



THE POLITICAL ECONOMY OF INTEGRATING DIGITAL CHANGE

DISRUPTION, BARGAINING, AND REGULATORY RE-EMBEDDING IN VIENNA'S ON
DEMAND TRANSPORT SECTOR (2014-2024)

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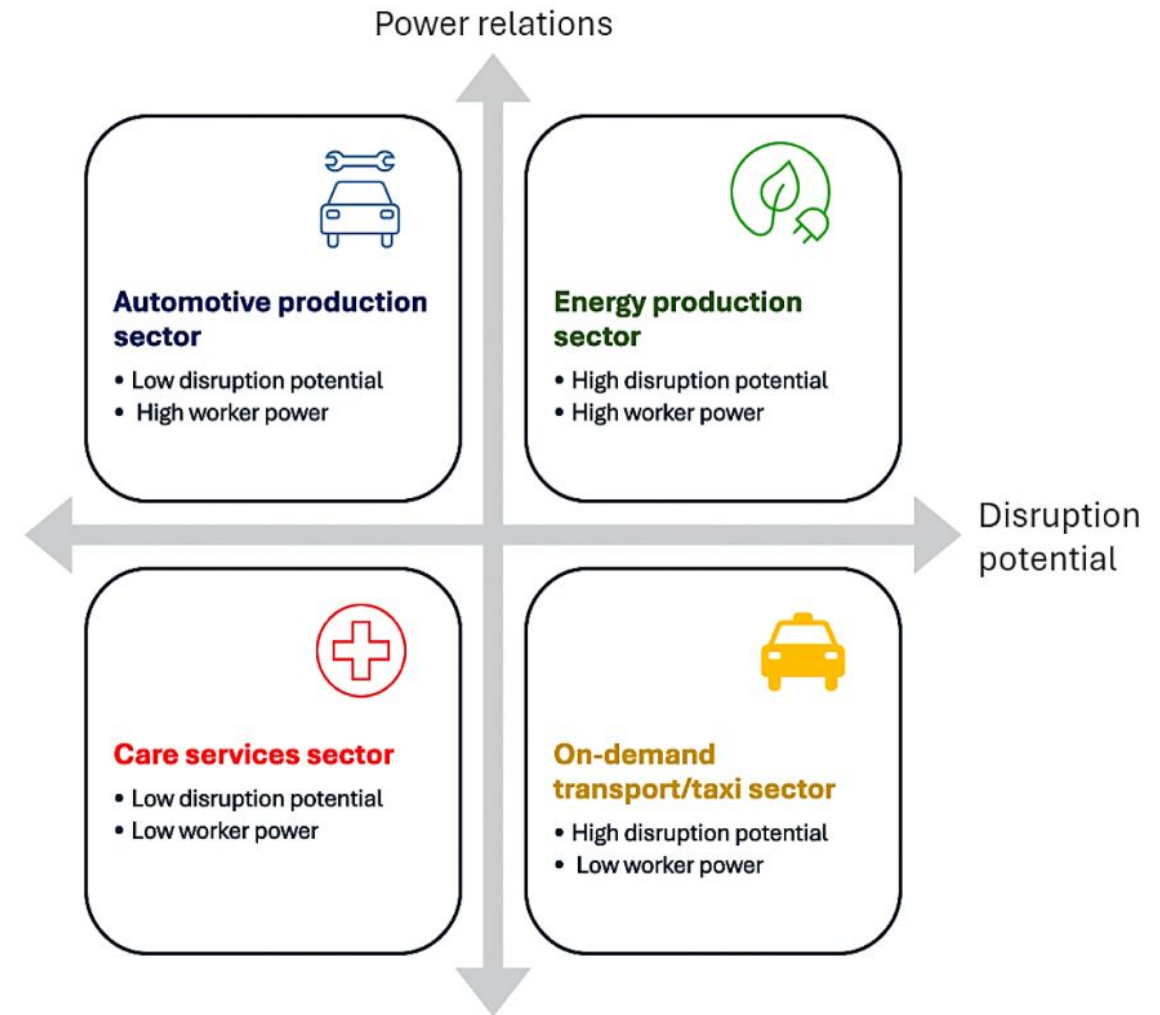
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EUROPEAN CENTRE FOR SOCIAL WELFARE POLICY AND RESEARCH



EGRUiEN

- EGRUiEN explores how **social dialogue** can help manage the impact of **twin transition** in the labor markets and in the production regimes.
- We look at how **workers, employers** and the **state** (as well as other social actors) negotiate the rise of new forms of **non-standard work** to preserve, optimise or build strong institutions of social dialogue capable of achieving socially just outcomes in a period of rapid transformation.
- Industrial sectors **energy and automotive** require profound technological and organizational changes. For example, the transition in fossil-based energy requires management of its phase-out, while the development of renewables demands support for expansion, access to a qualified workforce, and adaptation of representation structures.
- Service sectors **care and platform-based transport** have more unstable forms of employment and weak worker representation, which significantly hinders the ability to negotiate and implement socially just changes.



Platform Work Directive and Taxi Sector in Austria

Why study Austria?

- **Institutional incorporation** of the platforms (case study)
- 2021 reform merged rental cars + taxis under one regime and addressed market regulation with fair competition.
- As of 2026, no outright ban on Uber or laissez-faire deregulation



Further regulations on labor relations, conflict over costs, wages, and profit margins remain open.

- Algorithmic management and data collection in the context of the taxi sector will also be addressed by PWD.



Market regulation to labor regulation?

PWD and Taxi Sector in Austria

1. Employment Status / Presumption of Employment

- If drivers are effectively controlled by platforms, easier reclassification may become possible. Is there a dominant economic dependency via determining remuneration, working hours, client selection, and conduct? Is there performance review other than client or third party?

2. Intermediaries / Subcontracting Chains

- Very relevant in Austria because Uber/Bolt rely on fleet partners similar to some other EU Member States which shield them from their obligations and undermine potential judicial litigation.

3. Algorithmic Management

- Pricing, ratings, dispatching, deactivation, access to work.

4. Transparency Obligations

- Platforms must provide information to authorities and workers, for instance about the data they collect. Enforcement accountability.

5. Collective Rights

- Potential stronger role for unions / worker representatives especially in ADMS; AT already has strong collective bargaining rights for freelancers.

Research Design & Methodology of the Case Study

Research Design

- **Single case study:** Vienna on-demand transport sector (2014–2024)
 - most-likely case of institutional resilience
 - dense corporatist setting with strong regulation
- **Process-tracing** to reconstruct:
 - sequence of events (Uber entry → conflict → reform → stabilization)
 - Potential causal mechanisms of change via power resources

Data & Sources

- Legal and policy documents: legislation (e.g. 2021 reform), court rulings
- Stakeholder public discourses and other materials: WKO, unions (vida), platform communications collected via media archives (OTS)
- Parliamentary records (minutes & transcripts)
- Interviews with 5 key stakeholders which are participant organizations in the process
- Secondary reports and surveys from previous projects

Pre-2014 Overview

Coordinated market economy with strong corporatist institutions

On-demand transport governed by Federal law, the 1996 Occasional Transport Act (GerverkG)

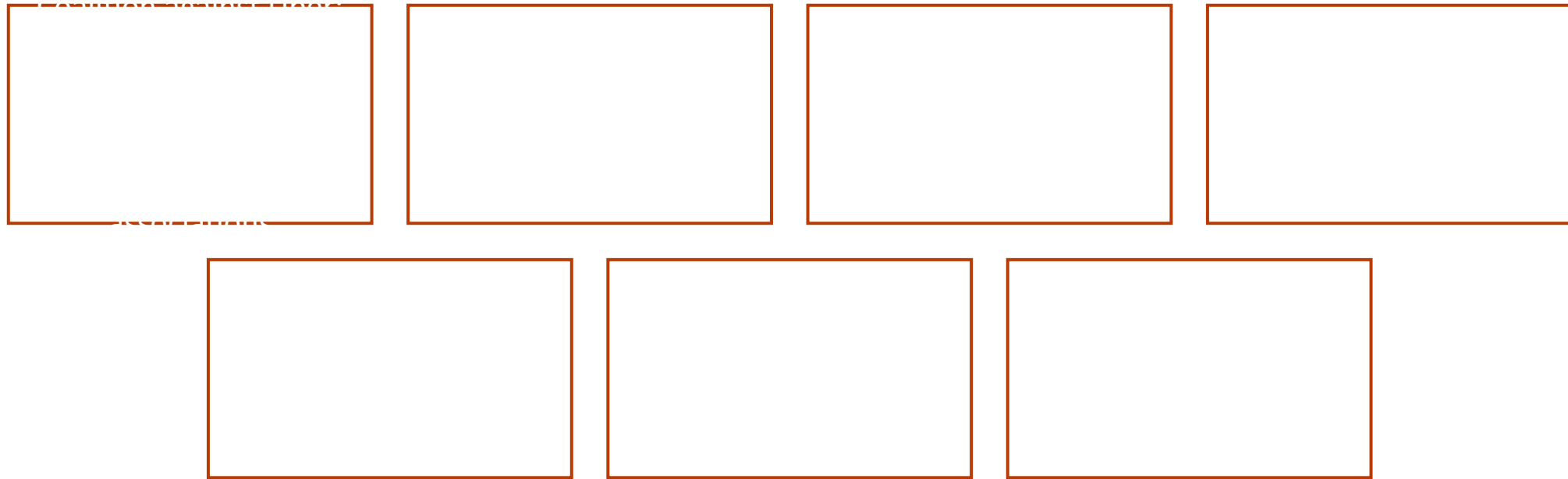
Two segments: taxis (fixed tariffs, street hails) and hire-cars (flexible pricing, return-to-base rule)

Key bodies: WKO (Chamber of Commerce), AK (Chamber of Labour), Limited trade union presence (ÖGB, GPA, vda)

Vienna market dominated by two dispatch centers: Taxi 40100 and Taxi 31300

No quantitative license caps on the number of taxis

Key Stakeholders



Entry of Uber: 2014-2019

- Uber launched in Vienna, February 2014.
- Entered via the hire-car segment, partnering with licensed rental-car firms
- Offered dynamically priced, app-booked rides
- Bypassed taxi tariff and taximeter pricing regulation and driver licensing requirements
- Did not register as an Austrian company until 2019, placing it outside WKO's institutional framework
- Hire-car licences grew from 1,218 (2014) to 2,839 (2019)

Phase 1: Distributive Bargaining (2014–2018)

Framing of the issue:

- By the conventional taxi sector actor coalition → unfair competition
- Uber → innovation / consumer benefit

Legal battles (courts, regulatory challenges)

- Court rulings restrict Uber practices
- Increasing enforcement pressure

Protests by taxi drivers

- Political pressure on city and federal government
- Political recognition of regulatory loophole
- Shift toward legislative solution

This phase is best understood as distributive conflict with zero-sum struggles over market access and regulatory advantage.

The key shift is from conflict *against Uber* to designing rules *for integration*

Phase 2: Integrative Bargaining (2018–2021)

1. Shared Problem Recognition

- Regulatory dualism unsustainable; Market fragmentation harming all actors

2. Mutual Constraints

- Uber could not operate fully outside regulation; Taxi sector could not eliminate platforms

3. State as Mediator

- Government actively facilitated compromise ;Corporatist institutions enabled coordination

4. Convergence of Interests

- Taxi sector → level playing field
- Platforms → legal certainty
- State → enforceable regulation

There was a shift **from litigation to legislative reform** with coordinated involvement of WKO, unions, policymakers and acceptance of Uber's continued presence.

Legislative Reform as Bargained Outcome

1. Abolition of the Dual System (Taxi vs Mietwagen)

The distinction between *Taxi (regulated, tariffs, no return obligation)* vs. *Mietwagen (less regulated, return-to-base rule)* was eliminated at federal level. With the merger, return to base rule was also removed.

2. Creation of a Unified Licence

Introduction of “*Personenbeförderungsgewerbe mit PKW (Taxi)*”. All operators (including Uber drivers via fleet partners) must hold the same licence meet the same requirements. Formal equalization of market access conditions.

3. Tariff Reform and Minimum Prices

Binding minimum tariffs with floor pricing which, in principle, could not be undercut by Uber

- later amendment of the reform changed this

4. Qualification Requirements Extended

Mandatory local knowledge, driving exams, professional certification

Phase 3: Post reform, re-emergence of conflicts(2021–2024)

(1) Shift to Enforcement Problems

Compliance with tariffs, monitoring of working hours, control over fleet partners

(2) Uber continues to operate via fleet partners / subcontractors

Drivers are rarely directly employed by platforms even though some are highly economically dependent on the platforms and work exclusively via the app.

(3) Labor Conditions Remain Largely Unchanged

Long hours, income instability, dependence on algorithmic allocation, Platforms adapt business models within regulation but maintain algorithmic control, customer interface dominance

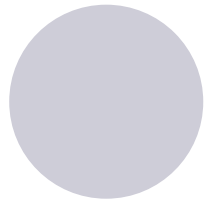
(4) Tariff Adjustments and Debates

The political concession to Uber concerning tariff flexibility, price bands, and dynamic pricing pressures. Despite regulation, partial liberalisation pressures in the context of tariffs.

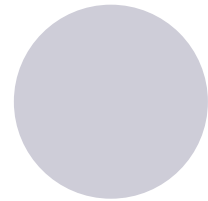
Vienna Price band

- **2021:** Tariff introduced the $\pm 20\%$ band for pre-booked rides and established a one-year social partner observation phase
- **2022:** city-commissioned evaluation (Kummer et al.) found the band narrowed the price gap and raised former hire-car driver earnings, but identified a "race to the bottom" dynamic
- **May 2023:** second tariff adjustment social partners negotiated a 15.2% fare increase citing inflation and fuel costs
- Core tension unresolved: platforms use the lower bound to undercut traditional operators; Driver protests (2021, 2025) signal dissatisfaction in at least some portion of Taxi sector

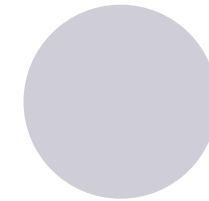
Driver Survey Evidence



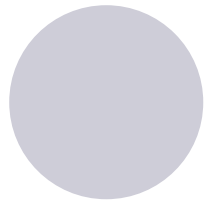
"Driver Survey" project, online survey of platform and traditional taxi drivers, September 2023–January 2024



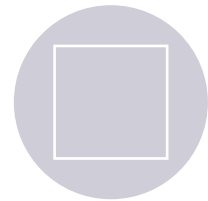
91% of drivers believe platforms push fares down



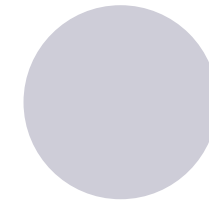
Only 25% view platforms as beneficial to their work (vs. 44% for radio dispatch centres)



96% of Vienna drivers cite the tariff level as a significant challenge, linking it to the $\pm 20\%$ price band and referral fees



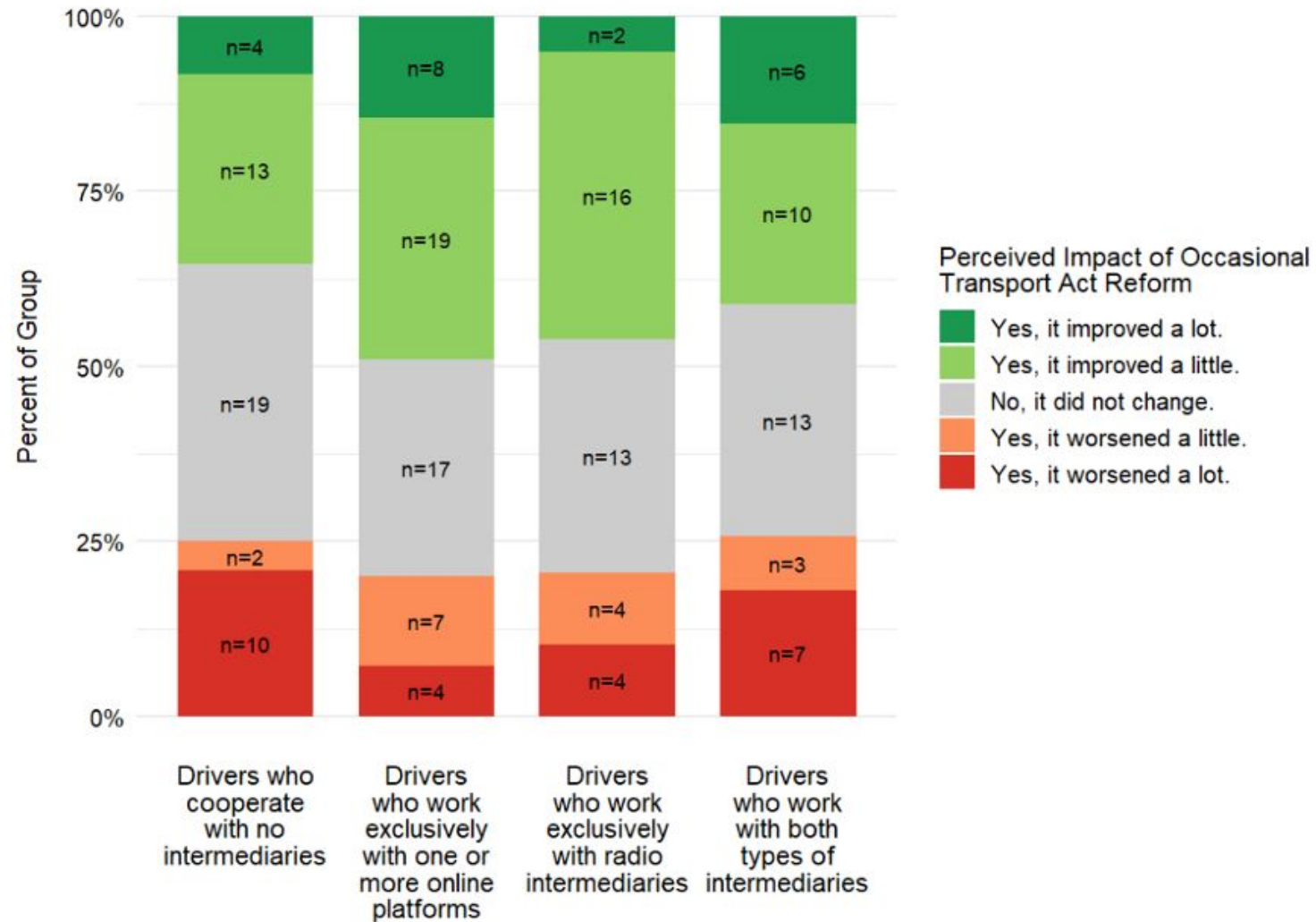
Most drivers value the autonomy and flexibility of the work, but only 37% are satisfied with working conditions.



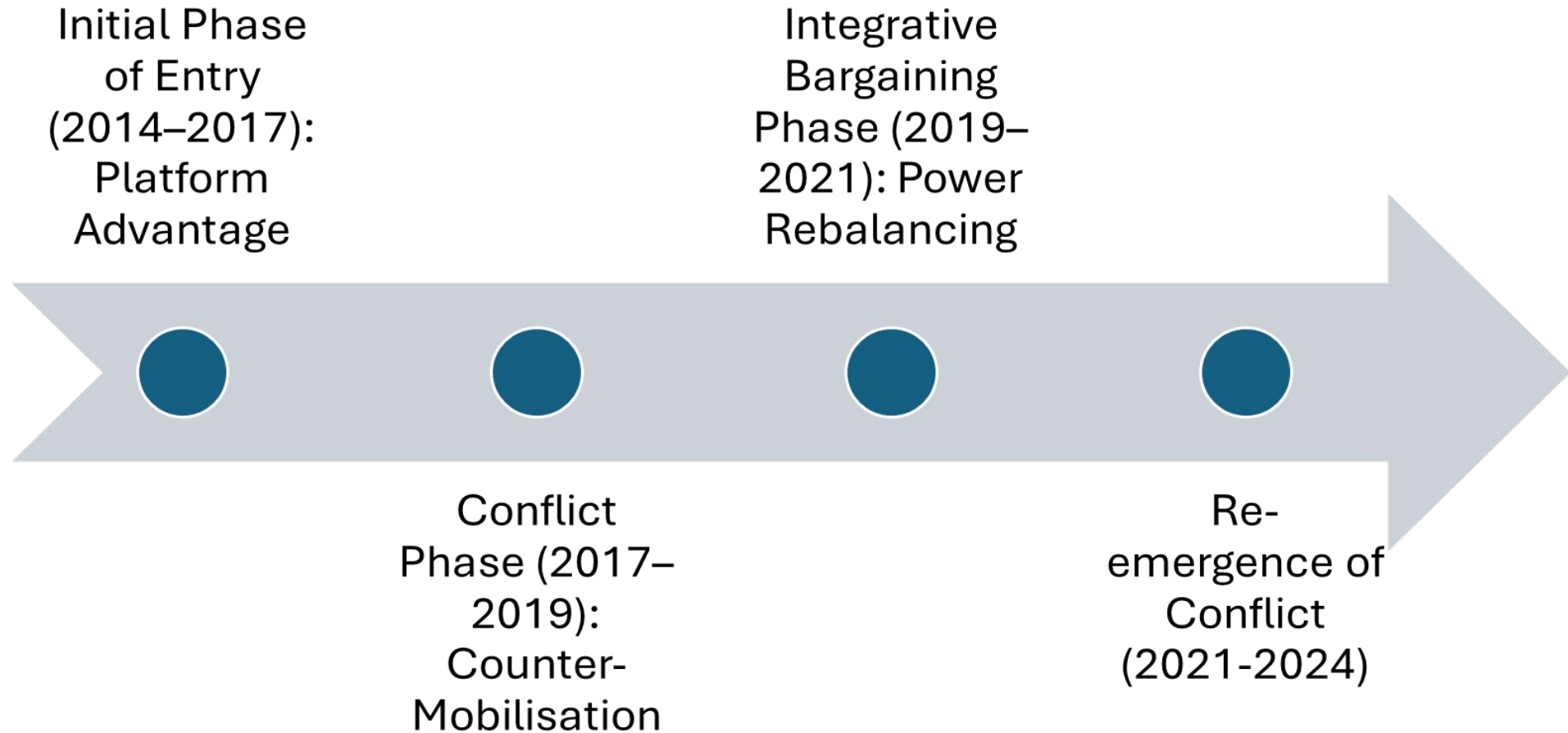
Across all driver groups, the largest share reported no change or only slight improvement to their personal situation linked to the reform

Geyer, L., Prinz, N., & Bilitza, N. (2024). Driver Survey - Working conditions and collective action in the platform-mediated, ride-hailing sector and beyond. Vienna: European Centre for Social Welfare Policy and Research.

Driver Survey Evidence



Power Resources Analysis



Power Resources Analysis

Actor	Structural Power	Institutional Power	Associational Power	Discursive Power
Taxi sector employers (WKO, conventional taxi firms)	Strong (market incumbency, infrastructure)	Very strong (embedded in corporatist system)	Strong (chambers, coordinated representation)	Strong (“fair competition”, rule-breaking)
Unions (mainly, vda)	Weak–moderate (fragmented workforce)	Strong (institutionalized role)	Moderate (limited driver organization and low membership)	Moderate (“social dumping”)
Platforms (Uber, Bolt)	Strong (capital, scalability, demand)	Weak initially (outside regulation) → increasing	Weak (no collective organization)	Strong (“innovation”, “consumer benefit”)
Drivers (employed drivers and platform workers)	Weak (replaceable, fragmented, migrant workforce)	Very weak	Weak	Weak–moderate (visible precariousness)
State (federal/Vienna)	Strong (regulatory authority)	Very strong	—	Strong (fairness & regulation)

Platform Directive

- AK and OGB support the directive but criticized concessions, and call for robust national transposition
- No public statement from WKO or its taxi branch on the passage of the Platform Work Directive was identified.

Pfeiffer, F. (2024). EU-Richtlinie zur Plattformarbeit: Entscheidender Durchbruch oder fauler Kompromiss? *Infobrief EU & International*, 3/24, S. 11–17. Vienna: Arbeiterkammer Wien. Retrieved from https://wien.arbeiterkammer.at/interessenvertretung/eu/infobrief/IB24_3_Artikel02_EU-Richtlinie-zur-Plattformarbeit.html

Österreichischer Gewerkschaftsbund [ÖGB]. (2024, October 14). *Endlich besserer Schutz für Plattformarbeiter:innen in der EU: Entscheidender Erfolg im Kampf gegen Scheinselbständigkeit*. Vienna: Österreichischer Gewerkschaftsbund. Retrieved from <https://www.oegb.at/themen/gewerkschaften-weltweit/internationales/endlich-besserer-schutz-fuer-plattformarbeiter-innen-in-der-eu->

Wirtschaftskammer Österreich [WKÖ], Abteilung für Sozialpolitik und Gesundheit. (2024, October 29). *SPIK – Sozialpolitik informativ & kurz*. Vienna: Wirtschaftskammer Österreich. Retrieved from <https://www.wko.at/oe/news/2024-10-29-spik>

Platform Directive

- EU Platform Work Directive must be transposed into national law by December 2026
- SPÖ labour minister committed in April 2025 to transposing "as quickly as possible," citing mass dismissals of platform food delivery workers as grounds for urgency
- A separate 2025 reform passed in response to Lieferando layoffs gave dependent freelancers the right to be covered by collective agreements.
- A Green Party motion for swift implementation March 2025, was postponed four times

Bundesministerium für Arbeit, Soziales, Gesundheit, Pflege und Konsumentenschutz [BMASGPK]. (2025, April 1). *Arbeitsministerin Schumann: Schutz vor prekärer Beschäftigung rasch und effektiv umsetzen* [Press release, OTS0106]. Vienna: APA-OTS. Retrieved from https://www.ots.at/presseaussendung/OTS_20250401_OTS0106/arbeitsministerin-schumann-schutz-vor-prekaerer-beschaeftigung-rasch-und-effektiv-umsetzen

Conclusion

Issue	Austria after the 2021 reform	Likely PWD influence
Market regulation	Strong after the reform with the merger	Limited additional effect expected
Wage/earnings and tariffs		
Driver status	Mixed via fleet partners	More scrutiny for presumed employee status
Subcontracting chains	Central business model in Austria	Major issue regarding employment status and a key area of interest in the PWD
Algorithmic control	Underregulated	Strong new focus
Worker representation	Weak/fragmented, most drivers are not employees and union members	Potential for strengthening –especially for the self-employed, collective bargaining rights?
Enforcement	Split responsibilities	Need clearer accountability



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