

Task 7.3

New forms of work and workers' demand for security and stability

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1. Task description

Digital technologies contribute to the growth of new forms of work such as platform jobs and gig economy, which are often performed by workers who lack safety nets that cover traditional jobs. We will study which welfare state provisions and which facets of social security are most valued by these workers. To this aim, we will conduct stated-preference (willingness-to-pay) field experiments in four countries with different institutional settings – Poland, Italy, Germany, Belgium – to understand which provisions are the most valued but not available currently.

2. Background / Setting

The rise of digital technologies has brought about new forms of employment, such as platform jobs and the gig economy. Unlike traditional full-time employment, platform work offers greater flexibility in working hours, but often lacks the safety nets that cover traditional jobs. There is an ongoing debate about how platform work should be regulated and whether platform workers should receive more social protection. The lack of social protection for platform workers has been a cause for concern among policymakers, as it can lead to financial insecurity, lack of access to health care, and other social benefits. At the same time, some argue that the flexibility of platform work is a benefit that workers value.

3. State-of-the-art

Digital labour platforms constitute a specific form of atypical work as they assign to individuals specific tasks ordered by clients. The most popular examples are rapidly growing ride-hailing and delivery platforms (such as Uber or Deliveroo). Platform workers who provide their on-demand services through apps often have non-standard forms of employment or are classified as independent contractors (Urzi et al., 2020). Usually, their working conditions differ from those in open-ended, full-time employment (De Stefano, 2015). First, platform workers are classified as independent contractors rather than employees. This means

that most institutions of labour protection (social insurance, 40-hour workweek, minimum wages, and right to organise), are not available to them (Mandl et al., 2015). Second, platform work is often characterised by irregular and unpredictable income, which might cause financial strains, especially for those who rely solely on platform work (Berg, 2016). Third, although platform workers are most often considered independent contractors, they usually have little control over their working conditions, such as their pay rates (Wood et al., 2018). Although platform work is not widespread yet (about 5% of employment in countries with available data (Piasna et al., 2022), the risks of the platform-mediated shift from traditional employment status towards (often bogus) self-employment are large. A growing body of research stresses the prevalence of the aforementioned problems and calls for the need to regulate platform work (Altenried, 2021; Dunn, 2020; Scholz, 2016; van Doorn et al., 2022). However, there are several challenges associated with regulating platform work: lack of clarity of the legal status of platform workers (Piasna et al., 2022), difficulty in establishing a level playing field, as platform companies are subject to different rules and regulations in different countries (Mazur & Serafin, 2022), and the need for balancing flexibility (for which many choose platform work) and social protection. Piasna and Drahoukoupil (Piasna & Drahoukoupil, 2021) found that most workers preferred employee status to self-employment, but their preferences for working hour flexibility were heterogeneous and depended highly on their economic attachment to the platform. Therefore, the benefits of the flexibility of platform work are not evenly spread (Forde et al., 2017)

4. Advancement compared to the state of the art

We will provide one of the first studies assessing which welfare state provisions and which facets of social security are most valued by platform workers. Our research will take a European perspective, providing findings for all EU member states. We will compare findings between different states and assess the country-specific role of the institutional setting, labour market policies, and cultural norms and values.

5. Research to be done

To this aim, we will conduct stated-preference (willingness-to-pay) field experiments in four countries with different institutional settings – Poland, Italy, Germany, and Belgium – to understand which provisions are the most valued but not available currently. We will recruit platform workers working for online and geographically-tethered platforms. Then, we will present to participants a series of realistic job offers. They will vary regarding job amenities such as a type of contract, access to social security benefits,

working time flexibility, and wages. Participants will be asked to select between competing offers which will allow estimation of their preferences. We will also explore the role of demographic characteristics of workers, such as education, age or migration background.

6. Methodology

- Discrete choice experiments are widely used in economics for measuring individuals' preferences regarding work
- We will use regression analysis to identify the willingness-to-pay of workers.
- We will take into account heterogeneity by various subgroups of platform workers.

7. Data sources

Self-gathered data

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