Platform work as a manifestation of a new form of employment in the era of the fourth industrial revolution

Summary

The aim of this paper is to analyse a new form of employment which has appeared in the Polish labour market in recent years, i.e. work via digital platforms. The author discusses the issue of platform work in the context of its impact on the current labour market. Particular attention is paid to the identification of threats connected with this new form of employment, the demands of the European and Polish trade unions put forward in relation to platform workers and the regulations planned in this field at the EU level. The author also shares his reflections on the practices applied by the owners of digital platforms and the effective method of their control by Member States.

Keywords: platform work, digital platforms, gig economy, gig workers, employee, employer, trade unions, digitalisation

1. Source and notion of platform work

The 21st century has brought to the world a new stage of production and exploitation, known as the fourth industrial revolution or Industry 4.0. The fourth industrial revolution refers by its name to the three previous industrial revolutions, and its principles are based primarily on the last of these. However, it is distinguished by the fact that it is characterised by much faster progress in all areas of the economy than the third industrial revolution. Faster economic progress is achieved through the use of appropriate IT techniques and technology fusions, resulting in a blurring of the boundaries between the digital, physical, and biological spheres. Inherent element in Industry 4.0 is the all-encompassing digitalisation and automation, applied primarily

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1 Instytut Analiz Rynku Pracy: Czwarta rewolucja przemysłowa i jej wpływ na rynek pracy – raport tematyczny. Warszawa 2020, p. 3.
to enterprises through the introduction of new IT systems based on the operation of artificial intelligence and the analysis of huge groups of data (so-called Big Data), often taking place without any restrictions or regulations.

It is clear that such profound changes in the economic field have a direct impact on all its elements, and above all on the main one – the world of labour. Hence, the notion of work of the future, meaning work in the age of the fourth industrial revolution, is increasingly emerging in the discussion concerning these particular changes. From a macroeconomic perspective, the work of the future was explored in the World Economic Forum’s 2020 report, along with the impact of the COVID-19 pandemic on the environment of work. The report indicates that in the coming years, a quarter of employers expect a temporary reduction in employment and one-fifth expect a permanent reduction. On the other hand, this phenomenon should be counter-balanced by the creation of new jobs, for which, however, completely different competences will be needed than for those that are beginning to disappear due to automation. For large groups of employees these phenomena entail with necessity of working in new “places”, under much worse conditions than before. One such new “place” is digital platforms, on which, because of the growing employment through them and the impact on labour and employment relations, I will focus later in this article.

Platform work belongs to a broader group of issues called alternative forms of employment. It consists of an employee performing services for his/her employer’s client via digital platforms (online

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4 For the purposes of this paper, I will use the term “employee” to refer to a person performing platform work, but it should be noted that such a person is not an employee within the meaning of the Polish Labour Code. In relation to a person working via digital platforms, according to the current regulations, the term “worker” seems to be more adequate, although the Polish literature on the subject of platform work uses the traditional phrase “employee” far more often. This is partly due to the problem of translation of foreign publications, but it is also highly relevant in the context of the proposed changes in the regulation of platform work and its association with the employment relationship defined in the Polish Labour Code. I therefore consider it justified to use the term “employee” to describe persons who perform platform work.
Platforms and mobile applications). In different EU Member States, the same phenomenon is defined in different ways, e.g. sharing economy, platform economy, gig economy, crowd economy, on-demand economy, peer to peer economy, freelancing, collaborative economy. Eurofound defines platform work as a form of employment that uses a platform to allow organisations or individuals to access other organisations or individuals to solve specific problems or provide relevant services in return for payment, and distinguishes its key features, which are follows: 1. paid work organised by platforms; 2. the involvement of three parties (platform, client, employee); 3. the purpose of the work is to perform specific tasks or solve specific problems; 4. it is a form of outsourcing; 5. division of “work” into individual “tasks”; 6. on-demand service. On the basis of the definition given, it can be concluded that the principle of the platform labour market is to match providers with consumers by means of digital platforms. The customer, using the relevant platform, sends a request (on-demand element) for a specific service, the platform searches for a potential provider, who in turn is paid for completion of the task. In this model of platform work, employees most often enter into formal contracts with employers (platform-owning companies) operating in the market to provide on-demand services.

Examples of companies operating in on-demand model include: Glovo (which provides small courier services), Uber (which provides transport services) and Fixly (which employees perform household repairs). These enterprises use mobile apps as digital platforms to match client with a group of potential contractors/suppliers, with the aim of meeting customer needs as quickly as possible.

Platform work is carried out on the basis of various legal relationships, but according to EC data the predominant relationship within this type of work is self-employment (28 million platform workers are

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9 EC – European Commission.
self-employed, of which for 5.5 million it is probably the wrong relationship\textsuperscript{10}). Platform owners often try to create an image of platform work as a kind of freelancing\textsuperscript{11}, which is intended to justify a form of employment in the form of a business-to-business (B2B) contract. However, these two models of work differ in certain characteristics. Firstly, under platform work, companies charge employees with commissions for the opportunity to provide services via digital platforms (usually in the form of a flat percentage rate), whereas freelancers work independently on their own account, with no work rules imposed on them, and collect the entire salary. Secondly, unlike freelancers, who create their own brand, in the case of platform work it is the platform owners who control the brand and decide on the selection of employees. Thirdly, on-demand companies control the relationship between the provider and the client, through appropriate clauses prohibiting the provider from having private contacts or entering into contracts with the client, thus preventing the service provider from building its own customer base, which is a rather common practice in the case of the self-employment/freelancing.

S. Zuboff, writing about modern companies based on platform organisation, compares them to swarms in which structure is interconnected and the network has replaced the traditional organisational hierarchy\textsuperscript{12}.

2. The impact of the platform work phenomenon on the labour market

The main mechanisms at work with digital platforms are the processing of large amounts of data and the geolocation function available on a mobile phone or computer. Through these, the platform is able to match the demand for a given service with its supply. The cost of the service provided is determined by an algorithm, which works ac-


\textsuperscript{11} A. Rogalewski: \textit{Cyfryzacja i praca platformowa – informator dla pracowników}. Warszawa 2020, p. 12 – In Poland any self-employed person who performs services for various entities can be considered as a freelancer.

cording to the following principle: the lower the demand is, the lower the service is priced and vice versa, the higher the demand is, the price of the service will increase. The cost of the service also includes the commission payable to the owner of the platform for enabling the connection between the ordering party and the employee (contractor). Algorithms also take other factors into account when setting the price, such as the worker’s overall rating on the application.

The way the algorithms work inside the platform is not transparent to either the contracting authorities or the contractors. Employees do not really know what exactly their salary depends on, which can fluctuate drastically depending on the factors analysed by the algorithms. This in turn directly restricts or even prevents employees from initiating negotiations on the amount of remuneration\textsuperscript{13}.

The literature points out that platforms and, above all, the algorithms that manage platform workers are based on the assumptions of one of the strands of psychology, namely behaviourism. Platform users are treated as a scientific object, whose every activity is carefully monitored. Knowing a sufficiently large amount of input and output data allows applications to predict certain employee behaviours and set indicators in a way to achieve maximal effect\textsuperscript{14}. An example of this type of employee “motivation” is the Uber Eats platform, which in Warsaw charges suppliers the highest fee for using the app compared to other, smaller cities, resulting in fact that Warsaw couriers have to spend from 11 to 13 hours a day working in order to achieve the intended income\textsuperscript{15}. From the algorithmic point of view, the procedure of increasing the “platform fee” is logical. High demand implies high prices for the service. The application, wanting to maintain an adequate level of supply, must somehow “encourage” employees to work, in this case by lowering their wages. On the other hand, from the employees’ point of view, such solutions cause that “working through platforms is looking less and less like work and more like a modern form of slavery, condemning people to separation from their families.

\textsuperscript{13} A. Rogalewski: Cyfryzacja i praca platformowa – informator dla pracowników. Warszawa 2020, p. 22.

\textsuperscript{14} R. Rostek: Cyfryzacja w organizacji: od zarządzania wiedzą do platformowego nadzoru. „Nowy Obywatel” 2021, no. 35 (86), p. 156.

and reducing suppliers to the role of labourers who spend most of their time to earn some reasonably fair money”\textsuperscript{16}.

Companies basing their business model on the use of digital platforms often claim that they do not have an employment relationship with the persons performing the services, as the platform is only an intermediary tool, provided by one entrepreneur to enable the other entrepreneur to find clients\textsuperscript{17}. In an effort to minimise the external regulation of the employer-employee relationship as much as possible, platform owners are forcing individuals performing work that fulfils the characteristics of a code employment relationship to provide services to platform clients on the basis of a self-employment\textsuperscript{18}. This introduces a new form of competition into the labour market that is not based on competition of competences, but on lowering the barriers to entry – the job will not go to the one who has the right skills, but to the one who has agreed to provide services on the basis of self-employment, thus abandoning the code protection of an employee and significantly reducing the costs, which in the case of employment contract are on the side of employer. This phenomenon, whereby employees in traditional industries such as passenger transport\textsuperscript{19}, are forced to compete with platform workers, contributes to the creation of social dumping\textsuperscript{20}, depprofessionalisation\textsuperscript{21} and the increasing precarisation of


\textsuperscript{19} There has even been created a neological term “uberisation” referring to a form of employment for taxi drivers performing their profession through digital platforms – see: T. Bakalarz: Zatrudnienie za pośrednictwem platformy internetowej jako przejaw „uberyzacji” pracy. “Acta Universitatis Wratislaviensis. Przegląd Prawa i Administracji” 2019, vol. 117, pp. 9–18.

\textsuperscript{20} M. Bernaciak in: Market Expansion and Social Dumping in Europe, London 2015, p 2 – defines social dumping as a practice undertaken by interested market participants to undermine or circumvent existing social rules in order to gain a competitive advantage.

the labour market\textsuperscript{22}. Moreover, the arguments of employing entities indicating that digital platforms only play the role of an intermediary tool are not true, since, as Ch. Gerber and M. Krzywdziński prove in their work, they resemble employers rather than neutral intermediaries\textsuperscript{23}. Platforms transform customer orders into work processes, coordinate tasks, organise quality control, define communication channels and determine payment methods\textsuperscript{24}.

Platform work also poses a serious challenge for trade unions, as well as employees themselves, in terms of the implementation of the fundamental labour right to organise and other related rights, such as the right to strike. Despite the fact that, as a result of changes to collective labour law, it has been possible since January 2019 for virtually all persons performing platform work to associate, to that date no trade union organisation has been established for employees performing this type of work. On the one hand, this is due to the weak position of trade unions in the Polish labour market, but on the other hand, the indicated state of affairs is strongly influenced by the current operational model of digital platforms. While performing their tasks, platform workers are significantly restricted in their ability to contact other colleagues, and their admittance to work depends solely on the algorithms controlling the application. Last year there was the first strike of platform workers in Poland, undertaken by Glovo’s couriers from Białystok. The strike was motivated by changes in the methods of distributing orders and wages, which were not consulted with employees. The corporation, in response to the employees’ actions, did not engage in any conversation with the strikers, but decided to immediately block them from continuing their work through the application\textsuperscript{25}. This incident, and the company’s subsequent response, clearly illustrates the threat that the unrestricted development of the platform economy can pose to workers’ rights.


\textsuperscript{24} A. Rogalewski: Cyfryzacja i praca platformowa – informator dla pracowników. Warszawa 2020, p. 23.

The development of the platform employment model also raises new health and safety issues. A 2017 report by the European Agency for Safety and Health at Work\textsuperscript{26} indicates that work via platforms tends to be carried out mainly by young people, who are less likely to receive health and safety training. In addition, the majority of gig work tasks are performed within jobs considered to be particularly hazardous (e.g. transport), and a work model based on competition and evaluation mechanisms intensifies the pace of work, which is conducive to the occurrence of accidents. The report highlights that working through online platforms can also involve risks such as constant exposure to electromagnetic fields, eye fatigue, musculoskeletal disorders, and psychosocial risks: alienation, stress, technological stress, technological addiction, information overload, professional burnout, postural defects, online harassment. Moreover, the European Agency for Safety and Health at Work found that a key factor contributing to poor health conditions among atypical workers is the employment insecurity, which is a characteristic feature of platform work.

Under Polish law, the subject of health and safety at work has been regulated at both the constitutional and statutory level. Article 66(1) of the Polish Constitution\textsuperscript{27} stipulates that everyone shall have the right to safe and hygienic conditions of work. In turn, Article 304 § 1 and 2 of the Labour Code\textsuperscript{28} indicates that an employer shall ensure the healthy and safe conditions of work referred to in Article 207 § 2 for individuals who perform work on any basis other than an employment relationship, at the employer’s establishment or at another location designated by the employer, as well as for self-employed persons who conduct economic activity on their own account at the employer’s establishment or at another location designated by the employer. Furthermore, in accordance with Article 304 § 3, the obligations set out in Article 207 § 2 of Labour Code shall apply accordingly to any entrepreneurs who are not employers and who organise work performed by individuals: 1) on the basis other than an employment relationship; 2) who conduct economic activity as self-employed. These regulations are intended to extend occupational safety and health protection to persons

\textsuperscript{26} Europejska Agencja Bezpieczeństwa i Zdrowia w Pracy: Ochrona Pracowników w gospodarce platform online: przegląd zmian regulacyjnych w zakresie polityki w UE. Streszczenie. Luxemburg 2017, p. 4.

\textsuperscript{27} Dz.U.1997.78.483.

\textsuperscript{28} Dz.U.2022.1510.
employed on the basis of civil law contracts and self-employed, either when they perform work for an employer or for a non-employer entrepreneur who organises the work performed by such individuals. However, as M. Raczkowski points out\(^\text{29}\), the shape of the regulation of Article 304 of the Labour Code raises serious interpretation doubts, significantly hindering effective protection of persons working under a non-employment contract. Article 304 of the Labour Code, while referring to the occupational health and safety obligations mentioned in Article 207 § 2 of the Labour Code, does not explain how they should be applied, which in fact has the effect of shifting the burden of interpretation to the law enforcement bodies. This creates uncertainty on the part of the employing entities, the employees, and also on the part of the authorities responsible for labour control and supervision. Due to these circumstances, during a heatwave in the summer of 2019, the National Labour Inspectorate (Paniwstwa Inspekcja Pracy), at the request of the “NSZZ Solidarność” trade union, was unable to inspect the level of compliance with occupational health and safety regulations with respect to Uber Eats’ courier employees, and only managed to inspect this issue with regard to the company’s office employees, which largely missed the purpose and object of the trade union’s request\(^\text{30}\).

The issues outlined above are just a few of the manifestations of the impact of digital platforms on the labour market. As digitalisation and the gig economy progress, such manifestations will become more numerous and more glaring.

3. The demands of the employees’ side regarding platform work

According to an ILO report on the impact of platform work on the labour market, the amount of employment through digital platforms in the European Union is estimated to be between 10–11% of adult EU citizens\(^\text{31}\). However, this percentage will increase over time. Hence, in

\(^{29}\) M. Raczkowski: Bezpieczne i higieniczne warunki pracy w zatrudnieniu cywilnoprawnym. „PiZS” 2019(1), p. 70.  
the debate on platform work there are more and more demands and voices calling for the regulation of this phenomenon.

The European Trade Union Confederation, in its 2017 statement paper on platform work, highlights the following needs for increasing employment through platforms: 1. the need to increase knowledge on the impact of platforms on the labour market; 2. the need to regulate platforms in the European arena; 3. the need for financial support for workers affected by the impact of digitalisation as part of a just transition; 4. the need to organise workers\textsuperscript{32}.

The ETUC also advocates for the necessity of the public authorities to take action to regulate labour platforms. Above all, public authorities should ensure that labour law and minimum wage regulations are respected, in accordance with national laws and practices; guarantee fair working conditions; provide information on tax obligations and facilitate access to social protection; recognise the presumption of employer and employee status, in order to limit self-employment; guarantee the right to organise and negotiate collective agreements; introduce compulsory third-party liability insurance; monitor the algorithms of digital platforms; and prohibit exclusivity clauses that prevent employees from working via other platforms.

In its programme of action for 2019–2023, the ETUC calls for the launch of work on a Europe-wide initiative to equalise the status of platform workers and the standard employees, by providing platform workers with the same terms and conditions of employment as standard employees, extending social protection, minimum wage standards and guaranteeing the right to an employee-employer relationship. Furthermore, the ETUC takes the position that there is a need to guarantee human control over artificial intelligence\textsuperscript{33}.

In Poland, the number of platform workers who have provided this work at least once in their lives is not high, at around 11% of the total workforce, which is in line with the EU average\textsuperscript{34}. However, as in the case of other Member States, this percentage will gradually increase.

\textsuperscript{32} A. Rogalewski: Cyfryzacja i praca platformowa – informator dla pracowników. Warszawa 2020, p. 31.


The “OPZZ” (*Ogólnopolskie Porozumienie Związków Zawodowych*) trade union, in its programme of action for 2018–2022, draws attention to both positive and negative aspects of digitalisation-related changes. The trade union points out that there is a need to implement such legal solutions which, on the one hand, will protect the employee from the negative effects of digitalisation and, on the other hand, will control these processes. Such regulations could consist of recognising various platforms such as Uber or Airbnb as employers and the people working for them as employees; guaranteeing the right to switch off e-mail, business phones or other means of correspondence in the workplace after working hours; limiting the use of cameras or other means of recording an employee’s activities in the workplace\(^\text{35}\).

The OPZZ and NSZZ Solidarność, similarly to the ETUC, advocate for the need of the EU to endeavour to provide platform workers with equivalent working conditions with those of standard employees and to protect employees who will lose their jobs as a result of digitalisation and automation\(^\text{36}\).

### 4. Position of EU bodies

European Union bodies did not leave the presented demands of the trade union movement without an answer. On 9 December 2021 the European Commission presented a draft directive regulating the employment of platform workers\(^\text{37}\). The draft establishes five criteria on the basis of which a digital platform can be considered as an employer. These criteria are as follows:

- effectively determining, or setting upper limits for the level of remuneration;

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• requiring the person performing platform work to respect specific binding rules with regard to appearance, conduct towards the recipient of the service or performance of the work;
• supervising the performance of work or verifying the quality of the results of the work including by electronic means;
• effectively restricting the freedom, including through sanctions, to organise one’s work, in particular the discretion to choose one’s working hours or periods of absence, to accept or to refuse tasks or to use subcontractors or substitutes;
• effectively restricting the possibility to build a client base or to perform work for any third party.

If the platform fulfils at least two of these criteria, the existing contractors will automatically be reclassified as employees, regardless of their contractual provisions. The judicial path will be appropriate to resolve any doubts, and the burden of proof that an employment relationship does not exist between the platform and the service provider will lie with the platform.

The proposal also intends to increase the transparency of the algorithms that control the platform and determine working conditions, by requiring platforms to provide contractors with fair and detailed information about these conditions on at least the first day of work. The EC wants to prohibit the processing of personal data of platform employees, other than those which are directly related to the digital platform and necessary for the performance of the contract between the contractor and the platform. In addition, the draft includes regulations allowing employees to use communication channels that are not supervised by the employer38. The adoption of the directive would be a significant step forward in adjusting labour law to the changes that the fourth industrial revolution entails. On the other hand, the draft itself may be a good starting point for the Polish legislator to regulate the functioning and development of digital platforms faster than at the EU level.

Another EU body that reacted to the growing phenomenon of working via digital platforms was the European Parliament. On 16 September 2021, Members of the European Parliament adopted a resolution on fair working conditions, rights and social protection for platform

38 M. Makowska: Ochrona pracowników platform internetowych w UE. “Biuletyn PISM” 2021, no. 221 (2419), pp. 1–2.
workers – new forms of employment linked to digital development, in which they pointed out the need to establish a presumption of an employment relationship for this type of work, to provide accident insurance for platform workers, to increase the transparency of the algorithms controlling the platform and to guarantee platform workers the right to organise and collective bargaining. The EP resolution, despite its non-binding and merely postulatory character, should be considered as an important symbol in the fight for the rights of platform workers.

5. Conclusion

The emergence of platform work is one of the outcomes of the current phase of global economy, the fourth industrial revolution. As a new and still developing phenomenon with strongly heterogeneous nature, platform work has not yet been thoroughly studied. Initially, great hopes were connected with it. The main expectations were the creation of new jobs and the possibility to meet customers’ needs in a more convenient and quicker way. However, after some time, this phenomenon has become a source of greater danger than benefit. The negative impact of this form of work on the labour market has led to an increasing number of voices supporting the regulation of platform work. In Spain, in 2020 Supreme Court ruled that Glovo couriers are not self-employed entrepreneurs, but employees. The UK Supreme Court made a similar ruling, in relation to drivers employed by Uber and rejected the corporation’s argument that the platform was merely an intermediary between customers and drivers. At the European Union level, work on regulating the phenomenon of platform working is being carried out by the European Commission.

Besides the development of regulations at the EU or national level, individual countries also need to begin working on platform control

39 European Parliament resolution of 16 September 2021 on fair working conditions, rights and social protection for platform workers – new forms of employment linked to digital development (2019/2186(INI)).

mechanisms in the technological sphere. The national authorities of the Member States responsible for supervision and control of labour should have access to appropriate control software, which will make it possible to verify the correctness and principle of operation of the platform algorithms directly and within a short period of time. The implementation of such mechanisms would be the realisation of the demands presented in the Polish Charter of Digital Sovereignty\(^\text{41}\) and raised by Polish and European trade unions.

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\(^{41}\) Think-tank Instrat, *Fundacja Inicjatyw Strategicznych*, Polska Karta Suwerenności Cyfrowej, Warszawa 2020.
Platform work as a manifestation of a new form of employment in the era of the Fourth Industrial Revolution

Streszczenie

Celem niniejszego artykułu jest analiza nowej formy zatrudnienia, która w ciągu ostatnich lat pojawiła się na polskim rynku pracy, czyli pracy za pośrednictwem platform cyfrowych. Autor omawia problematykę pracy platformowej w kontekście jej wpływu na aktualny rynek pracy. Szczególną uwagę poświęcono identyfikacji zagrożeń, jakie
wiążą się z tą nową formą zatrudnienia, postulatom europejskich i polskich związków zawodowych wysuwanym względem pracowników platformowych oraz planowanym w tym zakresie regulacjom na poziomie europejskim. Podzielono się także refleksjami dotyczącymi praktyk stosowanych przez właścicieli platform cyfrowych oraz efektywnego sposobu ich kontroli przez państwa członkowskie.

Słowa kluczowe: praca platformowa, platformy cyfrowe, gospodarka platformowa, pracownicy platformowi, zatrudniony, pracodawca, związki zawodowe, cyfryzacja