

## **PRESS RELEASE**

### ***'Uberization' and doing 'AirBnB': working conditions, regulation, and opportunities for interest representation for individual service providers in Hungary***

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Central European Labour Studies Institute

In Hungary, the appearance of platform companies, especially *Uber* and *AirBnB* has garnered significant public attention in recent years, but also forced considerable change especially in the proxy sectors of local taxi transport, accommodation services, and microwork (housekeeping). Not only have traditional employers adapted to the new digitalized environment, but many workers have also found themselves providing services through the intermediation of platform applications. Yet, a recently released study found that in Hungary *platform work, employment, and industrial relations did not appear as focal points in local discourses*.

On November 13, 2018 in the very neighborhood and street known as the heart of the new tourist wave and associated platform based services, a public event on platform work took place, organized by the Central European Labour Studies Institute, which presented a new study and associated research that were also part of the IRSDACE project - Industrial Relations and Social Dialogue in the Age of Collaborative Economy. The author of the study on Hungary, Tibor T. Meszmann, presented the report to an audience of representatives of social partners (trade unions, employers, government officials), researchers, service providers, and the general public.

The research found that in public discourses, platform sectors typically appear as deviating or innovative segments of the traditional sectors or subsectors of local personal transport, housework, and accommodation services. Regulation is the most important issue at the centre of union and employer discourses and is the main area of interest of platform economy participants. State agencies and municipal authorities thus appeared as 'problem solvers,' but often reached decisions with insufficient dialogue with employers and employee representatives. The intensity and scope of regulation varies significantly across traditional proxy sectors and thus platform economy sectors too, ranging from minimal regulation of microwork to highly regulated local taxi transport services.

The platform economy developed in labour cost sensitive proxy sectors, for which a higher level of informality in employment relations and innovative entrepreneurial traditions was characteristic. Typically, the research found that those who are working or providing services via platforms are either self-employed small entrepreneurs or registered natural persons. These forms do not provide solid ground for the self-organization of labour.

Nevertheless, in the experience of platform workers interviewed in the course of the research, platform companies offer a major advantage in their efficiency in finding a job or earning extra

income. Some disadvantages were also stressed: individualization of risks and lack of preparation for novices in the sector, for example. As 'platform workers' identify themselves mostly as service providers, the possibility of interest articulation via trade unions or alternative organizations is typically not recognized.

The study also found that although trade unions are aware of some of these emerging issues, they have much different priorities and limited capacities to organize individual workers. The strongest employers in traditional sectors are interested in fair competition with stricter regulations and their implementation, while platforms companies typically present themselves not as employers but as innovative, alternative enterprises, and they are mostly invisible in public. Social dialogue in the traditional sectors is weak and only sporadically addresses issues related to the platform economy.

At the recent event, two other presentations also took place. Maria Sedlakova (CELSI) outlined the main findings of her research in the platform economy in Slovakia, and Marta Kahancova presented findings from other EU countries involved in the IRSDACE project. Following this, a panel discussion took place on the relevance of the Hungary report with the participation of Lajos Böröcz, general secretary of a national level employer organization in tourism and accommodation VIMOSZ (Vendéglátóipari, Idegenforgalmi Munkaadók Országos Szövetsége), Balázs Schumicky president of an association of apartment renters (MAKE – Magyar ApartmanKiadók Egyesülete), and Melinda Kelemen, a trade union expert from the LIGA trade union confederation.

Panelists agreed that the research on platform economy in Hungary is an important first step in understanding new economic realities. Although interests were often different, representatives of large and micro employers and service providers in the sector reported a recent improvement in communication with and inclusion into dialogue over regulations with the *Hungarian Tourism Agency*. As stressed especially by the trade union expert, state regulations of platform services in accommodation do not address employment issues, and that workers and the self-employed also lack channels through which they might exercise influence over the regulatory environment that affects their everyday work.

### **About the project**

Funded by DG EMPL of the European Commission, the IRSDACE project aimed to identify how traditional players in the labour market, e.g. trade unions, employers' associations, member states and the EU, experience and respond to the collaborative economy. The project started in January 2017, finishing in December 2018. CEPS is the project coordinator in a partnership with IZA (DE), FAOS at the University of Copenhagen (DK), Fundación Alternativas (ES) and CELSI (SK). IRSDACE had five main tasks: i) conceptualisation of platform work, its place in the labour market, employment policy and industrial relations; ii) analysis of discourse on platform economy among established industrial relations actors; iii) assessment of the implications of workers' experience with the platform economy for industrial relations and social dialogue; iv) comparative analysis of national experiences; and v) analysis of how EU-level employment policy and the industrial relations agenda should respond to the emergence of work in the platforms economy. The research focused on three sectors of the platform economy: local transport (taxi services), accommodation services, and microservices.

Seven country case studies have been produced in this project covering Belgium, France, Germany, Slovakia, Hungary, Spain and Denmark. The country case studies were prepared based on literature reviews, interviews and country focus groups. The reports show both the perspectives of industrial

relations actors at the national level and the experiences of platform workers. A final project output brings the national case study results together in a comparative study.

[Industrial Relations and Social Dialogue in the Age of Collaborative Economy, Available at:  
<https://celsi.sk/en/projects/detail/27/> ]

CELSI is a non-profit labour market research institute based in Bratislava, Slovakia. It fosters multidisciplinary research on institutions, work and organizations, business and society, and ethnicity and migration in modern societies. Economics research database RePEc ranks CELSI as the #1 research institute for economics in Slovakia. Please find more about us at [www.celsi.sk](http://www.celsi.sk).

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