earnings and increasingly precarious working conditions, even in the context of a corporatist welfare state like Austria.

In the context of the COVID-19 pandemic many of these sectors flourished, resulting in a growing number of workers taking up jobs on digital labour platforms. At the same time, income and working conditions in the platform economy have remained the same or worsened. Platform workers are, thus, part of the “underrated high performers” (verkannte Leistungsträger\*innen) as the sociologists Nicole Mayer-Ahuja and Oliver Nachtwey have termed them: members of a new service class whose work is directly related to the reproduction of labour power and social relations, and who are thus of central importance for contemporary capitalism, but who do not receive the social and financial recognition they deserve.<sup>1</sup> Even the COVID-19 crisis, which briefly made the work of, for example, food delivery or care workers more visible and hence recognised, did little to alter the conditions of work

on the platforms. Although further research is needed here, we theorise that the fact that the majority of workers are from migrant backgrounds reproduces the invisibility and lack of recognition of platform work – as is the case in comparable fields such as the logistics sector.<sup>2</sup>

This report, which documents the findings of the first study of the Fairwork project in Austria, also presents an exploratory account of the Austrian platform economy and its transformation during the COVID-19 crisis. With this, we hope to contribute to a better understanding of working conditions on different digital labour platforms in Austria. Furthermore, we aim to contribute to the ongoing discussion in the European context on the effective regulation of the platform economy to improve income and working conditions for all platform workers.

## Key Findings

▲ **Fair Pay:** Only three platforms in Austria could evidence that they provide earnings to all their workers that exceed the minimum earnings threshold. As there is no statutory minimum wage in Austria, the reference is the at-risk-of-poverty threshold which is also a common indicator for in-work poverty (“working poor”).<sup>3</sup> More precisely, workers’ gross earnings in 2021 should at least amount to 1,616.16 EUR/month gross or 9.32 EUR/hour gross. When assessing

minimum earnings, the scores took into account not only the amount received via the platform for hours worked, but also the costs incurred by the worker for providing task-specific equipment and other work-related costs. The scores also factored in waiting times between jobs. Some platforms that employ workers on a free service contract, self-employment, or subcontracting model do not meet this basic threshold if they do not have a (sufficiently high) earnings floor, or if they do not actively monitor subcontractors in terms of fair pay for their workers.

For the advanced point in this principle, only one platform could show that it provides hourly earnings that go beyond the minimum earnings threshold mentioned above, and that are on a par with a living wage threshold ensured by collective bargaining agreements.

▲ **Fair Conditions:** There are numerous risks platform workers face in the course of their work, ranging from road safety issues, handling harmful materials, to assaults and violence. Four of the platforms were able to evidence that they take reasonable measures to protect workers from risks that arise on the job. In particular, many platforms were able to evidence some form of COVID-19 response, including providing personal protective equipment to workers. Some

platforms also demonstrated that they mitigate task-specific risks by accident prevention measures like protective clothing, online tutorials on safety, or on-site training.

Platforms which provide (all) their workers with an employment contract also enable them to access paid sick, holiday, and parental leave options as indicated by the governing national laws. However, platforms that work on a self-employment (Selbstständigkeit) or free service contract model (Freier Dienstvertrag) fail to provide these measures (in an equivalent form). Hence, only one platform was evidenced to provide a safety net to its workers in line with the Fairwork principle of Fair Conditions.

- ▲ **Fair Contracts:** Platforms in Austria tend to do well when it comes to meeting the first threshold of the Fair Contracts principle. All platform companies have clear and accessible terms and conditions. Hence, they were

awarded the point.

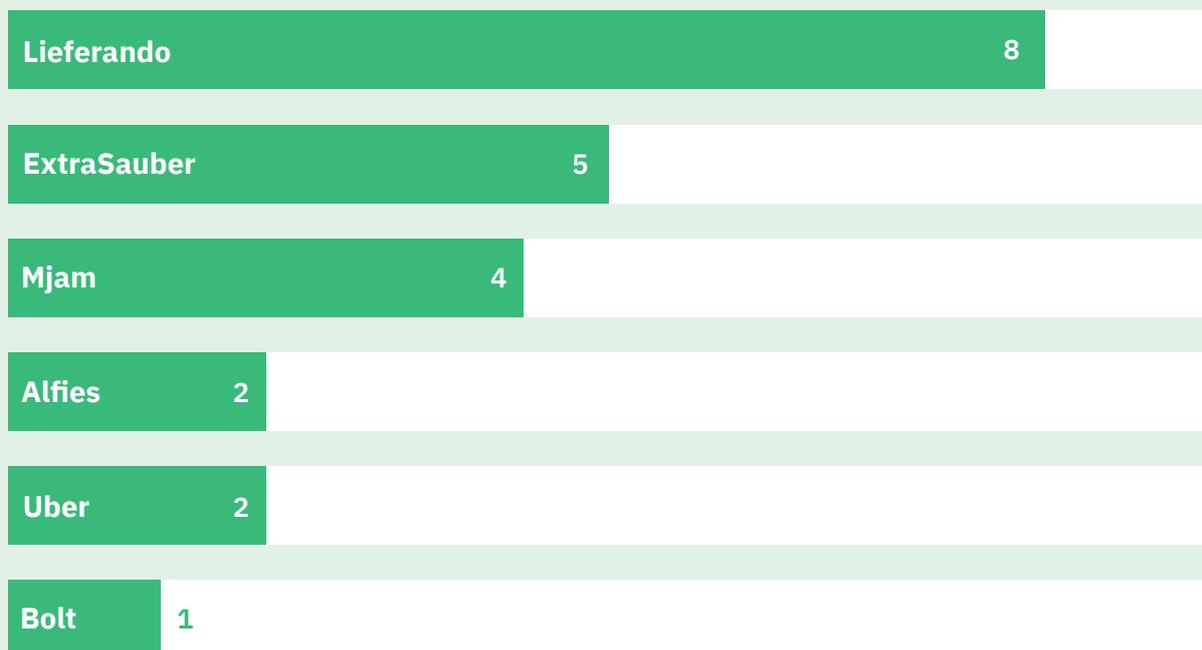
For the second threshold, only one platform was able to evidence that workers aren't faced with unfair clauses. Our findings indicate that platforms using a subcontracting model rarely monitor their subcontractors vis-à-vis working conditions, and whether they meet the necessary industry standards (for example, "fleet partners" in the ride-hailing sector). In some cases, platform contracts and terms and conditions also contain outright unfair clauses, for example excluding all liability.

- ▲ **Fair Management:** Most digital labour platforms in Austria could demonstrate that they have channels for workers to communicate with a human representative and, in many cases, these channels are considered reliable and effective. However, only three of these platforms could show they also provide workers with processes to meaningfully

appeal disciplinary actions and other important decisions. Nevertheless, despite the prevalence of migrant workers in the Austrian platform economy, only a few platforms could evidence to have anti-discrimination policies. Moreover, their effectiveness to address discriminatory behaviour by, for instance, subcontractors and customers, and to promote inclusion, remains questionable.

- ▲ **Fair representation:** Freedom of association and the possibility to express collective voice is a fundamental right for all workers. However, while three platforms could point to some mechanisms for workers to express their voice, at the time of writing, none of them fully recognises and cooperates with an independent collective body that represents all of its workers, regardless of their contractual status. Hence, there is still much to improve on this issue in Austria.

## Fairwork Austria 2022 Scores\*



\* Scores are out of 10.

## Editorial:

# Platform Work in a Corporatist Welfare State

As in many countries, in Austria the platform economy has developed dynamically against the backdrop of COVID-19. This is particularly evident in food delivery, where established platform companies have been able to expand significantly during the pandemic, and in grocery delivery, with several new players entering the rapidly expanding market. In the transportation sector, by contrast, lockdowns and a reduction in international tourist numbers led to an overall decline.

Pandemic apart, there are a number of legal developments ongoing which aim to minimise the risks workers face in the platform economy. Central to this is a directive presented by the EU Commission to improve working conditions in platform work, which was introduced in December 2021 and which must be implemented at a national level within two years of its adoption at the EU level.<sup>4</sup> Key objectives of these regulatory efforts are to combat bogus self-employment, to bring about greater transparency and fairness in the use of algorithmic management, and to introduce comprehensive information requirements. Even before its national implementation, the effects of the proposal are already noticeable, including an increased sensitivity of platform companies to issues such as employee status or algorithmic management.

Against the backdrop of these

dynamics, we have for the first time assessed the working conditions of digital labour platforms in Austria using the Fairwork principles and methodology. The analysis presented here focuses on six platform companies – branches of transnational corporations as well as locally-owned start-ups – in a number of different sectors, namely, food delivery, grocery delivery, ride-hailing, and cleaning work.

The results of this first evaluation indicate that geographically-tethered platform work is characterised by great heterogeneity. Depending on the individual business models of the platforms, there are jobs based on regular employment contracts on the one hand, and various forms of non-standard work (e.g. fixed-term contracts, marginal employment [“Geringfügige Beschäftigung”], [bogus] self-employment), and informal employment (e.g.

undocumented work) on the other. Sometimes this leads to employees working in the same sector or even for the same company alongside persons working under a free service contract or self-employed persons. A central issue that arises from this situation is the difficulty of trade union organisation and collective representation of workers interests when employment types and contracts are so different, and so varied. Only in the food delivery sector have good approaches (e.g. works councils) been established so far, which is thanks to the past trade union efforts and activist engagement in the sector.

Structurally, platform work remains a largely low-income form of work. In view of this, it is not surprising that we have found an above-average share of migrant workers in almost all the platforms studied. This is in line with the segmented nature of the Austrian labour market.<sup>5</sup> The dominance



Moritz Mairinger / Unsplash

of female workers in sectors that remain invisible, especially in the cleaning sector, can also be seen as an expression of a persistent gender-based segregation.

Despite this being only the first year of our study, we have already been able to initiate positive changes to working conditions in the Austrian platform economy. For example, as a result of our exchanges, Mjam, a food delivery platform, has developed an audit process for its subcontractors and will begin implementation in 2022. The same is true for ExtraSauber, a platform operating in the cleaning sector, which also established a new auditing procedure for its subcontractors as a result of engaging with us, and which has further developed its terms and conditions so that they now explicitly refer to anti-discrimination (see the “Impacts and Next Steps” section of this report).

We would like to continue the

constructive dialogue we have started with these platform companies, and hope that through our research we can motivate more companies to take up their responsibility for a fairer platform economy. We expect that this first report will also feed into current regulatory efforts in Austria, and will serve as a reference for the various stakeholders in the sector. Most importantly, we hope that at the end of the day, the platform workers themselves will benefit from these efforts.



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# The Fairwork Framework

Fairwork evaluates the working conditions of digital platforms and ranks them on how well they do. Ultimately, our goal is to show that better, and fairer, jobs are possible in the platform economy.

To do this, we use five principles that digital platforms should comply with in order to be considered to be offering 'fair work'. We evaluate platforms against these principles to show not only what the platform economy is, but also what it can be.

The five Fairwork principles were developed at a number of multi-stakeholder workshops at the International Labour Organisation. To ensure that these global principles were applicable in the Austrian context, we then revised and finetuned them in consultation with platform workers, platforms, trade unions, regulators, academics, and labour lawyers in Vienna.

**Further details on the thresholds for each principle, and the criteria used to assess the collected evidence to score platforms, can be found in the Appendix.**

## 01 The five principles



### Fair Pay

Workers, irrespective of their employment classification, should earn a decent income in their home jurisdiction after taking account of work-related costs. We assess earnings according to the mandated minimum wage in the home jurisdiction, as well as the current living wage.



### Fair Conditions

Platforms should have policies in place to protect workers from foundational risks arising from the processes of work, and should take proactive measures to protect and promote the health and safety of workers.



### Fair Contracts

Terms and conditions should be accessible, readable and comprehensible. The party contracting with the worker must be subject to local law and must be identified in the contract. Regardless of the workers' employment status, the contract is free of clauses which unreasonably exclude liability on the part of the platform.



### Fair Management

There should be a documented process through which workers can be heard, can appeal decisions affecting them, and be informed of the reasons behind those decisions. There must be a clear channel of communication to workers involving the ability to appeal management decisions or deactivation. The use of algorithms is transparent and results in equitable outcomes for workers. There should be an identifiable and documented policy that ensures equity in the way workers are managed on a platform (for example, in the hiring, disciplining, or firing of workers).



### Fair Representation

Platforms should provide a documented process through which worker voice can be expressed. Irrespective of their employment classification, workers should have the right to organise in collective bodies, and platforms should be prepared to cooperate and negotiate with them.

## 02 Methodology overview

The project uses three approaches to effectively measure fairness at work.

### Desk Research

The process starts with desk research to ascertain which platforms are currently operating in the country of study. From this list the largest and most influential platforms are selected to be part of the ranking process. If possible, more than one platform from each sector (such as ride-hailing or food delivery) are included to allow for comparisons within the sector. The platforms included in the ranking process are both large international ones as well as national/regional ones. Desk research also flags up any public information that could be used to score particular platforms (for instance the provision of particular services to workers, or ongoing disputes).

### Platform Interviews

The second method involves approaching platforms for evidence. Platform managers are invited to participate in semi-structured interviews as well as to submit evidence for each of the Fairwork principles. This provides insights into the operation and business model of the platform, while also opening up a dialogue through which the platform could agree to implement changes based on the principles. In cases where platform managers do not agree to interviews, we limit our scoring to evidence obtained through desk research and worker interviews.

### Worker Interviews

The third method is interviewing platform workers directly. A sample of 6-10 workers are interviewed for each platform. These interviews do not aim to build a representative sample. They instead seek to understand the processes of work and the ways it is carried out and managed. These

interviews enable the Fairwork researchers to see copies of the contracts issued to workers, and learn about platform policies that pertain to workers. The interviews also allow the team to confirm or refute that policies or practices are really in place on the platform.

Workers were approached using a range of different channels, including approaching them by ordering a service on the platform on which they operate, or asking them to participate in the research at known worker meeting points. In a few cases snowball recruitment from prior interviews was used or platforms were asked to assist with contacting workers for interviews by posting interview ads internally. The interviews were semi-structured and made use of a series of questions relating to the 10 Fairwork (sub)principles. In order to qualify for the interviews, workers had to be over the age of 18. Due to the COVID-19 pandemic, all interviews were conducted either via video call or face-to-face outdoors (where interviewers were PCR tested). The vast majority of interviews were done in Vienna, either in German or English.

### Putting it all together

This threefold approach provides a way to cross-check the claims made by platforms, while also providing the opportunity to collect both positive and negative evidence from multiple sources. Final scores are collectively decided by the Fairwork team based on all three forms of evidence. Points are only awarded if clear evidence exists on each threshold.

## 03 How we score

Each of the five Fairwork principles is broken down into two points: a basic point and a more advanced point that can only be awarded if the basic point has been fulfilled. Every platform receives a score out of 10. Platforms are only given a point when they can satisfactorily demonstrate their implementation of the principles.

Failing to achieve a point does not necessarily mean that a platform does not comply with the principle in question. It simply means that we are not – for whatever reason – able to evidence its compliance.

**Further details on the Fairwork Scoring System are in the Appendix.**



**Background:**

# Overview of the Austrian platform economy

Austria has one of the strongest traditions of “social partnership” in Western Europe. Social partnership is defined as a neo-corporatist arrangement between the state, trade unions and employers’ organisations, in which industrial or labour relations play a key role.<sup>6</sup> While balancing the interests between capital and labour is a fundamental part of social partnership, it also goes further by including labour and business actors in economic and social policy making.<sup>7</sup>

Despite its declining importance in policy making in Austria, due to Europeanisation processes and the anti-union policies of recent centre-right governments, social partnership is characterised by a high degree of stability.<sup>8</sup> This stability manifests for instance in Austria’s collective bargaining coverage rate of around 98 percent in the private sector.<sup>9</sup> This high coverage rate is an indirect result of the compulsory membership of nearly all employers in the Austrian Chamber of Commerce (WKO), because collective bargaining agreements are legally binding for WKO members. All in all, more than 450 collective agreements<sup>10</sup> are negotiated every year by the industry-level organisations of the WKO and the Austrian Trade Union Federation (ÖGB).<sup>11</sup> Another reason for

the high collective bargaining coverage is the statutory “erga omnes effect” which ensures that all employees with an employer bound by a collective agreement are covered, irrespective of their union membership.

Organised labour in the context of social partnership rests on three formally independent but closely intertwined pillars. The first pillar is the ÖGB, which serves as the umbrella organisation of currently seven trade unions, each of which organise workers based on their employment category (e.g. blue- or white-collar workers) or sectoral affiliation (e.g. construction or transportation sector). The second pillar is the Chamber of Labour, which is the mandatory interest organisation of all private sector workers. The

third pillar is works councils, which are statutory organisations of co-determination at the company or plant level.<sup>12</sup>

Could Austria’s neo-corporatist labour relations serve as a model for how to deal with the challenges posed by the platform economy?

## Social partnership and the platform economy

Despite the high stability of social partnership, crisis-driven developments have brought about a far-reaching transformation of the Austrian labour market since the 1980s. While unemployment is still



Stas Knop / Shutterstock.com

comparatively low, unemployment figures have risen in the last few decades and there has been an increasing spread of non-standard forms of employment (e.g. part-time and temporary agency work).<sup>13</sup> In 2019, for instance, the unemployment rate was 4.5 percent, which was the lowest level since the end of the long recession after the financial crisis of 2007/08. In 2020 the unemployment rate rose again to 5.4 percent, due to the COVID-19 crisis. Meanwhile, the share of non-standard workers amongst all employees has remained constant at around 33 percent.<sup>14</sup>

Together with the increased internationalisation and tertiarisation of the economy, these trends have fostered the consolidation and expansion of labour market segments with low-paid and precarious jobs, in which female and migrant workers are overrepresented. Additionally, in some sectors, (bogus) self-employment is used to evade the protective labour legislation and collective bargaining agreements. In this context, organised labour has constantly lost ground.<sup>15</sup> For example, union density has fallen from 60.1 percent in 1960 to 26.3 percent in 2019.<sup>16</sup>

The rise of the platform economy is closely interlinked with these developments. For example, most platform companies are operating in sectors with a low union density and correspondingly low (minimum) wages. This can be partially explained by the lack of a statutory minimum wage in Austria. Rather, (minimum) wages are defined by sectoral collective agreements and therefore vary from sector to sector, resulting in comparatively high intersectoral income differentials. Against this backdrop, the ÖGB has intensified its efforts towards a cross-sectoral minimum wage policy since 1990s.<sup>17</sup> In 2007 and again in 2017, ÖGB and WKO signed cross-industry memoranda according to which all collectively agreed minimum wages had to be raised, most recently to a minimum level of 1,500 EUR per month (14 times a year due to Christmas and holiday bonuses) by 2020 at the latest.<sup>18</sup>

These memoranda have directly impacted Austria's regulation of sectors that are of crucial importance for the platform economy. This is, for instance, true of food and grocery delivery services, where the collectively agreed monthly minimum wage (e.g. for bicycle messengers or the small

transport business) has been raised to the new 1,500 EUR level for a 40-hour work week (14 times a year).<sup>19</sup> It is also true for the passenger transport business, where ride-hailing services like Uber or Bolt operate and where the correlation between low union density and low (minimum) wages is particularly evident. Here, the union membership rate is said to be less than one percent and the collective agreement in 2021 defined a minimum wage of 1,500 EUR per month gross for a 55-hour work week (14 times a year). While this remains very low, it is important to point to a strong increase in minimum wages in this sector due to the aforementioned cross-industry memorandum (2019: 1.285 EUR; 2020: 1.350 EUR).<sup>20</sup>

An additional downward pressure on earnings is that many platform companies simply "escape" collective agreement coverage and, hence, minimum wage regulations, by replacing employees with self-employed persons, be they free service contractors (Freie Dienstnehmer\*innen) or (solo) self-employed (Einpersonen-Unternehmer\*innen). Both types of contracts entail a more limited protection under labour legislation,

such as sick leave, representation by works councils or paid vacation. Delivery platform companies like Mjam or Alfies employ a majority of their workers as such free service contractors while many “partner companies” of ExtraSauber are solo self-employed persons.

## The rise of the platform economy

The platform economy in Austria became a topic of public debates in the mid-2010s with the arrival of digital labour platforms like Uber and Helpling.<sup>21</sup> Nowadays, food delivery and ride-hailing services are dominated by a few multinational corporations. Just Eat Takeaway.com (in Austria: Lieferando) and Delivery Hero Holding GmbH (in Austria: Mjam) dominate platform-based food delivery, while Uber and Bolt dominate ride-hailing. On the other hand, in the empirically less investigated domestic work sector (cleaning, care work, etc.), multinational corporations like Helpling and Book-a-Tiger closed their Austrian branch offices in the late 2010s, creating opportunities for local start-ups like ExtraSauber to thrive.

Several studies have suggested a minor, albeit growing, importance of the platform economy in Austria. Nonetheless, available data is rare, and it varies due to a lack of clarity on technical definitions and application of research designs.<sup>22</sup> According to a Eurobarometer telephone survey, in 2016 only around two percent of Austrian residents aged 15 years or older offer services via so called “collaborative platforms” (e.g. work on digital labour platforms) at least once a month.<sup>23</sup> In contrast, a study by the University of Hertfordshire from 2016 found that around 13 percent of the working-age population (18-65) in Austria undertake platform work at least once a month, most of them as a side activity.<sup>24</sup> While the latter study has been criticised for overestimating the number of platform workers in Austria,<sup>25</sup> recent studies on the European Union-level reached

comparable conclusions regarding the EU 27-countries. For instance, according to a study of the European Commission in 2018, 11 percent of the working-age population provided services via digital labour platforms (though only 1.4 percent as main activity).<sup>26</sup>

The economic effects of the COVID-19 crisis have massively impacted Austria’s platform economy. Food delivery and grocery delivery services expanded significantly during the pandemic. Indeed, several new platforms in grocery delivery have sprung up in this increasingly competitive market, where not only large supermarket chains are involved, but even Mjam – which usually delivers meals from restaurants to customers – has now added grocery deliveries to its business model. While workers in these sectors are facing new challenges, especially the risk of infection, in other sectors like ride-hailing services, many have lost their jobs due to lockdowns, social distancing and the decline of tourism.

## Regulating the platform economy “from below”?

Recent attempts of organised labour to regulate the platform economy or to fight against precarious working conditions have largely been oriented towards “traditional” neo-corporatist patterns. Firstly, this is true for a series of conflicts and disputes aimed at establishing works councils. In 2017, food-delivery workers at Foodora (now Mjam) established the first works council in the country’s platform economy, supported by the Austrian Transportation and Services Union “vida”. This was followed by the establishment of a works council at Lieferando in 2019.<sup>27</sup> However, Lieferando has issues to recognize its works council to the full extent and filed a complaint against its election, with the outcome of the case still open (see the “Platform in Focus I” section of this report). At Mjam, the works council is legally only entitled to

represent the employees but not the free service contractors, which make up around 90 percent of the workforce.

The second means by which organised labour has attempted to regulate the platform economy is to cover the emerging platform economy in collective agreements. After years of debates that were mainly driven by organised labour, in January 2020 the first collective agreement for bicycle couriers (Fahrradboten) came into effect, covering, amongst other things, employed riders of the delivery platforms. Still, the majority of workers are not covered by this agreement, as the sector is mainly characterised by (bogus) self-employment.

Thirdly, organised labour is also trying to improve working conditions by mobilising institutional power resources, for instance, by influencing policy making processes. Most recently, this has happened in the context of a far-reaching reform of the legal basis of ride-hailing platforms in the taxi and hire car sector.<sup>28</sup> However, trade unions and their allies ultimately failed to ban the business model of Uber and others altogether. Hence, ride-hailing platforms have continued to offer their services in Vienna and other cities, albeit within a legal context that has undergone several adjustments, primarily in terms of the fare system and qualification requirements of drivers.

As these examples demonstrate, the orientation of organised labour towards traditional neo-corporatist patterns has been only partially successful.<sup>29</sup> This is true for food and grocery delivery services and ride-hailing services, but probably even more so for platforms in the field of cleaning work. Austrian trade unions have thus begun to rethink their traditional orientation towards a “logic of influence” in favour of a new orientation towards a “logic of membership”, including within the platform economy.<sup>30</sup> Corporatist social dialogue strategies have therefore been complemented by organising strategies, and self-organised structures within unions like the so-called Riders Collective have been

## The Legal Context:

# Everything depends on employee status...

In Austria, platforms use different legal statuses when contracting with their workers – sometimes they are treated as employees, but more often they are considered to be self-employed. The full range of employee protections though, such as paid annual leave, sick pay, collective bargaining coverage (including minimum wages) and employee representation at the workplace level are only available for those working under an employment contract. Only a very limited number of statutes<sup>31</sup> (and no collective agreements) apply to an intermediary category of persons, “who may be considered employee-like due to their economic dependence”.<sup>32</sup>

In Austria, exactly who is an employee is not very obvious. No statutory definition exists, but only case law, which is largely based on doctrine.<sup>33</sup> Accordingly, an employee is a person who is obliged by contract to perform, generally in person, a service for someone else in a relationship of personal dependence (persönliche Abhängigkeit) or personal subordination.<sup>34</sup> A variety of indicators to assess this dependence have been developed: an obligation to work at specified times and in a specified place, the right of the contractual partner to give orders, especially with respect to personal work-related behaviour and integration in the partner’s operational organisation.<sup>35</sup> Interestingly, no case law has yet been developed for the employment status of platform workers. This is despite the fact that their legal status is not always very obvious, and bogus self-employment is a possibility.<sup>36</sup> However, platform workers are generally reluctant to

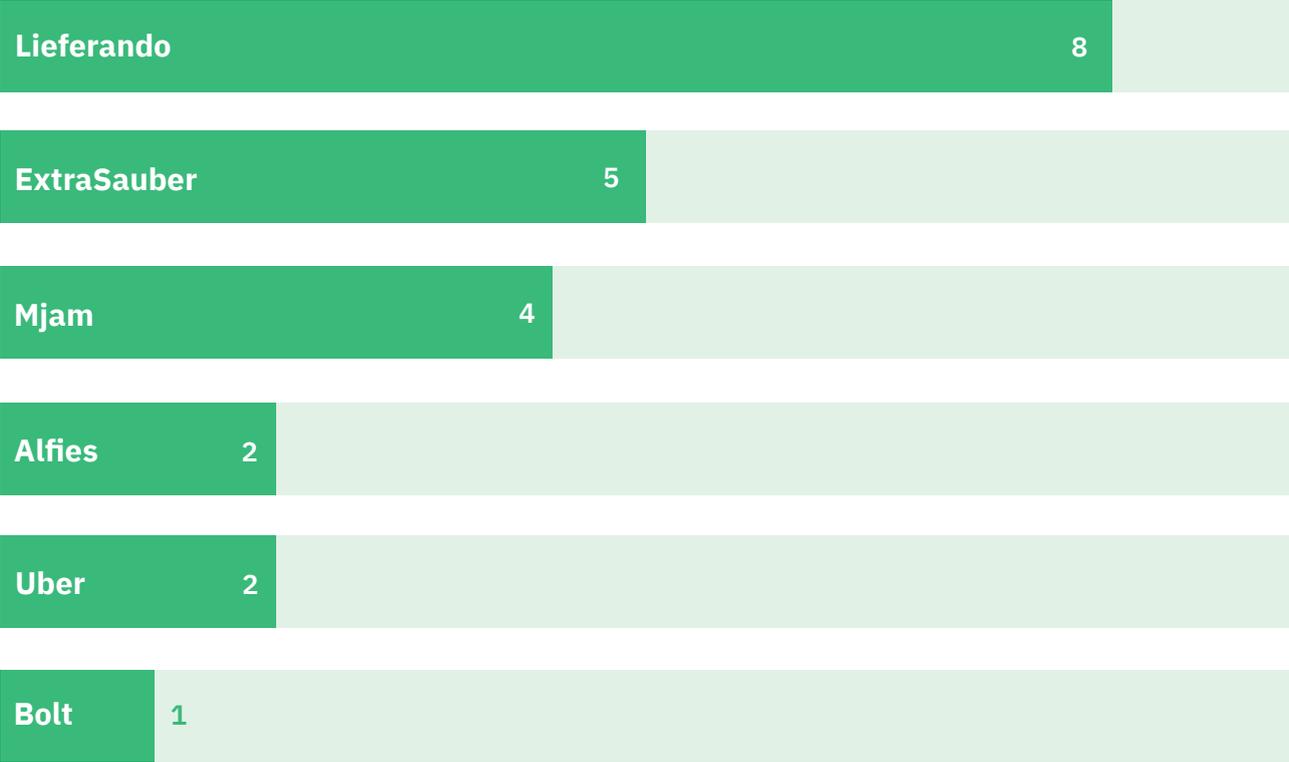
bring cases of bogus self-employment to court – even though they would be supported by the unions as well as by the statutory representation of interest, the Chambers of Labour. This reluctance is related to a number of reasons, including the fear of retaliation as well as the marginal and/or transitory nature of their employment.

In terms of social security protection, there is actually no difference between different employment statuses, as platform workers enjoy the same level of protection (health insurance, old age and invalidity pension insurance), if they pass the marginal earnings threshold of 485.85 Euros (2022) per month. Even workplace accident insurance is provided for those with marginal incomes. The legal status of platform workers only influences the question of who pays contributions, and who administers the insurance. For employees and employee-like free service contractors, contributions are

split between employer and employee, whereas self-employed platform workers must take care of their insurance themselves, as platforms do not take any responsibility.

# Fairwork Scores

Score (out of 10)



The breakdown of scores for individual platforms can be seen on our website: [www.fair.work/ratings](http://www.fair.work/ratings)





## Fair Pay

In order to obtain the basic point associated with the at-risk-of-poverty threshold (defined as 60 percent of median disposable income) for a single-person household as stipulated by the EU Statistics on Income and Living Conditions in 2021, platforms guarantee that all workers earn at least 9.32 Euros/hour gross after costs (e.g. for equipment, vehicle, and maintenance). Furthermore, it must be guaranteed, e.g. through an appropriate auditing procedure, that all workers (including subcontracted ones) meet this threshold. Only three platforms, namely, Lieferando, Alfies and ExtraSauber, could provide evidence in this regard.

To meet the advanced threshold, platforms guarantee that workers earn at least the living wage in Austria after costs. Here, the point of reference is the rates set by the sectoral collective bargaining agreements for 2021. Only Lieferando was awarded this point.



## Fair Conditions

The basic point for this principle is awarded if platforms have policies and practices in place which show that they are aware of task-specific risks and take steps to protect their workers. Measures for adequate, responsible and ethical data protection also need to be taken. Four platforms (Lieferando, Mjam, Uber and ExtraSauber) could show they meet the criteria for this principle.

The advanced point is awarded if workers have access to a safety net which adequately compensates for income loss due to inability to work, such as for reasons of illness or other emergencies. Only one platform (Lieferando) could evidence to meet

the principle thresholds, as it provides all its workers with an employment contract which ensures them to access sick pay, holiday pay, and parental leave options as stipulated by law.



## Fair Contracts

To be awarded the basic point for this principle, workers need to be provided with clear and transparent terms and conditions. Moreover, contracts should be accessible to workers at all times, and every worker should be notified of proposed changes in a reasonable timeframe. Furthermore, the party contracting with the worker must be identified in the contract, and it must be subject to the law of the place in which the worker works (i.e. Austrian law). All platforms were awarded this basic point.

The advanced point in this principle can only be awarded if the contract does not impose unfair terms, such as excluding liability for negligence or exempting the platform from liability for working conditions. The contract should also not include clauses which prevent workers from effectively seeking redress for grievances which arise from the working relationship. Both standards must also be guaranteed for the contracts between workers and subcontractors. Only Lieferando was awarded this point.



## Fair Management

This principle investigates the due process for decisions affecting workers. Several platforms (Lieferando, Mjam and ExtraSauber) could evidence that there is a human representative to address workers' queries, as well as a documented process for workers to meaningfully appeal disciplinary

actions and other important decisions.

The advanced point assesses whether equity in the management process is provided. While some platforms have anti-discrimination policies in place we could not (yet) see evidence as to its effectiveness. Therefore, we could not award this principle to any of the platforms.



## Fair Representation

The basic point for this principle seeks assurance of freedom of association and the expression of collective voice. Only three platforms (Lieferando, Mjam and ExtraSauber) could be awarded this point.

The advanced point investigates whether democratic governance is supported. We could not award this point to any platform in this scoring round.

# Platform in Focus: Lieferando

				Total
	<b>Principle 1: Fair Pay</b>	 Pays at least the local minimum wage after costs	 Pays at least a local living wage after costs	 <b>2</b> POINTS
	<b>Principle 2: Fair Conditions</b>	 Mitigates task-specific risks	 Provides a safety net	 <b>2</b> POINTS
	<b>Principle 3: Fair Contracts</b>	 Provides clear and transparent terms and conditions	 Does not impose unfair contract terms	 <b>2</b> POINTS
	<b>Principle 4: Fair Management</b>	 Provides due process for decisions affecting workers	 Provides equity in the management process	 <b>1</b> POINTS
	<b>Principle 5: Fair Representation</b>	 Assures freedom of association and the expression of collective worker voice	 Supports democratic governance	 <b>1</b> POINTS

Lieferando's overall score

 **08/10**

Lieferando is part of the listed company Just Eat Takeaway.com N.V., established in 2020 as a result of a corporate merger of Takeaway.com (founded in 2000 in the Netherlands) and Just Eat (founded in 2001 in Denmark).<sup>37</sup>

The Austrian branch is headquartered in Vienna and was founded in 2012 under the name Lieferservice.at. Initially it connected customers with restaurants, but began offering food-delivery services in 2017.<sup>38</sup>

Currently, Lieferando is present in seven Austrian cities. Its fleet consists of more than 2,000 riders, thanks to the massive growth during the COVID-19 pandemic.<sup>39</sup> Most of the riders can be recognised by their characteristic 'pedelecs'<sup>40</sup> with a Lieferando logo, and their orange delivery backpacks. Since January 2021, there are also so-called non-

hub riders with their own (or rented) bicycles on the road.<sup>41</sup>

Lieferando is the only delivery platform in our study which provides an employment contract to all its riders (i.e. riders are not free service contractors, solo-self-employed workers, etc.), and it does not use subcontractors. This implies that all riders must be employed in accordance with the collective agreement (Kollektivvertrag, KV) for bicycle messengers.<sup>42</sup>

In terms of payment, our study shows that in 2021 Lieferando riders

in Austria earned around EUR 10 gross per hour (plus tips), which was slightly above the collectively agreed (minimum) wage of EUR 8.90 gross. Moreover, riders are entitled to various bonuses and special payments as employees, as defined in the collective agreement, for instance Christmas and holiday bonuses (referred to as 13th and 14th month wages in Austria) (article XII of the KV). For non-hub riders, a kilometre allowance is added (0.24 EUR/km) to the calculated earnings, in line with the regulations of the collective agreement (article XVII of the KV). Finally, riders are

also compensated for the use of their private mobile phones (article XVII of the KV).

Lieferando was therefore able to score **point 1.1 and 1.2** for Fair Pay, as workers earn not just above the at-risk-of-poverty threshold, but also above the collectively agreed minimum wage in the food delivery sector.

In recognition of the various job hazards workers may encounter in the course of their work, Lieferando provides protective gear to mitigate task-specific risks. This implies several measures for accident prevention including, among others, the provision of a bicycle helmet and other protective clothing, and the obligation to wear a helmet. Moreover, once a year, all workers must participate in riding safety training during working hours and the platform takes a variety of measures to protect workers against COVID-19, for example through distribution of FFP2 masks and disinfectants.

With respect to taking adequate, responsible and ethical data protection and management measures, the

employment contract contains provisions on data protection, including specific measures for protecting the personal data of riders. Additionally, a data protection clause is attached to the contract and handed out to the riders.

All things considered, Lieferando satisfies the requirements for **point 2.1**. Nonetheless, in our worker interviews several riders made an interesting point about a concern they had for downloading the Lieferando app to their private mobile phones. For some, this evokes the feeling, as one rider put it, to have your employer “always in your pocket”.

As employees, Lieferando riders are fully entitled to social rights, for example, workplace accident, health, pension and unemployment insurance. They are also entitled to sick leave, as regulated by the Continuation of Remuneration Act, to parental leave and to (at least) five weeks paid leave a year. Lieferando is thus also awarded **point 2.2** of the Fair Conditions principle.

However, according to the employment

contract, leave must be applied for in writing “at least four weeks” in advance, and cannot be “granted in certain calendar months” for operational reasons, which has been criticised by some riders for being “super strict”.

As already noted, Lieferando provides its workers with employment contracts (in English and German) which were considered clear and comprehensible by our interviewees. Moreover, contracts are accessible to workers at all times, since a copy of the signed contract is handed over to the riders.

Hence, **point 3.1 and 3.2** of the Fair Contracts principle are also awarded. A particularly critical point in this context is, nonetheless, marked by the fact that Lieferando abolished fixed-term contracts in favour of permanent ones in countries like Germany in 2021.<sup>43</sup> In Austria, however, fixed-term contracts are maintained, and this has been criticised by many riders as it deprives them of the protection against dismissal and of long-term future prospects and planning certainties associated with permanent contracts.<sup>44</sup>



With regard to the principle of Fair Management, our investigation confirms that there are different channels for riders to communicate with human representatives of the platform (e.g. via in-app chat, telephone). Additionally, a ticket system is available in the Lieferando app when workers need help with important matters, such as payment issues. Furthermore, Lieferando has a multi-level system of warnings. Riders are warned in writing for various violations of official duties (e.g. unexcused absence from work), with the threat of termination only on the third warning. If such warnings or terminations are perceived as unjustified, an appeal process is available to the riders, as they can contact the works council. All points considered, Lieferando is awarded **point 4.1**.

According to the management interview we undertook, Lieferando's riders are characterised by a high degree of diversity, primarily with reference to citizenship. The management takes into account this diversity, as their communication materials are supplied in German and English (among other languages). There are also anti-discrimination guidelines included in the (company-internal) Code of Conduct as well as in their restaurant policy with cooperating restaurants. In addition, Just Eat Takeaway.com has an established speak-up policy with clear rules for investigating and sanctioning discriminatory behaviour or assaults. However, many of these policies are new and they need to be more widely publicised. Therefore, we would like to observe how Lieferando succeeds in making its existing approaches practically effective before awarding **point 4.2**.

Regarding the principle of Fair Representation, there is a works council at Lieferando in Vienna and evidence suggests that the cooperation between local management and the works council works well so far. However, the election of the new works council has been appealed again, as was the election of the old one in 2019.

More precisely, Lieferando has filed a complaint with the Vienna Labour and Social Court in order to challenge the most recent election, arguing that the established works council should be responsible for the whole country (i.e. all seven cities) and not only for Vienna. However, while the outcome of the case is still to be decided, the management has emphasised to us that "Lieferando Austria considers the cooperation with its current works council to be constructive and also welcomes a future co-determination of its riders by a works council."

Against this backdrop, and considering that representatives of the Lieferando management and of the works council (as part of the industry-level organisations of WKO and ÖGB) participate in collective bargaining with respect to the Collective agreement for bicycle messengers, we award **point 5.1** to Lieferando. **Point 5.2**, on the other hand, could be awarded in future ratings as soon as the legal dispute has been resolved and the further procedure clarified.

# Platform in Focus:

# ExtraSauber

				Total
	<b>Principle 1: Fair Pay</b>	 Pays at least the local minimum wage after costs	 Pays at least a local living wage after costs	 1 POINTS
	<b>Principle 2: Fair Conditions</b>	 Mitigates task-specific risks	 Provides a safety net	 1 POINTS
	<b>Principle 3: Fair Contracts</b>	 Provides clear and transparent terms and conditions	 Does not impose unfair contract terms	 1 POINT
	<b>Principle 4: Fair Management</b>	 Provides due process for decisions affecting workers	 Provides equity in the management process	 1 POINTS
	<b>Principle 5: Fair Representation</b>	 Assures freedom of association and the expression of collective worker voice	 Supports democratic governance	 1 POINT

ExtraSauber's overall score

 **05**<sup>/10</sup>

ExtraSauber is a platform for cleaning services, which was founded in Vienna in 2014 by the Austrian start-up *extrafrei GmbH*. Thanks to its steady growth over the past few years, the platform is now present in six Austrian cities or regions. Moreover, it has recently also expanded into Germany and Switzerland.<sup>45</sup>

Based on our interviews with the management, currently (with regard to the volume of orders) approximately one-third of the so-called “partner companies” are solo self-employed cleaners, while two-thirds are cleaning companies with employees.<sup>46</sup>

Private customers have two different options on ExtraSauber, namely, the “standard cleaning” of flats and “special cleanings” (e.g. of “messy flats”), where individual prices are negotiated between the ExtraSauber

support team and the customers which are then advertised in an internal pool. ExtraSauber charges 20 percent platform fees of the gross order value for either option.

Concerning the first and most common option of “standard cleaning”, customers can order a cleaning at a fixed price via the app. For this option, they must provide information on the size and type of the flat (how many/ which rooms, etc.).<sup>47</sup> Based on this information, the algorithm calculates

a total price for the different workers that are available for the job, which includes time spent travelling to and from the client (e.g. one hour per order in the city). In order to do this, “partner companies” (as part of the registration process) have to define their (a) availabilities (i.e. times when they can be booked); (b) minimum prices (i.e. the minimum price an order must have in order to be accepted); and (c) hourly calculation rates for every worker.

ExtraSauber sets a minimum threshold

for these hourly calculation rates. Even though our evidence suggests that the chosen rates are usually slightly higher, in response to our feedback ExtraSauber raised this minimum threshold from 15 EUR to 20 EUR gross per hour. For the solo self-employed cleaners, this minimum floor is of immediate relevance for their pay, and should guarantee that they are earning not only above the at-risk-of-poverty threshold but also above the collectively agreed minimum wage in the sector after costs (e.g. for transport, work equipment, and liability insurance). In the case of employees of the “partner companies”, on the other hand, the hourly calculation rates are defined by the employers, and there is no direct relationship between these rates and their actual wages. That said, in the General Terms and Conditions for partners the latter are obliged to comply with existing minimum wage requirements.<sup>48</sup> In the Austrian context, where no statutory minimum wage exists, this implies that employees must be paid in accordance with the collective agreement for the “monument, facade and building cleaners” which would also include various bonuses and special payments.<sup>49</sup> Until recently, however, there were no procedures on the part of the platform to audit whether partner companies are complying with these requirements. However, after close exchange with the Fairwork team, such a procedure was established (see the “Impact and Next Steps” section of this report). Therefore, we award **point 1.1** of the Fair Pay principle to ExtraSauber and will consider awarding **point 1.2** as well in future ratings, if the aforementioned procedures prove to be effective.

In recognition of the variety of task-specific risks which are associated with providing cleaning services in private households, ExtraSauber provides its workers with different health and safety measures, including measures to protect them against COVID-19 (e.g. communication of safety guidelines to workers, etc.). For accident prevention, the platform has established an “ExtraSauber Academy” which provides online instructional videos on

ergonomic cleaning techniques and on the safe handling of harmful materials. Additionally, the cleaning products offered by ExtraSauber via an online shop are stored with safety data sheets that contain information of potential hazards and safety precautions. Finally, several measures also exist in order to protect cleaning workers from assaults (e.g. blacklisting customers if workers submit complaints about them).

When registering on the platform, workers are asked to accept a Privacy Agreement, which explains the data collected and its purpose.<sup>50</sup> Additionally, in the Terms and Conditions for partners, the platform informs the workers which data will be available in the worker’s profile on the app (e.g. first name and surname abbreviation, photo, customer rating, etc.). ExtraSauber thus scores **point 2.1** of the Fair Conditions principle, but not **point 2.2**, due to the lack of a safety net provided by the platform.

In the course of the registration process several documents (General Terms and Conditions, Privacy Policy) have to be accepted. Most of the workers we interviewed consider these documents to be understandable and also accessible, since they can be accessed at any time via the partners’ user account.

Moreover, there are no reports of any clauses perceived as unfair in the worker interviews. Hence, for example, none of the interviewees complained about the obligation set out in the Terms and Conditions to provide ExtraSauber with proof of liability insurance, with a permanent minimum cover of one million EUR per claim. Furthermore, one critical point regarding the Terms and Conditions has been changed by the platform in response to our feedback. More precisely, it has been specified that in the case of a refusal of orders due to illness, no fees will be charged, provided that a medical certificate is submitted in time. With regard to the Fair Contracts principle we thus award **point 3.1** to ExtraSauber. While we still know little about the contracts between workers and subcontractors

(“partner companies”) in regard to imposition of unfair terms such as the exclusion of liability for negligence, if the newly established auditing procedures prove to be effective **point 3.2** can also be awarded in future ratings.

Moving to the principle of Fair Management, our evidence suggests that there is a channel for workers to communicate with a human representative of the platform (e.g. by telephone via the customer centre, by email or by an in-app chat). Messages (chat, email) are linked to a ticket system, which guarantees a maximum response time of 48 hours. In addition, Clause 3 of ExtraSauber’s Terms and Conditions for partners sets out the conditions for terminating the contract. This essentially involves specifying the main reasons for terminating the contractual relationship or blocking the user account (e.g. “non-compliance with labour law requirements”). In the case of terminations that are perceived as unjustified by the partner companies, they can still contact the management (e.g. via telephone or in the context of a personal conversation) in order to appeal such disciplinary decisions. All in all, ExtraSauber is also awarded **point 4.1**.

In common with the rest of the cleaning sector, the vast majority of workers at ExtraSauber are women, and most of them have a migration background. While the platform had anti-discrimination guidelines in their (company-internal) Code of Conduct, after engaging with Fairwork, this was extended to the Terms and Conditions for partners and for customers (Clause: “Code of Conduct”).<sup>51</sup> Moreover, the possibility for cleaning workers to also rate the customers was introduced, which also includes a general feedback option. This new feature aims to provide a mechanism to reduce the risk of users discriminating against workers, and to monitor customers to ensure that they provide workers with a welcoming working environment. We hope to rate the effectiveness of these policies associated with **point 4.2** in future ratings.

For Fair Representation, ExtraSauber initiated a two-step plan in close cooperation with the Fairwork Team to improve the possibilities of co-determination and representation for cleaning workers. In a first step, the function of an ombudsperson was created and appointed by the management with an experienced cleaning worker. Cleaning workers are informed about the ombudsperson via the app (including contact details and availability). Additionally, references to the counselling centres of the Austrian Economic Chamber (for solo self-employed workers) and of the Chamber of Labour (for employees) can be found. In a second step, an advisory board consisting of partner companies and cleaning workers will be established. This process has already been initiated by inviting all eligible persons to stand for election. Once elections have been held, the board should meet about four times a year virtually or in person to discuss problems and concerns with the management. With this in mind, we awarded **point 5.1** to ExtraSauber. We

will continue to monitor developments in our future ratings with respect to **point 5.2**.



# Workers' Stories



**Natia**

Care worker

Natia\* takes care of children, working on a self-employed basis through a care work platform in Vienna. She takes her clients' children home from day care, plays with them, prepares their meals, puts them to bed, then does some light housework. Natia enjoys working with children, but in the longer term she would prefer a job in the field of her studies. She obtained a bachelor's degree in Business and Economics from her home country in Eastern Europe and moved to Austria to continue her studies. As she is not an EU citizen, she said babysitting was the fastest way to enter the labour market: "I do something Austrians and people from EU countries do not like to do themselves".

Recently, Natia found another part-time student job that provides health insurance, sick leave, and paid vacation – a safety not provided in platform work. Now she only works on the platform in the evenings and on the weekend, and the conditions of

work depend on what is directly negotiated with the clients. Natia likes the flexibility of platform work. Nevertheless, she has the feeling that these flexible working arrangements primarily benefit the clients, not her. Some weeks her clients do not need her at all, another week she is expected to work more hours, which is inconvenient for her studies.

In addition to the lack of stability, Natia faces another risk when performing care work through digital labour platforms: harassment and abuse. As a young female worker, meeting new clients is stressful for her: "I am always scared that someone is crazy". With her student job based on a regular employment contract, and a few reliable, trustworthy clients she finally found on the platform, Natia now feels more comfortable with platform work, compared to her initial situation, when she was entirely dependent on it.



**Bilal**

Delivery driver

Bilal\* came from Pakistan to Austria in 2019 in order to study in Vienna. Coming from a so called "third country", his access to the Austrian labour market is restricted by his student residence permit. Among other things, he is only allowed to work up to 20 hours per week and potential employers must apply for his work permit. While it is generally difficult to find a job that fulfils these criteria, it became even more difficult in the beginning of the COVID-19 pandemic, when unemployment was skyrocketing.

Bilal was more than happy when he was offered a job at a subcontracting company of a huge delivery platform: "I was desperate to find a job. And I said, okay, it is better than nothing". As a rider for the subcontracting company, he did the same job on the outskirts of Vienna as did other riders of the platform in the inner city.

He also used the platform's equipment, including the app for shift scheduling and the backpack for deliveries. However, the piece rates per order paid by the subcontractor were about half those of his counterparts working on the platform.

At one point, the subcontractor stopped paying Bilal and his colleagues altogether. In response, riders decided to organise and resist this wage theft. "Me and my colleagues, we made this group, and we were developing strategies, how we should approach the employer", Bilal recalls. Finally, they decided to get counsel from the Chamber of Labour which filed a lawsuit against the subcontractor. Since the subcontractor had become insolvent in the meantime, in early 2021 all unpaid wages were paid through the Insolvency Remuneration Fund.

## Theme in Focus:

# A new era of responsibility and accountability in the making?

In addition to the draft EU Directive on platform work,<sup>52</sup> the European Commission (EC) presented a proposal for a Directive on corporate sustainability due diligence in February 2022,<sup>53</sup> which heralds an end to the phase of “organised irresponsibility” (Ulrich Beck) and signals a new era of responsibility and accountability in the business world.

The draft Directive obliges companies, registered or operating in the EU, to screen their business activities for negative impacts on human rights and the environment. In concrete terms, these due diligence obligations for companies mean that not only must the risks be identified, but they must also be mitigated or minimised accordingly. In addition, companies must establish their own complaint mechanisms, monitor the effectiveness of the measures taken, and be publicly accountable for them.

The new directive breaks with the previous paradigm of the EC, reflected in earlier key documents,<sup>54</sup> which relied on voluntary corporate initiative and self-regulation. It follows an increasing number of national due diligence laws in the EU and beyond.<sup>55</sup> It also reflects decades of effort by civil society, enlightened businesses and politicians who have pointed out the shortcomings of the multitude of initiatives

previously marketed under the title of Corporate Social Responsibility (CSR). The academic community has also repeatedly highlighted the lack of systemic improvements, as has the EC in the explanatory memorandum of the draft Directive.

While these legal initiatives were originally aimed at regulating grievances in global value chains, the new spirit of responsibility and accountability for the impacts of business is also relevant for locally oriented platform work. In a narrower sense, larger companies such as Uber or Mjam need to adapt their business models. But also, for other companies that are not yet covered by this new legal obligation, these new requirements provide a guideline for evaluating their business models.

Research by the Fairwork network reveals that there is potential for improvement here. For example, in

India, some platforms outsource key business functions such as payroll to third parties, resulting in a shifting of responsibility at the expense of workers. Our own research in Austria also reveals a need for action. In our discussions with platform managers, it was regularly pointed out that they insisted on compliance with certain minimum standards with external contractors. All too often, however, this formal commitment was just that – a commitment, but not something necessarily undertaken in practice. The price for this is usually paid by platform workers. However, it is encouraging that this is beginning to change. For example, Mjam has developed a new audit policy for subcontractors, which will be implemented for the first time in spring 2022. Platforms with a slightly different business model are also showing a willingness to change, as the example of ExtraSauber illustrates (see the “Platform in Focus” section of this

report). We hope that other platforms will join this new spirit of responsibility, and that it will find its way into daily corporate practice.

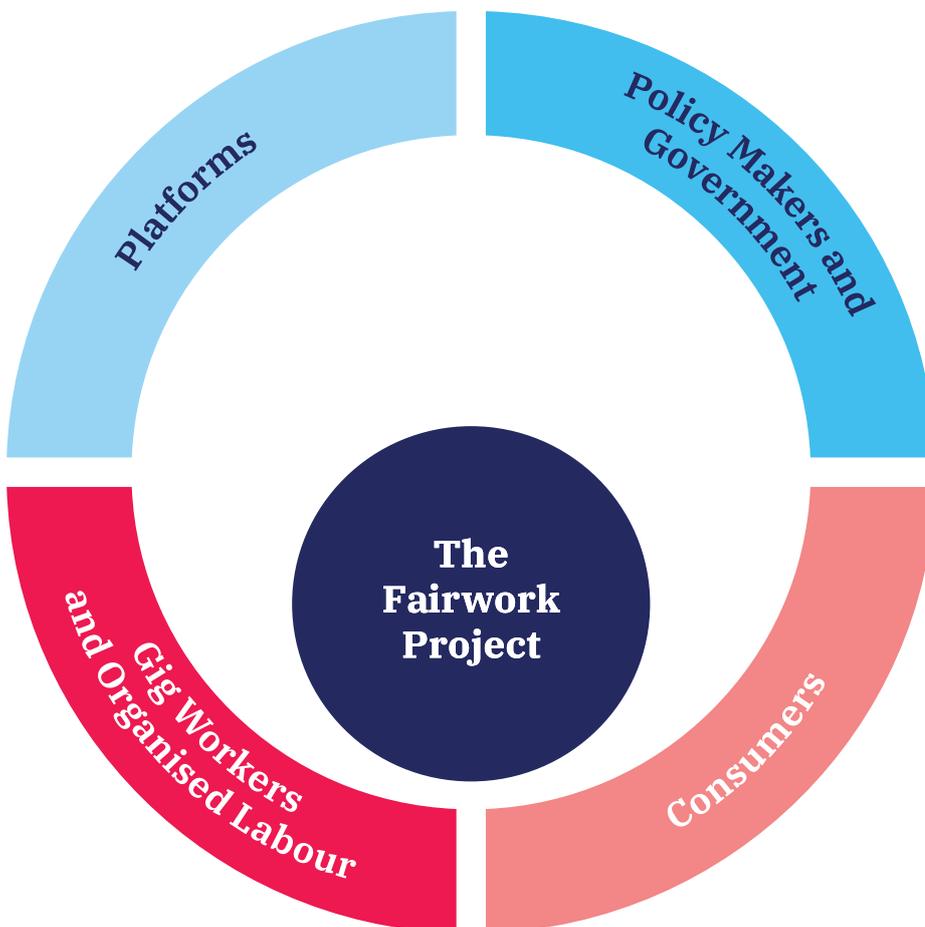


“In our discussions with platform managers, it was regularly pointed out that they insisted on compliance with certain minimum standards with external contractors. All too often, however, this formal commitment was just that – **a commitment, but not something necessarily undertaken in practice.**”



# Impact and next steps

The Fairwork ratings presented in this report are the result of a one-year pilot project in Austria. Since we have already made positive progress in engaging with various stakeholders to work towards improving working conditions in the Austrian platform economy, we hope to be able to continue this process by deepening our research and updating the ratings in the years to come. We envisage four avenues for contributing to continued improvement in Austria's platform economy (see Figure 1).



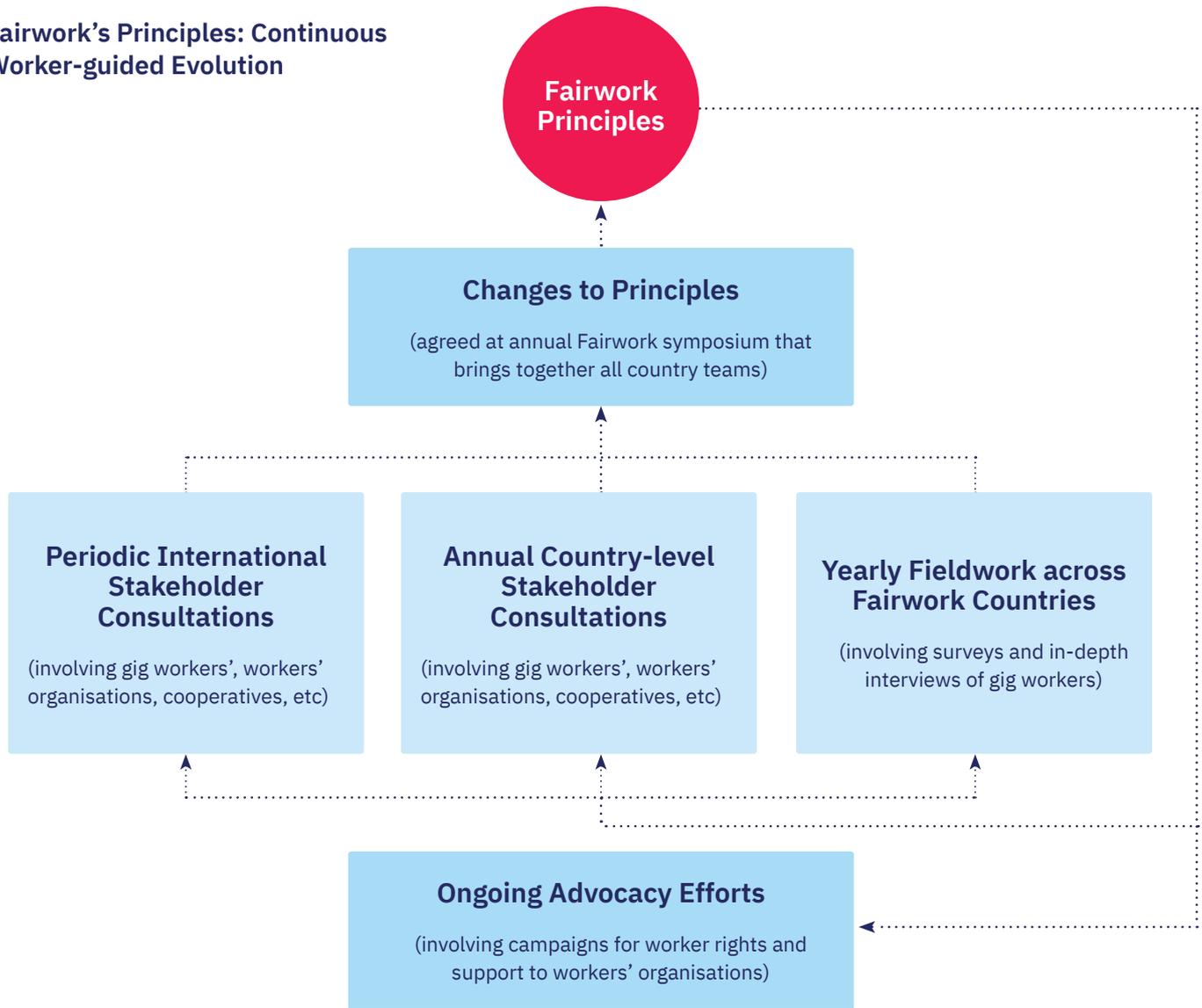
Fairwork's Pathways to Change

Our first and most direct pathway to improving working conditions in the platform economy is by engaging directly with the platform companies we have rated. Establishing initial contact with platforms was the first and most challenging step. However, once the contact was established, a number of the Austrian platforms became more willing to engage with our research, provide evidence, and even cooperate to implement positive changes.

For instance, ExtraSauber welcomed our suggestions on several of the Fairwork principles, which is a positive step towards fair work in the platform-mediated cleaning sector. This applies, for example, to a new auditing procedure to ensure that subcontractors (partner companies) comply with the principles of fair working conditions. This procedure consists of several measures. Firstly, information on minimum wages and bonuses defined in the collective agreement, as well as on further sources of information and advice, is now provided on the app. Secondly, employed cleaners are regularly asked via the app whether they actually receive these (minimum) wages. If this is not the case, the platform asks for uploads of timesheets and pay slips in order to take further steps (e.g. referring the worker to the Chamber of Labour).

The food delivery platform Mjam has also developed an audit process for subcontractors, and will begin implementation in 2022. More precisely, subcontractors will be audited annually by means of a questionnaire (e.g. on the type and number of workers) and of supporting documents to be submitted (e.g. work contracts). In the case of violations, a detailed audit is to be carried out, which may end with a temporary or permanent termination of the contract. With regard to the principle of Fair Management, new approaches to fight discrimination and to promote inclusion are being adopted by Mjam. For instance, an anti-harassment guideline as well as a whistle-blower hotline are now advertised through various channels to make riders

**Fairwork’s Principles: Continuous Worker-guided Evolution**



aware of them and to motivate them to use these instruments in case of need. We envision that in the coming years, on the basis of the established relationship with Fairwork, the cooperativeness of platform companies will increase and enable even more changes for a better future.

Consumers constitute the second pathway to change. With our rankings and reports we provide them with the information necessary to choose which platforms they wish to interact with. More precisely, our rankings allow them to consider fairness as a criterion when selecting platform-mediated services in different sectors, ranging from passenger transportation to household services and food delivery. This, in turn, creates pressure for a general improvement of scores and, hence, working conditions in the Austrian platform economy. In this

way, we enable consumers to be workers’ allies in the journey towards a fairer platform economy. Our ratings can also help to inform procurement, investment and partnership policies not just on the micro level of individuals (i.e. regarding consumer choice) also on the meso and macro levels of organisations and the state. That is to say, they can serve as a reference for various institutions who want to ensure they are supporting fair labour practices. To this end, Fairwork has launched its global Pledge campaign to support this process. Institutions and organisations who are willing to show their support can become Fairwork partners by signing the pledge and committing to consult the Fairwork scores in their future collaboration and consumption decisions.

Given that this is the first year for this specific action-research in Austria,

we have just started to engage with policy makers and government bodies, which represents the third pathway to change. Nonetheless, we have provided advice on several occasions – in particular the debates about the European Commission’s proposal for a Directive on improving working conditions in platform work which was presented in early-December 2021, but also the previous consultation of European social partners on the Directive, which enabled us to provide various stakeholders with initial findings from our research. Among other things, this happened through continuous discussions with representatives of our funders, the Chamber of Labour Vienna and the City of Vienna. For the latter, namely the Municipal Department of Economic Affairs, Labour and Statistics, we also provided information on topics like the Vienna Taxi Fares, which are currently

being evaluated and which are directly relevant to users of ride-hailing apps such as Uber and Bolt.

Finally, workers and workers' organisations are at the core of Fairwork's model, and represent the fourth and most important pathway to change. The Fairwork principles have been developed and are continually refined in close consultation with workers and their representatives (see Figure 2). Our fieldwork data, combined with consultations involving workers, unions, and experts, inform how we systematically evolve the Fairwork principles to remain in line with their current needs. In this context, we have been in continuous and close exchange with workers themselves, but also with the representatives of workers' organisations and advocates. This has included trade unions and the Chamber of Labour as well as works councils and self-organised groups of platform workers. Moreover, where it has proved useful, for example in the passenger transport business, we have also been in contact with representatives of the Chamber of Commerce (WKO), namely of the responsible section of the WKO Vienna. Through this engagement we aim to support workers in exercising

their rights.

Platform work presents particular spatial challenges for workers to connect with one another, as most platform jobs isolate workers. For example, in food-delivery, riders are connected to the labour process through an app, but as a workforce they are spatially dispersed across the city. This dispersion challenges not only social interactions but also makes it difficult to create networks of solidarity. At the same time, social media and messenger services are gaining in importance: their relevance for self-organising processes has been described in our worker interviews in terms of their suitability to share information and group discussions about working conditions. Furthermore, our data also shows many interviewees who either already joined self-organised groups or who expressed sympathies for labour unions. This is also confirmed by a recent study on bicycle messengers in Austria, based on data from an online survey conducted by the European Centre for Social Welfare Policy and Research. According to this study, 42.8 percent of non-union members (n = 243) say they are (fully) willing to join a union in

the near future, while only 18.9 percent say they are (fully) unwilling. Moreover, when asked about the reasons for non-membership, most respondents point to a lack of knowledge about trade unions or a lack of contact with them, whereas fundamental reservations play only a minor role.<sup>56</sup>

There is nothing inevitable about poor working conditions in the platform economy. Notwithstanding their claims to the contrary, platforms have substantial control over the nature of the jobs that they mediate. Workers who find their jobs through platforms are ultimately still workers, and there is no basis for denying them the key rights and protections that their counterparts in the formal sector have long enjoyed. Our scores show that the platform economy, as we know it today, already takes many forms, with some platforms displaying greater concern for workers' needs than others. This means that we do not need to accept low pay, poor conditions, inequity, and a lack of agency and voice as the norm. We hope that our work – by highlighting the contours of today's platform economy – paints a picture of what it could become.

## The Fairwork Pledge:

As part of this process of change, we have introduced a Fairwork pledge. This pledge leverages the power of organisations' procurement, investment, and partnership policies to support fairer platform work. Organisations like universities, schools, businesses, and charities who make use of platform labour can make a difference by supporting the best labour practices, guided by our five principles of fair work. Organisations who sign the pledge get to display our badge on company materials.

The pledge constitutes two levels. This first is as an official Fairwork Supporter, which entails publicly demonstrating support for fairer platform work, and making resources available to staff

and members to help them in deciding which platforms to engage with.

A second level of the pledge entails organisations committing to concrete and meaningful changes in their own

practices as official Fairwork Partners, for example by committing to using better-rated platforms where there is a choice. More information is available on the Pledge, and how to sign up, on the Fairwork website.<sup>57</sup>



## Appendix:

# Fairwork Scoring System

The five Principles of Fairwork were developed through an extensive literature review of published research on job quality, stakeholder meetings at UNCTAD and the ILO in Geneva (involving platform operators, policy makers, trade unions, and academics), and in-country stakeholder meetings held in India (Bangalore and Ahmedabad), South Africa (Cape Town and Johannesburg) and Germany (Berlin). This appendix explains the Fairwork scoring system.

Each Fairwork Principle is divided into two thresholds. Accordingly, for each Principle, the scoring system allows one 'basic point' to be awarded corresponding to the first threshold, and an additional 'advanced point' to be awarded corresponding to the second threshold (see Table 1). The advanced point under each Principle can only be awarded if the basic point for that Principle has been awarded. The thresholds specify the evidence required for a platform to receive

a given point. Where no verifiable evidence is available that meets a given threshold, the platform is not awarded that point.

A platform can therefore receive a maximum Fairwork Score of ten points. Fairwork scores are updated on a yearly basis; the scores presented in this report were derived from data pertaining to the 12 months between November 2021 and November 2022, and are valid until November 2023.

Table 1 Fairwork Scoring System

Principle	Basic point		Advanced point		Total
 Fair Pay	1	+	1	=	2
 Fair Conditions	1	+	1	=	2
 Fair Contracts	1	+	1	=	2
 Fair Management	1	+	1	=	2
 Fair Representation	1	+	1	=	2

Maximum possible Fairwork Score





## Principle 1: Fair Pay

### Threshold 1.1 – Guarantees workers earn at least the local minimum wage after costs<sup>58</sup> (one point)

*Platform workers often have substantial work-related costs to cover, such as transport between jobs, supplies, or fuel, insurance, and maintenance on a vehicle.<sup>59</sup> Workers’ costs sometimes mean their take-home earnings may fall below the local minimum wage. Workers also absorb the costs of extra time commitment, when they spend time waiting or travelling between jobs, or other unpaid activities necessary for their work, which are also considered active hours.<sup>60</sup> To achieve this point platforms must demonstrate that work-related costs do not push workers below local minimum wage.*

The platform must satisfy the following:

- Workers earn at least the local

minimum wage, or the wage set by collective sectoral agreement (whichever is higher) in the place where they work, in their active hours, after costs.

In order to evidence this, the platform must either: (a) have a documented policy that guarantees the workers receive at least the local minimum wage after costs in their active hours; or (b) provide summary statistics of transaction and cost data. In case of (b), the platform must submit:

- An estimate for work-related costs, which are then checked by the Fairwork team through worker interviews; and,
- A weekly earnings table for any three-month period over the previous twelve months, in the format shown below. This is a two-way relative frequency table, which should contain information on the percentages of workers whose average weekly take-home earnings and active hours are distributed as follows in Table 2.

### Threshold 1.2 – Guarantees workers earn at least a local living wage after costs (one additional point)<sup>61</sup>

*In some places, the minimum wage is not enough to allow workers to afford a basic but decent standard of living. To achieve this point platforms must ensure that workers earn a living wage.*

The platform must satisfy the following:

- Workers earn at least a local living wage, or the wage set by collective sectoral agreement (whichever is higher) in the place where they work, in their active hours, after costs.<sup>62, 63</sup>

If the platform has completed Table 2, the mean weekly earnings minus the estimated work-related costs must be above the local minimum wage.



## Principle 2: Fair Conditions

### Threshold 2.1 – Mitigates task-specific risks (one point)

*Platform workers may encounter a number of risks in the course of their work, including accidents and*

Table 2 Weekly earnings table

		WORKER EARNINGS AFTER COSTS (E)			
		$e < M$	$M \leq e < 1.5M$	$1.5M \leq e < 2M$	$2M \leq e$
ACTIVE HOURS (H)	$h < 0.9F$ (part-time)	%	%	%	%
	$0.9F \leq h < 1.2F$ (full-time)	%	%	%	%
	$1.2F \leq h$ (full-time plus overtime)	%	%	%	%

Notes:  $h$  = Average active hours worked by worker per week;  $e$  = Average weekly earnings of worker;  $F$  = the number of hours in a local standard working week;  $M$  = the local weekly minimum wage, calculated at  $F$  hours per week.

*injuries, harmful materials, and crime and violence. To achieve this point platforms must show that they are aware of these risks and take steps to mitigate them.*<sup>64</sup>

The platform must satisfy the following:

- There are policies or practices in place that protect workers' health and safety from task-specific risks.
- Platforms take adequate, responsible and ethical data protection and management measures, laid out in a documented policy.

### Threshold 2.2 – Provides a safety net (one additional point)

*Platform workers are vulnerable to the possibility of abruptly losing their income as the result of unexpected or external circumstances, such as sickness or injury. Most countries provide a social safety net to ensure workers don't experience sudden poverty due to circumstances outside their control. However, platform workers usually don't qualify for protections such as sick pay, because of their independent contractor status. In recognition of the fact that most workers are dependent on income from the platform for their livelihood, platforms can achieve this point by providing compensation for loss of income due to inability to work.*

The platform must satisfy BOTH of the following:

- Platforms take meaningful steps to compensate workers for income loss due to inability to work commensurate with the worker's average earnings over the past three months.
- Where workers are unable to work for an extended period due to unexpected circumstances, their standing on the platform is not negatively impacted.



## Principle 3: Fair Contracts

### Threshold 3.1 – Provides clear and transparent terms and conditions (one point)

*The terms and conditions governing platform work are not always clear and accessible to workers.<sup>65</sup> To achieve this point, the platform must demonstrate that workers are able to understand, agree to, and access the conditions of their work at all times, and that they have legal recourse if the platform breaches those conditions.*

The platform must satisfy ALL of the following:

- The party contracting with the worker must be identified in the contract, and subject to the law of the place in which the worker works.
- The contract is communicated in full in clear and comprehensible language that workers could be expected to understand.
- The contract is accessible to workers at all times.
- Every worker is notified of proposed changes in a reasonable timeframe before changes come into effect; and the changes should not reverse existing accrued benefits and reasonable expectations on which workers have relied.

### Threshold 3.2 – Does not impose unfair contract terms (one additional point)

*In some cases, especially under 'independent contractor' classifications, workers carry a disproportionate amount of risk for engaging in the contract. They may be liable for any damage arising in the course of their work, and they may be prevented by unfair clauses from*

*seeking legal redress for grievances. To achieve this point, platforms must demonstrate that risks and liability of engaging in the work is shared between parties.*

Regardless of how the platform classifies the contractual status of workers, the platform must satisfy BOTH of the following:

- The contract does not include clauses which exclude liability for negligence nor unreasonably exempt the platform from liability for working conditions.
- The contract does not include clauses which prevent workers from effectively seeking redress for grievances which arise from the working relationship.



## Principle 4: Fair Management

### Threshold 4.1 – Provides due process for decisions affecting workers (one point)

*Platform workers can experience arbitrary deactivation; being barred from accessing the platform without explanation, and losing their income. Workers may be subject to other penalties or disciplinary decisions without the ability to contact the platform to challenge or appeal them if they believe they are unfair. To achieve this point, platforms must demonstrate an avenue for workers to meaningfully appeal disciplinary actions.*

The platform must satisfy ALL of the following:

- There is a channel for workers to communicate with a human representative of the platform. This channel is documented in the contract and available on the platform interface. Platforms should respond to workers within a reasonable timeframe.

- There is a process for workers to meaningfully appeal low ratings, non-payment, payment issues, deactivations, and other penalties and disciplinary actions. This process is documented in the contract and available on the platform interface.<sup>66</sup>
- In the case of deactivations, the appeals process must be available to workers who no longer have access to the platform.
- Workers are not disadvantaged for voicing concerns or appealing disciplinary actions.

#### Threshold 4.2 – Provides equity in the management process (one additional point)

*The majority of platforms do not actively discriminate against particular groups of workers. However, they may inadvertently exacerbate already existing inequalities in their design and management. For example, there is a lot of gender segregation between different types of platform work. To achieve this point, platforms must show not only that they have policies against discrimination, but also that they seek to remove barriers for disadvantaged groups, and promote inclusion.*

The platform must satisfy ALL of the following:

- There is a policy which ensures the platform does not discriminate on grounds such as race, social origin, caste, ethnicity, nationality, gender, sex, gender identity and expression, sexual orientation, disability, religion or belief, age or any other status.
- Where persons from a disadvantaged group (such as women) are significantly under-represented among its workers, it seeks to identify and remove barriers to access by persons from that group.
- It takes practical measures to promote equality of opportunity for workers from disadvantaged

groups, including reasonable accommodation for pregnancy, disability, and religion or belief.

- If algorithms are used to determine access to work or remuneration, these are transparent and do not result in inequitable outcomes for workers from historically or currently disadvantaged groups.
- It has mechanisms to reduce the risk of users discriminating against workers from disadvantaged groups in accessing and carrying out work.



### Principle 5: Fair Representation

#### Threshold 5.1 – Assures freedom of association and the expression of worker voice (one point)

*Freedom of association is a fundamental right for all workers, and enshrined in the constitution of the International Labour Organisation, and the Universal Declaration of Human Rights. The right for workers to organise, collectively express their wishes – and importantly – be listened to, is an important prerequisite for fair working conditions. However, rates of organisation amongst platform workers remain low. To achieve this point, platforms must ensure that the conditions are in place to encourage the expression of collective worker voice.*

The platform must satisfy ALL of the following:

- There is a documented mechanism for the expression of collective worker voice.
- There is a formal policy of willingness to recognise, or bargain with, a collective body of workers or trade union, that is clearly

communicated to all workers.<sup>67</sup>

- Freedom of association is not inhibited, and workers are not disadvantaged in any way for communicating their concerns, wishes and demands to the platform.<sup>68</sup>

#### Threshold 5.2 – Supports democratic governance (one additional point)

*While rates of organisation remain low, platform workers' associations are emerging in many sectors and countries. We are also seeing a growing number of cooperative worker-owned platforms. To realise fair representation, workers must have a say in the conditions of their work. This could be through a democratically-governed cooperative model, a formally recognised union, or the ability to undertake collective bargaining with the platform.*

The platform must satisfy at least ONE of the following:

- Workers play a meaningful role in governing it.
- It publicly and formally recognises an independent collective body of workers, an elected works council, or trade union.
- It seeks to implement meaningful mechanisms for collective representation or bargaining.

# Credits and Funding

Fairwork is a project run out of the Oxford Internet Institute, University of Oxford, and the Berlin Social Science Centre, and draws on the expertise and experience of staff at TU Wien, Access to Knowledge for Development Center (A2K4D) at the American University in Cairo's School of Business, Audencia Business School, Centre for Labour Research, Chinese University of Hong Kong's Centre for Social Innovation Studies, CIPECC, De La Salle University, FLACSO-Ecuador, Humboldt University of Berlin, International Institute of Information Technology Bangalore (IIITB), iSocial, KU Leuven, Public Policy Research Center (CENTAR), Qhala, REPOA, Sapienza University of Rome, Technical University of Berlin, TEDIC, Universidad Adolfo Ibáñez, Universidad Complutense de Madrid, Universidad del Rosario, Universidade do Vale do Rio dos Sinos (Unisinós), Universitas Gadjah Mada's Center for Digital Society, University of California's Hastings College of the Law, University of Cape Town, University of Ghana Business School, University of Manchester, University of the Western Cape, Weizenbaum Institut, XU Exponential University.

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Bomhomme, Ameline Bordas, Maren Borkert, Álvaro Briaes, Joseph Budu, Callum Cant, Rodrigo Carelli, Eduardo Carrillo, NourJihan Chammah, Chris King Chi Chan, Henry Chavez, Aradhana Cherupara Vadekkethil, Andrea Ciarini, Matthew Cole, Antonio Corasaniti, Paska Darmawan, Luisa De Vita, Markieta Domecka, Marta D'Onofrio, Darcy du Toit, Veena Dubal, James Dunn-Willimason, Trevilliana Eka Putri, Nagham El Houssamy, Haya El Zayat, Dana ElBashbisy, Batoul ElMehdar, Elisa Errico, Fabian Ferrari, Patrick Feuerstein, Roseli Figaro, Milena Franke, Sandra Fredman, Jackeline Gameleira, Pia Garavaglia, Chana Garcia, Sharon Geeling, Farah Ghazal, Anita Ghazi Rahman, Shikoh Gitau, Slobodan Golusin, Mark Graham, Markus Griesser, Rafael Grohmann, Martin Gruber-Risak, Julieta Haidar, Sayema Haque Bidisha, Khadiga Hassan, Richard Heeks, Mabel Rocío Hernández Díaz, Luis Jorge Hernández Flores, Victor Manuel Hernandez Lopez, Benjamin Herr, Salma Hindy, Kelle Howson, Francisco Ibáñez, Sehrish Irfan, Shahidul Islam, Tanja Jakobi, Athar Jameel, Hannah Johnston, Lucas Katera, Srujana Katta, Mishal Khan, Maja Kovac, Martin Krzywdzinski, Amelinda Pandu Kusumaningtyas, Arturo Lahera-Sánchez, Joy-Eveline Leeuw, Sebastian Lew, Jorge Leyton, Tatiana López Ayala, Raiyaan Mahbub, Amruta Mahuli, Melissa Malala, Oscar Javier Maldonado, Shabana Malik, Laura Clemencia Mantilla León, Claudia Marà, Ana Flavia Marques, Jamal Msami, Hilda Mwakatumbula, Baraka Mwaura, Mounika Neerukonda, Ana Negro, Valentin Niebler, Sidra Nizambuddin, Thando Nkohla-Ramunenyiwa, Claudia Nociolini Rebecchi, Caroline A Omware, Adel Osama, Balaji Parthasarathy, Francesca Pasqualone, Obed Penu, Leonhard Plank, Valeria Pulignano, Jack

Linchuan Qiu, Ananya Raihan, Antonio Ramírez, Juan-Carlos Revilla, Alberto Riesco-Sanz, Nabiyla Risfa Izzati, Nagla Rizk, Cheryll Ruth Soriano, Nancy Salem, Julice Salvagni, Derly Yohanna Sánchez Vargas, Maricarmen Sequera, Kanikka Sersia, Murali Shanmugavelan, Ruth Tarullyna Simanjuntak, André Sobczak, Shanza Sohail, Janaki Srinivasan, Zuly Bibiana Suárez Morales, David Sutcliffe, Pradyumna Taduri, Kristin Thompson, Kiko Tovar, Pitso Tsibolane, Wing Yin Anna Tsui, Funda Ustek-Spilda, Jean-Paul Van Belle, Giulia Varaschin, Laura Vogel, Zoya Waheed, Mira Wallis, Jing Wang, Robbie Warin, Nadine Weheba.

**External scoring reviewers:** Oğuz Alyanak, Ariane Berthoin Antal, Funda Ustek Spilda

**Editing:** Alessio Bertolini

**Please cite as:** Fairwork (2022) Fairwork Austria Ratings 2022: Labour Standards in the Platform Economy. Vienna, Austria; Oxford, United Kingdom.

*Please note that this report contains sections in common with other Fairwork reports, notably the Fairwork Framework, parts of the Impact and Next Steps section and the Appendix.*

**Designers:** One Ltd.

**Funders:** City of Vienna (Municipal Department of Economic Affairs, Labour and Statistics) and Chamber of Labour Vienna.

**Special Thanks to:** The Austria project team is deeply grateful to Funda Ustek Spilda, Shelly Steward, Navneet Gidda, Alessio Bertolini and Mark Graham at the University of Oxford as well as to Tatiana López Ayala and Pablo Aguera Reneses at the Berlin Social Science Centre for their extensive support for the project since its inception. Many thanks also to Maren Borkert and the whole Fairwork Germany team for the manifold help and support. Furthermore, we want to thank our funders at the City of Vienna and the Chamber of Labour for their financial support as well as for continuous feedback and discussions throughout

the entire research process. Finally, special thanks go to Vera Schidlowski, who supported us with interviews in the cleaning sector. Above all, however, we would like to extend our gratitude to all the workers who took the time to share their stories with us, as well as to the platform managers who discussed ways to improve working conditions.

**Conflict of interest statement:** None of the researchers have any connection with any of the platforms and the work undertaken received no funding or support in kind from any platform or any other company, and we declare that there is no conflict of interest.

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58 Correction (20/04/2022): The wording of the summary statement of Principle 1 was changed to clarify that the principle asks for a wage floor to be guaranteed by the platform.

59 Work-related costs include direct costs the worker may incur in performing the job. This may include, for instance, transport in between jobs, supplies, vehicle repair and maintenance, fuel, road tolls and vehicle insurance. However, it does not include transport to and from the job (unless in-between tasks) nor taxes, social security contributions or health insurance.

60 In addition to direct working hours where workers are completing tasks, workers also spend time performing unpaid activities necessary

for their work, such as waiting for delivery orders at restaurants and travelling between jobs. These indirect working hours are also considered part of active hours as workers are giving this time to the platform. Thus, ‘active hours’ are defined as including both direct and indirect working hours.

61 Correction (20/04/2022): The wording of the summary statement of Principle 1 was changed to clarify that the principle asks for a wage floor to be guaranteed by the platform.

62 Where a living wage does not exist, Fairwork will use the Global Living Wage Coalition’s Anker Methodology to estimate one.

63 In order to evidence this, the platform must either: (a) have a documented policy that guarantees the workers receive at least the local living wage after costs in their active hours; or (b) provide summary statistics of transaction and cost data. In case of (b), the platform must submit: (1) An estimate for work-related costs, which are then checked by the Fairwork team through worker interviews; and, (2) a weekly earnings table for any three-month period over the previous twelve months, in the format shown in Table 2.

64 The starting point is the ILO’s Occupational Safety and Health Convention, 1981 (C155). This stipulates that employers shall be required “so far as is reasonably practicable, the workplaces, machinery, equipment and processes under their control are safe and without risk to health”, and that “where necessary, adequate protective clothing and protective equipment [should be provided] to prevent, so far as is reasonably practicable, risk of accidents or of adverse effects on health.”

65 The ILO’s Maritime Labour Convention, 2006 (MLC 2006), Reg. 2.1, and the Domestic Workers Convention, 2011 (C189), Articles 7 and 15, serve as helpful guiding examples of adequate provisions in workers’ terms and conditions, as well as worker access to those terms and conditions.

66 Workers should have the option of escalating grievances that have not

been satisfactorily addressed and in the case of automated decisions should have the option of escalation for human mediation.

67 For example, “[the platform] will support any effort by its workers to collectively organise or form a union. Collective bargaining through trade unions can often bring about more favourable working conditions

68 See the ILO’s Freedom of Association and Protection of the Right to Organise Convention, 1948 (ILO 148), which stipulates that “workers and employers, without distinction, have the right to establish and join organisations of their own choice without previous authorisation”; “the public authorities shall not restrict the right or impede the exercise thereof” (Article 3) and “workers’ and employers’ organisations shall not be liable to be dissolved or suspended by administrative authority” (Article 4). Similarly, the ILO’s Right to Organise and Collective Bargaining Convention, 1949 (ILO 98) protects the workers against anti-union discrimination in their employment, explaining that “the right to join a union or relinquishing union membership cannot be a condition of employment or cause of dismissal. Out of the 185 ILO Conventions, currently 155 ratified Conventions and 167 ratified Recommendations



Fairwork

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