Online gig economy

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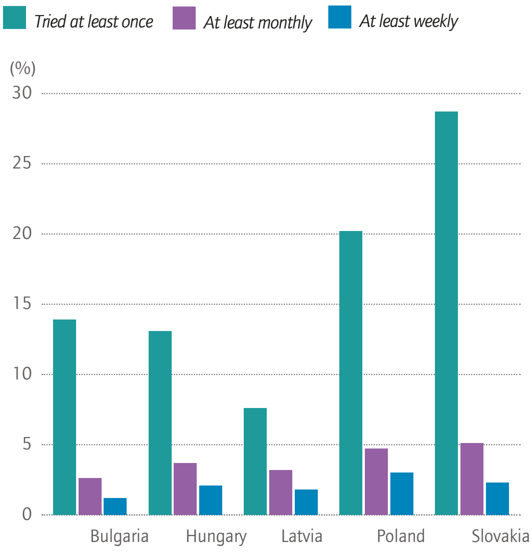
Internet work tried by many, but low incomes a deterrent

With consumption and many business services shifting in large part to online delivery, the internet has created new opportunities for individuals to access paid work. The rise of the online economy is not new, with the growth of online platforms such as Uber, Airbnb and Amazon Mechanical Turk much touted in recent years (Berg et al. 2018; Drahokoupil and Piasna 2017; Pesole et al. 2018). However, the Covid-19 crisis, which resulted in entire branches of the traditional economy being shut down and strict social distancing rules being imposed, accelerated the move of many operations online. In view of this, it is important to find out what groups of workers have been relying on the internet for their income and what sort of work they have been engaged in. The rationale for looking at various forms of economic activity that are mediated (to a different degree) by digital technologies is that they may represent 'gigs' in the sense of not being based on standard employment contracts, undermining the existing institutions of worker protection (Kalleberg and Vallas 2017; Vallas and Schor 2020).

Data on the size of the workforce engaged in the online gig economy are scarce, with official labour market statistics only addressing these issues in ad hoc and non-comparative surveys (see a review in Piasna 2020). Among several pioneering studies, the ETUI Internet and Platform Work Survey stands out due to its mapping of the extent of not only platform work but also the use of the internet to generate income more broadly, a phenomenon labelled 'internet work' (Piasna and Drahokoupil 2019).

Figure 2.14 Internet work by country, excluding sale of belongings (% of population 18-64)



Source: ETUI Internet and Platform Work Survey.

The ETUI Internet and Platform Work Survey

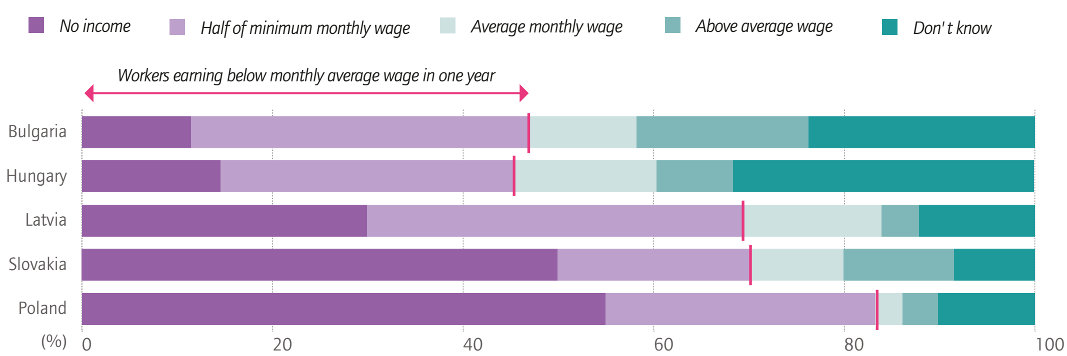
This survey was initially carried out in five central and eastern European countries: Bulgaria, Hungary, Latvia, Poland and Slovakia. Data were collected between 2018 and 2019, based on standard probability samples with a minimum of 1,000 respondents per country. The participants were recruited offline and were representative of the entire adult population. This means that each individual had an equal chance of being recruited and non-responses could be monitored. Interviews were administered face-to-face in respondents' homes (Computer Assisted Personal Interviewing, CAPI).

68%

of workers who have done internet work earned, in one year, less than a monthly minimum wage from it

ETUI Internet and Platform Work Survey

Figure 2.15 Annual income earned by occasional internet workers from internet work (before tax) (%)



Source: ETUI Internet and Platform Work Survey (Piasna and Drahokoupil 2019).

40%

of internet workers have received higher education

ETUI Internet and Platform Work Survey

Internet work includes any forms of gaining income on the internet (through the use of websites or mobile apps) and hence encompasses digitally mediated services as well as the selling of goods, blogging or renting out property online. Internet work need not be mediated by online platforms (such as Uber), but at least some of its forms do overlap with platform work (Piasna and Drahokoupil 2019).

The survey shows that across the five analysed European countries (Bulgaria, Hungary, Latvia, Poland and Slovakia), experiences with internet work are quite common, but only a small group of the population engages in this type of work on a regular basis. A large proportion of the adult population (aged 18-64) – ranging from 17.6% in Latvia to 33.3% in Poland – has tried at least once to earn money on the internet. The numbers are somewhat lower if the sale of personal belongings is excluded (see Figure 2.14). The share of adults who use the internet to generate income regularly, i.e. at least monthly, is small but not insignificant, ranging from 2.6% in Bulgaria to 5.1% in Slovakia, while work on a weekly basis in reported by less than 3% of respondents. Very low income levels (see Figure 2.15) are a likely reason for this attrition and explain why the majority of these workers are simultaneously employed in the offline labour market (Piasna and Drahokoupil 2019).

Activities performed by online workers usually require basic skills, even though the workers performing them tend to be better educated than the general population. Figure 2.16 shows the prevalence of low-skilled activities in internet work. As can be expected, the largest number of respondents had sold personal possessions at some point or continue to do so on a regular basis. Selling and re-selling on a commercial basis is also relatively widespread. In contrast, professional and skilled activities are among the least common.

Factors such as low incomes and a lack of standard employment locate internet work squarely within the category of precarious employment. The vulnerable situation of online workers is aggravated by the fact that they often simultaneously hold offline jobs which are also more likely to be non-standard, i.e. based on freelancing or temporary contracts, and with more fragmented career trajectories (Piasna and Drahokoupil 2019). It remains to be seen whether the internet as a source of generating income will provide sufficient incentives to workers, given that it requires relatively high levels of digital literacy but offers mainly low-paid activities with low-skill requirements.

“Low incomes and a lack of standard employment locate internet work squarely within the category of precarious employment.”

Figure 2.16 Internet work, by type of activity (%)

Source: ETUI Internet and Platform Work Survey (Piasna and Drahokoupil 2019).
Note: Average across five countries: Bulgaria, Hungary, Latvia, Poland and Slovakia.

Internet work: income-generating activities accessed via websites or mobile apps

- Renting out (own) accommodation
- Taxi services or other driving or delivery work done in person
- Blogging or running social media accounts
- Freelance work doing short tasks or 'click work', e.g. data entry, transcriptions, online surveys
- Freelance creative or IT work, e.g. web design, graphic design, programming, translation, copywriting, content creation
- Professional freelance work, e.g. consultancy, accounting, research
- Other freelance services or tasks
- Selling personal possessions online
- Selling self-made products online
- (Re-)selling other products online