

Don't GIG Up, Never!

Country Case Study Report SWEDEN



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INTRODUCTION

This paper is part of a series of **Country Case Study Reports** published in the framework of the of the *Don't GIG up, Never!* Project. The Project, co-funded by the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission, is aimed at improving expertise and knowledge on the role unions and social dialogue can play with regard to the protection of platform workers, building on the knowledge accrued through the *Don't GIG Up!* Project (1st ed. 2018–2020).

Running for 24 months (2021–2023), *Don't GIG Up, Never!* project combines desk and empirical research to analyse features and challenges of the platform economy in a set of selected countries, namely: Italy, Germany, France, Spain, Poland, Estonia and Sweden.

The **first phase** of *Don't GIG Up, Never!* consists of a preliminary desk review aimed at updating the results of the previous project with regard to platform workers' employment and social conditions, the dedicated political debate, the relevant legislative developments, and the trade unions and employers' organisations involvement in the covered countries. Seven **National State of the Art Reports** were published in 2022¹.

The **second phase** of the project consists of empirical qualitative research, in order to construct a number of national case studies for each country involved about labour platforms providing services outside the passenger transport and goods delivery sector, which was the focus of the previous edition of the project (*Don't GIG Up!*).

In the lights of the results of this Country Case Study Reports' series, the comparison of practices, taking place also by means of three mutual-learning workshops joined by project's partners, as well as during webinars open to stakeholders and the general public, shall lead to a comparative assessment on how the platform economy affects working conditions, social security, and industrial relations at both national and EU level, with a view to delivering policy recommendations. A **Final Report** shall collect these results.

¹ Don't GIG up, Never! State of the Art Reports are available here: <http://www.dontgigup.eu/resources/>

METHODOLOGY

The present Country Case Study Report, as well as all the other papers of the series, is based on a common methodology agreed and shared in advance with the project's consortium.

In particular, in order to achieve a consistent selection of case studies oriented towards the comparability of results, the selection of case studies was restricted to labour platforms falling into categories 3 and 4 of the table below (Table 1), while labour platforms falling into categories 1 and 2 were analysed in the framework of the *Don't GIG Up!* Project (1st ed. 2018–2020).

Table 1. Classification of labour platforms adopted in the project *Don't GIG up, Never!*

N.	Type of platform	Example
1	Platform matching passenger transport services	Uber, Lift, others.
2	Platforms matching goods delivery services	Deliveroo, Foodora, etc.
3	Platforms matching ' traditional gigs ' (gardening, cleaning, babysitting, etc.) up to ' skilled services ' (marketing, advertising, translating, etc.), possibly also by means of auctions	Task Rabbit, Helping, etc.
4	Platforms externalizing micro-tasks , often performed on web, to a 'crowd' of workers (crowd-work platforms)	Amazon Mechanical Turk, etc.

Each Country Case Study Report contains three or four case studies about digital labour platforms carried out at the national level. Where possible, an effort was made to select at least one type n. 3 (low skilled location-based activities) platform, one type n. 3 (skilled web-based activities) platform, and one type n. 4 (microtasks/crowd-work) platform for each country involved. An abridged version of the common template was used to implement a preliminary screening, in order to select practices deemed to be more interesting for the purposes of the project. The final choice was based as well on partners' assessments, the availability of contacts with platforms' management and workforce, and the feasibility of the case studies.

In particular, each case study was realised by national experts appointed by the project partners. Experts developed their research on the basis of a common **template** (Table 2), containing detailed guidelines for implementation.

Table 2. Template for realising national case studies in the project *Don't GIG up, Never!*

GENERAL INFORMATION
Labour Platform
<i>Full name</i>
Sector
<i>NACE Sector(s) addressed & brief description of the jobs</i>
Ownership
<i>Please, explain if the platform is for-profit or cooperative, and provide brief contextual information on its creation and on its links with transnational companies or with other organizations (e.g. if it is part of a multinational group, if it was founded by platform workers or supported by unions/employers' organisations/ public incentives).</i>
Size
<i>Estimated number of platform workers registered and active on the platform</i>
TERMS OF EMPLOYMENT AND WORKING CONDITIONS
Applicable legislation
<i>Please, explain if contracts with workers apply the country of employment legislation or if they opt for the legislations of other states (e.g. the platform's country of establishment).</i>
Type of relationship between platform and worker
<i>Please, explain which contract(s) is/are used by the platform, providing as well contextual elements on the related consequences in terms of labour rights and social protection. Please, specify also if there is or not a tripartite relation between the platform, the worker and the final client as per the terms of service.</i>
Membership costs for the workers
<i>Please, explain if workers are required to pay a membership fee in order to access the platform, its costs and the associated services.</i>
Assignment of tasks/jobs
<i>Please, explain how tasks/jobs are assigned and the possible role played by rating and ranking systems.</i>
Remuneration policy
<i>Please, explain: if and how the remuneration policy refers to statutory/collectively agreed minimum wages; to what extent is pay defined by the platform or by an algorithm as opposed to decision by the worker or bargaining between the worker and the final client; under which conditions workers can be refused pay by the platform or by the client.</i>
Non-competition clauses
<i>Please, explain if non-competition clauses are in place or if competition on other platforms is de facto discouraged due to the functioning of rating and ranking systems or for other factors.</i>
Intellectual rights
<i>Please, explain if any limitations apply to the intellectual property of contents sold via the platform, and their reuse by the creator (if applicable).</i>
Other terms of employment and working conditions
<i>Please, describe formal terms of employment and actual working conditions concerning: working time, health and safety, monitoring of the worker, (paid) holidays and leaves, liabilities and possible sanctions, termination of the relationship with the worker, training, anti-discrimination policies, and other aspects as relevant.</i>

SUPPORT AND DISPUTES

Platform services to the client

Please, describe the features and effectiveness of the services possibly provided to the clients (e.g. securing them from contractual risks, including reclassification of workers, providing global IT purchasing solutions to the client like tools to deal with contingent work, guaranteeing a new service for free if the delivered work is considered unsatisfactory...).

Platform support services to the workers

Please, describe the features and effectiveness of the support services possibly provided by the platform to the workers other than dispute resolution mechanisms (e.g. to help workers use the platform, get in contact with colleagues or establish working teams, to address disputes with the clients over quality of services or pay, to deal with administrative issues, to access work-related software, to insure workers against accidents or social risks).

Dispute resolution mechanisms

If in place, please describe the scope, the involved parties and the features of Dispute resolution mechanisms as per the terms of service/collective agreement and any evidence on their actual use and efficacy. Please, detect also any existing provisions in the terms of service/contracts limiting access to tribunals in favour of alternative dispute resolution mechanisms.

Evidence on support/activities by social partners targeting platform workers

If in place, please explain actors, goals and achievements of the activities

REFERENCES

Please enlist here sources / contacts mentioned above.

The aim of each case study is to give a brief overview of the platform's business model, the services provided to the costumers and to the workers, the working conditions, as well as the social partners involvement.

With a view to guaranteeing homogeneity and comparability of results, guidelines were shared with regard to sources and references to be used for the completion of the case study templates. In particular, the following categories were designated: official platform websites and platform terms and conditions of service (mandatory); scientific literature (previous research papers, reports, surveys, etc.); online and offline press articles; applicable collective agreements. Partners agreed as well to conduct semi-structured interviews for each case study with the following actors: platform's management and/or human resources staff; platform's workers; social partners involved at platform level. Interviews were conducted by phone or video-conference with the support of common questionnaires. In the framework of the interviews (if conducted), experts proceeded in compliance with EU and national General Data Protection Regulations as well as with partners organisations' internal policies.

The information gathered with the templates was later reviewed and reorganised into the Country Case Study Reports, according to the following common structure: i) Description of the platform; ii) Terms of employment and working conditions; iii) Social partners involvement; iv) Assessment; v) References.

CASE STUDIES

Case Study 1: TaskRunner

Description of the platform

TaskRunner is an on-location platform that provide a matching service between freelancers, so-called “Runners”, and clients. It provides household services to consumers. The platform currently offers services such as furniture assembly, moving assistance, gardening, TV assembly or handyman work, and has more than 15,000 registered Runners and over 34,000 registered customers. The platform is mainly used by private individuals and consumers (B2C) to get tasks done at home. It also used by business customers (B2B) who do not want to hire their own staff.

NACE sector(s)²: (S) OTHER SERVICE ACTIVITIES (95 repair of computers and personal and household goods and repair of furniture and home furnishings), (F) SPECIALISED CONSTRUCTION ACTIVITIES (43 Floor and wall covering), (H) TRANSPORTING AND STORAGE (49 Removal services), (N) SERVICES TO BUILDINGS AND LANDSCAPE ACTIVITIES (81 General cleaning of buildings and landscape service activities)

Type of platform according to the *Don't GIG Up, Never!* classification: 3.

The platform is a Swedish startup, owned and founded by Robins Szekely in 2013. Today the platform is part of the TechBuddy International Holding AB. Since its creation, the company has received over SEK 15 million (EUR 1,5 million) from investors, including the state-owned Almi Invest. Currently, TaskRunner has also a collaboration with Plantagen (one of Sweden's largest gardening stores) for gardening services. The company's co-founder Nils Wijkmark is today Sweden's head of Bolt.

Terms of employment and working conditions

The applicable legislation is the Swedish labour law however the Swedish labour law only applies to those who have an employment, not to those who are self-employed.

As for the type of **employment relationship** with the worker, those who work for TaskRunner are called Runners and **are not employed by the company**. They are **self-employed/freelancers or can also be employed by an umbrella company**. This means, among other things, that those who work for the

² <https://nacev2.com/en>

company are themselves responsible for providing the tools required to carry out the work, such as a smartphone, car, or painting equipment.

Clients of projects on the platform are mainly private persons but can also be legal persons.

The Runners are said to work 'on their own terms'. There are no requirements for how many tasks the Runners must perform. There are no limitations to how much one can work, and some Runners have the tasks as their full-time job. Many also perform tasks occasionally. Many of the users are thus inactive on the platform. The company does not prevent the Runners from simultaneously perform similar work for someone else. The terms of use for the service do not regulate the duration of the relationship between the company and the contractor. The company does not appear to exercise any control over the length of time a contractor commits work through the platform. Moreover, the company does not dictate either the conditions for when, where and how the service is to be performed and does not decide on the compensation for work performed.

There are **no membership costs** for workers. However, for each completed task, a **transaction fee** of 12-20 percent of the amount is paid to TaskRunner. The payment is sent to a bank account once the customer has approved the task that has been performed, i.e., is pleased with the task. It will be in the Runners bank account within 3-7 banking days.

In terms of **conditions** to become a Runner, one must be at least 18 years old, have a Swedish social security number and a Swedish account number. Runners are then called for a shorter interview, approximately 15 minutes long, to assess whether the Runner has the right skills acquired for the tasks. The interview is also for when Runners are informed about the company's policy.

According to the company, TaskRunner is based on the concept of the gig economy, which means that the Runners choose when, where and how much to work. The runners are paid for each task they perform.

The company is said to ensure that taxes, social security benefits and pensions are covered for them every time they perform a task. However, they do not take employer responsibility. Runners are instead directed to an 'umbrella company', namely Gigapay. It is the umbrella company that pays taxes, the social security benefits, and pensions for each task the Runner perform. The type of contract between the Runner and Gigapay is likely a service contract. A contractor can stop undertaking tasks at any time. In terms of labour rights this means that the umbrella company takes the employer responsibility each time the Runner performs a task. However, according to the Swedish Work Environment Authority it is unclear to which extent umbrella companies in Sweden actually do take employer responsibility. The Runner do not receive any paid holidays, possibility for sick-leave and other insurances that will naturally come with an employment. Since they are not employed by the platform company.

Regarding the **remuneration policy**, there are no minimum wages in Sweden. Minimum wages in Sweden are instead regulated in the collective bar-

gaining agreements (CBA). There are approximately 650 CBAs in Sweden, on sectoral level. TaskRunner does not apply a CBA. Thus, their minimum wage is considered as equal to zero. However, there are many CBAs regulating the sector, if the company choose to sign one. The minimum wage in the building/construction sector, for a worker with zero work experience, is SEK 169/hour (EUR 16) and SEK 29 406/month (EUR 2900) according to the CBA regulating the sector, namely Byggravtalet. The average salary in the sector is SEK 36 200/month (EUR 3600). At TaskRunner, the hourly compensation can vary greatly between different assignments, from a few hundred SEK to well below SEK 100 (EUR 10). The Salary for Runners varies between SEK 65/hour (EUR 6,5) and SEK 300/hour (EUR 30). **The pay is decided by the customer.**

The platform has a **rating system** built-in where Runners and clients can rate each other after executed work. The terms of use imply that the platform company can suspend a contractor/Runner who does not perform services agreed between the contractor/Runner and the client, or who cancelled a large number of services on a short time. The terms also mean a right for the company to levy a penalty on users who bypassed the platform.

There are not specific **platform's support services to the client**. However, clients or customers can use a tax reduction called ROT deduction, for some services. ROT deduction is a tax relief for the purchaser, where the purchaser can claim a ROT deduction of 30 percent for the labour costs.

Regarding **platform support services to the workers**, TaskRunner does not own, and does not provide with equipment, vehicles or other tools that are required when carrying out the assignments via the platform. It is the Runners responsibility. The service that TaskRunner provide is the application and the payment service.

Specific dispute resolution mechanisms are not in place.

Social partners involvement

The company does not apply any CBAs and there have yet not been any efforts by the trade unions in the sector to targets platform workers working for TaskRunner.

Assessment

In 2018, the **Swedish government instructed the Swedish Work Environment Authority to carry out a pilot project in the form of a supervisory effort with focus on new ways of organising work**. The Swedish Work Environment Authority carried out 48 inspections, including follow-ups, within the framework of the pilot project. A total of 28 companies were included in the project, of which were eight umbrella companies and five platform companies. **As a result of this the agency fined two of the companies for lacking in their work environment responsibilities with respect to their responsibility as an employer**. These two companies were TaskRunner and Tiptapp. In both cases the Swedish Administrative Court ruled in favour of the companies, stating that both companies were not employers and thus also not responsi-

ble of the work environment of the Runners.

The inspections carried out had found out that TaskRunner lacked in many ways in terms of work environment responsibility. There were no routines for how to examine the physical, organisational and social working conditions in the company, or how to introduce work to new workers.

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Case Study 2: Tiptapp

Description of the platform

Tiptapp, described as the 'Uber for garbage', is an on-location platform company, founded in 2015 by Tim Bjelkстам, former vice CEO of Hemnet (Sweden's most popular housing platform and meeting place for real estate agents, housing sellers and buyers). He established Tiptapp together with his three partners Fredric Rylander, David Höök and Anders Lövbrand. The main idea is to help people with the move of their 'rubbish' and 'garbage' by people who is already on their way to the tip or someone who wants to earn an extra penny. The platform has since 2016 secured more than EUR 3,6 million in investments by several big tech investors, such as Avito founders Jonas Nordlander and Filip Engelbert, Pierre Siri (former Blocket CEO, Sweden's largest marketplace online) and tech investor Per Brillioth. People buying things from Blocket are one of the biggest users of the application.

NACE sector(s): (G) OTHER SERVICE ACTIVITIES (46 Wholesale of waste and scrap).

Type of platform according to the *Don't GIG Up, Never!* classification: 3.

The company is based in Sweden and available in Sweden's three major cities, as well as on a smaller scale in London and Lisbon. It has plans to expand to other countries in Europe. These plans have delayed due to a conflict with the municipality of Stockholm. The conflict evolved around a violation of the right to mediate the collection of private individuals' waste for shipping to municipality's landfills. The municipality also saw a risk of promoting a labour market where *heavy work is performed for low compensation and without insurance coverage*, and risks *competing companies that currently have contracts with the city*. In 2021 the Land and Environment Supreme Court ruled that Tiptapp was right.

The service is also being launched on a broad front in Berlin, in collaboration with one of Europe's leading municipal waste companies, BSR (Berliner Stadtreinigungsbetriebe).

In 2021 Tiptapp's turnover grew by 24 percent to almost SEK 20 million (EUR 2 million). The profit landed at SEK 3.3 million (EUR 330 000). About half of the transports on Tiptapp involve transporting rubbish to the tip or giving away furniture and gadgets in exchange for getting rid of it. The rest of the transports revolves around shipping things, mainly used furniture and other things that are bought at different marketplaces online.

Moreover, in 2021, approximately 9 000 people made pickups via the Tiptapp application. A total of approximately SEK 70 million (EUR 7 million) was paid out to the users of the app, mainly in Stockholm.

Terms of employment and working conditions

The applicable legislation is the Swedish labour law however the Swedish labour law only applies to those who have an employment, not to those who are self-employed.

As for the type of **employment relationship** with the worker, those who work for Tiptapp are called Helpers and **are not employed by the company**. They are **self-employed/freelancers or can also be employed by an umbrella company**. This means, among other things, that those who work for the company are themselves responsible for providing the tools required to carry out the work, such as a smartphone and a vehicle (having a car and driving license and be over 18 years old are criteria to be fulfilled to become a worker via this platform, i.e., an Helper).

The Helpers are said to work 'on their own terms'. The contract that is offered is a terms of service contract. However, the contract stipulates that private individuals (not sole traders) are not allowed to use the application/service to professionally perform assignments as a Helper. As a user, the individual must ensure that the assignments performed as a Helper in the application/service are not of the magnitude or of a duration that constitutes a business activity, or that may be considered as professional. Should Tiptapp suspect that the account is used to professionally perform assignments as a Helper in the service, for example if the number of pick-ups and transports booked from the account has a magnitude or duration exceeding the pick-ups and transports by the average Tiptapp user, Tiptapp has the right to block the access to their account and to the service until further notice, and without warning.

Moreover, the work as a Helper is by Tiptapp described as an extra job. However, there are reports that many Helpers have it as their full-time livelihood. On the other hand, there is also a restriction to how much a person can earn via the platform. Users who have had an income of SEK 100 000 (EUR 10 000) during a calendar year are restricted. This is so that the users inadvertently risk being considered as working, which may require, for example, a professional traffic permit. The income ceiling is set in line with the Swedish Tax Agency's regulations regarding the turnover limit for VAT. However, it is still possible for helpers to create several users to avoid this clause.

In addition to this, the individual is responsible for declaring the receipts that one receives when performing assignments advertised in the application/service, to the Swedish Tax Agency. Users are responsible for any tax consequences that may arise because of the use of the application/service, e.g., for payment of any taxes and fees, including social charges that may be payable.

Should the compensation to a Helper, for one year, exceed the then current limit in SEK for compensations paid, as a client/customer/advertiser, that person is responsible for the payment of any social security contributions (employer contributions) that may be paid on the compensation to the Helper and for the reporting of such contributions to the Swedish Tax Agency. At present, the limit for individuals who pay compensation for work is SEK 10 000 (EUR 1000).

Should the compensation one receives as a Helper from a customer/client/advertiser for one year be lower than the current limit in SEK for compensation paid, the Helper is responsible for the payment of any self-employment contributions that may be based on the compensation and for the reporting of the contribution to the Tax Agency.

There is a large risk of undeclared work and tax errors, and the company admits that they have no way of checking that Helpers do not work undeclared.

The company does not prevent the Helpers from simultaneously perform similar work for someone else. The terms of use for the service do not regulate the duration of the relationship between the company and the contractor. Moreover, the company does not dictate either the conditions for when, where and how the service is to be performed and does not decide on the compensation for work performed.

There are **not membership costs** for workers. However, for each completed ad/assignment, a **transaction fee** of 25 percent of the amount is paid to Tiptapp. 75 percent of the payment is sent to the bank account the user has registered within 10 banking days after the advertiser confirms the collection. The Helpers are insured via IF (a Swedish insurance company), however, if something breaks during the transportation, the Helpers need to pay a deductible of SEK 2 500 (EUR 250). As a Helper, it is not permitted to request payment for the performance of assignments in the service, outside the platform or to request a higher compensation for the performance of such assignments, than what is stated in the ad.

Like TaskRunner, Tiptapp too is based on the concept of the gig economy, which means that the Helpers choose when, where and how much to work. The Helpers are paid for each task they perform. There is thus no contract of employment between Tiptapp and the Helper, nor between the Helper and the customer.

In terms of labour rights this means that the Helper does not have a formal employer. It is unclear whom should be responsible of the work environment of the Helpers. The Helper do not receive any paid holidays, possibility for sick-leave and other insurances that will naturally come with an employment. Since they are not employed by the platform company. In addition to this, there is a hard competition for work in the application. Helpers often must compete for the ads, as they tend to be removed from the application quickly.

Regarding the **remuneration policy, there are two CBAs regulating this sector.** These are:

1. Transportavtalet (the Transport Agreement) between the Swedish Transport Worker's Unions and the Swedish Road Transport Employers' Association. The minimum wage for a 'mover' of belongings, with no working experience, in the collective bargaining agreement is SEK 29 163,18/month (EUR 2900) or SEK 166/h (EUR 16) (2022 years wage).
2. Miljöavtalet (the Environment Agreement) between the Swedish Transport Worker's Unions and the Swedish Road Transport Employers' Associ-

ation. The minimum wage for a dustman, with no work experience, in the collective bargaining agreement is SEK 28 670/month (EUR 2800) (2022 years wage).

Since Tiptapp has not signed a CBA, there is no minimum wage for Helpers. The minimum wage is equal to zero.

It is the customer who sets the payment for each conducted assignment/ad. The remuneration for each assignment/ad varies and is between SEK 200-500 (EUR 20-50). Helpers are only paid for each assignment, not the time in between the assignments.

A typical Tiptapp add:

- A bed is to be floated between north and south Stockholm; the payment is SEK 300 (EUR 30). Tiptapp transaction fee is SEK 75 (EUR 7,5).
- Petrol and car wear and tear for 2 miles (Back and forth on distance with empty car) is SEK 37 (EUR 3,7).
- Toll fees (entrance to the city) is SEK 22 (EUR 2,2).
- Remaining money is SEK 134/2 = SEK 67 per person (EUR 6,7).
- If taxed correctly, the remaining money is SEK 47 per person (EUR 4,7)

To ensure that the waste is recycled, the Helper must take a picture when the work is done. To what extent Tiptapp controls this is unclear. Despite this system, several cases have been discovered where Helpers have collected waste and dumped in, other, unsuitable places, such as the forest. There are financial incentives to not always completing the recycling task. A Helper prefers to take on more assignments in a shorter time and thus earn more money.

The application has a **rating function** that allows Helpers and customers to rate each other according to completed tasks (thumb up or down). It is the client that decides the rating and not Tiptapp. For instance, if a Helper interrupts an accepted assignment, its rating may go down. But if the customer accepts the Helpers explanation for this, the rating may not be affected. Few Helpers have so far been suspended from the platform. Only those who have cancelled a large number of assignments can be suspended from the platform. A customer who has interrupted many accepted assignments can likewise also be suspended. Tiptapp does not continuously check how the Helpers carry out the assignments.

There are not specific platform **support services to the client**. Regarding **platform support services to the workers**, Tiptapp does not own, and does not provide with equipment, vehicles or other tools that are required when carrying out the assignments via the platform. It is the Helpers responsibility. The service that Helper provide is the application and the payment service.

Dispute resolution mechanisms are not in place.

Social partners involvement

The company does not apply any CBAs and there have yet not been any efforts by the trade union in the sector to target platform workers working for Tiptapp. The trade union in the sector has instead, from a strategical point of perspective, chosen to focus on determining the employee-employer relationship between workers and umbrella companies, by taking one of the companies to the Swedish Labour Court.

Assessment

In 2018, the **Swedish government instructed the Swedish Work Environment Agency to carry out a pilot project in the form of a supervisory effort with focus on new ways of organising work.** The Swedish Work Environment Authority carried out 48 inspections, including follow-ups, within the framework of the pilot project. A total of 28 companies were included in the project, of which were eight umbrella companies and five platform companies. **As a result of this the agency fined two of the companies for lacking in their work environment responsibilities with respect to their responsibility as an employer.** These two companies were TaskRunner and Tiptapp. In both cases the Swedish Administrative Court ruled in favour of the companies, stating that both companies were not employers and thus also not responsible of the work environment of the Runners.

The inspections carried out had found out that Tiptapp lacked in many ways in terms of work environment responsibility. There were no routines for how to examine the physical, organisational, and social working conditions in the company, or in how to introduce work to new workers.

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Case Study 3: Yepstr

Description of the platform

Yepstr is an on-location platform that provide a matching service between youths (between 15 and 24 years old) and clients. It currently has activities in Sweden, mainly in the three biggest cities, Stockholm, Gothenburg, and Malmö. They describe themselves as a company that helps thousands of young people to get their first job, mainly as a **babysitter, tutor, dog sitter or gardener**. The model is mainly B2C, but it can be considered B2B as the platform states to offer “their youths” to businesses as “extra staff”.

Yepstr started in 2015, aiming to become one of Sweden´s largest employers for young people by 2020. The goal is that 100 million young people have found ‘an extra job’ through Yepstr by 2030. What differentiates Yepstr from other platform companies in Sweden is their willingness to employ their youths. In January 2021 5500 youths were employed by the company and did no longer count as self-employed. The company stated that they were no longer a platform company.

NACE sector(s): (I) FOOD AND BEVERAGE ACTIVITIES (52 Event catering activities), (S) OTHER PERSONAL SERVICES (96 Other personal service activities n.e.c.), (N) SERVICES TO BUILDINGS AND LANDSCAPES ACTIVITIES (Services to buildings and landscape activities) and (Q) SOCIAL WORK ACTIVITIES WITHOUT ACCOMMODATION (88 Child day-care activities).

Type of platform according to the *Don't GIG Up, Never!* classification: 3.

The company's main area of work is babysitting, which make up more than 60 percent of the company´s turnover. A large majority of the workers are thus young women and girls.

Yepstr is financially backed by the international media group Schibsted, with headquarters in Oslo, Norway and is listed on the Oslo Stock Exchange, the Swedish billionaire businessman Dan Sten Olsson, the CEO and majority owner of Stena Sphere, Lars-Hendrik Friis Molin, founder of analysis company Universum that in 2018 was sold to the German media group Axel Springer for half a billion SEK (EUR 50 million) and the Swedish entrepreneur Gunilla von Platen.

Terms of employment and working conditions

The applicable legislation is the Swedish labour law.

In 2020, the Swedish Work Environment Authority criticised the gig industry and demanded that companies take increased responsibility for the work environment of the people who perform the services. As a result, Yepstr decided

to employ their youths and take **full employer responsibility**. The platform pays employer's contributions, taxes, insurance, holiday pay, pension, as well as take full work environment responsibility of the youth.

The form of the employment is **temporary fixed-term** employment. The workers are not prevented from simultaneously perform similar work for other platforms or employer. However, Yepstr receives, through an agreement with the worker, the ownership, and the exclusive right of disposal of all intellectual property rights and other material that the worker produces in the employment and/or during an assignment. The worker shall document and report the material produced by he or she at the end of the assignment, up on request from Yepstr.

The company pays lower employer contributions since they only employ youths. Swedish tax law states that the tax and the demand for pension payment by the employer for youths in Sweden (between 15 and 23 years old), are lower than for the regular work force. Full employer contribution is 31.42 percent of the gross salary and benefit value that the employer pays towards the employer fee system. Yepstr, however, only pay an employer fee of 10.21 percent (for youths between 15 and 18 years old) and 19.37 percent (for youths between 19 and 23 years old). The lower fees apply to compensations up to a maximum of SEK 25 000 (EUR 2500) per calendar month and person. Once the compensation exceeds the maximum lever, the company pays the regular fee, which is 31.42 percent. But as expected for the business model of Yepstr, a salary over SEK 20 000 (EUR 2000) is rare. Another cost relief for the company is the occupational pension. In Sweden, as a worker, one only starts to earn the occupational pension at the age of 22. The employer deposits the equivalent of 4.5 percent of a worker's salary to occupational pension each year, but not for workers under the age of 22.

To register on the platform, one must be between 15 and 24 years old. If the worker is under the age of 18, the parent needs to consent with the work and the registration. It is also necessary to have a Swedish digital ID (BankID in Swedish). Yepstr stress that everyone involved, both the worker and the final client must register with the platform via BankID. The digital-ID is not a national state-owned ID, BankID is owned by a handful of Swedish banks. To obtain a BankID one must have a Swedish Personal Identity Number and be a customer of one of the banks. One can get a BankID if one is under 18 years old, but no younger than 13 years old and need to have the parent's consent. The registration process via BankID makes it almost impossible for people without a Swedish Personal Identity Number to work via the app.

Furthermore, according to the employment contract the worker has the right to refuse any offer of assignments for the principal, i.e., to each offer of employment. The worker is therefore not obliged to work more than what follows from each individual agreed employment. The worker, on the other hand, is not guaranteed a certain employment or employment rate and therefore cannot demand a certain individual employment or employment rate either.

Yepstr has the right to close an account (fire a person) if the workers do not follow the rules such as by not being in time, stealing or threatening people on the app. It generally does not occur.

No membership costs for the workers are in place.

Regarding the **remuneration policy**, there are several CBAs regulating this sector. Most of them belongs to the Swedish Municipal Workers Union (Kommunal, which is the second largest union in Sweden). There are four different CBAs for care takers and with four different employer organisations. The minimum wage differs in all four of them. But the lowest minimum wage for a person without work experience is SEK 20 063/month (EUR 2000) plus holiday pay. This equivaless to approximately SEK 120/hour (EUR 12) plus holiday pay.

Since Yepstr has not signed a CBA, there is no minimum wage for their workers. The minimum wage is equal to zero.

The company offers an hourly wage from SEK 92 /hour. The recommended starting salary is:

- 15 years old – SEK 92/hour (EUR 9)
- 16 years old – SEK 97/hour (EUR 9,5)
- 17 years old - SEK 104/hour (EUR 10)
- 18 years old + - SEK 110/hour (EUR 11)
- Corporate job- SEK 134/hour (EUR 13)

By levelling up on the app, the recommended salary is increased. First by SEK 10 (EUR 1), then another SEK 10 and finally another SEK 10. Therefore, the recommended hourly wage can be higher for some workers:

- 15 years old – SEK 122/hour (EUR 12)
- 16 years old – SEK 127 /hour (EUR 12,5)
- 17 years old – SEK 134/hour (EUR 13)
- 18 years old + - SEK 140 /hour (EUR 14)

All the salaries listed above includes the 12 percent holiday pay and are recommended salaries for the contractor that are using the app. Yepstr pays 12 percent in holiday compensation and the salary is paid five working days after completing a job/task/assignment. It is unclear if Yepstr is paying the worker sick pay.

Rating systems and assessment of workers is in place. Yepstr communication is heavily focused on that the workers require dedication and patience to succeed.

The worker can level up and the hourly wage automatically increases. The ranking system is called levels and there are ten levels on the app. Every worker starts on level one on the app, after they have finished creating a profile. The worker 'level-up' by doing jobs/tasks, receiving good reviews etc. At level 4, 7 and 9 the worker receives a higher recommended salary. The recommended salary is increased by SEK 10/hour (EUR 1) on level 4, 7 and 9. After reaching level 5 the worker can also apply, via the app, for a corporate job.

The workers receive an extra bonus of SEK 250 (EUR 25) if they recruit a new customer to the platform.

Platform services to the client consist in the provision of a liability, accident and property insurance, including:

- Liability insurance – if the worker negligently breaks or destroys something belonging to the client during the assignment of up to SEK 10 million (EUR 1 million).
- Accidents – if the worker were to injure themselves during or on the way to work.
- Property – if the worker brings any property needed to carry out the assignment and it breaks.
- The excess is SEK 1500 (EUR 150) and is paid for the consumer who seek it.

Yepstr prefers that customers use their own 'home insurance' if something would happen during an assignment/task. A Swedish home insurance includes at minimum property protection, travel cover, assault cover, level cover and liability cover.

The company is also handling the administration around a tax reduction called RUT deduction (for cleaning, maintenance, and laundry services only) for the purchaser of the service. RUT deduction is a tax relief for the purchaser, where the purchaser can claim a RUT deduction of 50 percent for the labour costs.

Platform support services to the workers: Yepstr does not own, and does not provide equipment, vehicles or other assets when carrying out the assignments via the platform. Moreover, workers are covered by an accident insurance when the worker is performing an assignment/task, the insurance is also covering the worker to and from work. Workers can also ask for help via a chat function on the website and the application. It is open between 9 am and 4 pm every day except during the weekends.

No **dispute resolution mechanisms** are in place.

Social partners involvement

The company does not apply any CBAs. There have been efforts by the Swedish Municipal Workers Union, Kommunal, to initiate a dialogue regarding a CBA with the company. This was done strategically after the company choose to employ their workers. However, the **efforts were fruitless** and Yepstr has avoided the union. No other union in the sector would be relevant for Yepstr to negotiate with.

Assessment

Yepstr has on occasions described themselves as the 'best gig company in the world'. In a statement from 2021, when the company first decided to employ their workers, the company's CEO Jacob Rudbäck said:

'Yepstr is Sweden's, and probably one of the world's first gig-companies, that are taking the step to employ their gig-workers. Which is a big difference between us and the big American gig-platforms that fight by all means to claim that they are not employers. This is a signal to Uber and all other gig companies. If we can hire our young people, they should also be able to do so.'

There are three reasons for Yepstr's sudden turn and decision to employ their youths:

1. As already mentioned, hiring youths are more cost-effective than hiring adults. There are several cost reliefs for employers who hires youth, such as lower employer contributions and almost no pension payment. The company only pay occupational pension for workers that are 22 and older. It is likely that hiring their youths may have been more cost efficient for the platform than not doing so.
2. Secondly, and as already mentioned, in 2020, the Swedish Work Environment Authority criticised the gig industry and demanded that companies take increased responsibility for the work environment of the people who perform the services. The criticism is a result of the pilot project the **Swedish government instructed the Swedish Work Environment Authority to carry out in 2018**. The project carried out 48 inspections, including follow-ups, within the framework of the pilot project. A total of 28 companies were included in the project, of which eight were umbrella companies and five were platform companies. **As a result of this the authority fined two of the companies for lacking in their work environment responsibilities with respect to their responsibility as an employer**. Yepstr had received heavily criticism too by the authority and was inspected by the authority.
3. Thirdly, the public opinion was very much against the fact that Yepstr did not employ their youths. There was a large dissatisfaction toward the fact that young people, who saw Yepstr as their first job, was going to work under 'typical gig conditions'. The then Swedish Minister of Employment, Eva Nordmark, was also very reluctant toward this and made her point clear in TV, in Sweden's most popular news program, Aktuellt, which she was invited to, to discuss the matter together with Jacob Rudbäck, the CEO of Yepstr. This per say was very unusual in the Swedish context, i.e., having a minister expressing her thoughts about one specific company very clearly.

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