

Offering services, suffering securities?

Sustaining social security in the platform economy

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Table of contents

| | |
|---|-------|
| 1. Introduction | p. 2 |
| 2. Theory | p. 4 |
| 2.1 Individualization of society and labor perspectives | p. 4 |
| 2.2 Social security of employees in the Netherlands | p. 6 |
| 2.3 The (Digital) Platform Economy | p. 8 |
| 3. Methodology | p. 11 |
| 3.1 Population | p. 11 |
| 3.2 Data Collection | p. 11 |
| 3.3 Sample | p. 12 |
| 3.4 Data Analysis | p. 12 |
| 4. Results | p. 14 |
| 5. Conclusion | p. 24 |
| 6. Discussion | p. 25 |
| 7. Abstract | p. 27 |
| 8. Literature | p. 28 |

1. Introduction

Inventions such as the internet have enabled ways of connecting to the world no-one could have realized. The internet has developed increasingly fast, digitalization of communication has made it easier to meet and sustain relationships with people who are not geographically close. Digitalization changed the ways in which we communicate. Just think of smartphones, tablets and communication applications like Skype and FaceTime. Of course, all these changes did not only affect the field of communication, it also changed the way we travel, the way we live and what we do with our free time and possessions (Hamari et.al, 2015).

Digitalization also allowed for people to invent new ways of supplying services (Kenny & Zysman, 2016). These services go from transport to childcare to food. One major development made this possible: online platforms. Airbnb, Uber, and BlaBlaCar are a few examples of platforms many people use day by day. In recent years, actions such as booking tickets for flights, buses and trains have become easier because all information is now available in just one click. More and more people are now using these new ways of finding transportation and accommodation; not only as consumers, but also as providers.

The development and popularity of these platforms can be seen in the light of the share economy. People share unused products -or time- with people outside of their circle of family and close friends. Some people offer a car seat on their trip from Amsterdam to Berlin, while others are looking for someone with an empty car seat, heading in the same direction. A platform enables both supplier and demander to find one another and use each other's service. At first sight, these developments only seem to be positive; people help other people, sometimes in exchange for a payment.

Yet, there is also a downside to the large increase of online platforms. Due to the large number of platforms, the number of people that offer services online is increasing. In some cases, people change their current offline job to start working via an online platform. Platform workers usually do not get a contract at the platform. This makes work increasingly flexible, but also less secure. Recent research showed that up to a quarter of the population of the United Kingdom earns a part of their income by offering goods or services on online platforms (WRR, 2017). In the Netherlands numbers are smaller, yet growing. According to research done by ING (2015), 550.000 households participated in the share economy. They either bought or sold something via a platform. The three largest sectors are the exchange of equipment/tools, accommodation and transport. The expectation is that the number of

households participating in the share economy will increase from 550.000 to 970.000 in one year. This expected growth shows the importance of researching this new economy. Many of the platforms do not directly hire people who offer services on their platform, but only offer a place to connect providers and consumers. The rights and duties people have when they are directly hired by their employer, do not apply to the providers on online platforms. There are no services that secure payment during sickness or that contribute to a pension fund. Duties change as well: instead of regular working hours or a supervising boss, there is much more freedom for the individual, both in working hours and required tasks.

In this research, multiple platform founders and owners, representatives of labor unions and experts of the platform economy were interviewed to answer the following question: what are the issues and chances of the platform economy for workers in the Dutch welfare state? To answer this question, the following three sub-questions are answered: what are the perspectives on the rights and duties of people offering services on a platform, what are the perspectives on the characteristics of the employer-employee relation that result from new forms of labor in the platform economy and in what way can social security be ensured for platform workers? The data details relevant aspects of social security and possible problems and opportunities for people, offering their services via online platforms. To provide an answer to the questions described above, a theoretical examination will show the Dutch context of the platform economy and what rules and policies regarding social security are installed. Secondly, the analysis of the interviews will show the different views of the respondents which will finally lead to a conclusion and answer of the main research question.

2. Theory

2.1 Individualization of society and labor perspectives

In this paragraph, various developments in society and the Dutch welfare state will be explained in the context of labor. This will provide an overview on what changes in society gave way to the platform economy to arise. During the past decades, traditional relations between people shifted greatly. Due to secularization and individualization since the 1960s, people have become more independent. Traditional frameworks of religious and political ideology lost their influence. This, for example, led to women's emancipation on the labor market. With women working, the male breadwinner model changed. This also affected views on marriage, as it was not as much a matter of economic dependency anymore (Esping-Andersen, 2003). People started to make more choices based on their own ideas of necessities. A certain level of individuality arose. This does not mean people were not connected anymore, but the connections changed. Instead of an authority that imposed a certain conviction, people now created networks based on their own dependencies. (Kooiman & Van Vliet, 2000).

This also affected the labor market. More people became highly educated and social benefits improved, such as extended maternity leave. The way people worked, however, remained largely the same. Permanent contracts provided the financial stability to ensure individual independence and social security. Contracts between employers and employees described social security obligations both parties were entitled to. Pensions, sick leave and unemployment were accounted for by saving a share of everyone's income, to be paid out in moments of need. Although the vast majority of people was still working in these 'safe' conditions, the individualization in socio-cultural matters also started to develop in the labor market (Burchell et al., 2014).

To prevent mass unemployment during the economic crisis of the 1970s, the Dutch government enabled companies to hire employees for shorter periods. Many contracts became more flexible. Due to this policy, companies were able to hire more people, without the risk of permanent contracting and accompanying higher costs. With flexible contracts, the risks for employers of paying for sick leave or maternity leave were decreased (Taylor-Gooby, 2003). The same trend was seen years later in a new economic crisis, in 2008. Temporary contracts became important in different sectors, as both the Dutch government and market-based businesses were trying to minimize expenditure. Especially for young employees, many

contracts became more flexible, thereby providing less social security. As permanent contracts became scarcer, an increasing amount of people started self-employing (Esping-Anderson, 1996). Recently, many of these self-employed shifted from traditional jobs to offering services on a platform.

The way labor is organized in Dutch society is based on different perspectives of labor. These perspectives determine whether and how social security is available for employees. Traditionally, the employment relationship can be seen as an exchange of trust, effort and commitment from employees to the employer's duty to secure job and income security, training and commitment. A more flexible approach towards work influences this traditional employment relationship in ways of trust, commitment and security. Therefore, social security is at stake. This is part of a trend towards more self-management of employees and the pursuit of personal careers. Work is now not only used to secure a living, but also as a way to develop individually (Cartwright & Holmes, 2006). To further examine the meaning of work, three categories can be distinguished: work centrality, work values and work orientation (Fossen & Vredenburg, 2014).

Work centrality refers to the priority of work relative to other life interests. This centrality differs per worker, but it also differs per generation. In general, work has a less prominent priority over other life interest for young people compared to older people. Work values have also changed. Cartwright and Holmes (2006) found that older workers see the meaning of work in security and pay, while young workers value the meaning of work by having interesting work, feeling accomplished and having friendly colleagues. The same can be said for work orientation, which refers to the outcomes and purposes of work for one's life. Work can be used as a means to get money, as a goal in itself or to gain success and prestige (Fossen & Vredenburg, 2014). If the younger workers remain having the same ideas on work in a later stage in life, the differences may be generational. Since the platform economy is a new phenomenon it is not sure how it will develop, but the meaning workers give to labor is important in its success. If people do not work for security anymore but rather for money and personal development, the platform economy might become even more successful. These different perceptions on work can therefore, be used as a justification by platform owners to provide or not provide employment protection.

New ways of looking at the meaning of work, as described above, fit into the theory on transitional labor markets (TLM). This theory stresses the required balance between changes in work, such as flexibility and security. This balance can be established by finding an exchange on such labor aspects that suit both the labor market and individual workers. This

however, requires that investments are made in individual competences to secure the match between the worker and the labor market. Thus, work not only becomes a way of earning money, but also a way to develop skills and competences. Consequently, people tend to change jobs more often. However, not all people are willing to change jobs; they are forced to do so, because their contracts are not extended. Yet, as long as the risks of job changing are shared, people might be more willing to consider a job transition (Schmid, 2015). The success of changing jobs is the responsibility of both employee and employer. Employers are responsible for securities as pensions and sick leave, while employees are responsible for delivering results. The TLM shows that the meaning of work is closely tied to the level of risk-sharing. Yet, in the platform economy, this old balance between worker and employer is disrupted. All involved actors, employees and platforms but also policy making institutions such as governments need to find a new balance to secure satisfaction of all parties.

Besides the different meanings people give to work, the employment relationship is also of importance. As work is becoming more flexible, the employer-employee relationship is changing. From a traditional psychological perspective, work can be viewed as an exchange between the worker and the organization, both parties have obligations to each other that need to be fulfilled (Freese, 2011). The exchange might move from providing job security to new benefits, such as being a stepping stone for a worker's individual development.

The meaning people give to work collectively determines who is responsible for social security of employees/workers and the division of rights and duties. On one hand, if work is described traditionally, as a means to earn money and provide a stable and secure life, the responsibility for social security remains with the employer. On the other hand, if work gets its meaning by gaining experience and creating a network, the responsibility for protection shifts from the employer to the employee. The characteristics of work needed for social security are therefore defined by the relationship between the employer and employee. If work is seen purely as a financial transaction for labor, it leads to a different outcome than when it is seen as more than that (Fossen&Vredenburg, 2014).

2.2 The current state of Dutch employment protection

To understand the effects of the changes in Dutch society regarding work, it is important to explain the Dutch employment protection. There are many laws and systems in place to protect workers. This protection focuses on minimum wages, pensions, sick leave, occupational disability, unemployment and a safe working environment. Most of the laws in place are for workers in the traditional sense. The collective labor agreement [*Collectieve*

Arbeidsovereenkomst (CAO)] is important in determining what protection is available and in what way. A contract between an employer and employee is based on the collective labor agreement. When not working under a contract there is usually less protection.

In the Netherlands there is a Working Conditions Act [*ARBO-wet*] and employment protection. The Working Conditions Act deals with the employers' responsibilities such as a safe working environment and minimum wages. The employment protection can be divided into the four largest areas: pensions, sick leave, occupational disability and unemployment. In the Netherlands, pensions are divided into three parts. The first part is the Act on General Funds for the Elderly [*algemene ouderdomswet (AOW)*]. Everyone who lives and works in the Netherlands is insured for the AOW (Sociale Verzekeringsbank, 2017). Next to the AOW, pensions consist of a part that is 2/3 paid by the employer and 1/3 by the employee himself. When self-employed the 2/3 part becomes one's own responsibility. This can be done by saving money or getting an individual pension insurance (Sociale Verzekeringsbank, 2017).

The second area of social security focuses on sick leave. People who are employed under a contract, are being paid by their employer when sick. In case of long-term sickness, the employer is required to pay a minimum of 70 percent of the last earned income up to a period of two years. In case of a temporary contract, the employer pays until the end of the contract. After that period, the employee needs to turn to the Institute for Employee Insurances [*Uitvoeringsinstituut Werknemersverzekeringen (UWV)*] to get a monthly allowance (Sociale Verzekeringsbank, 2017). The situation slightly differs for those who are not contracted by an employer. In general, they do not receive payments, with the exception of freelancers, provision workers or those who have an insurance (Rijksoverheid, 2017).

The third area of social security deals with occupational disability. The situation differs for contracted employees and those working as an individual contractor. When contracted, payment can be received when being occupationally disabled. When not contracted, payment is received. These people need to either save money or insure themselves. Moreover, insurance companies can reject 'customers', which in some cases leads to uninsured workers (Rijksoverheid, 2017).

The fourth and final part focuses on unemployment. In the Netherlands, there are three important laws for the unemployed: the Flexibility Law (*flexrecht*), Dismissal Law (*ontslagrecht*) and Unemployment Law [*werkloosheidswet (WW)*]. The Flexibility Law protects those that have a temporary contract. People who have a temporary contract need to be paid when work is available and temporary contracts cannot exceed a period of 2 years (Rijksoverheid, 2017).

The second component, the Dismissal Law, focuses on when and how people are fired (Rijksoverheid, 2017). People are allowed to be fired after a long period of sickness, by legal action or by agreement between employer and employee. When employed longer than two years, a transition payment is in order in agreement with the employer. This is only available for people with either a temporary or a permanent contract. The third and final part is the Unemployment Law. People who lost their job can get a monthly allowance for up to two years based on their former income. Again, this is only available for people who were contracted (Rijksoverheid, 2017).

Consequently, social protection for platform workers all depends on the way people are hired (or not). Most of the abovementioned social security arrangements are for people who are contracted by an employer, but people who offer services on a platform are often *not* contracted and do not have an employee status. Their status is determined by the platforms themselves and based on different perceptions of work. The next section will detail this issue of social security in the platform economy.

2.3 The (digital) platform economy

When it comes to the platform economy, it is hard to give a clear definition of what platforms exactly are, since there are many kinds of platforms operating at the same time. All these platforms have different ways of dealing with labor law, employment and social security. Their difference can mainly be found in the following conditions: how profit is made, who controls the platform and how work is organized. This shows the complexity of bringing all platforms together within one framework of the platform economy. Moreover, platforms differ in the way they deal with flexibility, pensions, sick-leave etcetera. There is still debate on how countries should adjust their policies to either accommodate or regulate platforms and employment relations. The actual consequences of the platform economy and how it changes the status of workers are not clear yet (Kenny & Zysman, 2016, p.9).

The platform economy is an interesting phenomenon because it can be seen as the result of a disruptive innovation. The disruptive innovation theory explains that innovations sometimes disrupt the market by operating in a grey area of what is and what is not allowed. Governments are therefore forced to think about how they will respond and if the rules are in need of change or not. Platforms can be seen as disruptive, because they change the traditional relationship between consumer and producer, and the relationship between employer and employee; they become interchangeable. This leads to a blurred line between the rights and duties of both parties. The platform economy arose because of companies like Airbnb. They

gained popularity very quickly and changed the way people now look for accommodation. People do not only book 'traditional' hotels anymore, but also book someone else's empty home or room (Guttentag, 2015, p.4).

As platforms can be disruptive innovations, the key issue with the platform economy revolves around not knowing the exact effect it has on the economy, work or private life. Before exploring what the platform economy entails and what possible effects it might have, it is important to know that the platform economy exists of multiple areas and types of platforms (Kenny & Zysman, 2016, p. 5).

Internet itself can be seen as a platform, as it provides a platform to companies and organizations. Platforms operate in different sectors and offer different opportunities. There are platforms that offer products and services online. GitHub, for example, offers software to people online. Other platforms mediate work, like LinkedIn, which is helping scouts and headhunters to find the right person for a job. Then there are platforms that focus on retail or household services, like eBay and Helping. Lastly there are service-providing platforms like Airbnb, that give people the possibility of renting rooms from other consumers (Kenny & Zysman, 2016, pp. 5-6).

The platform economy and especially the companies and organizations operating as a platform, change the status of work. Before, people used to buy stuff at stores, but now they might purchase it from someone else online. The level of exchange and work therefore becomes smaller. It decentralizes from shops to direct contact between two individuals. Moreover, the role of customers and suppliers become interchangeable. At one moment, a person might rent a room on Airbnb while also renting out their own home (WRR, 2017, p. 203).

Not only the line between employer and employee becomes blurred, but the platform economy also further increases the flexibility of work. The hours people work are spread out more irregularly over the week and less people are contracted. From a social security perspective, this more flexible approach towards labor is affecting different rights. Self-employed people are legally their own boss and are therefore responsible for arranging their own social security (Rijksoverheid, 2017). When a company hires self-employed people, these workers provide a service to the company. Within the platform economy, the company is solely a way for demander and supplier to get into contact. The 'workers' are not providing services for the company, they use the platform company to find a 'boss'. A 'boss' that is not officially a boss, as there is no contract defining the relationship between the platform worker

and customer. The risks of the company are therefore at a minimum, the provider bears the responsibility.

Next to the risk for platform workers, the Dutch welfare state is challenged. The social security system is founded on the idea that everyone is paying their share of income taxes to fund the social safety net. The system only works if everyone contributes. With the current labor laws, which leave a grey area for platforms to operate in, people often do not contribute to the pension fund or other labor securities (Taylor-Gooby, 2003). The result is a trade-off between flexible work and security. When an increasing amount of people become self-employed or starts to work via a platform, the whole social security system will be affected (Muffels, 2014).

The platform economy should be seen in the light of individualization of labor and changes in the welfare state: the company itself is only providing the platform, an online place where individuals can exchange their services. Therefore, one of the main areas of the platform economy that needs researching is how the status of workers and social security are changing in this new work environment. This holds especially for the employment status and rights of those who offer services on platforms. The current discussion focuses on the political and legal components of those employees. In cases like Uber, it is not clear if people who offer services on the platform are employees of the platform or not. From a political perspective they are employees, but from a legal perspective they are independent contractors (Rogers, 2016). Platforms often operate in an ambiguous situation in which it is unclear which rules apply and to whom they apply. As a result, to which extent responsibility for social protection should be with platforms, providers or buyers remains unanswered. This leaves the question of what issues and chances there are in the platform economy for workers in the Dutch welfare state.

3. Methodology

This research has a qualitative design with a largely explorative nature. A qualitative design is most suited to study the way people interpret and give meaning to the social world (Bryman, 2012). This research focuses on the meaning platform owners and founders and representatives of labor unions give to work and the way they deal with employment protection. Experts of the platform economy were interviewed to validate the interviews with the platform owners. Semi-structured interviews were held, which were based on topics from the literature discussed earlier but also gave respondents the opportunity to come up with issues relevant or important to them. The topics were translated into questions that can be found in appendix 8.1. Semi-structured interviews were the most suitable way to explore this new field of ‘employment’ and to gather rich data.

3.1 Population

The population in this research is threefold. The first group consists of people who are platform founders or owners. A small number of platforms is active in the Netherlands, around fifty according to the website deeleconomieinederland.nl. Most platforms focus on renting unused products or goods. In this research, the focus is on platforms on which people can offer services and where they can find ‘work’ for a shorter or longer period. Twenty-five of the fifty platforms fit into this category. In this research, nine platforms have been interviewed.

The second population is labor unions in the Netherlands. The main objective of Labor unions is to protect employees and negotiate for collective labor agreements on their behalf. There are many small labor unions, but in this research the focus was on the three largest unions, and those covering the issue of platform economies in their union. The third and final population is experts in the field. Three experts from different backgrounds were interviewed to gain additional insights on the platform economy and to validate the findings stemming from the interviews with platform owners and founders.

3.2 Data collection

The interview questions were based on topics drawn from the theoretical framework. The topics were created by operationalizing the theory, and then transformed into interview questions. The most dominant topics were: disruptive innovations and the employment relationship. Their operationalization will be briefly discussed in this section. The first topic,

disruptive innovations was operationalized by breaking the rules, competition and regulation (Esping-Anderson 2003; Burchel 2014). For instance, a question was asked about the way the platform related to more traditional companies in the same sector. The employment relationship was operationalized by criteria, rules, protection, responsibility (Freese, 2011). An example is the following question: are there any criteria to become a platform worker? The topics based on the theory on platforms and employment protection were more concrete and drew upon topics such as pensions, sick leave, criteria etcetera (Appendix 8.2).

The interviews with the platform owners focused on their ideas on working relations, responsibilities, and their policy regarding allowing people on their platforms. A different approach was used regarding labor unions. They were asked questions about the position of employees/workers in the grey area, which facilitates the platform economy. Labor unions were asked broader questions about transitions in labor and its consequences for employees/workers and the role of government. The expert interviews were used to validate the answers expressed by the platform owners, and to get a more general view on the development and consequences of the platform economy.

3.3 Sample

The complete sample in this research consists of fifteen respondents. The sample of platform owners consisted of nine platforms. In total 25 platforms were contacted. 6 platforms never responded and ten platforms did not want to be interviewed. Most platforms contacted were not willing to cooperate due to lack of time or not wanting to be interviewed anonymously. The sample consisted of platforms on which people could provide services. The following sectors were included: tourism/traveling, household services, maintenance and childcare.

The second group of respondents were the representatives of the labor unions. Five were contacted and three participated. Two of the five did not cooperate due to lack of time or non-response. The third and final group were the experts. Five experts were approached, two of them did not participate, due to lack of time and non-response. Three did participate in this research. One of the experts was a professor in innovation studies, the other a professor in Dutch labor law and the third an expert on the platform economy.

3.4 Data analysis

To analyze the data, the interviews were transcribed and anonymized. To ensure an objective analysis of the results, all interviews were of equal importance. The interviews were analyzed by use of a mix of deductive and inductive coding in the program MAXQDA 12. The

deductive analysis was done by designing codes drawn from theory. Induction was used if new codes arose from the interviews. These codes were added to the initial code tree. This meant that there was space within the analysis for insights which were not discussed in the literature. A few of the deductive codes were: technology, digitalization, individualization, network, flexibility, minimum wage/income and working conditions. The codes created inductively were: generational differences, fast living space, trust, less focus on work, regulation, employment status, open society, taxes, cooperation and training. The complete code tree can be found in appendix 8.1

4. Results

During the analysis of the interviews, multiple common elements came up regarding the themes created from the literature: (disruptive) innovation, rights and duties, responsibility, employment relationship and social security/employment protection. The respondents differ in their views; the platform owners see themselves as innovative and bearing little to no responsibility for social security, while the labor union representatives and experts question how innovative platforms are and see a responsibility for social security. To structure the results, they will be discussed per sub-question. Firstly, the sub-question on the rights and duties of people offering services on a platform will be discussed. Secondly, perspectives on the employment relationship that result from new forms of labor in the platform economy. Finally, the sub-question on in what way social security can be ensured for platform workers will be stressed.

Rights and duties of service providers in the platform economy

Changes in society/the welfare state.

What almost all platform owners mention is how society and people have become more flexible than they used to be. The explanation for this flexibilization of society partially originates from people wanting to have a certain level of responsibility. A platform owner explained the trend of flexibilization as follows:

[..] People want more flexibility, I think, at least more people than before. Before you just went to study, got a stable and permanent job and that is what you did. But now people are more flexible, they determine their own working hours, you even see that at jobs with permanent contracts. You do not always have to be at the office. It is a trend, being flexible, being your own boss and being responsible yourself.

From this quote, a trend becomes clear that flexibilization is something certain people want, something that happens in multiple forms of work, not only in the platform economy. Multiple platform owners expressed that this is mainly a wish of the current young generation, referred to as millennials. A platform owner expressed the following:

[..] I just referred to millennials, they are the future and they are distracted easily. They do not want to have the same employer for three years, they want to be self-employed and have other or even multiple jobs.

In this quote, it is expressed that people nowadays are different than people from other generations with regard to flexibility of work. This view, however, is not shared by the experts or the representatives of the labor unions. The experts do not think people now are different than people twenty or thirty years ago. He said that if there were permanent contracts available, everyone would want one. A representative of a labor union agreed that people generally prefer permanent contracts, but he did express that flexibility is sometimes wanted. He added that it is not a generational wish, but more age related: younger people prefer flexibility, but as they get older they prefer more stability.

When asked about the main cause for the platform economy to rise, a platform owner expressed it as follows:

[..] Internet, of course everyone has access to internet. Even with this phone, it just makes it easy to always have your workplace at hand and it enables easy communication. That is the main point.

This view was shared by all respondents, that technology and digitalization were the most important factors. It was also seen as the facilitator and the reason why flexibilization has become more important. The trend of individualization explained in the theory was not seen by the platform owners, nor by the experts. On the contrary, all platform owners highlighted the creation of a community and network due to their platform. In that sense the opposite might be the case. Technology seems to be the main explanation for the rise of the platform economy.

Disruptive innovations

When it comes to the rights and duties of people who provide services on a platform, the way platform owners look at the 'traditional' rights and duties matters. The overall view on the of the platform owners is that they are an innovation and therefore not always in line with the existing rules. A platform owner said the following:

[..] It is more a general discussion, but I see companies like AirBnB and Uber as examples, as innovators of society. They find loopholes in government policies and the government responds very

slowly, as bureaucratic as it can be. I think that they limit startups and platforms to flourish. I only see what Uber does as an opportunity and I think it is awesome.

This was contrasted by an expert as follows:

[..] Innovations do tend to break the rules, but it does not mean you are an innovation if you break the rules.

The above quote illustrates the view of the experts that calling yourself an innovation is used by platform owners as a justification for breaking the rules. According to the platform owners, this creates a space for innovation that will improve the services delivered. Multiple platform owners also mentioned that the traditional rules are not suited to the new developments, emphasizing that the platforms are different from more traditional companies in the same sector. The experts and labor union representatives do not fully agree with this view. They acknowledged that breaking the rules could improve the efficiency of services and legislation. However, they drew a clear line when it came to rules on exclusion, discrimination and workers' rights.

Responsibility for the rights of platform workers

Whether platform workers have rights and duties, comes down to who bears the responsibility for the two. According to most platform owners, platform workers are responsible for certain duties. These are mainly described by platform owners as not canceling appointments, updating a profile, solving problems with 'customers'. When it comes to the rights of platform workers, platform owners stressed that the government and the platform workers themselves share a responsibility for securing certain rights. These rights are predominantly getting paid and access to information on tax returns. A platform owner said the following:

[..] People are responsible for paying their own taxes, because it is the income that they have as they offer their service themselves as a freelancer. So in principle they should report them, but we cannot control whether they do or do not report their taxes.

The experts also explained that almost all platforms think the responsibility should be with the platform worker. Most platform owners see the platform worker as an independent contractor and therefore find it logical that they have to secure their own rights and perform their own duties. An expert explained that platform workers should perhaps get the status that the self-

employed have in the Netherlands. In that way, the responsibility would be more equally shared than in the current situation, although still remaining largely at the platform worker. The representatives of the labor unions all agreed that platforms should be treated based on the service they are providing, meaning platforms should have the same responsibilities as traditional companies in the same sector.

In short, the rights and duties of platform workers are now ambiguous due to different views of all involved actors. The level of importance that is given to being an innovation determines to what extent platform owners bear the responsibility for the rights of the workers. It also determines whether breaking the rules is acceptable or not. When looking at the platform economy from a service point of view, the difference might not be as great or innovative as explained by the platform owners. The narrative used to look at the platform economy determines whether platform workers have rights and duties, and what those entail.

Employment relationship in the platform economy

Employment relationship

A general opinion among platform owners on the employment relationship in the platform economy is that there is no employment relationship, at least not between the platform owner and the platform worker. However, platforms do have a set of criteria to which workers should adhere. The platforms that were in a starting phase did not have many criteria, as they wanted to attract as many people as possible. Criteria were seen as an obstacle in this phase. The owners of larger platforms interviewed did have criteria. The most common criteria are age limits, an application interview, face to face or via phone, a screening and verification by means of a copy of an identification card, a declaration of good behavior and a reference check. The last two criteria are mostly in place at the platforms that provide personal household services like cleaning and childcare. A platform owner explained why they have criteria as follows:

[..] So yeah the criteria we have, are installed to keep crap off the platform of course. We believe in regulated systems, based on reviews for example. You have to separate the good from the bad.

Besides criteria that function as gatekeepers of the platform, there are also rules when people work via a platform. All platforms had similar house rules. Most mentioned was the rule that people need to show up at appointments, and if this does not happen, they need a valid reason to cancel. People are, in most cases, also obliged to complete their online profile on the

platform to provide ‘customers’ with sufficient information. Other rules are answering messages, have a justification for negative reviews and have a sense of responsibility for the work that needs to be done. When the rules are broken, most platforms give the platform worker the possibility to provide an explanation, and if the reason is perceived as valid there is no problem. If the reason is not perceived as valid, it could lead to a block on the platform. The same rules apply to the platform worker as to the ‘customer’. All platforms monitor their platform workers to see to what extent they perform well and obey the rules. The monitoring mostly happened via the reviews. Some platforms have algorithms that, together with the reviews from ‘customers’, create a rating based on how fast someone replies to a request and the response rate. A platform owner said the following:

[..] If someone gets two or three bad reviews we tell them this might not be the platform for them.

The experts underlined that almost all platforms monitor and are therefore similar to an employer. They do not just facilitate a connection between provider and demander, but they also intervene. However, the monitoring mainly happens when a platform worker receives a negative review. If the worker experiences a negative situation on the job, not much is done. A few platform owners mentioned that they talk to both parties and try to come to a solution. Other platform owners explained that the responsibility to solve problems are not theirs and that the platform worker and the customer should come to a solution themselves. Platform owners are therefore not in agreement on how to deal with problems on the job. The two following quotes of platform owners illustrate this difference.

[..] If you have a platform you have to create value on both sides, that should be in balance. What Marktplaats for example did in the beginning, not protecting the buyers, is something you cannot do. It really should be a balance.

[..] You know eventually, if everything is arranged it is not our responsibility. We do not apologize either, we actually have nothing to do with it.

The actual employment relationship between the platform owner and the platform worker is ambiguous. Most platforms say they are a facilitator, while the experts mention that when monitoring takes place the relationship shifts from being a facilitator to being an employer. The representatives of labor unions also expressed that if the platform owner does more than

only provide a platform, they can be perceived as an employer. ‘Doing more’ is defined as setting a price and creating rules on how to ‘work’. Some platform owners in the volunteer and childcare sector also provided training for the service providers. The main reason to give trainings was to secure the quality of the service, but this also makes the platform owner more like an employer than when trainings are not being provided, according to the labor unions.

The issue of the employment relationship was described as complicated by all respondents. The general opinion was that the relationship should be looked at on an individual level, focused on every platform individually, not in general. Moreover, an expert mentioned that the platform economy can also bring a lot of opportunities for people even when platforms are not seen as employers. This goes especially for people who are currently unemployed. The issues that were highlighted regarding the employment relationship were mainly addressed by the experts and labor unions. If platform owners are only seen as a facilitator, regulation is not possible under the current rules. The labor union representatives see most platform owners as employers and should therefore work under the same rules as every other party in their sector. This does not mean that the current rules should be reviewed. Moreover, the experts and labor unions representatives mentioned that the way platform workers are employed or not employed should therefore be further looked at by the government. Perhaps by looking at what kind of work is done, to overcome the issues mentioned above and make better use of the possibilities.

Social security in the platform economy

Frequency of work

As described earlier, the level of social security available for platform workers is determined by multiple factors: employment relationship, whether the work is a side job or fulltime job and the frequency of work. When it comes to the frequency of work and whether the services provided are the main source of income, most platform owners have the same idea. The platform was created to give people the possibility to earn extra money, not provide services as a fulltime and main job. The main reason given for this intention is that the platform is there to enable people to gain experience or a network rather than gaining an income. One of the platform owners did not fit the above explained narrative. He was the only one who saw his platform as a way for people to work fulltime and earn a sufficient income. He explained this as followed:

[..] And if something does not work out with the customer or when they move, to whatever place, we make sure that the agenda stays full. So that the cleaner has a certain level of certainty.

On this platform, people are enabled to make it a fulltime job to have a level of certainty. One could say that the focus on work of this platform differs from the other platforms. The meaning of work is an important factor for the provision of social security according to the platform owners. Most platform owners see platform work as a side gig, not as a fulltime job to establish an income and overall wellbeing. Especially the owners of the platforms that provide services as cleaning or repair work explained they see a role for themselves to help people at the bottom of society to get back on their feet and earn money. A platform owner said the following:

[..] Other people active on our platform are people at the bottom of society who have a hard time connecting with the labor market.

This platform owner explained that working together with the Institute for Employee Insurances is a way to help people reintegrate in the labor market. One platform already does this, other platforms see a good opportunity to do so in the future. Work therefore gets a different meaning, it is seen as a way to develop and gain experience rather than as a way to sustain security and stability. The labor unions representatives were positive on the point of using work as a way to reintegrate. If the platform is only a way to earn a little money as a side gig, for example for students, there are not many problems. They are, however, concerned for people who use platforms to work fulltime. A labor union representative said the following about people how work fulltime:

[..] It maybe a small number of people, bit in this context it is the group of people where I worry about the most. With a little bit of work here and there, little protection, little security, well yeah that is something we as a union think is important.

This quote illustrates the trend that the frequency of work is important in looking at whether social security should be provided. According to the labor unions representatives and experts, the social security system exists to protect the vulnerable; especially those people who work via a platform fulltime are at risk. In that case something should be arranged, more so for the fulltime workers than people, like students, who work via a platform for extra earnings.

Employment protection

The analysis of the interviews showed two ways of looking at employment protection and social security: the risk for people who work via a platform and the risk that the social security system in the Netherlands will be affected when more people work via a platform. The first point was addressed by all respondents and the second mainly by the labor unions representatives.

Regarding the risk for people working on a platform, an important employment protection is a minimum wage. Not all platform owners have the same thoughts on setting the price of work on their platform. Some platform owners have a predetermined price that all workers on their platform work for. Others give the platform workers the freedom to determine their own price. Both approaches have their own benefit, a freedom to determine one's own price would help in having a sense of ownership, while having a predetermined price protects people from earning too little. According to the labor union representatives, people should earn enough money to secure a reasonable way of living, as one of them explained:

[..] Of the work that you do, you should be able to build a reasonable way of living if you do the work for 40 hours a week. That leads to that there should be some sort of minimum wage for platform workers.

This quote explains the idea that having a predetermined price could benefit the platform worker. It does matter, however, how high that price is. As mentioned before according to the experts and labor union representatives, setting a price does make the platform owner move towards being an employer. The issue of how much a worker earns therefore becomes complicated. When it comes to protection the platform workers, the platform owners differ in their opinions. Some say that there should be some sort of protection, but arranged by the government. While others see the platform workers as entrepreneurs and should therefore arrange their own protection. The most common reason not to arrange any protection is the costs of those securities. A platform owner explained it as followed:

[..] I would like, in the future, that we could arrange secondary working conditions collectively. Right now, this is too expensive, rather ridiculous. Now we cannot do this, because then we are an employer which would make it 25 euros an hour.

This quote explains that the platform owner, and other platform owners too, would like to arrange some sort of protection, but stress that this is currently too expensive. The labor union representatives said that that is just the risk of being an employer and that they should bear that responsibility. These risks are: no income, unpaid sick leave and not having a pension.

Moreover, platform workers do not always pay taxes. They are informed on how and when they should pay taxes by most platform owners, but all of them say it is the responsibility of the workers. Therefore, none of the platform owners have arranged employment protection, which could therefore be a risk to the social security system as a whole, as highlighted by the experts and labor union representatives. A labor union representative said the following:

[..] we are now at a point where the social security system may not be under discussion, but at risk due to all kinds of new systems, like platforms.

The employment protection that exists at traditional companies does not exist in the platform economy. The platform owners explained it would be too expensive and would take away the flexibility and freedom. The experts highlighted this point as well, but also raised concerns similar to the labor union representatives. Not having any protection could have severe consequences for workers such as (temporary) poverty. If employment protection and therefore social security should be arranged in the platform economy comes down to who bears the responsibility.

Responsibility for social security

The responsibility of who should arrange employment protection, such as pensions and safety on the job, is highly debated. The experts and labor union representatives have similar ideas, while the platform owners expressed a different opinion.. The platform owners all agree on that the responsibility is either at the worker himself or at the government. The platform worker should be responsible for being safe and solving problems, while the government should think of pensions and sick leave. An platform owner explained it as followed:

[..] the provider is responsible. I do think the government should make some sort of packages that they arrange pensions etcetera. You just see that there are more and more entrepreneurs, so it is more of a general issue, or more a topic. It's your own responsibility, end of discussion.

The labor union representatives do not agree on this point. One however, did mention that there is a certain responsibility for the platform worker, as they choose to do this work. But the platforms should at the very least be responsible for properly informing their workers. The other two labor union representatives expressed that as the platform provides work, they are in a way an employer and are therefore responsible for protection and security. The experts underlined both points of views, but also explained that the government should take a stand and determine who is responsible for social security. An expert explained a possible solution:

[..] some sort of responsibilities you should give to the platform, like mediation, it is also in their interest. Other things you should give to the government.

If social security can be arranged for platform workers is currently ambiguous and unclear. The platform owners are now not held accountable for a certain responsibility, as highlighted by all respondents. Under the current rules, laws and system they do not yet have to. Social security could be arranged for workers in the platform economy, but there is a responsibility for the government to define what rules apply and what responsibility comes with those rules.

5. Conclusion

This research has attempted to provide an overview of what issues and chances there are in the platform economy for workers in the Dutch welfare state. Multiple interviews were held with platform owners, labor union representatives and experts on the platform economy to explore those issues and chances. These refer to how the welfare state has changed with regards to flexibility and the meaning of work. The meaning of work became more comprehensive. Work was also seen as a way of personal development rather than only a way to earn an income and establishing security. The employment relationship may, therefore, change. Moreover, the theory on TLM's describes the balance between flexibility and security, a problem highly discussed in the platform economy. This problem arises from the possibility that platforms are a disruptive innovation. Platform workers generally do not get a contract as traditional employees do and therefore the balance is disrupted.

The main issue that arises in the platform economy is the multitude of views on who bears what responsibility. Traditionally, employers are responsible for social security. In the platform economy, however, platform owners see that responsibility for platform workers. On the other side, labor unions hold platform owners accountable. As there are no clear rules on who should arrange the workers' protection, all views are worth equally. The second issue is that platform workers seem to have more duties than rights. As platform workers tend to have less rights, they also have less security. This disrupts the balance between flexibility and security. The third issue is that there is no employment relationship between the platform owners and workers, but also not between the customer and worker. It is therefore not clear what the employment status of platform workers is. This leads to the final issue of platform workers not getting any social security from working via a platform. As the meaning of work differs in the platform economy, and no clear rules exist on responsibility for social security, rights and duties, the issues will remain. As most platform owners expressed the willingness to work with the government to create a system, the government could help clarifying responsibilities in the platform economy.

Despite the variety of issues within the platform economy, this area of employment also offers quite some opportunities for workers albeit that they are less explicit. The first chance originates from the idea that platform workers seem to have less duties than traditional employees. Having less duties boosts the trend of flexible work in the welfare state. Platform workers can generally plan their own working hours and hourly rate. This does not count for all platform workers however, but the trend of flexibility is strongly visible in the platform

economy. The second chance stems from the ambiguous employment relationship between workers and the platform. This creates an opportunity, to a certain extent, for platform workers to have a sense of ownership. It leaves a space for them to create their own rules and give their own meaning to work. Finally, the platform economy creates opportunities for people at the bottom of society. Despite the difficulties in finding a traditional job, platform workers can earn some money in an alternative way. To overcome the issues and boost the chances there is an objective for the government to set the landscape of the platform economy, either by more control, deregulation or creating a new system for example by cooperating with platform owners.

6. Discussion

This research had a qualitative explorative design. This means that the results are an overview of what platform owners, labor union representatives and experts on the platform economy think are relevant issues and chances for workers in the platform economy. The results should therefore be interpreted as a basis for further research on the platform economy. Every research, including this one, has its limitations and shortcomings. In this section these limitations will be discussed to be followed by suggestion for further research. The first limitation holds for all qualitative research: as the number of respondents is small, a generalization cannot be made. In this research, however, the number of respondents was sufficient, as each interview brought similar answers to the question asked. However, there is a chance of a selection bias because there was a large non-response among the platform owners, as they were not willing to cooperate with an anonymous research. Another remark is that interviewing platform workers could have added new perspectives. However, they were hard to reach as there is no definition of who platform worker are and they do not always identify as one.

The second limitation stems from the process of interviewing. There were some difficulties concerning the respondents, especially the platform owners. They had limited time and were cautious of negative stereotypes. Moreover, not all respondents had clear ideas on all discussed topics, as they were asked about issues in the future. On top of that this research looks into broad topics, that are hard to grasp for some respondents. The answers given may therefore be slightly distorted. Combined with the relatively new research subject and limited

experience of the researcher questions in the interviews may not always have been as theory-driven and open as hoped for.

This research is an important exploration of the platform economy, as not much research has been done yet. Previous research has been quantitative or from a legal perspective. Therefore the results from this research serve as a basis for further research for multiple disciplines. The conclusions from this research could help in the public and political debate. The current debate specifically focuses on Airbnb and Uber. This research has broadened the scope and presented an overview of views and motives of stakeholders in the Dutch platform economy.

There are of course still a number of recommendations for further research. The first is that there is no clear profile of the people who work via platforms. There is no clear definition yet of a platform worker and what that entails. Further research could help set a definition and present a clearer picture of what a platform is and does. The second and final recommendation deals with the effect for people who struggle on the labor market. Multiple times it was mentioned that they are the largest group of platform workers and that they could benefit greatly from the platform economy. However, it is not clear what the effects are for those people and what their exact motivation is to work via a platform. Both a qualitative as quantitative research could clarify the effects for people at the bottom of society.

6. Abstract

This thesis researches the issues and chances of the platform economy for workers in the Dutch welfare state. The leading concepts in this research are the rights and duties of workers, employment relationship and social security. All are being influenced by trends of flexibilization, among which the platform economy causes a peculiar flexibility of work. Platform owners, experts of the platform economy and labor union representatives were interviewed to gain insight in how the three concepts are influenced by the platform economy. An important factor in this research is the responsibility for employment protection and social security.

According to platform owners, platform workers bear responsibility for their own protection and social security. They see themselves as facilitators and not as employers, therefore there is no employment relationship between the worker and platform. The experts did not share this view. Their view is that when platforms have criteria, they shift from facilitator to employer and an employment relationship is established. Platform owners then become responsible for employee protection and social security. The labor union representatives shared the view of the experts but more strongly stressed that platform owners should be seen as employers.

The issues of the platform economy are that there are no clear rules, which leads to multiple views that are of equal importance. Moreover platform workers seem to have more duties than rights and there is currently no employment relationship in the platform economy in the Dutch welfare state. The chances are the level of freedom compared to traditional workers, the higher degree of autonomy and ownership and the low barrier of access to platforms, which creates possibilities for people who cannot connect to the labor market.

7. Literature

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