



**DELIVERING DISCONTENT: DYNAMIC
PRICING AND WORKER UNREST**

Fairwork Serbia Ratings 2023



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Executive Summary

This year's report, which marks the third year of Fairwork research in Serbia, casts light on the evolving landscape of the digital labour platforms in the country and highlights the key changes that have taken place since last year's study. Our 2023 Fairwork Serbia ratings—which analysed four platforms (Glovo, Wolt, Mr.D and Yandex)—demonstrate that platform work is an increasingly dynamic environment characterised by frequent changes to working conditions which in many instances exacerbate worker vulnerability and erode protection measures.

In 2023, the digital platform sector remained dominated by two key players—Glovo and Wolt, while remaining market share was filled by platforms such as Mr.D, CarGo and Yandex Delivery Serbia. The latter platform emerged this year and was for the first time rated against five Fairwork Principles, while Uradi-Zaradi, the only on-demand home service platform, ceased its operation in 2023 due to technical issues and was thus exempted from this year's scoring.

Recent regulation of the digital platform market in Serbia sparked the interest of national institutions, while boosting debates addressing the conditions of on-demand platform work and the necessary harmonisation of national legislation with the current legal acts of the European Union. Against this backdrop, the Fairwork 2023 report for Serbia contributes to the current debate by analysing tenets of the five Fairwork principles and their implementation within the operations of the selected digital platforms.

Despite an ongoing interest in platform work facilitated by low barriers to entry, avenues for increased work flexibility and relatively decent pay, recent changes in platforms' pay policy accompanied by inflation rate pressures have gradually affected working conditions and posed new challenges for platform workers. Whereas the new dynamic pricing models that platforms use to calculate workers' pay should increase the potential for higher earnings

during peak demand times, it has been reported that it also restricts workers' potential for increased earnings by factoring in different external variables into the pay formula—meaning workers have less transparency about what they can earn, and how they can maximise their earnings. This led to a wave of worker dissatisfaction manifested in Wolt couriers' organised protest held in Belgrade in early April 2023. The Serbian couriers' demonstrations reflect a global trend of workers seeking greater agency in shaping their work environment, while the demand for fair compensation continues to amplify discussions about the nexus between dynamic pricing and labour rights.

Although, there is ongoing debate about platform workers' legal status, the Serbian public policy framework regulating this form of work has remained untouched since the latest Fairwork report. Platform work is regulated through “partnership agreements” with third party organisations, where the worker is either self-employed or is hired via an intermediary agency/limited liability company (LLC) that signs the contract with the designated platform. In this context, platforms do not consider workers their employees—which induces responsibility transfer to third parties. As a result, workers' engagement often lack elements of fair work standards as workers cannot avail themselves of particular labour rights such as right to access to unemployment benefits, paid sick and annual

leave and maternity/paternity benefits. However, certain platforms we examined—Glovo and Wolt—have introduced monitoring mechanisms defined by the partnership agreement between the platform and LLCs. While these mechanisms aim at ensuring LLCs are duly implementing employment regulations, research shows that a lack of implementation of monitoring mechanisms leaves workers short of contracts and resulting labour rights.

This report examines four digital platforms in Serbia—Glovo, Wolt, Mr.D and Yandex. While three of them were assessed last year, Yandex as a new platform on the market and is examined by Fairwork for the first time in 2023. The report shows that there has been progress in certain areas of fair work compared with the 2022 report, mainly in the field of Fair Conditions and Fair Management practices. However, there is still plenty of room for further improvements of work conditions while ensuring fairness and transparency of platform work. In particular, there is a clear need for a fair legal environment for platform workers that supports fair work conditions, regulates for Fair Representation, and contributes to greater safety and protection for workers.

THERE IS A CLEAR NEED FOR A FAIR LEGAL ENVIRONMENT FOR PLATFORM WORKERS THAT SUPPORTS FAIR WORK CONDITIONS, REGULATES FOR FAIR REPRESENTATION, AND CONTRIBUTES TO GREATER SAFETY AND PROTECTION FOR WORKERS.

Key Findings

This year, the two highest scoring platforms—Wolt and Glovo—achieved three points, while Yandex and Mr.D did not score a single point.



FAIR PAY

Two of the platforms—Glovo and Wolt—were able to demonstrate that they ensure workers earn at least the minimum hourly wage after work-related costs, which was RSD 230 (ca. EUR 1.96) at the time of research (from January 2023 to August 2023), while none of the platforms were able to document that their workers are paid at least the local living wage after costs.



FAIR CONDITIONS

Glovo was the only platform included in this year's study to evidence that they take necessary steps to mitigate task-specific risks. The evidence shared with Fairwork shows that Glovo provides safety equipment to workers (either via intermediary companies or directly by the platform through three respective Glovo centres) without additional cost, and operationalises other risk mitigation practices defined by this first threshold of Fair Conditions principle.

None of the platforms could evidence they meet criteria for the second threshold of this principle primarily due to pay structure policies that may incentivise workers to take excessive risks (through dynamic pricing, for example) as well as a lack of guarantees in place to provide workers with compensation for income loss.



FAIR CONTRACTS

None of the four platforms were able to provide evidence that fully meet the criteria of this principle. While platforms evidenced they sign contracts with LLCs/intermediary companies employing the workers, worker interviews indicate that not all workers got the chance to sign the contract with LLCs.

This demonstrates that platforms' monitoring mechanisms failed proper implementation and left workers without guaranteed labour rights.



FAIR MANAGEMENT

Two out of four platforms—Glovo and Wolt—evidenced clear communication channels allowing workers to interact with a human representative of the platform either through the app, phone, email or in person. They were able to provide evidence for a formalised process for workers to appeal decisions resulting in penalties or disciplinary actions, even when they no longer have access to the platform.

Wolt was awarded an additional point as they were able to demonstrate they have effective anti-discrimination policies and promote diversity and equality policies and practices as well as active approaches to the inclusion of disadvantaged and underrepresented groups in platform work. Likewise, the absence of a rating system additionally qualified this platform for the second point.



FAIR REPRESENTATION

Like in previous scoring rounds, none of the platforms provided evidence to meet the conditions for this principle.

This leaves platform workers in Serbia with no formal mechanism of collective bargaining in place to represent and protect their rights.

EDITORIAL

Delivering Discontent: Dynamic Pricing and Worker Unrest in Serbia

The changing platform economy landscape in Serbia in 2023 sheds light on the complex relationship between food delivery platforms and their couriers. In a year marked by inflation and shifts in earnings calculation methods, couriers' incomes have faced notable challenges despite the ongoing popularity of such platforms due to their ease of entry and reasonable compensation.

A turning point emerged in January when Wolt, one of the most popular food delivery platforms in Serbia with headquarters in Helsinki, introduced a new pricing model known as dynamic pricing. This strategy involves the continuous adjustment of delivery fees based on a range of factors including demand, supply, time of day, location, and prevailing market conditions. As this new pricing formula gradually rolled out across all Wolt-operating countries, the change sparked a wave of protests in various parts of Europe. In Serbia, the introduction of the new pricing structure in April led to a swift response from Wolt couriers. Up to 80 couriers in Belgrade staged protests against the updated earnings calculation, expressing concerns about its negative impact on their livelihoods. Their frustrations were compounded by a lack of communication about the mechanics of dynamic pricing and how it really impacts workers' earnings. The strike, which spanned two days, was a demonstration of the couriers' attempt to protect their economic interests.

These protests were not isolated incidents, but rather emblematic of deeper issues within the food delivery sector. In June, Glovo couriers voiced their frustrations after the platform modified its earnings calculation and bonus structure, resulting in what demonstrating workers claimed were shrinking incomes.

The Serbian couriers' demonstrations reflect a global trend of workers seeking greater agency in shaping their work environment, and calling for a halt to changes in conditions that they feel may expose them to greater precarity. The demand for fair compensation has amplified discussions about the nexus between dynamic pricing and labour rights.

But, how does dynamic pricing impact couriers?

Dynamic pricing has emerged as a game-changing force in the world of food delivery services, fundamentally altering the dynamics between platforms, customers,

and the often-overlooked actors: delivery workers. As a pricing strategy that continuously adjusts food item prices and delivery fees based on various real-time factors, dynamic pricing promises to optimise profits for platforms and provide customers with experiences tailored to the market in real time.

Yet, for delivery workers, dynamic pricing is a double-edged sword, influencing their earnings and work routine. On one hand, the flexibility offered by platforms allows workers to choose their hours and work at their convenience. Dynamic pricing, in theory, offers the potential for higher earnings during peak demand times. But in practice, this potential gain is tied to various external factors that do not always align with the workers' preferences.

It is true that during periods of high demand, when prices surge due to increased customer orders, delivery workers have the potential to earn more per delivery. However, this scenario is dependent on the number of workers present on the streets during these peak times (which is also one of the contributing factors in setting the price). The greater the number of workers, the lower their fee per delivery becomes. In contrast, during periods of lower demand, when prices are lower to attract customers, delivery workers face reduced earnings unless they must be willing to accept more orders to compensate for the lower rates. The acute rhythm of mealtimes mean that peaks in demand occur around lunchtime and dinner time, while there is a lull in demand in the gaps in-between.

Moreover, the fluctuating nature of dynamic pricing can make it challenging for delivery workers to predict their income accurately. Traditional fixed-rate compensation

models, although potentially less lucrative, provide a level of financial predictability that dynamic pricing compromises. This uncertainty around earnings can be particularly impactful for workers who rely on delivery as their primary source of income.

The introduction of dynamic pricing also raises concerns about transparency and fairness. As is the case of the strike in Serbia, delivery workers find it difficult to understand how pricing changes are determined and how they directly affect their earnings.

The implementation of dynamic pricing further influences the overall work practices and well-being of delivery workers. Sudden surges in demand during peak times lead to increased stress and pressure to meet the elevated expectations of faster deliveries. This compromises worker safety, as they are more inclined to take risks to complete deliveries quickly in order to capitalise on higher prices.

Balancing the potential for increased earnings during peak times with the uncertainty, stress, and the potential risks associated with this pricing model, delivery workers find themselves in a complex world shaped by algorithms, market conditions, and the pursuit of financial stability. As the platform economy continues to change, addressing the implications of dynamic pricing on delivery workers is pivotal for protecting their labour rights. Throughout 2023, workers increasingly approached labour unions and civic organisations in Serbia seeking avenues for collective action or seeking legal advice to navigate potential pressures from platforms. We anticipate this to be only the beginning of a journey that will bring improved labour rights to delivery platform couriers in Serbia.



THE FAIRWORK PROJECT

Towards Decent Labour Standards in the Platform Economy

Fairwork evaluates and ranks the working conditions of digital platforms. Our ratings are based on five principles that digital labour platforms should ensure in order to be considered to be offering basic minimum standards of fairness.

The five Fairwork Principles were developed through multiple multi-stakeholder workshops at the International Labour Organisation.

To ensure that these global principles were applicable in the Serbian context, we have subsequently revised and fine-tuned them in consultation with platform workers, platforms, trade unions, regulators, academics, and labour lawyers.

Fairwork countries

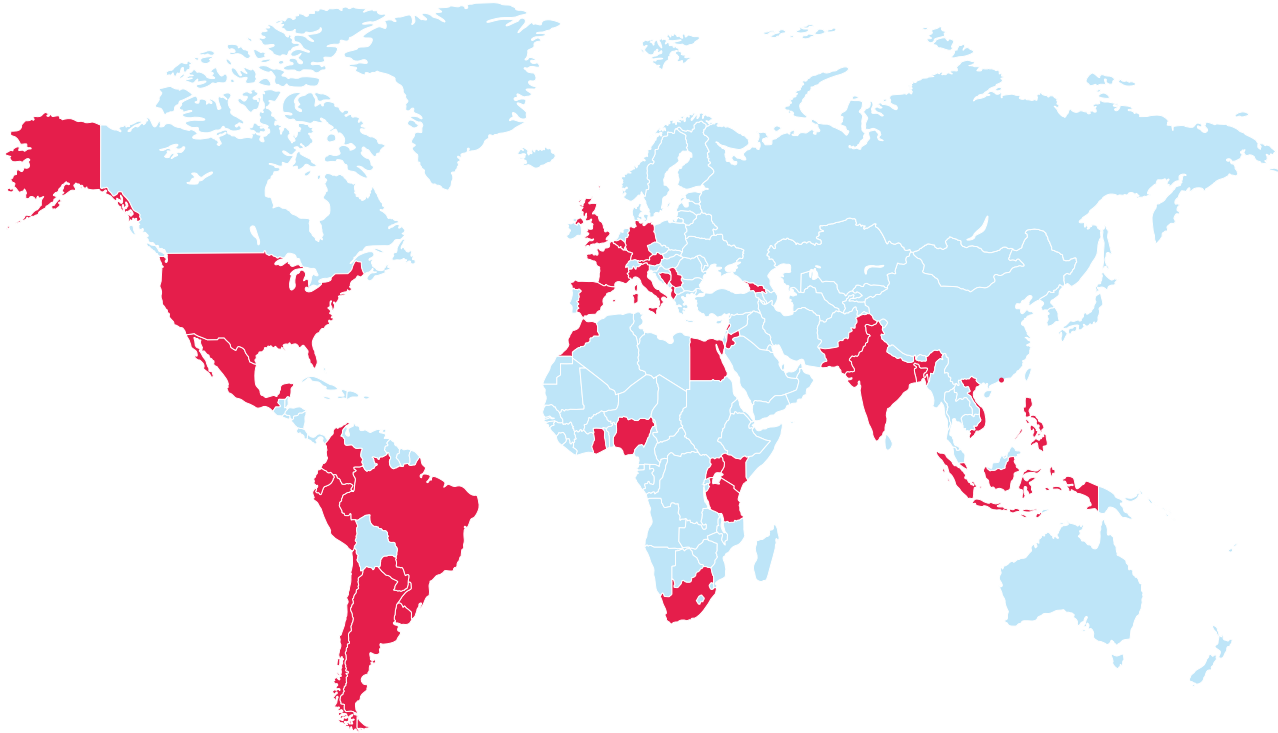


Figure 1. Fairwork currently rates platforms in 38 countries worldwide.

AFRICA

Egypt, Ghana, Kenya, Morocco, Nigeria, South Africa, Tanzania, Uganda

ASIA

Bangladesh, India, Indonesia, Jordan, Lebanon, Pakistan, Philippines, Singapore, Vietnam

EUROPE

Albania, Austria, Belgium, Bosnia and Herzegovina, France, Georgia, Germany, Italy, Serbia, Spain, UK

SOUTH AMERICA

Argentina, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay

NORTH AMERICA

Mexico, US

The Fairwork Framework

Fairwork evaluates the working conditions of digital labour 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.

The five Fairwork principles were developed through multiple multi-stakeholder workshops at the International Labour Organisation. To ensure that these global principles were applicable in the Serbian context, we have subsequently revised and fine-tuned them in consultation with platform workers, platforms, trade unions, regulators, academics, and labour lawyers.

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.



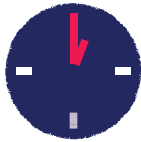
STEP 1

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 service user and/or 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.



STEP 2

Methodology Overview

The Fairwork project uses three approaches to effectively measure fairness of working conditions at digital labour platforms: desk research, worker interviews and surveys, and interviews with platform management. Through these three methods, we seek evidence on whether platforms act in accordance with the five Fairwork Principles.

We recognise that not all platforms use a business model that allows them to impose certain contractual terms on service users and/or workers in such a way that meets the thresholds of the Fairwork principles. However, all platforms have the ability to influence the way in which users interact on the platform. Therefore, for platforms that do not set the terms on which workers are retained by service users, we look at a number of other factors including published policies and/or procedures, public statements, and website/app functionality to establish whether the platform has taken appropriate steps to ensure they meet the criteria for a point to be awarded against the relevant principle.

In the case of a location-based work platform, we seek evidence of compliance with our Fairwork principles for location-based or “gig work” platforms, and in the case of a cloudwork platform, with our Fairwork principles for cloudwork platforms.

Desk research

Each annual Fairwork ratings cycle starts with desk research to map the range of platforms to be scored, identify points of contact with management, develop suitable interview guides and survey instruments, and design recruitment strategies to access workers. For each platform, we also gather and analyse a wide range of documents including contracts, terms and conditions, published policies and procedures, as well as digital interfaces and website/app functionality. Desk research also flags up any publicly available information that could assist us in scoring different platforms, for instance the provision of particular services to workers, or the existence of past or ongoing disputes.

The desk research is also used to identify points of contact or ways to access workers. Once the list of platforms has been finalised, each platform is contacted to alert them about their inclusion in the annual ranking study and to provide them with information about the process. All platforms are asked to assist with evidence collection as well as with contacting workers for interviews.

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 are approached using a range of different channels. For our 2023 ratings, this included, in addition to our tried and tested participant recruitment methods, Facebook and LinkedIn advertisements and snowballing from interviews conducted in an earlier phase. In all these strategies informed consent was established, with interviews conducted both in person and online.

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 and have worked with the platform for more than two months.

Putting it all together

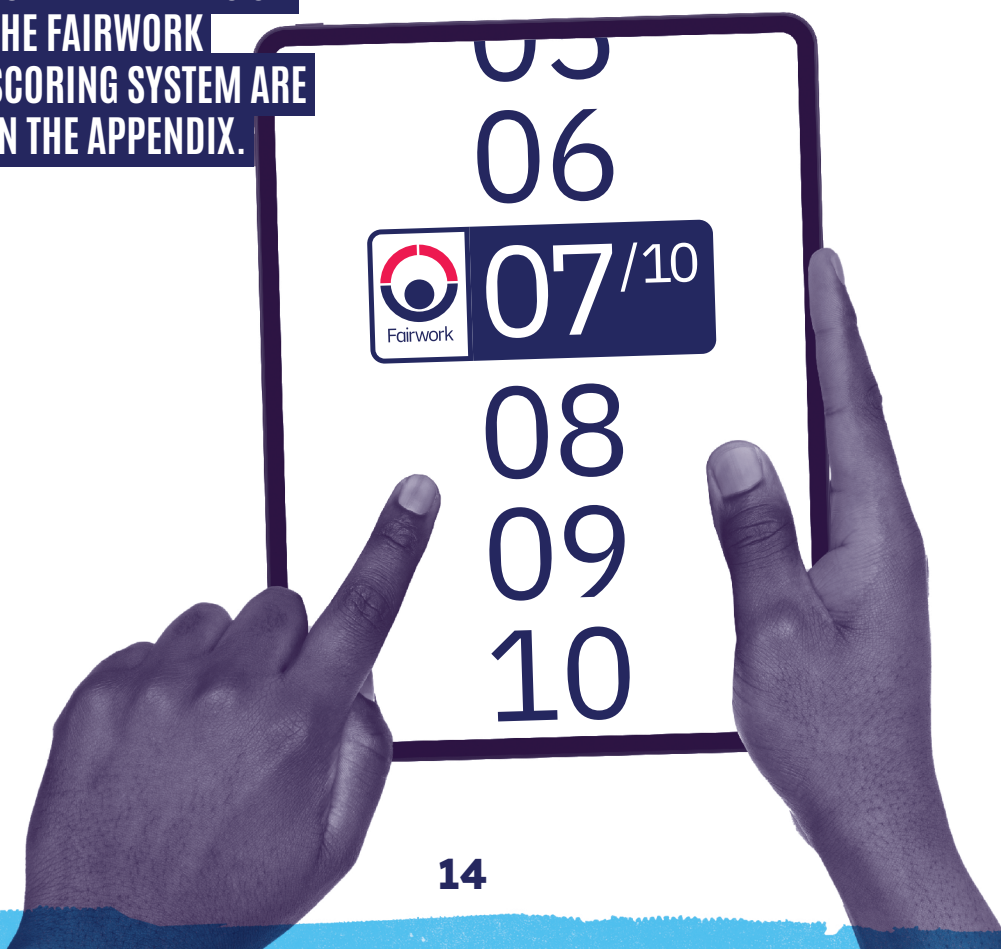
This threefold approach provides a way to cross-check the claims made by platforms, while also providing the opportunity to collect both positive and negative evidence from multiple sources. Final scores are collectively decided by the Fairwork team based on all three forms of evidence. Points are only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

How we score

Each of the five Fairwork principles is broken down into two points: a first point and a more second 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.

The scoring involves a series of stages. First, the in-country team collates the evidence and assigns preliminary scores. The collated evidence is then sent to external reviewers for independent scoring. These reviewers are both members of the Fairwork teams in other countries, as well as members of the central Fairwork team. Once the external reviewers have assigned their scoring, all reviewers meet to discuss the scores and decide final scoring. These scores, as well as the justification for them being awarded or not, are then passed to the platforms for review. Platforms are then given the opportunity to submit further evidence to earn points that they were initially not awarded. These scores then form the final annual scoring that is published in the annual country Fairwork reports.

FURTHER DETAILS ON THE FAIRWORK SCORING SYSTEM ARE IN THE APPENDIX.



Country Background

Serbia is an upper-middle-income Western Balkan economy¹ and a candidate for EU accession² facing significant challenges in 2023. Despite its strong economic achievements in the past decade, the country encountered a slowdown in economic growth, coupled with high inflation rates, particularly in the food sector, leading to a decline in the purchasing power of the population.³

Although the annual inflation rate in Serbia fell to an over one-year low of 12.5 percent in July 2023, recent inflation hikes have hit the majority of the population. Namely, there has been a parallel increase in overall inflation and a significant rise in the prices of various products and services, particularly in relation to food and non-alcoholic beverages, and housing services. This resulted in widespread consumer price increases in Serbia's domestic economy in 2022 and first half of 2023. The July drop in inflation is mainly explained by a slowdown in prices of food and non-alcoholic beverages (20.4 percent vs 22.1 percent in June 2023) and housing and utilities (19.6 percent vs 21.9 percent) and a bigger decline in transportation costs (-4.9 percent vs -3 percent).

In spite of these challenges, the labour market remained almost intact throughout the first six months of 2023. According to the latest data (Quarter Two) the percentage of unemployed stood at 10.1 percent,⁴ and is expected to rebound by the end of 2023, to 9.1 percent.⁵ The explanation for labour market resistance is threefold: Serbia is facing shortages in the labour force as a result of relatively low level of active workforce of 55.1 percent⁶ (in comparison the Western Europe where it's on average 74.7 percent⁷), an ageing population and migration.⁸ However, adjustments in the labour market were made through declining or stagnant wages across most industries. During the period of January to May 2023, both gross and net wages increased nominally by 15.5 percent compared to the same period last year, but

in real terms, they decreased by 0.1 percent.⁹

Only few jobs in Serbia are well paid and protected. Most workers find themselves in a precarious situation.¹⁰

This is particularly the case with large portions of the working-age population with secondary education who are engaged in low-paid and less protected jobs.¹¹ It is important to note that those with the secondary education represent the majority of the workforce working for food delivery and other location-based labour platforms.¹²

DESPITE ITS STRONG ECONOMIC ACHIEVEMENTS IN THE PAST DECADE, THE COUNTRY ENCOUNTERED A SLOWDOWN IN ECONOMIC GROWTH, COUPLED WITH HIGH INFLATION RATES, PARTICULARLY IN THE FOOD SECTOR, LEADING TO A DECLINE IN THE PURCHASING POWER OF THE POPULATION.

The Platform Economy in the National Context: Sectors, Workforce, Trends

In 2023, the food delivery sector in Serbia remained dominated by two key players, Glovo and Wolt, competing with three smaller rivals, Mister D, CarGO Butler and Yandex Delivery Serbia. Yandex was the only newcomer among location-based platforms operating in Serbia. The sole operating platform offering ride-hailing services, CarGO, continued to operate under new owners while the only on-demand home services platform, Uradi-zaradi, temporarily ceased its services in 2023 due to technical issues.

Despite being almost stagnant in terms of the total number of players, the food delivery sector has not been void of important events. At the beginning of 2023, the Commission for Protection of Competition¹³ produced its first “Report on the state of competition in the market of digital platforms for mediating the sale and delivery of mainly restaurant food and other products.”¹⁴ This report represents the first official account to address digital labour platforms and serves as a follow-up to the Commission’s initiation of proceedings against Glovo in 2022 for the abuse of a dominant position in the market. This action followed Glovo’s merger with

Donesi, which was—at the time—the most prominent food delivery platform in the Serbian market.¹⁵ After acquiring Donesi, Glovo held a market share of around 60–70 percent while Wolt was the closest competitor with a share of approximately 30–40 percent.

Whilst the 2023 Commission’s report concluded that there were no major legal barriers to entering the market,¹⁶ it underlined the existence of considerable economic barriers to entry, primarily stemming from the need for substantial investments in platform development, marketing, technical equipment, integration with global internet service providers, and forming partnership agreements.¹⁷

The findings also highlighted the significant influence of digital platforms on the restaurant market and third-party delivery providers. Specifically, digital platforms were found to have significant control over delivery prices, personnel selection, and performance evaluation of third parties. In other words, the report found that due to the lack of a legal framework regulating digital platforms, the largest food delivery platforms have achieved a market position that is not entirely conducive to a level playing field.



Based on these conclusions, the Commission recommended that all competent institutions of the Republic of Serbia conduct thorough analyses of the existing legal solutions regulating the platform economy and take necessary steps to harmonise national legislation with the current legal acts of the European Union. Among the most important ones are the initiatives of the: 1) Ministry of Trade to start drafting relevant regulations that would regulate digital labour platforms, 2) Ministry of Labour, Employment, Veteran and Social Affairs to control the application of regulations in the field of the Labour Law relevant for the employees in digital platforms, as well as employees who work for companies and/or entrepreneurs (third parties/logistic partners) who deliver food.

The Commission pointed out research showing that the majority of people working in food delivery require basic protections at work; are unable to resolve disputes collectively; and lack payment protection, among other issues. The Commission's findings and recommendations are in line with earlier research carried out by the Public Policy Research Center¹⁸ and demonstrated in previous Fairwork Serbia reports. These reports have consistently highlighted the challenging working conditions experienced by couriers, despite the comparatively decent earnings reported by Fairwork Serbia in 2021 and 2022.¹⁹

2023 has not only brought the first official assessment of the state of competition amongst digital food delivery platforms, but it also brought about workers' discontent and increased union activity.

Despite the latest round of research affirming the continued popularity of platforms due to easy entry and (in some cases) decent pay, it seems that a combination of inflation and recent alterations in earnings calculations has noticeably affected courier incomes which, in turn, has resulted in worker dissatisfaction. In April, Wolt workers launched a strike, fearing a further decline in income due to the introduction of a dynamic pricing model by Wolt HQ.²⁰ In June, some Glovo workers also expressed their grievances after the platform adjusted the earnings calculations changing the bonus structure. They conveyed their messages to the media²¹ and shared their experiences on social networks, illustrating how their earnings were diminishing. The platform refuted these claims.²²

Despite being less vocal compared to other European cities,²³ the recent couriers' public dissatisfaction reflects a broader trend within the platform economy. Workers are increasingly pondering their working conditions. Throughout 2023, labour unions and NGOs therefore found themselves increasingly approached by couriers who were seeking avenues for collective action or seeking legal advice to navigate potential pressure from platforms.²⁴

While the attempts to form workers' associations did not yield tangible results, the discontent surrounding pay has sparked other concerns regarding extended work hours, workplace safety, and social contributions. It remains to be seen whether these actions will have a positive impact on fair labour standards in Serbia.

The Legal Context

There have been no changes to the legal framework regulating platform work since our last report in 2022. Rather, platform work is still typically organised through “partnership agreements” between digital platforms with third parties, primarily intermediary agencies/limited liability companies (LLCs).

These agencies then hire workers often through non-standard employment contracts or contracts with sole traders (referred to as entrepreneurs in the Serbian context). Workers in non-standard forms of employment (NSFE) usually lack entitlements such as paid annual leave, holidays, sick leave, and maternity/paternity benefits. Meanwhile, the sole traders have access to health care, survivor’s pensions, old-age, disability. In addition, they have sickness benefits, which is not the case with the workers on non-standard employment. Because the self-employed are treated as entrepreneurs, the law deprives them of access to unemployment benefits while their licence is active. It moreover renders them accountable for accidents at work and occupational injuries benefits, and voids them of rights to paid annual leave and holidays, and maternity/paternity benefits. Furthermore, due to the burden of lump-sum taxes, some couriers opt to form unofficial alliances where multiple workers operate under the registration of a single sole trader. In this setup, the registered sole trader pays the other workers in cash, keeping them in informal employment and devoid of social protection benefits.

Workers who sign NSFE contracts with third parties (LLCs) usually sign part-time or temporary contracts, even though they often work full-time. In this scenario, they receive part of the contracted pay in their bank account, and the remaining amount for additional days worked is paid in cash. Given that some riders work more than 50 hours a week, this amounts to a considerable sum. On the other hand, if an employee works part-time with one employer, that employer pays the lowest monthly contribution for the worker’s social and health benefits, resulting in significant savings for the employer. Additionally, workers’ entitlements to social benefits are indexed to their official contracted hours, so their entitlement does not reflect the

actual number of hours worked—making them worse off in that regard.

Moreover, within this relationship between couriers, third parties (LLCs) and platforms, the platforms should only accept couriers for whom these contracts are submitted by the LLCs. In reality, however, neither the platform nor the Labour Inspectorate checks whether these workers hold valid contracts. As reported by some interviewees, after the expiry of the contract, the third party often “forgets” to renew it. Moreover, some LLCs have deregistered workers from the Pension and Disability Insurance Fund after a couple of months. In this case, the workers continued to receive a salary, but their contributions were not paid.

Compared to pre-COVID-19 times when couriers often worked without contracts or signed blank partnership agreements/contracts without the possibility to see the details or enjoy benefits accrued to them by law, the situation today is much better. However, research findings reveal that most of the platform working arrangements require further improvements. Platform workers still find themselves in a precarious legal position as they are not employed by platform companies. On the other hand, third parties exploit loopholes in the current legal regime and often provide contracts embedded with precarious clauses. Nevertheless, platform workers in Serbia have not shown interest in exercising their labour rights through the judicial system as seen in other countries. The majority of workers we interviewed still preferred short-term financial gains over social safeguards and other rights guaranteed by employment contracts. This approach exposes the worker to various external factors and vulnerabilities on the long run.

Last but not least, the Serbian legal system does not yet recognise the principle of subordination of suppliers to global lead firms within global value chains, including the related responsibilities of each party within this structure, treating them equally. This leaves vast space for platforms to continue operating without scrutiny of their treatment of workers, using intermediary agencies to engage workers.

Fairwork Serbia Scores 2023

Minimum standards
of fair work

Wolt 3/10 ●●●○○○○○○○○

Glovo 3/10 ●●●○○○○○○○○

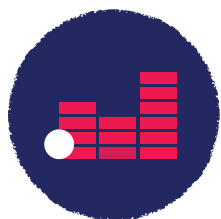
Yandex 0/10 ○○○○○○○○○○

Mr.D 0/10 ○○○○○○○○○○

THE BREAKDOWN OF SCORES FOR INDIVIDUAL PLATFORMS IS AVAILABLE AT

WWW.FAIR.WORK/SERBIA

Explaining the scores



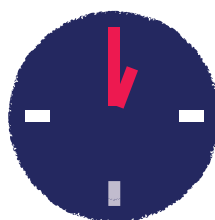
Fair Pay

Platforms that ensure workers are paid at least the local minimum wage after work-related expenses are subtracted from workers' earnings can meet this point.

In 2023, only two out of four rated platforms—Glovo and Wolt—were able to evidence that platform workers earn at least the minimum wage per hour after costs (set at RSD 230/ca. EUR 1.96 in 2023) and that payments are always in time and in full. However, none of the platforms were able to document that workers are paid at least a wage equivalent to living wage after costs.²⁵

The assessment of minimum and living wage thresholds involved an analysis of the amount workers receive for hours worked minus costs associated with the work—such as the costs of task-specific equipment paid for by workers, fuel and vehicle maintenance, mobile data costs, mandatory insurance and the like.

The analysis of evidence for this Fairwork principle also considered the changed economic landscape in Serbia influenced by the inflation rate in the first half of 2023. As a result, while the purchasing power of the population has generally decreased and, amongst other things, negatively affected the demand for food (and other goods) delivery services, there has also been an increase of costs associated with doing the work. In short, the earning potential has decreased while costs have increased. In this context, workers have been pushed to the limit, working longer hours in their attempt to secure decent earnings.



Fair Conditions

Platforms that show that they are aware of workers' risks and provide steps to mitigate them can meet this point.

Platform workers may encounter several risks in the course of their work, including accidents and 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.

Recent updates to the Fairwork Principles—that reflect the changes in the global platform economy—have resulted in the scores' downward trend since last year. Of the four platforms assessed, only Glovo was able to provide evidence that they meet criteria of the Fair Conditions principle. Glovo demonstrated that the safety equipment and training aimed at protecting workers' health and safety from task-specific risks was provided free of charge within the premises of Glovo Centres in the three cities the platform operates.

While two platforms—Glovo and Wolt—showed evidence they have work-related risk protection policies and practices, also regulated by the contracts between platform and LLCs, there was not enough evidence provided to demonstrate that platforms effectively monitored the implementation of risk related measures by LLCs. As such, no platforms achieved the second threshold.

Both Glovo and Wolt workers can apply for third party liability insurance introduced as part of the risk mitigation and safety policies in case of accidents or injuries at work.

To achieve the point, evidence is needed that demonstrates platforms are able to ensure income security in cases workers are unable to work for extended period of due to injury, illness, maternal or paternal leave. Finally, exposure of workers to excessive levels of risk induced by pay structure policies platforms implement is yet another factor preventing platforms to score the second point within this principle.



Fair Contracts

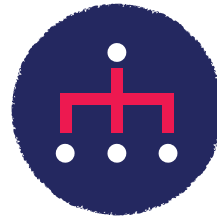
To achieve this point, platforms must demonstrate that workers are able to understand, agree to, and have access to the contract, or the terms and conditions at all times, and that they have legal recourse if other party breaches those conditions.

Again, this year none of the four platforms rated received points within this Fairwork principle. While two out of four platforms demonstrated that they sign contracts with LLCs/intermediary companies engaging the workers, and that these contracts include monitoring mechanisms to ensure all workers are covered by contractual arrangements with LLCs, the team was unable to secure evidence that all workers signed a contract, or that the contract was available to all workers at all times. Nevertheless, a step forward in creation of mechanisms for workers to access their contracts at all times has been made by Glovo in 2023. This new mechanism allows workers to upload their contracts with LLCs directly to the app during onboarding—i.e. the period of profile registration and creation.

On a positive note, both Glovo and Wolt provided evidence about adequate, responsible and ethical data protection and management measures laid out in documented regulations and set out in contracts with LLCs and in platforms' terms and conditions.

While the two platforms have outlined monitoring mechanisms to ensure that the intermediary companies are living up to the standards expected from the platform itself regarding working conditions (such as Wolt's

introduction of "SpeakUp"; a reporting system managed by third party independent company, serving, amongst others, to report LLCs' misconducts or any relevant issues concerning workers), further evidence is needed regarding the efficacy of these systems in supporting workers and ensuring that protections and benefits are provided to all.



Fair Management

To meet this point, platforms must demonstrate that workers are not arbitrarily deactivated, and that there is an avenue for workers to meaningfully appeal disciplinary actions through a documented process.

Of four platforms researched, only Glovo and Wolt met the conditions to be awarded the first point by providing sufficient evidence of due process for decisions affecting workers. The two platforms demonstrated that there are effective and clear channels allowing workers to communicate with human representatives of the platform either through the app (i.e. instant chat), email, phone or in person at the platforms' local premises. As in the past years' scoring cycles, these two platforms were able to provide evidence of a formalised processes for workers to appeal decisions resulting in penalties or disciplinary actions even in situations when they no longer have access to the app. This was also confirmed by workers interviewed for the purpose of this year's Fairwork scoring.

For the additional point, however, only Wolt demonstrated a clear anti-discrimination policy and implementation mechanisms along with policies and measures that ensure equality and diversity were key operating principles of the platform. The commitment of the platform not to deploy a rating system for the workers also contributed to the award of this point as reproduction of discrimination and inequalities can be further fostered by the rating systems some platforms use (if access to work opportunities or levels of payment are influenced by worker ratings). This therefore minimises the risk of discrimination by proxy through customer reviews.



Fair Representation





















For platforms to get this point, platforms should assure freedom of association and the expression of collective worker voice.

Consistent with findings from 2021 and 2022, this year, none of the four platforms assessed could evidence they meet the thresholds of the Fair Representation principle.

PLATFORM IN FOCUS

Glovo

Glovo is a Barcelona-based platform founded in 2015 and currently operating in 25 countries across Europe, Central Asia and Africa. In Serbia, Glovo has been active since June 2019.

Principle	First point	Second point	Total
 Principle 1: Fair Pay	 Ensures workers earn at least the local minimum wage after costs	 Ensures workers earn at least a local living wage after costs	 1
 Principle 2: Fair Conditions	 Mitigates task-specific risks	 Ensures safe working conditions and a safety net	 1
 Principle 3: Fair Contracts	 Provides clear and transparent terms and conditions	 Ensures that no unfair contract terms are imposed	
 Principle 4: Fair Management	 Provides due process for decisions affecting workers	 Provides equity in the management process	 1
 Principle 5: Fair Representation	 Assures freedom of association and the expression of worker voice	 Supports democratic governance	

Glovo's total score



Initially, it operated only within the territory of the city of Belgrade, but by 2023 it had expanded to another 32 cities across the country, connecting users with more than 4000 partners (restaurants, supermarkets, shops, pharmacies) via 69 logistic partners/intermediary companies that engage more than 1200 active couriers. A team of over 70 employees makes sure that the app is operational and ready to provide everyone with easy access to any demand in their city. As a rising actor in the local on-demand delivery sector, Glovo acquired Donesi, a subsidiary of Delivery Hero, in 2021 and was processing the acquisition of Donesi from July to September the same year.

With a score of three out of ten points (1.1 Fair Pay; 2.1 Fair Conditions and 4.1 Fair Management), Glovo is the joint best rated platform in Serbia in 2023; continuously working on improvements aligned with Fairwork Principles.

Against this backdrop, Glovo has launched the Couriers Pledge with the aim to create a decent work ecosystem for platform workers. The Couriers Pledge is a commitment taken by Glovo to upgrade the benefits and working conditions for all couriers using their app, beyond their employment status. In Serbia, the Pledge was introduced in October 2022. Evidence suggests that the platform has intensified its efforts recently in meeting the pledge's main milestones which entail achieving decent earnings, providing different sorts of risk-mitigation mechanisms such as various insurance schemes, road safety and professional upskilling of workers by granting them free access to several online courses.

With respect to Fairwork's Pay principle, evidence shows that all Glovo's workers earn at least the local minimum wage after work-related costs and that the pay is always in full and on time. Recently, Glovo has introduced a SP-PD (Starting Point—Point of Delivery) dynamic pricing model which provides full kilometre-based remuneration to Glovo couriers in Serbia in order to alleviate the stress associated with delivers.

In Serbia, Glovo has gradually improved risk mitigation and workers' safety processes which gained them a point for Fair Conditions. This is primarily reflected in the provision of safety equipment to workers free of charge as one of the key criteria in meeting the Fair Conditions principle. In situations when a courier comes directly to one of the three Glovo centres based in Belgrade, Nis and Novi Sad, they are provided with safety gear, while the equipment costs are covered by LLCs employing the workers. Safety training is

a mandatory onboarding step at Glovo. Both Glovo and LLCs cooperate to ensure all couriers pass the safety training sessions delivered at no additional costs to workers. In instances where workers cease to be active in the platform for longer periods, Glovo offers retraining to ensure all the gaps have been bridged in the processes of reactivation on the platform. Likewise, the platform conducts quarterly road safety workshops for workers addressing various risk mitigation and traffic safety topics. The workers participating at these workshops are also entitled to free safety gear such as bicycle and motorbike helmets, vests, reflective gear and the like. Some of the perils of lone working have been actively addressed by developing mechanisms such as an SOS button within the app and live chat/voice support mechanisms by LiveOps agents which allows for instant live communication and solution of any issues workers may face.

Glovo's health and safety policy also involves accident insurance available to workers active on the app at the time the accident happens and up to an hour after they logged out of the app (in order to cover their onward journey home once they have finished work). The insurance covers, amongst other things, compensation for medical costs, hospital treatments, lump sum compensation for various injuries and indemnity in case of permanent incapacity including remuneration of RSD1764 (ca. EUR 15) per day of absence from work for up to 30 days.²⁶ While Glovo ensures that contracts between the platform and LLCs defines provisions of mandatory social security benefits for workers as per local labour regulations, it also includes provisions that regulate monitoring of LLCs practices in relation to social security contributions and of payment of its workers' wages.

Evidence suggests that Glovo established an easily accessible and highly responsive channel for workers to communicate with a human representative in the platform to effectively solve issues workers might have. Workers can use various means of communication to reach the platform—live chat, emails, or direct interaction with Glovo operation managers in Glovo centres during 'open door' sessions organised twice a week. Worker interviews conducted by the Fairwork Serbia team indicated that the support team is highly reliable, accessible, and responsive. In addition, Glovo organises focus groups with workers that aim to discuss the different issues workers face and how they can be addressed. In this vein, the evidence further demonstrates that there is a process for workers

to meaningfully and effectively appeal different issues, penalties, deactivations and disciplinary actions that is available to workers even when they no longer have access to the app. For instance, those deactivated from the app may still access the platform interface which provides an option for workers to submit the appeal via email form.

Finally, Glovo's efforts to establish policies and practices for anti-discrimination and equality promotion considerably intensified in 2023. Namely, the platform has created an anti-discrimination policy statement which recognises the rights of platform workers to an environment free from any form of discrimination and harassment. Besides, the platform established a mechanism for reporting discrimination cases which is always available to workers on the app's interface. Evidence from the interviews conducted with Glovo workers report positive experiences with regard to reducing discrimination at work. Discussions held with the platform representatives suggest that there are numerous prospects for further accommodation of measures aimed at enabling equality of opportunities for all workers and thus comprehensively providing equity in the management process in the near future.

Workers' Stories

Uros*

Over the past two years, Uros has worked on almost all platforms operating in Serbia—Donesi, CarGo, Mister D, and Glovo. For the last seven months, he has been working as a courier for one platform. Uros chose this platform because of the opportunity for total flexibility. With no rigid schedules, and no negotiation over the shifts, Uros claims he is now the master of his own time. If he wants to take a couple of hours off to catch up with friends, he can. If he wishes to work late into the night and sleep in the next morning, that can be his choice too.

But as weeks turned into months, Uros witnessed the growing influx of fellow couriers who, like him, had been captivated by the allure of flexibility. With more couriers joining the app, competition increased, making it rather more challenging to secure a steady stream of deliveries during peak hours. The very flexibility that had drawn him to the platform was now posing a new set of challenges. Over the past few weeks, whenever he steps outside and logs into the app, he has been noticing the decreasing number of deliveries he receives.

He noticed, for instance, that his friend received significantly more deliveries when active on the app compared to himself. On several occasions, they found themselves waiting for a delivery notification at the same location. However, the notifications arrived asymmetrically—his friend's phone would buzz while Uros's remained silent. Later that day, they were sitting together again, and this pattern repeated—his friend's phone heralded a couple of invites for delivery, leaving Uros's untouched. These patterns prompted Uros to raise concerns about the algorithm's transparency and the criteria by which deliveries were allocated. "I started doubting the fairness of the algorithm when it comes to assigning deliveries. It's really strange how my friend and I could be in the same place, yet he gets notifications while I get none."

Regardless, his work still brings him a decent income. He delivers by bike, so inflation has not affected him as much since he does not have to worry about the price of

gasoline. As a single man he does not have to worry about supporting a family with this job just yet. Flexibility still takes precedence. However, he is uncertain about how the earnings will fare in the future.

Dusan*

Dusan has spent his entire working life as a courier, mainly in fast-food restaurants. Initially, he viewed this occupation as a temporary gig, but he ended up dedicating nine years to delivery work. As he explains, "I love being on the move; delivery gives me a sense of freedom." Over the past four years, he has been working through various platforms, with the last two years being with one of the platforms rated in this year's Serbia 2023 scores.

"The platform enticed me with its flexibility. However, that flexibility attracted many others as well. There was a time when I knew about 80 percent of the couriers on the streets, but now I hardly recognise anyone. They're all new faces, and there's an abundance of them. Numerous students join to supplement their income, but with a growing workforce and a certain market size, earnings per worker decline."

The platform's management pledged to enhance the algorithm but at the time of our conversation in March, no such improvements had materialised. Some days bring Dusan a heavy workload, while other days offer very little work. This has a significant impact on his ability to plan his income and expenses.

His disillusionment is palpable. Reflecting on his personal experiences and those of fellow couriers, Dusan discerns a recurring pattern in the delivery market. "Each platform initially lures workers with the promise of substantial earnings. However, over time, a shift occurs—a shift that results in decreasing earnings." The delivery sector experienced a surge, especially during the height of the COVID-19 pandemic, when many individuals were left jobless. According to Dusan, all platforms behave similarly now, "they dictate the market conditions and are aware that couriers who reject these conditions can be effortlessly

replaced by newcomers.”

In his time working at fast food restaurants, Dusan used to earn much more than he does now. Presently, he nets circa 88,000 RSD (750 EUR), just slightly above the local living wage, but the income is constantly decreasing. He makes deliveries using both a car and a motorcycle, so when inflation affected gasoline prices, he began questioning the profitability of his platform-based work. He expresses concern about the future and hopes to switch jobs soon, as working on these platforms no longer provides the substantial income it once did.

***Names changed to protect worker’s identity.**

THEME IN FOCUS

Understanding the Elephant—How Different Institutions are Shaping Serbia's Platform Economy

Do you know the story of three men touching different parts of an elephant and drawing varied conclusions? This parable is often used to illustrate how humans tend to claim absolute truth based on their limited, subjective experiences. In the context of Serbia's platform economy, there are three institutions taking important steps to govern various processes within this dynamic sector.

The first institution to be mentioned is the Commission for Protection of Competition, an independent body responsible for enforcing competition rules in all sectors of the economy. As explained in the Background section of the report, in their first-ever market study on online food delivery platforms the Commission recommended that the Serbian government introduce several pieces of legislation to govern the work of digital platforms and suggested the establishment of a register of food delivery platforms. The Commission also emphasised the importance of ensuring fair pay and safe working conditions for couriers. Finally, the Commission provided suggestions on regulation of food safety.

The second institution is the Road Traffic Safety Agency, a state body that is responsible for developmental, technical, and regulatory affairs in the field of road traffic safety. With a focus on enhancing the safety of food delivery workers in traffic, the Road Traffic Safety Agency has carried out promotional activities throughout the first half of 2023. Recognising the risks faced by couriers on bikes, motorcycles, and electrical bikes the agency aims to distribute free helmets and promote safe driving styles. By calling platforms to partner with them, they seek to create a safer environment for couriers and reduce accidents on the road. The Agency was instrumental in promoting amendments to the Law on Traffic Safety related to the regulation of electric bikes. The approval of the changes to the Law are expected in 2024.

The third institution is the Ministry of Labour, Employment, Veteran and Social Policy, which plays a crucial role in labour relations and rights, health and safety at work and inspection in the field of labour relations. During the most recent Fairwork Serbia stakeholder meeting in April 2023,

the Ministry expressed interest in utilising the expertise of the Occupational Safety and Health Directorate and Labour Inspectorate to assess work risks and contracts of food delivery couriers. The collaboration between the Ministry and Fairwork Serbia team has the potential to address gaps in current contracts and enhance worker safety.

The contributions of these institutions demonstrate an increasing awareness of the platform economy's impact on society. However, there is still much to be done. At least two more institutions are needed at the table for successfully regulating the platform economy in Serbia. The Ministry of Trade is a key stakeholder for drafting relevant regulation surrounding the definition and the business of digital platforms. The second is the Ministry of Information and Telecommunications in charge of regulating the use of artificial intelligence. In the context of algorithmic management, which significantly impacts the work and pay of delivery workers, the Ministry's role in regulating the use of artificial intelligence becomes crucial. The involvement of these two institutions is important for the efforts of other ministries and agencies aimed at improving courier safety and labour rights.

Engaging in dialogue with various stakeholders, including government officials, unions, courier associations, academics, and platform companies, is essential to finding better solutions for safer and fairer world of platform work. Only through ongoing collaboration and concerted efforts, we can strive towards a more equitable and sustainable platform economy in Serbia and beyond.

ENGAGING IN DIALOGUE WITH VARIOUS STAKEHOLDERS, INCLUDING GOVERNMENT OFFICIALS, UNIONS, COURIER ASSOCIATIONS, ACADEMICS, AND PLATFORM COMPANIES, IS ESSENTIAL TO FINDING BETTER SOLUTIONS FOR SAFER AND FAIRER WORLD OF PLATFORM WORK.



MOVING FORWARD

Impact and next steps

Platforms have the ability to improve conditions for their workers, while continuing to provide income opportunities. In consultation with the Fairwork team, the following platforms agreed to implement changes to their policies or practices:

Throughout the third year of our project, Serbia Fairwork Team's core goal remained unwavering: to encourage platforms to prioritise enhanced working conditions for their workforce. The team sustained interactions with active platforms, motivating them to invest more in establishing an environment that fosters the well-being of workers. Collaboration with policymakers retained its crucial role in influencing discussions surrounding regulatory practices in the platform economy. The team maintained ongoing communication with decision-makers, advocating for appropriate regulatory frameworks. In tandem with prominent unions in Serbia, advocacy efforts were intensified, with a focus on securing improved working conditions for platform workers. The principles of transparency and visibility continued to guide Fairwork's mission's dissemination strategy. Research findings were strategically shared across a diverse array of media channels. This multi-faceted approach not only enhanced the project's prominence but also heightened public awareness regarding the significant challenges faced by on-location platform workers in Serbia.

During the past year, the team organised discussions with policymakers, specifically with representatives from the Ministry of Labour and the Traffic Safety Agency. The primary objective in these interactions has been to discern and comprehend the challenges confronting courier workers in Serbia. The team continued to reveal all the issues of the legal framework governing this form of employment. The

intention was to delve into the intricacies of defining and categorising this work within the existing legal parameters, thus ensuring equitable protections for on-location platform workers. Equally pivotal in these engagements was the issue of traffic safety for workers. The nature of their work which entails dangerous traffic conditions necessitates meticulous attention to courier safety. The discussion with policymakers explored strategies to heighten safety protections for these workers and emphasised the importance of a new traffic regulation to improve couriers' safety and the safety of other citizens as well.

Nonetheless, in comparison to the previous report, this year's research witnessed a decline in the ratings of platforms in Serbia. This underscores the importance of transparently providing evidence of meeting the established standards to ensure a fair evaluation. Glovo has maintained its score from the previous year, retaining three points. However, Wolt has experienced a decline, dropping from six to three points compared to the previous year. Given that Uradi-Zaradi was not assessed this year, it is evident that platform work conditions in Serbia have been assessed at significantly lower ratings this year. While the team's efforts were directed towards fostering improvements, the objective evaluation of the evidence could not provide better ratings. Indeed, Fairwork's role in the previous year has become to monitor changing conditions. Considering that the Report of the Commission for Protection of Competition also pointed to some elements of an oligopoly

in the delivery market in Serbia, with slim prospects for new players to enter the market, improving working conditions in this industry will largely depend on the willingness of the existing digital platforms to improve working conditions. The team will continue, as in previous years, to collaborate with active platforms and motivate them towards positive changes in the future.

The team continued to communicate with couriers to identify the challenges they face. They still lack formal representation, and given that none of the platforms scored points in the Fair Representation principle this year as well, the likelihood of improvement in this aspect remains low. The relationship between platforms and couriers, where they lack direct contractual relationships with platforms, remains the same. However, through research and project promotion, Fairwork aimed to inform workers about the opportunities to secure certain rights and to collectively

come together to advocate for their interests before platforms in the future. Also, the team closely followed this year's strike of Wolt couriers and conveyed their demands to the broader public.

Lastly, Fairwork's efforts were focused on informing and educating the public about platform workers' conditions locally. The team published two blogs that highlighted the position of delivery workers in Serbia, particularly emphasising the impact of inflation on their earnings and the attempts at strikes due to dissatisfaction regarding wage calculations. Additionally, four podcast episodes were produced that brought the position of women in platform work closer to a wider audience. This year, Fairwork continued to expand outreach through various media, and the project aspires to deepen its media engagement in the upcoming year.



Pathways of Change

Fairwork’s theory of change relies on a humanist belief in the power of empathy and knowledge. If they have the economic means to choose, many consumers will be discerning about the platform services they use. Our yearly ratings give consumers the ability to choose the highest scoring platform operating in a sector, thus contributing to pressure on platforms to improve their working conditions and their scores.

In this way, we leverage consumer solidarity with workers’ allies in the fight for fairer working conditions. Beyond individual consumer choices, our scores can help inform the procurement, investment and partnership policies of large organisations. They can serve as a reference for institutions and companies who want to ensure they are supporting fair labour practices. In this regard, we see four pathways to change (Figure 2).

We also regularly update our principles to ensure they are best tailored to the contemporary platform workplace (Figure 3).

There is nothing inevitable about poor working conditions in the platform economy. Despite 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.

Figure 2: Fairwork’s Pathways to Change

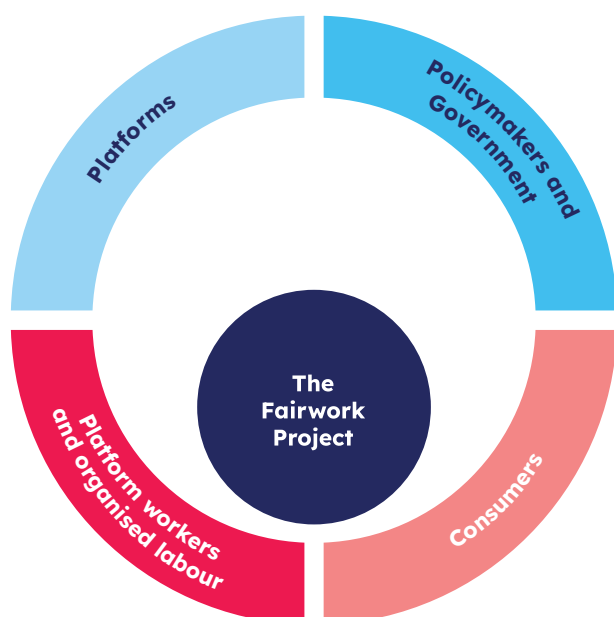
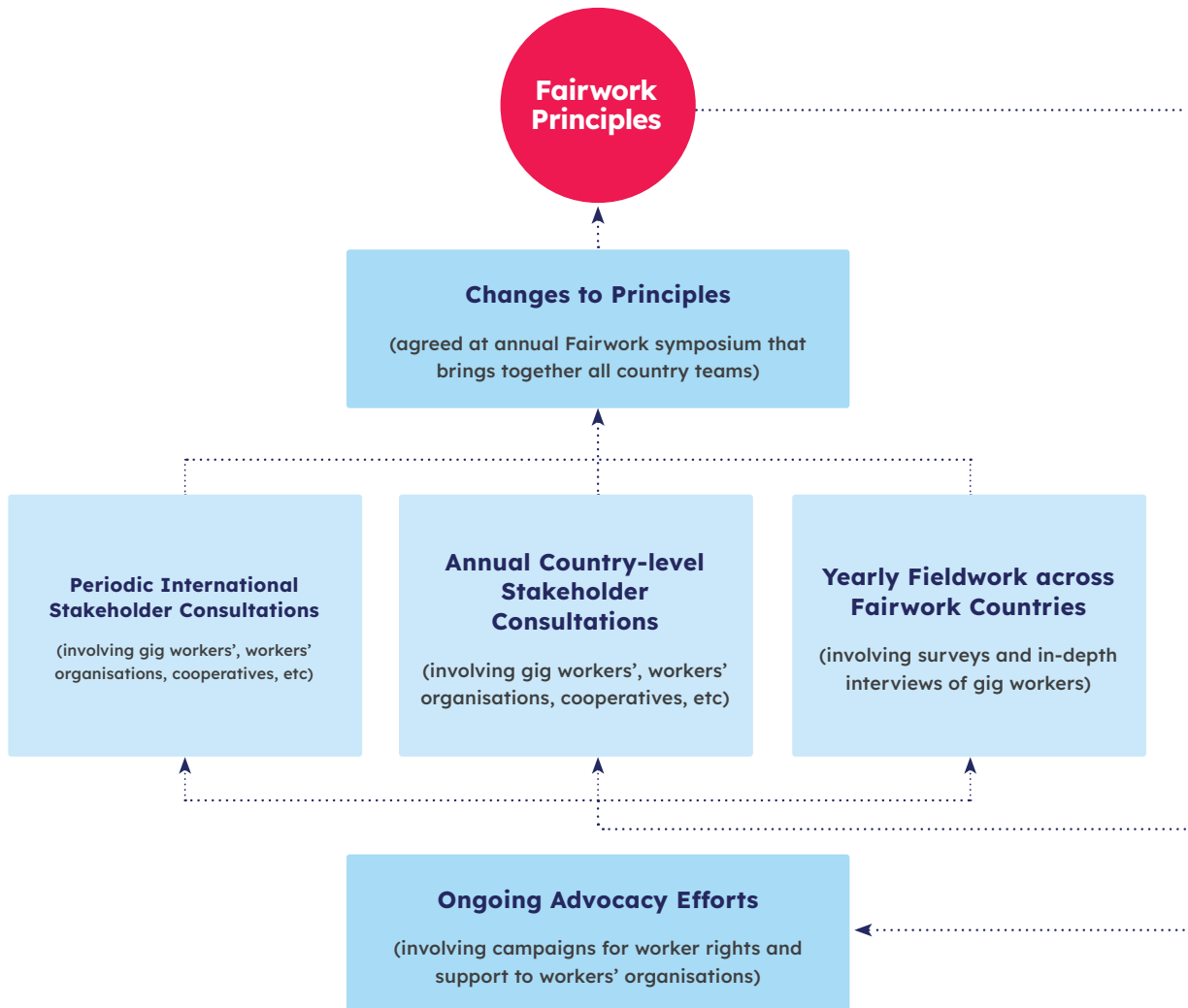


Figure 3: Fairwork Principles: Continuous Worker-guided Evolution



The Fairwork Pledge

As part of the project's process of change, we have introduced the 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. We are proud to announce that we have three official Fairwork Supporters in Serbia: Confederation of Autonomous Trade Unions of Serbia (Savez samostalnih sindikata Srbije), "Independence" Trade Union Confederation (Ujedinjeni granski sindikati "Nezavisnost"), and the Institute of Economic Sciences (Institut ekonomskih nauka). 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. Meatspace Press have become official Fairwork Partners in the UK.

More information on the Pledge, and how to sign up, is available at fair.work/pledge.

MORE INFORMATION ABOUT THE PLEDGE, AND HOW TO SIGN UP, IS AVAILABLE AT

FAIR.WORK/PLEDGE



APPENDIX

Fairwork Scoring System

Which companies are covered by the Fairwork principles?

The International Labour Organisation (ILO) defines a “digital labour platform” as an enterprise that mediates and facilitates “labour exchange between different users, such as businesses, workers and consumers”.²⁷ That includes digital labour “marketplaces” where “businesses set up the tasks and requirements and the platforms match these to a global pool of workers who can complete the tasks within the specified time”.²⁸ Marketplaces that do not facilitate labour exchanges—for example, Airbnb (which matches owners of accommodation with those seeking to rent short term accommodation) and eBay (which matches buyers and sellers of goods)—are obviously excluded from the definition. The ILO’s definition of “digital labour platform” is widely accepted and includes many different business models.²⁹

Fairwork’s research covers digital labour platforms that fall within this definition that aim to connect individual service providers with consumers of the service through the platform interface. Fairwork’s research does not cover platforms that mediate offers of employment between individuals and employers (whether on a long-term or on a temporary basis).

Fairwork distinguishes between two types of these platforms. The first, is “geographically-tethered” platforms where the work is required to be done in a particular location such as delivering food from a restaurant to an apartment, driving a person from one part of town to another or cleaning. These are often referred to as “gig work platforms”. The second is “cloudwork” platforms where the work can, in theory, be performed from any location via the internet.

The thresholds for meeting each principle are different for location-based and cloudwork platforms because location-based work platforms can be benchmarked against local market factors, risks/harms, and regulations that apply in that country, whereas cloudwork platforms cannot because (by their nature) the work can be performed from anywhere and so different market factors, risks/harms, and regulations apply depending on where the work is performed.

The platforms covered by Fairwork’s research have different business, revenue and governance models including employment-based, subcontractor, commission-based, franchise, piece-rate, shift-based, and subscription models. Some of those models involve the platforms making direct payments to workers (including through sub-contractors).

How does the scoring system work?

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, policymakers, trade unions, and academics), and in-country meetings with local stakeholders.

Each Fairwork Principle is divided into two thresholds. Accordingly, for each Principle, the scoring system allows the first to be awarded corresponding to the first threshold, and an additional second point to be awarded corresponding to the second threshold (see Table 1).

The second point under each Principle can only be awarded if the first 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 research started in January 2023 and lasted until August 2023.

Table 1 Fairwork: Scoring System

Principle	First point	Second point	Total
 Principle 1: Fair Pay	 Ensures workers earn at least the local minimum wage after costs	 Ensures workers earn at least a local living wage after costs	 2
 Principle 2: Fair Conditions	 Mitigates task-specific risks	 Provides a safety net	 2
 Principle 3: Fair Contracts	 Provides clear and transparent terms and conditions	 Ensures that no unfair contract terms are imposed	 2
 Principle 4: Fair Management	 Provides due process for decisions affecting workers	 Provides equity in the management process	 2
 Principle 5: Fair Representation	 Assures freedom of association and the expression of collective worker voice	 Supports democratic governance	 2

Maximum possible Fairwork Score



Principle 1: Fair Pay

1.1 – Ensures workers earn at least the local minimum wage after costs (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.³⁰ Workers' costs sometimes mean their take-home earnings may fall below the local minimum wage.³¹ 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, such as mandatory training, which are also considered active hours.³² To achieve this point platforms must ensure that work-related costs do not push workers below local minimum wage.

The platform takes appropriate steps to ensure both of the following:

- Payment must be on time and in-full.
- 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.³³

1.2 – Ensures workers earn at least a local living wage after costs (one additional point)

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 work-related costs do not push workers below local living wage.

The platform takes appropriate steps to ensure 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.^{34,35}

Principle 2: Fair Conditions

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 injuries, harmful materials, and crime and violence. To achieve this point platforms must show that they are aware of these risks and take basic steps to mitigate them.

The platform must satisfy the following:

- Adequate equipment and training is provided to protect workers' health and safety from task-specific risks.³⁶ These should be implemented at no additional cost to the worker.
- The platform mitigates the risks of lone working by providing adequate support and designing processes with occupational safety and health in mind.

2.2 – Ensures safe working conditions and 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 they earn from platform work, platforms should ensure that workers are compensated for loss of income due to inability to work. In addition, platforms must minimise the risk of sickness and injury even when all the basic steps have been taken.

The platform must satisfy ALL of the following:

- Platforms take meaningful steps to ensure that workers do not suffer significant costs as a result of accident, injury or disease resulting from work.
- Workers should be compensated 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.
- The platform implements policies or practices that protect workers' safety from task-specific risks.³⁷ In particular, the platform should ensure that pay is not structured in a way that incentivises workers to take excessive levels of risk.

Principle 3: Fair Contracts

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.³⁸ 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 other party 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/terms & conditions are presented in full in clear and comprehensible language that all workers could be expected to understand.
- Workers have to sign a contract and/or give informed consent to terms of conditions upon signing up for the platform.
- The contracts/terms and conditions are easily accessible to workers in paper form, or via the app/platform interface at all times.
- Contracts/terms & conditions do not include clauses that revert prevailing legal frameworks in the respective countries.
- Platforms take adequate, responsible and ethical data protection and management measures, laid out in a documented policy.

3.2 – Ensures that no unfair contract terms are imposed (one additional point)

In some cases, especially under “independent contractor” classifications, workers carry a disproportionate amount of risk for engaging in a contract with the service user. 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 contractual status of the worker is classified, the platform must satisfy ALL of the following:

- Every worker is notified of proposed changes in clear and understandable language within 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.
- The contract/terms and conditions neither include clauses which exclude liability for negligence nor

unreasonably exempt the platform from liability for working conditions. The platform takes appropriate steps to ensure that the contract does not include clauses which prevent workers from effectively seeking redress for grievances which arise from the working relationship.

- In case platform labour is mediated by subcontractors: The platform implements a reliable mechanism to monitor and ensure that the subcontractor is living up to the standards expected from the platform itself regarding working conditions.
- In cases where there is dynamic pricing used for services, the data collected and calculations used to allocate payment must be transparent and documented in a form available to workers.

Principle 4: Fair Management

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 potentially losing their income. Workers may be subject to other penalties or disciplinary decisions without the ability to contact the service user or 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 an easily accessible channel for workers to communicate with a human representative of the platform and to effectively solve problems. 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 and effectively appeal low ratings, non-payment, payment issues, deactivations, and other penalties and disciplinary actions. This process is documented in a contract and available on the platform interface.³⁹
- 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.

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.

Platforms must satisfy ALL of the following:

- The platform has an effective anti-discrimination policy laying out a clear process for reporting, correcting and penalising discrimination of workers on the platform 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.⁴⁰
- The platform has measures in place to promote diversity, equality and inclusion on the platform. It takes practical measures to promote equality of opportunity for workers from disadvantaged groups, including reasonable accommodation for pregnancy, disability, and religion or belief.
- Where persons from a disadvantaged group (such as women) are significantly under-represented among a pool of workers, it seeks to identify and remove barriers to access by persons from that group.
- If algorithms are used to determine access to work or remuneration or the type of work and pay scales available to workers seeking to use the platform, 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

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.

Platforms must satisfy ALL of the following:

- There is a documented mechanism⁴¹ for the expression of collective worker voice that allows ALL workers, regardless of employment status, to participate without risks.
- There is a formal, written statement of willingness to recognise, and bargain with, a collective, independent body of workers or trade union, that is clearly communicated to all workers, and available on the platform interface.⁴²
- Freedom of association is not inhibited, and workers are not disadvantaged in any way for communicating their concerns, wishes and demands to the platform, or expressing willingness to form independent collective bodies of representation.⁴³

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:

1. Workers play a meaningful role in governing it.
2. In a written document available at all times on the platform interface, the platform publicly and formally recognises an independent collective body of workers, an elected works council, or trade union. This recognition is not exclusive and, when the legal framework allows, the platform should recognise any significant collective body seeking representation.⁴⁴

ENDNOTES

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- 13** The Commission for Protection of Competition is an independent and autonomous organisation whose primary responsibility is to protect competition on the market of the Republic of Serbia. Its aim is to promote economic progress and the welfare of society, particularly benefiting consumers. The establishment, position, organisation, and competencies of the Commission are regulated by the Law on Protection of Competition ("Official Gazette of the RS", no. 51/09 and "Official Gazette of the RS" no. 95/13). In addition to this law, various regulations enacted by the Government of the Republic of Serbia also govern competition.
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- 23** Jakobi, T. (2023) 'Serbian Wolt Couriers Protests: What sets them apart from Europe's unrest?', Fairwork, 11 May. Available at: <https://fair.work/en/fw/blog/serbian-wolt-couriers-protests-what-sets-them-apart-from-europes-unrest/> (Accessed: 13 September 2023).
- 24** Accounts provided to the Fairwork Team Serbia during interviews and round-table discussions.
- 25** Living wage calculated based on Anker methodology has not yet been introduced in Serbia. Therefore, our team of researchers made proxy living wage calculations based on the principles of Anker methodology and the available national statistical data including the average market basket (equivalent to the cost of basic but decent life for a family) and cost of basic but decent life per family member. The number of workers per family (as in Anker methodology) is an unknown indicator within the national statistical database and so we could operate with the costs of living for a family and for a family member only. In 2023 calculated net

living wage was RSD 312 (ca. EUR 2.66).

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30 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.

31 The ILO defines minimum wage as the "minimum amount of remuneration that an employer is required to pay wage earners for the work performed during a given period, which cannot be reduced by collective agreement or an individual contract." Minimum wage laws protect workers from unduly low pay and help them attain a minimum standard of living. The ILO's Minimum Wage Fixing Convention, 1970 C135 sets the conditions and requirements of establishing minimum wages and calls upon all ratifying countries to act in accordance. Minimum wage laws exist in more than 90 percent of the ILO member states.

32 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.

33 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 and undertaking mandatory training (i.e., training activities that must be completed for workers to continue accessing work on the platform). 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.

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

35 In order to evidence this, where the platform is responsible for paying workers the platform must either: (a) have a documented policy that ensures the workers receive at least the local minimum wage after costs in their active hours; or (b) provide summary statistics of transaction and cost.

36 In order to evidence this, where the platform is responsible for paying workers the platform must either: (a) have a documented policy that ensures 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 evidencing all workers earn a minimum wage after costs.

37 The ILO recognises health and safety at work as a fundamental right. Where the platform directly engages the worker, 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."

38 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 escalating it for human mediation.

39 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.

40 In accordance with the ILO Convention No. 111 concerning Discrimination in Respect of Employment and Occupation and applicable national law.

41 A mechanism for the expression of collective worker voice will allow workers to participate in the setting of agendas so as to be able to table issues that most concern them. This mechanism can be in physical or virtual form (e.g. online meetings) and should involve meaningful interaction (e.g. not surveys). It should also allow for ALL workers to participate in regular meetings with the management.

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

43 See the ILO's Freedom of Association and Protection of the Right to Organise Convention, 1948 (C087), which stipulates that "workers and employers, without distinction, shall have the right to establish and join organisations of their own choosing without previous authorisation" (Article 2); "the public authorities shall refrain from any interference which would restrict the right or impede the lawful exercise thereof" (Article 3) and that "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 (C098) protects the workers against acts of anti-union discrimination in respect of their employment, explaining that not joining a union or relinquishing trade union membership cannot be made a condition of employment or cause for dismissal. Out of the 185 ILO member states, currently 155 ratified C087 and 167 ratified C098.

44 If workers choose to seek representation from an independent collective body of workers or union that is not readily recognized by the platform, the platform should then be open to adopt multiple channels of representation, when the legal framework allows, or seek ways to implement workers' queries to its communication with the existing representative body.

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A COLLABORATION BETWEEN



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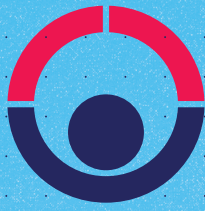


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