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13. PLATFORM EMPLOYMENT: FEATURES AND KEY CHALLENGES

Liakh Y.V., Master's degree student, group 376541

Belarusian State University of Informatics and Radioelectronics, Minsk, Republic of Belarus

Pristupa N.N. – Candidate of Philology, Associate Professor

Annotation. This article describes a general idea of what platform economy is. The advantages and disadvantages of using digital platforms are presented. The main characteristics and challenges of platform economy are identified.

Keywords. Platform economy, platform employment, customers, contractors, applications, legal regulation.

Globalisation, the development of ICT technologies, and changes in relations between employers and employees require the emergence of new forms of employment for the most efficient use of the potential of the workforce, providing conditions for employees, and minimizing the costs of employers. The changes made it necessary to modify the usual labor relations so that they could more fully meet the needs of market participants, as well as increase labor efficiency. The emergence of new forms of employment in the labor market is considered a result of the impact of technological, economic, social, and political factors. Over the last decade, many new forms of employment have emerged.

Due to economic, technological and social changes, the platform economy gained popularity in the mid-2000s. The platform economy is based on the activity of online platforms. Online platforms are online services or marketplaces that facilitate the coordination of supply and demand for services provided by platform workers.

According to the European Foundation for the Improvement of Living and Working Conditions, platform employment is a form of employment in which organisations or individuals use an online platform to access other organisations or individuals to solve specific problems or to provide specific services in exchange for payment. According to the Organisation for Economic Cooperation and Development, platform economy workers are professionals who use an application (for example, YandexGo) or a website (for example, Amazon.com) to find customers and provide a service for money [1].

Thus, platform employment is a non-standard form of employment carried out through the use of online platforms and digital technologies for cooperation between individual service providers (people registered on a platform) and buyers (users). The emergence of digital online employment platforms depends on the development of digital technologies. Thanks to them, specialised tasks are carried out, such as babysitting, tutoring, web design, dog walking, as well as transport, repair, tourism or legal services, etc.

Platform employment has some features. Firstly, platform employment is a paid activity organised through an online platform. Secondly, this type of employment involves three-way interaction: the online platform, the client, and the contractor. Thirdly, platform employment involves the use of an application (technology) belonging to the online platform. The purpose of this type of employment is to complete assigned tasks or solve specific problems, while the work is performed on a contract basis, and services are provided upon request [2].

The platform form of employment presupposes a three-party relationship involving the performer (partner, contractor, employee), the client, and the platform. The client can be either an individual or a legal entity. This, in turn, explains the wide variety of relationships that arise and becomes a problem in the context of regulatory control. The platforms themselves act as mediators in this system: they ensure the functioning of this segment of the economy and they are a means that brings together the demand for labor and its supply.

The key parameters for differences in types of employment within the platform economy are the format of service provision and the matching system between contractors and customers (clients). In terms of the mode of work, there are two types of platforms:

- web-based platforms — mainly freelancing and outsourcing, they bring together the customer and the contractor, that is, an individual or business and the contractor who will perform paid work remotely;
- location-based platforms that bring together the client and the business, while services are provided in person, in some location, and the contractor is often a third party; this type includes, in particular, repair services, taxi services and delivery [3].

There is currently no single classification of types of platform employment. According to a study by the European Commission, it is proposed to classify platform employment using three main characteristics:

1. The level of skills required to perform the task (from low to high). This indicator allows us to determine whether the task can be performed by any of the performers registered on the platform or only by those with certain skills.

2. The format of service provision (on-site or online). This characteristic of platform employment affects labor protection and working conditions.

3. The entity distributing tasks (platform, client or platform employee). This determines the level of control that platforms and/or clients can exercise over platform employees.

Based on these characteristics, four types of platform employment can be distinguished: low-skilled on-site work; high-skilled on-site work; low-skilled online work; high-skilled online work [4].

Platform employment has its advantages and disadvantages. For those employed, the main advantage of using platform employment is the ability to maintain autonomy and freedom in choosing the schedule and volume of work performed. Low barriers to entry into platform employment and, in most platforms, the lack of information about the age of the performer (for example, for such professions as taxi drivers, couriers) make it possible for older people to get a job.

The development of digital platforms significantly increases the possibilities of remote employment: they allow you to expand the geography of your search for orders and clients, to work in the national or international labor market while physically remaining within the region or country of residence, and also they become an effective tool for including entire groups of the population in employment, temporarily or permanently limited in mobility or unable to work according to a strict schedule. Another important advantage of platform employment for certain categories of the population is piecework wages or daily payment of remuneration. This allows you to flexibly adjust the workload, adapting it to life circumstances and personal financial needs.

At the same time, for people for whom this type of employment is the main source of income, ensuring a relatively stable level of income, that exceeds the minimum needs, requires constant work in a volume exceeding the standard work week. In such a situation, an irregular and unstandardised schedule, the need to take the maximum number of available orders (work) can lead to systematic overwork, failure to comply with the work and rest regime.

Other disadvantages of the platform economy are associated with limited access to basic social guarantees and mechanisms for protecting the collective labor rights of performers. In such a situation, individuals who receive their main income from platform employment may face high risks during temporary disability, as well as upon termination of employment.

It is also necessary to consider the characteristics of platform employment as a service sector. For example, in platform employment, as in the service sector in general, the practice of performing work independently, without the involvement of intermediaries, which in this case are online platforms, is widespread. More than half of platform employees (59 %) provide the same services simultaneously on online platforms and without using them. At the same time, most of them (62 %) indicate that when providing services simultaneously offline and online, a greater volume of work comes through online platforms. 41 % of platform employees provide services only through online platforms. At the same time, more than half of them (55 %) previously provided services without using platforms, and 45 % immediately began to provide services through online platforms [5].

The need to ensure a continuous flow of orders encourages platform workers, as well as service sector participants, to cooperate simultaneously with several online platforms, which in this case act as sales channels.

At the moment, only 13 % of platform workers simultaneously cooperate with several online platforms, while the vast majority (87 %) cooperate with only one. In this regard, the final average number of online platforms for simultaneous cooperation is 1.18. One of the reasons for this is the limited competition from online platforms - only 25 % of platform workers say that they have the opportunity to freely cooperate with several online platforms at once.

Another characteristic of platform employment inherited from the service sector is the significant role of tips in the income of platform workers. Thus, the majority of platform workers (69 %) have the opportunity to receive tips. Most often, such an opportunity appears due to personal interaction with the customer - they can accrue tips personally (64 %). Only 9 % of platform workers indicated that the opportunity to receive tips is provided directly on the online platform. Note that 69 % of platform workers have the opportunity to receive tips and almost all of them actually receive them (68 % of platform workers). At the same time, a third of platform workers (31 %) say that it is impossible to receive tips due to the fact that this is not provided for by the type of their activity (16 %), as well as due to the fact that this is not provided by the online platform (15 %) [6].

The downside of the possibility of receiving tips in platform employment is the risk of receiving fines. The majority of platform workers (61 %) cooperate with online platforms that have a fine system. Despite the fact that the majority of platform workers (61 %) can potentially be fined by online platforms, in reality (according

to the workers), only about a third (35 %) receive fines. Accordingly, the frequency of receiving fines is estimated by platform workers at 0.85-0.95 on a scale from 0 to 4, which can be characterised as receiving fines very rarely. It is important to note that the frequency of receiving non-material fines is estimated slightly higher than the frequency of receiving monetary fines (0.95 versus 0.85 on a scale from 0 to 4): 27 % of platform workers receive monetary fines. In this group of platform workers, the size of fines compared to income is about 10 %.

It is also necessary to mention the features of platform employment in comparison with standard employment.

The work schedule of the majority of platform workers (73 %) is shorter than the standard 40-hour work week. The average work time of platform workers per week is about 26-27 hours. Moreover, platform employment allows for flexible adjustment of one's own work schedule. In this regard, a significant portion of platform workers (65 %) have non-standard work hours in the evening and at night. Thus, the working time of the day becomes a differentiating factor.

Another specific characteristic of platform employment compared to standard employment is the increased frequency of payments. If in standard employment wages are paid twice a month, then the majority of platform workers receive payments more often: half of the workers receive payments once or several times a week, every fifth platform worker receives payments daily (18%), and every tenth after each service rendered.

Another feature of platform employment is the diversity of ways to formalise relationships, both in terms of the number of intermediaries and in terms of the legal basis. Thus, the majority of platform employees (74 %) have relationships with online platforms directly, while every fifth person has relationships through intermediaries (22 %). 9 % of platform employees have not formalised their relationships with online platforms in any way [6].

The main concern of platform employment today is the backwardness of its legal regulation. At the moment, a law that could fully regulate platform employment issues has not been adopted in any country in the world. This is also confirmed by judicial practice. Firstly, court decisions often contradict each other. Secondly, the very fact of such cases indicates the need to reform the legislation.

In China, when considering a dispute between drivers and the EDJand platform, one court (in Beijing) concluded that the driver is an independent contractor and should be held responsible for the accident, and another (in Shanghai) recognized the drivers as employees of EDJand and ordered the company compensate for the damage caused to third parties during the accident.

In France, the court recognized the relationship between delivery workers and the platform as labor relations, since the application determined the geolocation of couriers online, made it possible to track the route; in addition, the application had a rating system that allowed rewarding and punishing couriers. Pending a final decision on the appeal, Aslam's lawsuit in the United Kingdom has allowed Uber drivers to enjoy minimum wage and working hours rules even if they are not employees of the company [7].

It should be noted that most often, vulnerable groups of the population resort to platform employment: migrants, students or people who have just graduated from a university and do not have a stable status in society, etc. The underdevelopment of legal regulation and low social protection in this area lead to the fact that these people sometimes find themselves in a hopeless situation, unable to count on unconditional support from the government [8].

During the pandemic, the role of platform employment has increased dramatically.

Firstly, the number of platform workers has increased, especially in delivery, as many people have stopped or become less likely to go to stores to reduce the risk of infection.

Secondly, specialists who previously provided their services offline have switched to online. For example, teaching students, coaching or developmental activities with children began to be provided online.

Thirdly, the development of individual sectors of the economy as a whole was encouraged. A vivid example is the sphere of educational services, where the volume of the Russian market increased by about 20% (from 45–50 billion roubles to 55–60 billion roubles) in the first year of the pandemic alone [9].

Thus, platform employment offers a new approach to the organization of labor, combining the features of existing forms of employment. The number of platform workers and digital platforms is increasing more and more, which means that the role of platform employment for society is growing. Its main advantages are independence from physical location, flexible schedule, low barriers to entry into the sector, opportunity to combine study with work, etc. The main disadvantages are the lack of clear regulation in the area and the extremely low level of social protection for workers.

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