

Policy project summary: Platform work – Eastern Europe

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Definition

Platform work refers to the arrangement where individuals find paid work opportunities through online platforms or apps that use algorithms to match them with available tasks or jobs. In this process three parties are involved - the client demanding work, the platform which manages the algorithm and the person providing work through the platform.

Type of employment

Platform work is mostly based on the performance of individual tasks, rather than continuous employment; this results in a “gig” or “freelance economy” which involves people working on a temporary, flexible basis and often for multiple clients at once. They are then paid for the work that was done, not the hours they put in. The tasks are typically smaller compared to those of a full-time employee (Platform worker only needs to deliver food while a full-time delivery driver for a restaurant might be responsible for delivering food orders, managing delivery schedules, coordinating with the kitchen staff and providing customer service). Larger tasks are usually divided into smaller subtasks that are completed by people more specialized in their field - delegation is very common.

Platforms

There are hundreds of platforms in Europe alone. The most common are delivery and transport, but others, such as business services, are on the rise. While white-collar workers are using the benefits of platform work to set up their own businesses, blue-collar and delivery workers use platforms to find better job opportunities. Examples: Upwork, Fiverr, Glovo, Uber, Bolt

Demography

Transport was the most dominating sector in platform work as well as accommodation with food-related services. On the other hand, collaborative finance (peer-to-peer lending or crowdfunding) and professional services (IT services and accounting) are the least frequent.

A study by ILO (2020) gathered data regarding the share of individuals who offered services via online platforms in 2018. According to the data, Latvia has the highest amount, 17%. On the other side, some countries lack people working on the platforms - on average, it was mostly moving between 6-8 %; in Czechia, it was only 5%. This implies that spreading more awareness about platform work might be appropriate. Workers on platforms would mostly benefit from the additional income, especially if they are in a working position that is not fulfilling their income needs or an unexpected situation occurs (car or house repair, health expenditures). Unemployed people would benefit even more, as they are losing their income while being signed up to the labour office. The economy would benefit mainly from higher GDP growth due to the possible rise of these services. Platforms would be even more valuable for employers, as they could hire a worker for a one-time job instead of hiring them for a monthly salary.

According to ETUI (2019), which looked into Bulgaria, Hungary, Latvia, Poland and Slovakia, working on platforms was more common for men. It was also frequent among people with secondary and tertiary education. Platform workers do not differ much from other respondents (meaning people who have never offered any services on platforms) regarding their labour market participation. However, platform workers were more likely to be temporarily absent (due to illness, parental or other leave) from work. This absence might

lower their main income therefore, platform work might work for them as compensation. Platform workers were also more likely to be in education or training, also they were less likely to receive pensions.

Spreading more awareness about platform work might be appropriate

Our Policy

Context

There are some important issues to tackle while discussing platform work in Eastern Europe. One of them is the employers being uninformed about them and their pros. A lot of the companies would benefit from delegating some of their work to platform workers instead of hiring people for full-time jobs. Another issue is unemployed people looking for a job while they could be utilizing their skills in the “gig economy”.

Recognizing the growing potential of platform work in our economy and the importance of efficient job matching for both workers and employers, this policy proposes a connection between digital platforms and Labour Offices.

Objectives

The main objective is to improve the job-matching process and facilitate smoother communication since it is crucial for companies to connect with qualified workers. It would be necessary to integrate these listings from all of the platforms into the individual labour office websites. This would result in increased productivity. By using technology and sharing data, this policy makes the job market easier to navigate, ensures transparency, and enables better matching of available work opportunities with skilled workers. Secondly, ensure that all the jobs offered on platforms are also listed with the Labour Office in each state. There are already some listings from these platforms for transport or food services (Bolt, Wolt, Foodora) on the EURES website; however, none relate to online jobs - such as accounting, IT, programming, art, etc...

European policy

2021/0414(COD) - Improving working conditions of persons working through digital labour platforms