

Report from the meeting between CAB Schmit members and Wolt representatives

Wednesday 24 June 2020, videoconference

Participants:

- Mr Juhani Myykkänen, Wolt, Co-Founder and COO
- Mr Samuel Laurinkari, Wolt, Head of Global Public Policy
- Mr Tomi Luukkainen, Wolt, Senior Legal Counsel
- Ms Ana Carla Pereira, Cabinet Expert, Cabinet of Commissioner **Schmit**
- Mr Fabien Dell, Cabinet Member, Cabinet of Commissioner **Schmit**
- [REDACTED], Policy Officer, DG Employment, Social affairs and Inclusion

Wolt presented its history and business model, referring to its Euro-Finnish origins and sensibilities. They linked their willingness to provide couriers with a social insurance scheme to the strong welfare tradition of Finland. They also linked the fact that Finland was their first market with the challenges they have faced throughout their expansion (Finland is a large land with low-density population and high-labour costs).

This challenged them to fine-tune their logistic strategy and their technology, which is designed to maximize the number of deliveries done within any given time unit in a sparsely populated territory. In addition, Wolt stressed that food-delivery is a peculiar business within the tech industry, as it does not allow to fully enjoy global ‘network effects’ (i.e. the more restaurants you have on your list, the more non-listed restaurants will want to join too) but rather more limited local ‘cluster effects’.

Wolt has in the past raised €158m in funding from investors. With a 15K% absolute growth rate, in 2020 Wolt is the fastest growing tech company in Europe and the second overall (according to the [Financial Times](#)). As of May 2020, Wolt had raised an additional €100m funding round to secure its business ahead of a foreseen Covid-driven downturn. Wolt has data showing they are amongst the best-rated apps in the world, in terms of customer experience. A large number of restaurant orders to Wolt are reportedly “extra sales”, i.e. they would not take place without Wolt. The company works with over 10K restaurants, served by 20K courier partners in 80 cities across 22 countries (15 of which in the EU: HR, CY, CZ, DK, EE, FI, EL, HU, LV, LT, MT, PL, SK, SI and SE). Wolt is the leading food-delivery platform in many European and Asian markets.

Wolt, which wants its couriers to remain classified as self-employed/external contractors, claims that the only type of control exerted over couriers is that of ‘gatekeeping’: they fix a maximum number of couriers per any given market, beyond which hires are blocked. Couriers are paid per delivery completed, not per hour worked.

Wolt just launched a branch in Japan and will start operations in DE in August 2020. DE will be a trial, in that they will operate through courier partners classified as employees. This is to assess the pros and cons of granting less flexibility and yet being able to exert more control over how operations are carried out by couriers. In DK, where they have +2000 couriers and face pressure to classify them as employees, Wolt is in talks with trade unions (including 3F, which already struck a deal with household services platform ‘Hilfr’).

COM stressed that social dialogue between economic actors is essential and mentioned that it is assessing ways of granting platform workers the right to collective bargaining. **Wolt replied it has nothing in principle against platform workers organising themselves for social dialogue purposes.** However, **they do not conceive such forms of social dialogue as completely equal to traditional collective bargaining**, since couriers enjoy much more flexibility than traditional employees. There would thus be a weaker case for negotiating on wages, working hours and other issues.

COM explained that a big conference on platform work was planned for September 2020, in order to gather insights from relevant stakeholders. Due to Covid-19 this will not be possible, but **stakeholders will nonetheless be consulted in alternative ways throughout the year**. COM said it is still premature to know what the EU's initiative to improve the labour conditions of platform workers will entail exactly, nor whether it will be a single action or rather a set of different initiatives.

COM stressed that the philosophy of Cmmsr Schmit is to support platforms' existence, as they produce GDP and foster a much-needed European tech scene. However, it must be said that not all relationships between platforms and platform workers are mutually satisfying, and these need therefore to be examined and acted upon. Furthermore, during the Covid-19 crisis riders and drivers were frontline workers, so Cmmsr Schmit wants to make sure they are acknowledged as such by future policy initiatives.

Wolt currently offers accident insurance to its couriers, but internal legal advice goes against continuing and expanding this policy. The risk foreseen is that of having courts reclassifying Wolt's couriers as employees for the fact of being provided social protection. In light of this, **Wolt wants regulators to provide legal clarity and allow them to provide some form of social protection** without seeing their labour costs skyrocket do to employment status reclassification.

COM asked whether Wolt is considering having a 'concentric' model of employment relationships, with an inner core of couriers who work full time classified as employees, and an outer group of 'student-like' couriers who only work a few hours per week through a self-employed contract.

Wolt replied they are indeed looking into this possibility, the challenge being with the big group of people 'sitting on the fence' between part- and full-time. The issue is where to draw the line and how to deal with those who would by a whisker not be included in the 'employees group', and would likely challenge the decision in court.

Finally, COM asked if they are planning on doing something along the lines of upskilling and re-skilling their couriers, to provide for better opportunities after (and out of) platform work. COM also asked if Wolt is aware that Finnish stakeholders COM has been in touch with have openly spoken against the creation of a third category employment status for platform workers. **Wolt is not doing anything yet on upskilling and re-skilling, but is looking into the issue**, also through informal talks with competitors. **On the third category employment status, Wolt said they are not convinced by this line of thought**, as they find it would add some confusion but also resolve many issues, such as the need to conjugate flexibility and security for couriers and platforms alike.