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Corporate Social Responsibility in online platforms: the well-being of workers

How can trade unions improve the well-being of platform workers? An investigation of labour rights in the ‘gig’ economy.

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Digitalisation has permanently changed the world of work by creating new ways and opportunities of working. However, it has not been a smooth ride since legislation and social partners have not been able to get caught up with it. Not being forced to label themselves as employers, platforms do not need to offer workers proper employment contracts, which leaves workers without any social rights or protection.

The aim of this thesis is to discover what platform workers’ current labour rights are and how trade unions could improve them, especially in Finland. This is done by exploring Corporate Social Responsibility, the gig economy, online platforms, worker’s current legal status and social rights, as well as the well-being of workers with a focus on work-life balance.

The discussion revolves around what CSR should mean in online platforms and how that is connected to workers social rights and well-being. Finland’s gig economy is discussed and analysed deeper with the infamous example of Uber, as well as the Finnish operators Wolt, Treamer and Freska. It will intend to get a wholesome image of the current situation in Finland and find solutions for trade unions in how to help online platform workers achieve the same social rights as employees have.

In the end, trade unions are encouraged to work together with platforms in order to find solutions now already, instead of waiting for European or national legislation to get caught up with the situation.

| Keywords | Corporate Social Responsibility, gig economy, online platforms, well-being, trade union, labour rights, social rights |
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1 Introduction

Digitalisation, “the fourth wave of industrialisation” (PES, 2017), has paved the way for many before non-existent innovations, and the ‘gig economy’, ‘platform economy’ and ‘sharing economy’ are all results of it. The aim of this thesis is to understand what the gig economy is and what working in it truly means by exploring all its different aspects, with the main focus on Finland as there is not that much information of the extent of it. As this thesis is done in co-operation with Service Union United (PAM) the end results will provide suggestions and guidelines for trade unions and how they could help those platform workers lacking social rights.

The thesis begins with a literature review. First it gives a deeper explanation of Corporate Social Responsibility, how it dates back to the 1960s and what its newest forms are. Next, the gig economy is explained with all the various interpretations of it (with the distinction of the platform economy and the sharing economy), after which the research goes on to understanding what online platforms are and what working for them is – crowd work. One of the main points of this paper is to discuss the legal status of platform workers, since that is a highly debated topic worldwide – they are not real employees. After that the discussion continues on to the social rights and well-being of platform workers, both of which are highly lacking due to an undefined employment status. The main focus of this discussion is on social security and work-life balance.

After the literature review, the discussion moves on to discover what CSR means for online platforms, and whether or not all platforms should have a so-called CSR code. Next it will see what the current social rights of platform workers are and what social partners and legal entities are saying about the topic. Then the discussion continues with the gig economy in Finland, how it functions at this point, which platforms already exist in Finland, which obstacles they have faced (the infamous case of Uber), and what kind of trouble they have caused. For the purposes of this thesis, three mainly Finnish platforms were chosen: Wolt, Treamer and Freska. This will lead to a discussion of platform workers’ wages, how they are defined and what issues they are faced with regarding (low) income.
Later in the thesis, the analytical part begins. It solely focuses on platform workers’ rights and well-being in Finland with the aim of properly understanding their situation and what could be done to improve it (within reason). It compares ‘best practices’ and ‘worst practices’ so to speak (namely Foodora and Wolt, as well as best practices from Austria and Germany). It will mainly focus on giving options and suggestions to trade unions on how they could have a real effect on the well-being of online platform workers.

In the end, the thesis will conclude in how trade unions and platforms need to cooperate in order to help the situation of platform workers. Even though legislators at European level as well as national level are working on finding solutions, it might take years whereas something could be done on a faster timeframe.

2 Literature review

The literature review is comprised of a deeper discussion of CSR, the gig economy and online platforms, employee well-being, and to wrap it up, what the existing literature is saying about online platform workers and the current state of their well-being and social/legal rights. It needs to be noted, that especially the gig economy – the different forms of work it has – is interpreted in various ways. Nearly every author has a different view of what it is exactly. This literature review aims to show all the different aspects, even though the thesis itself will focus on a more narrowed down approach.

2.1 Corporate Social Responsibility

Corporate Social Responsibility (CSR) dates back to the 1960s. Schlusberg (1969) sees a company’s social responsibility as a public role or “a managerial response to the problems of legitimacy” (Schlusberg, 1969). According to Schlusberg, corporate behaviour is defined by two denominators: market isolation (being congruent with the operations of the home market) and social integration (living up to the social expectations of all stakeholders). In contrast, Sethi (1975) states that CSR is highly subjective, very much culture bound and moulded according to company, organisation, policy maker etc. Corporations and social institutions are “an integral part of a society” and therefore depend on its prosperity or lack thereof – as does CSR (Sethi, 1975). According to Car-
roll (1979) CSR includes the economic, legal, ethical and discretionary expectations the society has of the organisation, whereas Freeman’s stakeholder theory suggests that company strategies and policies should be tailored to satisfy not just shareholders but stakeholders, such as workers, customers, suppliers and community organisations (Prutina & Sehic, 2016). However, Friedman (1970) argues against CSR altogether. He implies that a corporation cannot be responsible, “only people can have responsibilities”, naming that corporate executives are the ones practicing CSR therefore diminishing its core meaning by being “civil servants” who have the autonomy of allocating stakeholders’ money according to how they see fit, the main purpose being to increase profits (Friedman, 1970). Friedman’s argument is invalid, since companies are in fact legal persons with rights and responsibilities. Mulligan (1986) rightfully criticises Friedman’s view of social responsibility being “a socialist doctrine” by explaining that even being costly, CSR’s main purpose can be to “to pursue a socially responsible course without the objectionable results”, such as profit increase (Mulligan, 1986).

The more modern concept of CSR was formalised through the Triple Bottom Line approach, which was introduced by John Elkington in 1994. It describes the balance between economics, ecology and ethics. The main argument of this was that companies should prepare three separate ‘bottom lines’: profit (is the company making money or losing it), people (being socially responsible with operations) and planet (being environmentally responsible). (Zak, 2015) A more present-day form of this is Environmental, Social and Governance (ESG), which measures a company’s performance on those areas (Hřebiček, et al., 2011) and gives additional information on the company’s non-financial situation to potential investors (Bassen & Kovács, 2008).

CSR is sometimes found to be fairly vague and lacking a clearer construct for businesses, especially when it comes to all aspects of the term (Colvin, et al., 2013). Even though social responsibility and environmental responsibility are a part of CSR, it is debated by some that companies apply them in a somewhat general way – in other words not directly emphasising them in their operations. There is also some debate going on that environmental responsibility would not be a part of CSR. This is why the term Social-Environmental Responsibility (SER) has gained popularity among companies and researchers. This term solely focuses on social and environmental aspects, and therefore is an attractive term for employees who share those values as well. (Cavazotte, et al., 2016)
According to Cavazotte and Chang (2016) Internal Corporate Social Responsibility (I-CSR) focuses on a company’s internal CSR actions, in other words, the investments on employees as well as their well-being in the company. It also focuses on the relationships between companies and non-governmental organisations, such as trade unions. The main point is to make the work environment as safe and enjoyable as possible, as well as design jobs to match employees’ expectations and needs. Their research showed that when a company invests more on their employees, it will most likely result in higher productivity, efficiency and motivation. This is also supported by Glavas and Kelley (2014). They emphasise how Perceived Corporate Social Responsibility (PCSR) increases employees’ organisational commitment and job satisfaction (Glavas & Kelley, 2014).

2.2 Gig economy

In a nutshell, the gig economy describes a labour market formed by work practices in which an individual uses a digital (online) platform, provided by a company, to find work. This kind of labour market is defined by short-term employment contracts and precarious employment conditions. The different sectors of the gig economy so far are: taxi driving, food deliveries, goods couriers, skilled and unskilled manual labour, and professional, creative and administrative labour. Gig economy is often confused with ‘sharing economy’ and ‘platform economy’. Shortly explained, the ‘gig economy’ is meant when “independent workers contract for short-term engagements”, the ‘sharing economy’ is meant when “generating money by sharing or renting out assets” and the ‘platform economy’ is meant by “the use of IT systems to facilitate/connect opportunities for gigs/sharing”. (Ainsworth, 2017) The gig economy can be seen as a part of platform economy, the second component of digitalisation (the first being automation, which means the increased use of robotics and algorithms), which put bluntly is online outsourcing (Eichhorst & Rinne, 2017).

However, the European Parliament sees that all of the previously mentioned form the gig economy “as transactions between peers, with platforms taking the role of brokers between peers” (Schmid-Drüner, 2016). The European Commission (2016) defines the collaborative/gig economy as “business models where the activities are facilitated by collaborative platforms that create an open marketplace for the temporary usage of goods or services often provided by private individuals”.
Work in the gig economy can also be differentiated between physical services (such as taxi services) that need to be done at a specific location and virtual services (such as translations) that can be done from anywhere in the world (Schmid-Drüner, 2016). Sundarajan (2016) defines physical services as ‘work on-demand via apps/internet’ and virtual services as ‘crowd work’. However, Huws et al. (2017) have a different interpretation of crowd work, discussed below.

2.2.1 Online platforms and crowd work

The European Commission defines online platforms as tools that “use information and communication technologies to facilitate interactions” (European Commission, 2015). They can be apps or websites a worker can access through a mobile phone or a computer (Ainsworth, 2017). In the sense of this thesis, the focus will be on online platforms that are used to find work and workers. The common term for this is ‘crowdsourcing’, which refers to an organisation, a group or an individual offering work to potential workers no matter their geological location (FEPS, 2016). The term for this type of work is ‘crowd work’, which according to Huws et al. (2017) is paid work through an online platform. Crowd work can be divided into three different categories: work from home, work outside home and transportation (includes taxi services and deliveries) (Huws, et al., 2017).

Schmidt (2017), however, divides platform work into two sections: ‘cloud work’ (web-based digital labour, such as contest-based creative work and micro-tasking crowd work) and ‘gig work’ (location-based digital labour, such as accommodation and transport and delivery services), therefore separating crowd work as a sub-category of platform work. He defines work to be crowd work “if the task is not given to a specific individual but to an undefined group of people online” (Schmidt, 2017). Figure 1 below shows how digital labour markets are categorised according to his research.
Figure 1. Categorisation of digital labour markets in the platform economy 1/2. (Schmidt, 2017)

Figure 1 shows how Schmidt (2017) first combines all digital platforms into one cluster. From there he differentiates platforms according to their main function: goods, money,
communication, entertainment, information and services (digital labour). Digital labour he divides into two sub-categories: cloud work and gig work. Figure 2 below then illustrates how cloud work and gig work differ from each other.

Figure 2. Categorisation of digital labour markets in the platform economy 2/2. (Schmidt, 2017)
In Figure 2, Schmidt (2017) categorises cloud work as web-based and gig work as location-based. Both are then divided as ‘tasks given to selected individuals’ and ‘tasks given to crowd’, from which they are divided into smaller sub-categories. Cloud work is further divided into freelance marketplaces, micro tasking crowd work and contest-based creative crowd work. Gig work is further divided into accommodation, transportation, delivery, household services and local micro tasking, which (apart from accommodation) are the main focus categories of this thesis.

Fernández-Macias (2017) defines platforms according to the content of their transactions: platforms that exchange goods (such as EBay and Amazon) and platforms that exchange services (such as Uber, and other services platforms this thesis focuses on). As Schmidt (2017), Fernández-Macias also makes the distinction between online services and local services, online services matching better with crowd work and local better with gig work. Services platforms can also be differentiated according to types of tasks involved (such as social or intellectual). (Fernández-Macías, 2017) For the purposes of this thesis, differentiation based on tasks is not necessary.

2.2.2 Legal status of platform workers

Digital (online) platforms are one of the fastest growing forms of businesses emerging from digitalisation – however, the platforms merely identify themselves as intermediaries between the worker and the consumer, which means that they do not identify as employers, which as a result leads into legal issues with defining the status of platform workers (Rodriguez Contreras, 2016). Schmidt (2017) emphasises the ‘threesidedness’ of platforms, where the platform itself is a mere provider of an infrastructure that helps customers (demand) get together with workers (supply). This enables the platform to only act as an intermediary, shifting all labour costs and legal liabilities to the worker and therefore complicating platform workers’ employment status even further. (Schmidt, 2017)

According to the European Parliament (2016) the legal status of a platform worker is unclear. Due to the rapid development of platform work, European legislation has not been able to catch up with it, which results in uncertainty of which laws and regulations apply to online platforms. It also means, that workers are differentiated between ‘employees’ and ‘self-employed’, the latter having fewer legal and social rights as the former. (European Parliament, 2016). When work is not bound to a specific location (such
as cloud work), it is almost impossible to determine which national legal standards apply, especially when it comes to wages (Schmidt, 2017). According to the European Foundation for the improvement of Living and Working Conditions (Eurofound), due to a lack of specific employment regulation, most platform workers are forced to establish themselves as self-employed, which then transfers all costs and risks from the employer to the employee. This, as a result, substantially decreases the employee’s social rights (see section 2.3 below). (Rodriguez Contreras, 2016)

The United Kingdom’s employment law offers three main classifications of employment status. ‘Self-employed’ refers to someone working under their own terms; is able to decide what work, when and where to do it; has a fixed cost for the work, which the employer agrees to pay regardless of the duration of the work; can subcontract; and has minimal employment rights. ‘A worker’ refers to someone who has a contract or another type of agreement of employment, receives money or other benefit for the work done, has limited rights to subcontract and the employer is obliged to offer work until the end of the contract or agreement period. ‘An employee’ refers to someone with a contract of employment, is offered work by the employer according to employment contract and has no right to subcontract. (Ainsworth, 2018)

Under the German law, there are three legal possibilities for qualifying a crowd worker: employee, employee-like person and homeworker. Employee status requires an employment contract, which then requires a degree of dependency – personal dependence (works for a company), organisational dependence (uses an organisation’s resources) or entrepreneurial risk (if employee takes on the risk, automatically qualified as self-employed, otherwise employee). This status is problematic as there is usually no contract between a worker and a platform, and if there is, it is usually short-term. Employee-like person status is defined by being economically dependent, in need of social protection, works on contract and predominantly works for one person/firm. Employees with this status are qualified as self-employed, however, this status is challenging for crowd workers as they usually work for multiple different firms despite through one platform. A homeworker, as the name states, is defined by working from home (or any other chosen location), is self-employed, economically dependent, autonomous and can determine one’s own working hours. Homeworkers are protected under German law under the ‘Homework Act’ with special clauses for working time, regulations on remuneration, collective regulations and dismissals. This status is the most probable for crowd workers due to many shared characteristics. (Beckmann, 2017)
In the United States, as in Germany, a worker’s legal status is determined based on dependency and also control. If the employer can determine how the work is conducted and how many working hours there are, the worker is classified as ‘an employee’. If, however, the worker sets the working hours, provides the necessary equipment and gets paid per task, then the worker is classified as ‘an independent contractor’. Courts can also decide based on financial dependency whether or not the worker is an employee or not. Due to various legal cases against platforms, there have been suggestions for another classification for a worker, a so called “hybrid category” that would be a mix of the classifications of an employee and an independent contractor. These hybrid forms already exist in other countries. Canada introduced a third category called “dependent contractors” in the 1960s. These dependent contractors had a certain degree of independency (as independent contractors) but were also entitled to the same social protection as employees. (Cherry & Aloisi, 2017)

Cherry and Aloisi (2017) also discuss the labour laws in Italy and Spain, the latter having two similar classifications for workers as in the US and Canada. The roots of Italian worker classification go back to Ancient Rome, but the 1942 definition for an employee is fairly vague and in need of a serious update. There is no definition for an independent contractor or even for self-employed. In 1973 there was introduced a worker category “quasi-subordinate” which was the so called middle ground between an employee and a self-employed. In 2003 this legislation was defined to be connected to a specific project or task (making the category into a more project work-type), thereby trying to decrease precarious work. In 2012 the legislature was amended even further to increase the quasi-subordinate workers’ autonomy and thus limiting managers’ power over the workers. However, in 2015 the project work category was completely diminished, leaving Italian organisations with the option between a quasi-subordinate and an employee the latter being the more preferred option. In Spain, ‘The Spanish Workers’ Act’ became effective in 1980, covering only employees who work under employment contracts – “independent contractors were left to constitutional, civil, and commercial provisions of the law”. This division was also based on the distinction between control (managerial power) and autonomy (baring their own risks). In 2007 they introduced a new law, ‘LETA’ (the Statute for Self-Employed Workers), which covered all aspects of self-employment and contractor work. After this LETA crafted a third category, ‘TRADE’ (economic dependent self-employed worker), which had the same legal dependency as the Italian quasi-subordinates, as in: minimum wage, rights in the event of a wrongful
termination, annual leave and leave for health reasons, collective bargaining, and a set of basic rights close to the ones employees have. (Cherry & Aloisi, 2017)

2.3 Social rights and well-being

These new forms of employment bring opportunities as well as challenges to the labour market. The Party of European Socialists (PES) defines them as: job creation vs. job destruction, polarisation of employment, skills mismatch and digital divide, dividing lines between work and private life get more intricate (see section 2.3.1 below), disruption of in-work protection, increased employment instability, lack of social rights, increased risk of social dumping and structural optimisation (PES, 2017). Schmidt (2017) adds challenges such as privacy, data protection and ‘algorithmic management’ (automated ranking and tracking of workers), all of which are difficult to control due to uncertainty of which legal regulations apply. As long as there are no official legal regulations for platform workers, they have no provision of social security or collective agreements that define the conditions and terms of employment (Rodriguez Contreras, 2016), leaving the workers without proper income declarations (Eichhorst & Rinne, 2017).

As platform workers are usually not perceived as employees but self-employed (Rodriguez Contreras, 2016), they are obliged to take care of their own social security regimes, as they do not have employers doing it for them (Schmid-Drüner, 2016). As each platform offers a different type of work environment, collective solutions are hard to find without rules and regulations set nationally and/or at the European Level (PES, 2017).

Platform work can expose workers to other risks as well. According to European Agency for Safety and Health at Work - OSHA (2015), online work can expose workers to stress, musculoskeletal problems and visual fatigue. In physical services, such as taxi driving, one can possibly be attacked or harassed by customers, whereas bike couriers can be exposed to an increased risk of accidents when riding faster in the hope of more work derived from faster delivery time (OSHA, 2015). Furthermore, platform work exposes workers to numerous psychosocial risks, such as: precariousness of work (never knowing when the next work or pay is), impact of ratings from employers or clients (for example, too low ratings can get an Uber driver’s account deactivated), required to be constantly available (or someone else might get the job), negative impact on work-life balance (see section 2.3.1 below), unfair working time (fast pace, no
breaks), covering their own work insurance (stress from staying safe and healthy), isolation (lack of face-to-face contact with other workers) and stress from continuous performance evaluation (Schmid-Drüner, 2016). As all risks, such as falling ill, are transferred to the worker, there is no sick leave to have since that might lead to a loss of worker status in a platform (Juntunen, 2017).

2.3.1 Work-life balance

Work-life balance basically means an employee’s ability to balance their work and family life, as well as other non-work-related responsibilities. The goal of work-life balance is for the employee to be satisfied with the relation of work compared to non-work life: family and private life. It does not necessarily mean that a person has an equal amount of time for work and non-work-related matters, but that the person is satisfied with the relation. This varies between individuals, but the main point of it is that a person is more content with life having achieved work-life balance. (Delecta, 2011) Whereas Parkes and Langford (2008) emphasise that a work-life balance should not only focus on “individual’s ability to meet both their work and family commitments” but on a healthy balance between roles and responsibilities regardless of being married or having children. They see that a proper work-life balance can reduce stress and overall give more satisfaction in life (Parkes & Langford, 2008).

Working for an online platform can blur the divide between work and life outside work since workers are able to work whenever and wherever. For instance, through a smartphone job application, a worker can constantly be contacted for new jobs. (PES, 2017) When a worker is all the time connected to work through an online platform, it can have a severe impact on free time and family life. Working time loses its meaning as online work can take place any time during day or night, which can then negatively affect a person’s psychological health. Especially with the fear of losing work if one is not constantly alert. (Rodriguez Contreras, 2016). When working from home, one might not be able to concentrate on the work at hand due to domestic interruptions, such as children playing in the case of a stay-at-home father (Huws, 2016).
3 Research Methodology

This thesis is based on analysing what the existing literature is saying about the topic, as well as exploring and investigating the current situation in Finland (e.g. the already existing international and national online platforms). As this thesis is done in co-operation with PAM (Service Union United) the main focus will be on online platforms that operate in the service sector, such as deliveries, cleaning and other task related work.

The research method chosen for the purposes of this thesis is ‘Applied Research’ (Dudovskiy, 2018) as it aims to investigate the labour rights of online platform workers in the gig economy, as well as offer solutions to the existing problems for trade unions. The literature search was conducted by using key words and trade union materials that inspired this topic, as well as the materials that were used to produce those materials. The literature review has mostly primary sources (such as reports and government publications) and secondary sources (such as books and journals). The use of tertiary sources (such as websites) was limited due to the low level of detail they possess, however the online sources that were used were mainly news outlets.

The thesis follows qualitative content analysis, in which the topics are categorised and analysed step by step (Mayring, 2009). As for critical appraisal, all the literature and other sources in this thesis are either books, journals, peer reviewed reports, and trade union or governmental publications. As for online sources, almost all of them are reputable news outlets or companies’ official websites. Thereby it can be said that all the references are from reliable, however somewhat subjective, sources, which is why critical analysis is applied when necessary.

4 Discussion

4.1 CSR in online platforms

As discussed earlier (see section 2.1), CSR has continuously become more and more important to organisations and their multiple stakeholders. In today’s world, a CSR code seems to be required form everyone and therefore it should be required from
online platforms as well. Uber, however, does have its own ‘Non-Discrimination Policy’ (no discrimination allowed based on gender, race, sexual orientation, disability and so on) that applies to both drivers and customers, and if violated, the party (driver or customer) will lose access to the platform (Uber, 2018a). Freska (2018) also emphasises on offering a good work environment for their workers as well as making their customers happy, which sort of resembles a CSR practice.

Reflecting back to the literature review on CSR (see section 2.1) it is fair to say that not many online platforms practice CSR in their operations, especially if they only see themselves as a digital intermediary between the worker and the customer (Schmidt, 2017). There is no responsibility for how environmentally responsibly each task needs to be done (such as whether a courier uses a car or a bicycle), therefore eliminating the practice of SER. As platform workers’ employment status as well as platforms’ employer status remains unclear (Rodríguez Contreras, 2016), the practice of I-CSR is eliminated as well – there is no physical environment for workers, since ‘employers’ are in a mere digital form (Huws, et al., 2017). Simply put, this does not create a safe and enjoyable environment for workers (explained further in section 4.2 below).

According to Glavas and Kelley (2014) PCSR actually increases employees’ job satisfaction and organisational commitment. When employees perceive that their employer and the organisation together act in a socially responsible manner that can be seen in the organisation’s external and internal activities, they feel more committed to the organisation, which as a result leads to increased productivity and improved work ethic (Glavas & Kelley, 2014). With regard to online platforms, this can be seen in the operations of ResQ Club. Their whole business idea is based on decreasing food waste in restaurants and grocery stores by offering an application where restaurants and stores can sell leftover food and people can buy good food for lower prices (ResQ Club, 2018). This is a fully environmentally responsible business, and there is no doubt that their employees appreciate it and feel that there is true meaningfulness in the work they do. Therefore, it is fairly safe to say that online platforms would definitely benefit from creating their own CSR codes or any other forms of responsibility statements. However, Unilever CEO Paul Polman, who has been called “an evangelist for sustainability”, thinks that all companies should have a social and environmental purpose but at the same time his company has been criticised for using exploitative practices (Roff, 2017). This shows, that even though companies claim to have a social purpose or completely environmentally responsible practices, it might not be the case after all.
4.2 Current social rights and well-being

Social partners, such as trade unions, are insisting that platform workers deserve the same social rights as employees. UNI Global Union, a global trade union for service workers, reports that since platform workers are almost automatically labelled as self-employed, they are excluded from many social benefit systems, which would ensure pensions, sick leaves, holidays, parental leaves and unemployment benefits. Therefore, UNI demands that "all workers in all forms of employment are guaranteed the same social and fundamental rights" (UNI Global Union, 2017a). According to Colclough and Jennings (2017) the gig economy is in fact causing the individualisation and casualization of work since platforms are claiming that their workers are in fact self-employed. This denies workers social protection and collective bargaining rights (many national competition laws deem self-employed people as companies/entrepreneurs: no right to collective bargaining) (Colclough & Jennings, 2017).

As stated in the previous paragraph, being labelled as self-employed strips workers of proper social rights and legally makes them entrepreneurs. An interview conducted by Huws et al. (2017) shows what this truly means for a delivery worker:

They’ve classified us as totally independent self-employed people, who, if you read the contract, we supposedly run our own business. It means that we shoulder all of the operational costs of the company. That means my fuel, if you will, the amount of the food that I have to eat to do the job, which is quite immense, you eat a potentially shocking amount of food when you're working, especially when I was working 30 hours a week. There’s a massive difference that includes bike maintenance, when you’re riding a lot, it costs a lot as well, and then potential costs, such as if you have an injury or you damage someone else’s property, which when you riding around at night. (Ben, 25, UK)

This shows that workers are left with all the responsibility, not just regarding social protection, but also issues involved with financial costs that should be covered by the company. Ben also goes on to explain how brutal working for an online platform can be.

For apparently no reason, well, at least with no explanation … found out that my shifts had been taken away and I was unable to sign in. … The only way you can speak to someone regarding payment and rostering is by emailing them … and one time, in one instance, it took two weeks to get my shifts back… They didn’t offer me any explanation for what happened, but that was when it was my main source of income. (Huws, et al., 2017)
Since the platform is legally not an employer and there is no employment contract, the platform does not need to be held accountable for using inappropriate employment practices, which should not be the case. When it comes to Uber, “drivers must reply to a ride request within 15 seconds and accept even the cheapest rides – only five percent of gigs can be declined without being removed from the platform” (Siltala, 2016). This makes no sense since the drivers have to pay in order to use the app, so it would lead to Uber actually losing money instead of saving it.

Social partners are not alone in this fight for proper social rights for platform workers. In the Summer of 2017, the European Union published a report “European Agenda for the collaborative economy” that goes on to discuss what needs to be done to this matter at the European level. The most important demands were: modernising existing legislation and social security systems and ensuring fundamental rights and proper social security protection for self-employed (as well as the right to collective bargaining) (European Parliament, 2017).

Another hot topic in today’s world is the collection of data. With regard to workers, the main topic is data protection. UNI Global Union (2017b) offers important insights to how companies usually have full access and rights to use the data created by workers, even though it should be the workers who have the say in how their data is being used and distributed. In “Top 10 principles for workers’ data privacy and protection” UNI Global Union demands that workers’ have the right to access and be informed on the use of their data. They also emphasise the need of transparency, minimisation of data collection, as well as applying privacy laws to the use of workers’ personal data. (UNI Global Union, 2017b) The European Parliament approved the ‘General Data Protection Regulation’ (GDPR) in April 2016 and it will be enforced in 25 May 2018. GDPR will replace the old ‘Data Protection Directive’ and will protect all EU citizens’ data privacy and reform the use of data within organisations. This regulation gives workers the right to access and use their own data, such as ratings received when working for an online platform (the introduction of ‘Data Portability’). (EUGDPR, 2018)

As stated in section 2.3.1, when working for an online platform and being constantly available for work, the divide between personal and work life can become blurred. Del Baldo (2013) emphasises the importance of work-life balance and how the responsibility of it falls in fact on the shoulders of the employer, and especially on the human resource department. He emphasises that work-life balance is in fact a CSR programme
that should be ensured for all employees in all organisations (Del Baldo, 2013). This is directly connected to section 4.1 (CSR in online platforms) and strengthens the need for proper responsibility programmes in online platforms.

4.3 Finnish gig economy

Finland is somewhat new to the gig economy and is therefore lagging behind with information of the extent of it. Statistics Finland (2018) conducted a “Labour force survey 2017” to find out how many of Finnish working people actually work for online platforms as well. The survey showed that in 2017 0,3 per cent of Finnish people aged 15-74 got at least a quarter of their income through digital platforms. Most of these people were men (60 per cent) and half of them under the age of 35. The people who got a quarter of their income were mainly self-employed (1,4 per cent) whereas within ‘regular’ employees, the amount was only 0,2 per cent. However, these statistics are mostly based on other forms of platform work, such as in the sharing economy and platform economy, since they discuss selling clothes or furniture through Facebook groups or others like (such as Tori.fi or Huuto.net). (Statistics Finland, 2018) This still leaves the extent of gig work in the dark.

Going back to the gig economy, the most used online platforms for gig work in Finland are definitely food delivery services, such as Foodora and Wolt (see section 4.3.2) and taxi services, namely Uber, however they faced some difficulties with their operations in Finland (see section 4.3.1). Task-based platforms have also gained popularity among private persons and companies as well (see section 4.3.2).

4.3.1 Uber in Finland

One of the biggest online platforms in the world, Uber, began its operations in Finland in the end of 2014. However, it was forced to put their operations on ice in August 2017 due to legal reasons (such as having drivers without taxi driver permits), the main reason being that two Uber drivers were ordered to pay fines having been practicing illegal taxi services (Finland has a strict law on taxi services, especially when it comes to drivers) (Konttinen, 2017). Bläfield (2017) describes a situation where he was traveling in an Uber and all of a sudden, the driver hid his phone and told the passengers that if the police behind were to pull them over, the passengers should tell the police the driver's
name and claim that they were all friends – the driver knew that driving an Uber without a proper taxi driver’s permit was in fact illegal.

However, due to a legal reform of the Finnish transportation law, Uber is set to return to Helsinki in June 2018 as the new law comes into effect. Still, according to Uber’s country manager, Uber will not monitor who gets to drive for them as long as that person fulfils all the necessary terms. (Salmela, 2018) Uber will most likely face tough competition, since the Finnish taxi company ‘Kovanen’ launched a new cheaper taxi service ‘FixuTaxi’, which offers transportation in Helsinki City Centre for a fixed price of 10 euros per trip (within 4 kilometres) starting in Summer 2018 (Palojärvi, 2018).

Even though Uber sees itself as a mere intermediate digital service between drivers and customers (not as a transport/taxi service), in December 2017 the European Court of Justice ruled Uber as a transport service company that has to, when operating within the European Union, obey the EU laws set for taxi operators (Bowcott, 2017). Finland is not the only country in Europe where Uber has faced difficulties – Germany, Denmark and the Netherlands banned Uber from operating since their operations did not fall under any specific legal frameworks (Elliott, 2016).

Uber released a White Paper in February 2018 where they address working for Uber, especially in Europe, as well as how they want to implement ‘the European social model’. They emphasise on how independent and flexible work can actually help the current unemployment situation in Europe. With regard to their legal issues, such as drivers not paying taxes from their income, they are currently developing features for their app that would ease tax paying for drivers as well as tax collection for tax authorities. They also want to support ‘the European Pillar of Social Rights’, especially when it comes to equal opportunities, fair working conditions and access to social protection.

“Uber is not an employer of the drivers and couriers [Uber Eats] who use our app. However, we know that we can play a role in supporting our partners, as well as supporting a wider policy change for all independent workers.” (Uber, 2018b) As stated previously in section 4.1, claiming to be socially responsible does not necessarily mean that it is the case in reality. Uber’s White Paper might just be an easy fix for the current situation they are in with their operations in Europe. ‘Support’ has a whole different meaning than ‘action’.
4.3.2 Finnish operators

For the purposes of this thesis, three Finnish platform operators were chosen for a deeper discussion: Wolt, Treamer and Freska Finland.

Wolt was founded in 2014. It is a food delivery platform, which means that restaurants can register as merchants, thereby placing their menus on Wolt for possible customers to order takeaway food. Customers then download the mobile application on their phone, choose a restaurant and meal to order. Wolt adds an additional fee on top of the restaurant price, a sort of delivery fee. The customer is able to follow the progress from placing the order until having it delivered right to the front door. If someone wants to work for Wolt and become ‘a courier partner’, they need to fill a very basic online application, in which one needs to state what kind of transportation vehicle they have (a bicycle, a car or a scooter) and also how many hours they would be able to work per week. (Wolt, 2018)

Treamer was founded in 2015. It is an online platform for crowd (gig) work. The main idea is to provide workers for different tasks without the hassle of a recruitment process and hiring an employee. Treamer offers crowd workers for property services, offices, restaurants, logistics, retail and so on. Anyone in need of help (a private person or a company) can register as a customer and can then hire ‘a Treamer’ for the specific task. By informing the service of what kind of help is needed, it offers the workers most suitable for that task. The customer can decide how much they are willing to pay for the service (see section 4.3.3). The customer is then able to choose from different profiles (which have the worker’s photo, previous ratings and skills set written down), who they want to hire. After this the customer and worker connect and agree on when and where the task is supposed to take place. After this the payment is made and the customer rates the worker on a scale of 1 to 5 stars. If someone wants to work for Treamer, all they have to do is download the app and create a personal profile. (Treamer, 2017)

Freska Finland was founded in 2015. It is an online service that only focuses on providing cleaning services with set prices for households. Customers looking for someone to clean their home can hire a cleaner without having to register to the service. They simply need to state the size of the home, after which the service provides a recommended cleaning time. Additional services (for an extra fee) can be chosen, such as cleaning the refrigerator, and if the cleaner needs to bring the necessary equipment (for
an extra fee). The next step is to fill in personal information, choose the time and pay for the service. As for becoming a cleaner, it follows a basic recruitment process where one applies for a job through an application (although there is an option to register via Facebook or LinkedIn). (Freska, 2018) However, Freska is not considered to be an online platform per se due to the fact that most of their cleaners have employment contracts (it could be framed better as an online service) (Saaritsa, 2018).

4.3.3 Wage issues

As stated earlier in this thesis, online platforms rarely make employment contracts. In Finland (as in many other countries), Wolt for example, has delivery couriers sign ‘a contract of services’ instead of a proper contract of employment. This means that Wolt only pays for the work done (no set monthly wage, only an hourly wage). The couriers need to provide their own transportation vehicles and cover all extra expenses themselves. Since there is no collective agreement defining any terms of employment, and this means that if the workers themselves do not pay pension provisions, there is no pension accumulated. The same applies for holidays and sick leaves. There is a set hourly wage of 9 euros during weekdays and 10 euros on weekends, with provisions of 1 euro per delivery on weekdays and 2 euros per delivery on weekends. (Jämsen, 2016) Without proper employment contracts and collective agreements the couriers are left with low wages and no social protection. In the end of 2015, Wolt got criticised for paying a too low hourly wage (9 euros per hour) without providing any additional evening or weekend allowances. A courier who had worked 24,75 hours a week was left with 150 euros after all fees and costs. After this they moved on to the contract of services. (Moilanen, 2015)

When hiring a worker through Treamer, as a private person, one is faced with deciding a payment for the task. This is done using a price calculator that can be seen in Figure 3 below.
Figure 3. Hintalaskuri a (English: Price calculator a). (Freska, 2018)

On the left-hand side, the customer needs to define if the task is for a company or a household (chosen). On the top of the right-hand side, one needs to define the working hours (4 chosen) and then below how much wage per hour the customer wants the worker to receive (12 euros per hour chosen). After choosing the hours and the hourly wage, the calculator calculates and shows the full price for the service with the additional costs. It first shows the full wage offered to the worker (48 euros), then pension provisions (9,10 euros), social security provisions (0,41 euros), unemployment provisions (0,31 euros), service fee (9,60 euros) and Value Added Tax (VAT) (2,30 euros). In the end it shows the full price of the service (69,72 euros) and underneath the price that has a household reduction (52,70 euros). This is a good example of how transparency should be practiced when it comes to platform workers' wages. However, as the customer increases the hourly wage (minimum 8 euros per hour), that also increases all the additional costs, which as an effect might tempt customers to choose a lower wage with the hopes of saving a few euros.
However, when a company wants to hire a worker through Treamer, the price determination is a little different (see Figure 4 below).

![Figure 4. Hintalaskuri b (English: Price calculator b). (Freska, 2018)](image)

Again, on the left-hand side one needs to define whether the task is for a company or a household (company chosen). Then on the right-hand side the working hours are chosen (4 hours) and below that the hourly wage (12 euros per hour). Below that it shows the total wage offered (48 euros). Under this, however, in Figure 3 the additional expenses are separated clearly, whereas in Figure 4 it simply states ‘additional legal expenses’ (19,20 euros) and under that the service fee (14,40 euros), both of which are higher for companies than for private persons. VAT is also noticeably higher (19,58 euros vs. 2,30 euros), but that is normal for companies. The end price with VAT included goes up to 101,18 euros, whereas the price for a private person is almost half the price (52,70 euros). Naturally companies need to pay more expenses than private persons, but a doubled price is somewhat surprising
5 Analysis

5.1 Platform workers’ rights and well-being in the Finnish gig economy

Finland, and the other Nordic countries, are famous for their welfare systems, which is the reason so many people come here for work. They are, however, faced with the reality that being a non-Finnish speaker complicates the possibilities and opportunities of getting a job (SAK, 2017). Platforms (especially the ones focused on deliveries) that do not offer employment contracts for workers have a lower threshold (as in, fewer requirements) for hiring people. This is one of the reasons most of the delivery couriers in Finland and in other countries are foreigners or immigrants (Jämsen, 2016). As a result, these workers have jobs but no social security.

In comparison to Wolt in the previous section, Foodora usually has legitimate employment contracts with proper social benefits (but still no collective agreement). The hourly wage on weekdays is 9 euros, on Saturdays 10 euros and on Sundays 18 euros. However, there is a possibility to work as a freelancer which means that the hourly wage on weekdays is 8 euros, on Saturdays 9 euros and on Sundays 11 euros plus an additional provision of 2 euros per meal delivered. (Jämsen, 2016) However, Wolt is currently having discussions about starting social dialogue with the trade union movement (more specifically PAM). They acknowledge that by offering only contracts of service, their workers are lacking certain important social rights, such as job security. The problem with starting collective bargaining in Finland is that if the platform is not deemed to be an employer and the worker is not legally an employee, there are no parties with whom to negotiate collective agreements. (Saaritsa, 2018) This is the main issue behind the reason why platform workers in Finland are not trade union members.

Foodora offers an interesting choice for workers (see previous paragraph) – they can either be employees with employment contracts, in which all social security payments are taken care of, or work for them as freelancers, self-employed so to speak, and take care of their own social security payments (Jämsen, 2016). More online platforms could offer the choice between being an employee or self-employed (freelancer). This way those who wish to have a steady income from which all social security payments are made would have it, whereas those who wish to have more freedom in their work and be in charge of their own social security payments, would be able to do so.
The Prime Minister’s Office released a publication “Toward a shared understanding of the future of work” in the beginning of 2017. This report goes deeper into discussing what the future of work means for Finland. It discusses how the future work will mostly revolve around the changes that digitalisation brings, especially the platform economy. Work needs to be redefined since it will more or less focus on information and interactions between people – the workers’ skills and competences will lose value and the main value will be on the benefits and results of the interactions. As for issues regarding the wages of platform workers, the report notes that one way to improve it is to expand the basic income experiment. (Dufva, et al., 2017). This will, as a result, lead to changes in the society as a whole. When online platforms allow workers to define the time, place and way of working, it increases independency (and casualization of work, see section 4.2), which means that workers would no longer be dependent on managers/employers, but would however be co-dependent on other workers and their actions (Kilpi, 2017). This, as a result, can lead to increased competition about tasks offered.

The Prime Minister’s Office released a new, more current, report “Long term Policy-making as a Tool Through Transformation – Aspirations for the Future of Work” in April 2018, in which they emphasise on the need for long-term political solutions, changes to legislation and social security, new institutions for supporting new forms of work, developing management styles with increasing independency in work, a nation-wide system for life-long learning, as well as putting more focus on the value of work. The research on platform economy interestingly claims that since Finland is so scarcely populated, platforms will have difficulties with demand, which is why most platforms are based in the metropolitan area (Anttila, et al., 2018) However, so far the platforms have been able to successfully operate, even if it only is in the metropolitan area. This comprehensive report seems to address all the issues discussed in this thesis (and more) but is still focused on theory and what will happen and what should be done instead of actually giving concrete tools to different institutions, such as trade unions, in order to know what to do now.

5.1.1 How can trade unions improve the current situation of platform workers?

There is a lot of negativity associated with the gig economy and platform work. Yes, some platforms do exploit their workers by not offering them proper employment contracts and work conditions. Additionally, there are legal issues deeply connected to this. However, many platform workers actually enjoy what they do, and to some (especially
immigrants) platform work can be the only way to get work in Finland. (Blåfield, 2017) The pull factor in working for platforms on a gig-basis is the freedom to choose when, where (if it can be done online) and how to do the work. This offers an ideal work environment for young people working beside their studies, or other people who need some extra income on top of their regular income. Since there are no employment contracts needed in most cases, there is no long-term commitment, which again offers more freedom. Platforms also have ‘an easy access’ for workers. If there is no employment contract, anyone (regardless of gender, race, education etc.) can register as a worker.

Kilpi (2017) emphasises the need to understand the legal aspects of platforms – only then can something be done to the poor situation of platform workers. With the uncertainty of the labels ‘employer’ and ‘employee’, different entities are struggling to understand how to handle the situation. The introduction of a third option – as Canada, Spain and Italy have done (see section 2.2) – sounds like a viable option but in reality, might not be necessary in Finland. German trade unions are contributing to the ‘Crowdsourcing Code of Conduct’ (a code that offers guidelines for fair co-operation regarding crowdsourcing (Crowdsourcing Code, 2017)), whereas Austrian trade unions have co-created the first ever platform work’s council with Foodora (Colclough & Jennings, 2017). Finnish trade unions could follow in the footsteps of their Austrian colleagues by doing something in the framework of a work’s council. A reasonable Finnish substitute for this could be a co-operative (suom. osuuskunta) and trade unions could support and help in their creation.

If, however, trade unions were to accept platform workers (self-employed, as well as entrepreneurs) as members, and platform workers do in fact want to become members (Juntunen, 2017), there might need to be some redefinition of services. As trade unions rarely have self-employed workers as members, the lack of know-how in helping them is an aspect that would need to change. This could be achieved by hiring people with the skills and competences to work on this, or then by investing in up-skilling current personnel in this field.

As the European Union is already working on offering self-employed people the same social rights as employees (European Parliament, 2017), national legislative changes are most likely on their way as well (as stated by Anttila, et al., 2018). However, this is a long process that can take years until refined and put into action. This is where trade unions need to assess whether or not they want to wait for legislators to make deci-
sions or try to do something to the situation as soon as possible. Yes, lobbying helps, but there could be other ways to hasten the process within trade unions right now. Starting social dialogue, for instance, with platforms (as PAM has already done with Wolt and Freska (Saaritsa, 2018)) is a good way to start. This way both the platform and the trade union can exchange views and ideas on how to improve the situation for workers.

Social dialogue can also be a good way to nudge platforms into creating their own CSR or other social responsibility codes. Uber is already paving way by releasing their own white paper (see section 4.3.1) that addresses the social situation of workers in Europe and how they want to support in ensuring fundamental social rights to atypical workers (Uber, 2018b). When one of the biggest platforms in the world does this, there is no questions that others will follow. Foodora is also showing best practice by offering their workers the option between an employment contract and a freelancer contract (Jämsen, 2016). It would not be surprising that after starting social dialogue with Wolt and emphasising this ‘best practice’ that they might follow it as well.

As for work-life balance, it is something that could be put into an online platform’s responsibility code, which they can work on in co-operation with trade unions or possible newly created co-operatives. As discovered earlier in this thesis (see section 4.2), when companies invest in social regimes, it results in more committed and satisfied personnel. Another way that could help, is whether it is a contract of employment or a contract of services, it would have a clause for not needing to be constantly reachable and having to always accept work when offered (with the threat of being deactivated). These are issues that collective agreements can settle. If, however, a collective agreement is out of the question, then another solution is necessary – such as a responsibility policy, or rules and guidelines set by a co-operative.

6 Conclusion

The gig economy is a complex concept and has not yet found its exact right place in the world. The debate around it will most likely continue for years while its opportunities and challenges are piling up day by day. Some say it will not survive for long, whereas others see it has come to stay. Instead of looking at it through merely negative lenses, it could be wiser to focus more on the opportunities it brings to societies. Online plat-
forms are able to offer work to people who might have difficulties in finding jobs through traditional ways (such as immigrants without sufficient language skills). They offer the possibility of working exactly when and where one wants to work (such as for students who want to work alongside their studies), as well as working without having to commit to only one employer (if one would wish so).

True, the social and legal aspects of working for online platforms are not fully solved yet, but different entities – as the European Parliament, national decision makers and social partners, such as trade unions – are constantly trying to find ways to improve the situation for workers in the gig economy as well as other forms digitalisation has brought. Nevertheless, changing legislation or setting up new laws is a lengthy process that can take years until figured out and put into effect. This is why trade unions and online platforms need to come together to find solutions of their own instead of waiting around for politics and legislation to get caught up with it.

As for CSR in online platforms, the research shows that when companies use CSR practices that can be seen externally and internally, it results in increased organisational commitment and improved work ethic (Glavas & Kelley, 2014). Uber’s ‘Non-Discrimination Policy’ (Uber, 2018a) surely makes it a more attractive platform than a platform that does not have this kind of policy. This shows that online platforms can only benefit from creating their own responsibility codes or policies of some sort. This is also where work-life balance can and should be implemented. The idea of being constantly available for work is fundamentally wrong and should be one of the main points of improvement.

Since this thesis is only a literature-based investigation of the current social situation of platform workers (no new data collected), it does not bring any additional information to what is already out there. That is why the future research possibilities are nearly endless. The next steps in order to fully grasp the Finnish gig economy could be conducting interviews with platform workers from different sectors. The easiest way to achieve this would be by co-operating with platforms. There should be no need to ‘demonise’ platforms. Instead it would be more constructive to try see matters from their perspective as well. In other words, further research of online platform work and more specified studies (such as on data protection and ratings) are extremely necessary and therefore recommended.
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