

Potential of platform work may depend on greater protection of workers



The rise of platform work across the European Union can facilitate better access to the labour market for disadvantaged groups, encourage participation among those with other responsibilities and foster self-employment and entrepreneurship. However, there are growing concerns relating to platform workers' social protection, working time and health and safety standards, with the work itself often characterised by low income, low-skilled work, and individual small-scale tasks. Eurofound's new policy brief highlights the main opportunities and challenges of specific types of platform work and illustrates some of the first attempts at addressing them in the EU.

Platform work – the matching of supply and demand of paid labour through online platforms – emerged on the European labour market about a decade ago. While still small in scale, it is growing and evolving into a variety of forms, as a result of an increasing heterogeneity within platform work. Platform work can be a good source of (additional) income. In some forms of platform work – such as location-based platform work – remuneration compares favourably to the traditional economy. It also has the potential to legalise undeclared work as the data collection associated with online platforms can make work more transparent.

Different types of platform work also have significantly different implications for the employment and working conditions of affiliated workers with the most discussed employment-related topic regarding platform work focused on the potential misclassification of platform workers as self-employed. This discussion should reflect the nuance of what is a broad categorisation of modern work. Some types of platform work resemble a market-based business model, with considerable autonomy of the worker who often uses it as a strategic tool to foster their self-employment. But other types of platform work apply a business model that resembles more a hierarchy, that is not only matching supply of and demand for paid work but also managing it. In that case there is a higher potential of workers being misclassified if they are considered self-employed.

The employment status of platform workers is important as it is decisive for their rights and entitlements, including social protection and representation. On the assumption that platform work will further grow, and a higher share of workers are doing it as a main job in the future, solutions need to be found to ensure fair treatment and protection of platform workers.

The low-skilled, small tasks mediated through platforms have good potential to contribute to labour market integration and legalising undeclared work. However, potential side effects like this resulting in labour market segmentation or deskilling need to be explored before platform work can be strategically used as a labour market tool.

Additional resources: