MAPPING PLATFORM ECONOMY

Inga Sabanova - FES Future of Work
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FES Future of Work initiated a research project – **Mapping Platform Economy** in June, 2021

Aim: to capture the existing platform economy landscape, e.g., employment status of platform workers, information on platform companies, collective agreements and legal cases across EU countries.

Methodology: secondary data available at the national level (academic studies, policy reports, grey literature, national statistics etc).

4 Pillars:

1. The regulatory landscape of the platform economy at national level
2. Socio-demographic available data on platform workers and quantitative data on online platforms;
3. Collective bargaining and other initiatives to protect platform workers; and
4. Court cases.

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Robert Walasinski	Austrian Trade Union Federation (ÖGB)	Austria
Dr. Delia Badoi	Research Institute for Quality of Life, the Romanian Academy of Science	Belgium
Atanaska Todorova	Institute for Socials and Trade Unions Researches	Bulgaria
Jelena Ostojić	Faculty of Humanities and Social Sciences, University of Zagreb	Croatia
Dr. Jan Drahokoupil	European Trade Union Institute (ETUI)	Czechia
Dr. Anna Ilsøe	Employment Relations Research Centre (FAOS), University of Copenhagen	Denmark
Dr. Kaire Holts	Tallinn University of Technology	Estonia
Maija Mattila	Independent Consultant	Finland
Dr. Odile Chagny	The Institute for Economic and Social Research (IRES)	France
Vakhtang Natsvlishvili	Georgia Fair Labour Platform	Georgia
Prof. Dr. Philipp Staab	The Einstein Center Digital Future (ECDF)/ Humboldt University of Berlin	Germany
Leonard Haas	AlgorithmWatch/Humboldt University of Berlin	Germany
Dr Maria Mexi	Graduate Institute-Geneva (IHEID)	Greece
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Dr. Raita Karnīte	Economic prognosis Centre (EPC)	Latvia
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Graham Sansone	Union of Professional Educators (UPE)	Malta
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Tea Jarc	Sindikat Mladi plus/The Association of Free Trade Unions of Slovenia (ZSSS)	Slovenia
Felipe Diez Prat	Unión General de Trabajadoras y Trabajadores (UGT)	Spain
German Bender	Arena Idé/Stockholm School of Economics	Sweden
George Sandul	Labor Initiatives	Ukraine

Projects output/ results

Between October, 2021 and January, 2022, the data was collected for 30 countries:

22 EU member states: Austria, Belgium, Bulgaria, Czechia, Croatia, Denmark, Estonia, Finland, France, Germany, Greece, Latvia, Lithuania, Malta, Italy, Poland, Portugal, Romania, Slovakia, Sweden, Slovenia, Spain

8 countries outside the EU: Moldova, Norway, Ukraine, Russia, Armenia, Georgia, Serbia and the US.

- Six interactive maps with yes/no answers
- 30 country factsheets
- Project report

June, 2022

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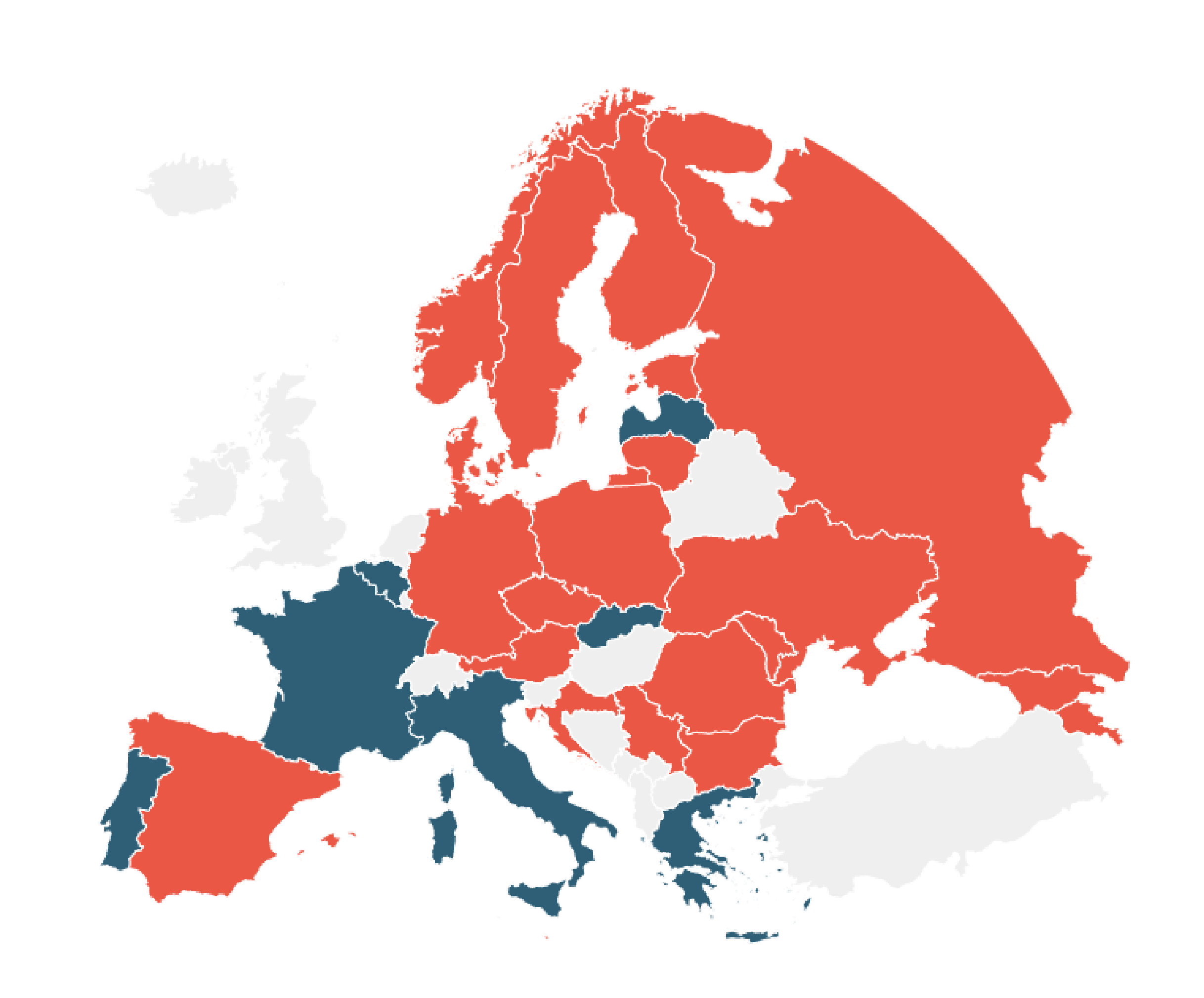
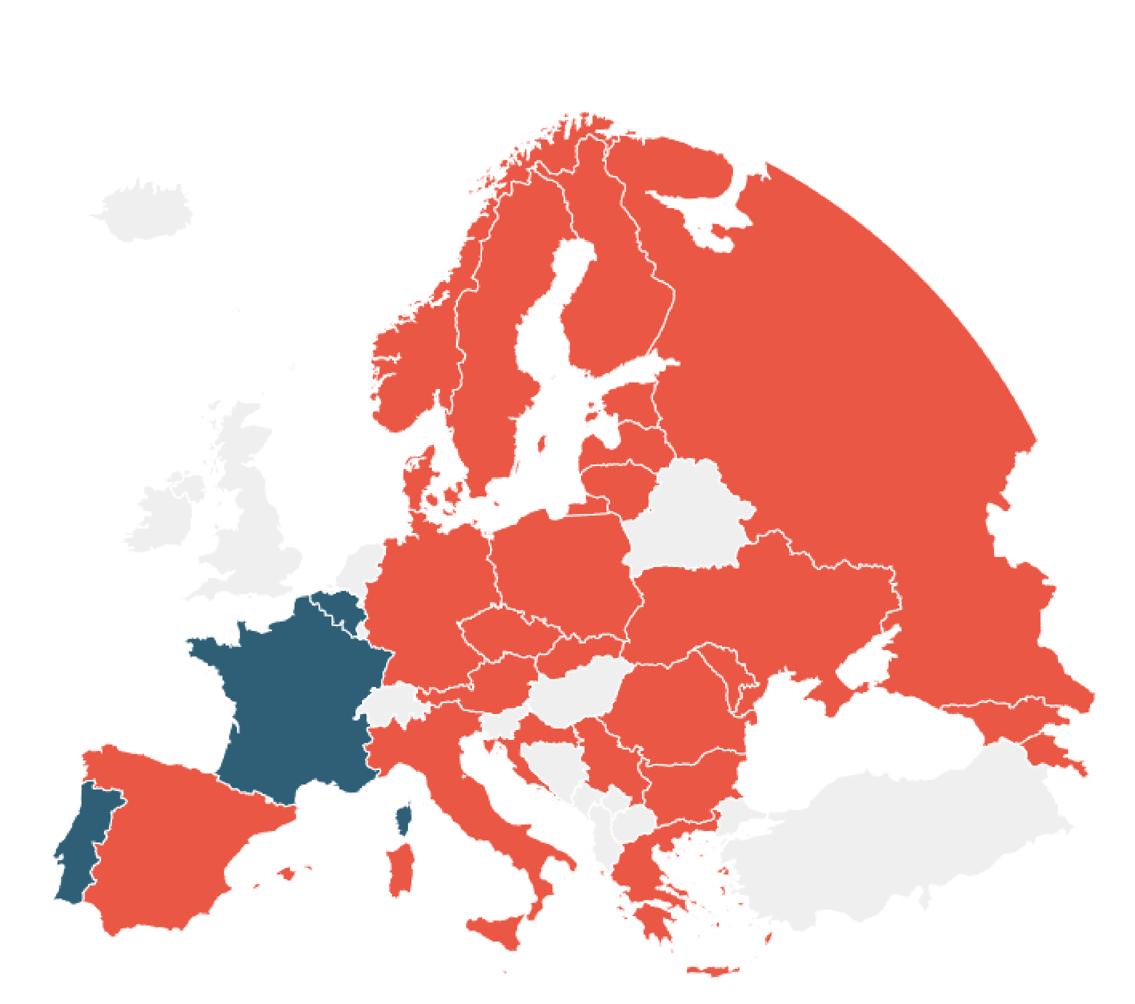
Interactive map 1: Definition of online/digital labour platforms



Online platforms operate under an unclear legal framework, which is subject to minimum standards established at the national level. Existing national laws and regulations are in need of revision and update. The source of defining platform companies can be linked to different legal domains, such as competition law, corporate income tax and/or labour relationship between the platform and the worker. However, only a few European countries have made an attempt to introduce a regulatory framework for online platforms, addressing specific needs of the provision of services or relating to the working conditions of people working though platforms.

Interactive map 2: National Registries



The lack of national registries represents a major challenge in evidence-informed policy-making, as little is known about the number of platform companies, their turnover as well as the number of people being employed through these platforms. Furthermore, national authorities in most EU Member States such as labour inspectorates, social protection institutions and tax authorities are often not aware of the heterogeneity of online platforms' business models.
The following map shows in which countries official registers of platform companies already exist at the national level.

Country Factsheets

Online Platforms and Platform Work
Romania

- ✗ Legally binding definition of online platforms
- ✗ Specific register of online platforms
- ✓ Specific regulation applicable to online platforms
- ✗ Online platforms are considered to be employers

Emergency Ordinance no. 49/2019 on alternative transport activities with car and driver was adopted by the Romanian government in 2020. The legislation is intended to regulate the national and international sector of ridesharing platforms and platforms relating to alternative transport activities. **This law was adopted to prevent tax evasion by ridesharing-related activities.** Income of online platforms registered in Romania is taxed under the Romanian Fiscal Code 227/2015.

55.8%

55.8% of platform workers in Romania only work around 10 hours per week.

Romania has one of the lowest number of workers employed via online platforms in the EU. The percentage of foreign-born platform workers in Romania is also very low compared to other European countries.

5,000 active couriers

33 cities

4,088 active couriers

13 cities

Transport services and food delivery are the most popular platform sectors in Romania and they are growing. The market is dominated by international platforms.

Glovo Romania has 5,000 active couriers in 33 cities, followed by **Uber Romania** with 4,088 drivers in 13 cities.

Five food delivery platforms - Hipmenu, Caserola.ro, Tazz, Bee fast, ChopChop - and one transport platform – Star Taxi - operate only in Romania.

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Internet connectivity is the key challenge to the expansion of the digital platform labour economy. **Compared to other EU countries, the percentage of the population using the Internet is significantly smaller in Romania.** Most Internet users – and therefore platform workers – are concentrated in cities rather than rural areas.

As a result of the COVID-19 pandemic, work via online platforms has expanded in Romania. Even if platform work is associated with low income and a lack of a stable career over time, for many workers, online platforms have become a new source of income.

In the public sphere, the platform economy is being discussed as a new phenomenon. The media discourse has largely focused on promoting a positive image of the platform economy. In many cases, platform work in Romania is overestimated in terms of how much it fosters flexibility and autonomy compared to standard employment. **The discourse largely tends to neglect crucial topics relating to social protection, collective bargaining or working conditions of platform workers.**

There is no collective agreement relating to platform work in Romania.

In **2020**, a group of couriers from Glovo organised a spontaneous action against the CEO of Glovo Romania, demanding inter alia transparency of information concerning the digital application and how the score of excellence functions, fair payment according to weather algorithms, waiting time and flexibility in choosing working hours as well as fair access to information from the assistance provided by Glovo Romania.

FES Competence Centre on the Future of Work – May, 2022
Background research conducted by Dr. Delia Badoi (Romanian Academy of Science)
Graphic Design: Galadriel GV

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Three emerging trends

The COVID 19 crisis has accelerated the digitalisation of work and increased the need for labour supply for people working via platforms. Platform work has become an opportunity to "replace" unemployment.

Some countries that saw major waves of unemployment in past economic crises, for example Spain, Greece and Portugal, witnessed a rollout of the platform economy before the COVID-19 pandemic.

“Platformisation" of the transport and food delivery sector is far from being unique. It is indeed more advanced than in other sectors. Other sectors, however, such as care, cleaning and domestic work as well as routine office tasks have been increasingly moving to platforms by providing more agile and automated processes compared to traditional placement agencies.

Platform Companies

The ecosystem is dynamic, as many platform companies emerge as start-ups, then expand, get taken over by other companies or change their physical location by moving their headquarters to another country.

Foodora, which operates in Norway, Sweden and Finland, was founded in Germany, but has its headquarters in Berlin. In 2015 the company was acquired by Delivery Hero.

Similarly, Spanish Glovo was acquired by Delivery Hero in 2020. At the same time, Delivery Hero, which was founded in Germany in 2010, was recently acquired by a Dutch-based company, Just Eat Takeaway.

Another food delivery platform, BOLT Food, has emerged from an Estonian ride-hailing platform, BOLT. The analogy can be drawn to UBER and UBER Eats.

This compares with a Ukrainian food delivery company, Racketa, that rebranded itself, adopting an English name – Rocket – in 2020. The platform moved its headquarters to Amsterdam and before 2022, it operated in the Netherlands, Cyprus, Greece, France, Portugal, Spain and Hungary. The company stopped its services in the early 2022.

Platform Companies

- Operate across boarders without formal registration and specific tax obligations

- Little is known even about big multinational/international companies themselves, however, except the limited information available on the private-company data Crunchbase website, company reports and blogs

National registries are required

Platform Work

The tasks performed through platforms is not new (e.g. the scale of tasks, the format of service provision, the level of skills required, the process by which the client is matched to the worker (offer of work versus competition) and the party that is in charge of assigning the work)

forms of subordination both physical and digital that as a result contributes further to the deregulation of the employment and labour relationship

- intermediate companies mirrors the development observed in other standard precarious low-paid jobs across different sectors in Europe
- the use of algorithmic management creates a totally new field for contestation

cross-platform comparisons and evaluations are required

Platform Workers

- the complexities of platform work as a highly gendered and racialised field
- "without migrant labour, there would be no gig economy as we know it" (Altenried, 2021: 3).
- In the Nordic and other Western European countries such as Austria, Germany, Spain, France, Italy or Ireland, platform work, especially in the food delivery sector, is often performed by migrants. For example, the share of migrants working for platforms amounts to nearly 50% in Ireland, 36% in Finland and 26% in Sweden.
- The issue of migration in relation to platform work is inevitably linked to debates over migrant integration into host societies. Because many migrants have difficulties in finding permanent jobs in the labour market, so they are inevitably drawn to atypical form of employment, such as platform work, which offers easy access to earnings with limited command of the language of the host country.
- Even if many workers look at platform work as a temporary opportunity, in many cases it becomes a long-term solution. A large proportion of riders and couriers, for example, work full-time and they are dependent on platforms for their income. At the same time, evidence from different qualitative studies suggests that migrant workers earn less than their native colleagues and are employed with temporary contracts characterised by instability and low payment.

Platform Workers

- women’s participation in platform work has been increasing since the early 2000s, with significantly more growth among women than men
- women are usually involved in doing on-location jobs that require physical work, especially in such low-skilled sectors as cleaning or caregiving platforms
- unequal pay between women and men
- gender plays an important part in social dialogue, although women also remain underrepresented in the trade union movement.

Thank you!

For more information about the project

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