DIGITAL PLATFORM WORK IN THE VALENCIAN COMMUNITY III

executive report

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DIGITAL PLATFORM WORK IN THE VALENCIAN COMMUNITY III

Executive Summary

The purpose of this study is to quantify the number of individuals working on digital platforms in the Valencian Community, analyze their profiles, working conditions, and job experiences to understand this phenomenon in the labor market and compare the data with those from 2021 and 2022. Additionally, the study aims to provide recommendations for public entities and various stakeholders to better address the challenges posed by platform work. To achieve this, a survey was conducted with 2000 individuals in the Valencian Community between April 26 and May 26, 2023.

1. QUANTIFICATION

- Of the individuals surveyed, 12.87% identified themselves as platform workers, marking a decrease of 0.51 percentage points compared to the previous year. Consequently, the number of platform workers has decreased by 3.5% in 2023 (15,527 fewer individuals, following a 10.6% increase in 2022 compared to 2021). This situation indicates a stable outlook in the sector, though without a clear upward or downward trend. The reasons for the decline can be attributed to the following factors:
    - Increased strength of traditional employment
    - Dissipation of the COVID-19 effect that previously boosted platform usage.

- Additionally, the data suggests that the reduction in platform workers has not affected those whose platform work is considered primary due to the number of hours and income earned. Instead, the decline is observed among individuals for whom platform work is secondary or marginal. This supports the hypothesis that the greater resilience of traditional employment is the reason these individuals, who engaged in platform work as a secondary or marginal activity, have discontinued their involvement. Conversely, these findings also suggest that for those individuals for whom platform work is the primary activity, their engagement in platform work has not diminished.

2. PROFILE OF DIGITAL PLATFORM WORKERS

AGE

A clear trend observed in 2021, 2022, and repeated in 2023 is the youthfulness of platform workers. Notably, a high 37.9% of individuals working on platforms are under 26 years old, more than three times the percentage for the same age group in the general population. In contrast, among platform workers aged over 36, the majority falls between 36 and 45 years old (18.6%), with 14.4% surpassing this age. This is significantly different from conventional employment, where over half of workers (53.6%) are over 45, and the most numerous age group is over 56 (29.2%).

Several factors may contribute to this phenomenon:

- As indicated in previous years, high youth unemployment may lead young people, unable to find alternatives in a conventional job, to turn to digital platform work as a kind of employment refuge.

- Additionally, considering that platform work generally requires a certain level of proficiency in digital environments, the higher digital literacy of young people (who have grown up in a technology-rich environment) may enable better access to these jobs compared to older individuals.

- On the other hand, improvements in overall unemployment rates over the past two years may have redirected older workers toward conventional employment, preferring it over platform work.

GENDER

Reduction in the masculinisation of platform work. In 2023, we observe a decrease in gender representation differences: although men are still in the majority at 58.1%, compared to 41.9% of women, their incidence has decreased compared to the previous year (63.4% of men, 36.6% of women in 2022)

RURAL-URBAN DIVIDE

This year, platform work is much less concentrated in large urban areas compared to conventional work. While the urban areas of Alicante and Valencia house 48% of those interviewed who do not work on platforms, they are home to only 31.8% of those who work on platforms. This may indicate a trend, although it is too early to confirm, towards platform work as an opportunity for medium and small-sized cities and towns (rural areas).

ORIGIN OF PLATFORM WORKERS

The vast majority of platform workers in the Valencian Community are of Spanish origin. However, since 2021, an over-representation of migrant workers has been detected in platform work compared to traditional work. This over-representation has been decreasing both in 2022 and now in 2023. In 2022 there was 1.3% less than in the previous year (14.1%). In 2023, there is a 0.4% reduction of migrants on platforms.

EDUCATION

Regarding educational level, in the case of platform workers we observe that a large majority, 63.3%, have a high level of education, 29.4% have a medium level of education and only 5.1% have a low level of education. Comparing these data with the rest of the respondents, individuals with high educational levels are clearly overrepresented in platform work, whit this percentage being 32.15% higher than in the rest of the sample. This over-representation of individuals with high levels of education, although it was not so relevant the previous year, has been present over the past two years.

It is also concluded that this high level of education is due to over-qualification and not to a higher training requirement for the activities carried out on platforms.

SECTORS AND TYPES OF WORK

This year, the professional sector continues to dominate among platform workers (50.1%). Among the types of work, there has been a notable increase in administrative work, rising from 15.4% to 19.4%. Like the previous year, the percentage of transport and delivery services provided through digital platforms is limited, but it has increased from 4.6% of the total number of jobs performed under these conditions to 7.1%.

SELF-EMPLOYED, EMPLOYEES, AND IRREGULAR SITUATIONS

Reducción del número de autónomos. Mientras que en 2021 y 2022 el trabajo en plataformas tenía casi el doble de incidencia entre los autónomos que, entre los empleados, este año la incidencia es un 65% mayor. Las causas pueden estar situada en la mejoría en el mercado de trabajo. Debe recordarse que en años anteriores los trabajadores en plataformas mostraban una clara preferencia por ser trabajadores por cuenta ajena. La mejora de la situación económica y la reducción del desempleo puede haber funcionado de palanca de cambio en la situación de muchos individuos.

A decrease in the number of self-employed individuals. While in 2021 and 2022, platform work was nearly twice as prevalent among the self-employed as among employees, this year the prevalence is 65% higher. The causes may lie in the improvement in the labour market. It should be noted that in previous years, platform workers showed a clear preference for being employees. The improvement in the economic situation and the reduction in unemployment may have influenced the change in the situation of many individuals.

COMPLEMENTARY WORK

Currently, platform work still seems to play a **complementary role**. However, it is becoming more regular than in previous years. Thus, 76.7% currently report working on platforms on a weekly basis, as opposed to 67.6% in 2022 and 48.6% in 2021.

INCOME

A large proportion of platform workers are **below the SMI per hour of work**. Specifically, almost 50% of workers earn less than 8 euros (after subtracting expenses) per hour of work (46%, a figure very similar to 2022). On the other hand, along the same lines as in 2022, only 3% of platform workers earn more than 20 euros per hour of work. Among the sectors, the lowest-paid is transportation and delivery services, where 60% earn less than 8 euros per hour. Although this situation has improved compared to the previous year when it was 71.4%.

3. CHARACTERISTICS OF PLATFORM WORK

From the data obtained, some conclusions have been reached that we believe can contributed to make better labour policy decisions.

INEFFICIENT WORK ORGANISATION

Waiting times compared to last year have barely changed, and the period between one and two hours continues to be the most common, in fact, more than half (59.2%) wait between one and three hours. There has been no improvement in the reduction of these waiting times; moreover, while shorter waiting times have slightly decreased, the number of those waiting for more than 5 hours has doubled (from 2.3% in 2022 to 4.3% in 2023).

COST FOR WORKERS

For the third consecutive year, the percentage of workers reporting having to pay to access the platform has increased (23% in 2021, 36.6% in 2022, 41% in 2023), while free access has decreased (63.7% in 2021, 50.4% in 2022, 40% in 2023). Although those accessing without payment are still in the majority (60% free of charge or with a sign-on bonus), the trend is towards platform work incurring a cost associated with the use of this platform for the worker.

EMPLOYMENT STABILITY

- There is once again a significant variety of previous work situations before starting platform work, with an increase in 2022 of employees, the self-employed and those helping in the family business, and a significant decrease in the number of unemployed compared to last year. There has also been a significant change in the importance of the main access channels, with social networks being the most important (33.6% in 2022 compared to 13.7% in 2021), followed by job portals (26.5% compared to 38.7%) and close social circles (19.2% compared to 25.5%).

- Almost 80% of people working on platforms are currently looking for a job, with the highest proportion of those over 36 years old, those with a high level of education and those employed by others. Of these, a quarter are looking for more work on the platform where they already work, mainly women, those under 36 and those who are employed by others; over 40% are looking for work on other platforms, mainly those over 36 and those with a high level of education; and 29% are looking outside the platform in general terms (last year it was 23.4%).

- **Priorities** in job search continue to be **temporal and spatial flexibility**. This job search is mainly done through job portals (80.3%), sending CVs and contacts from the social environment (both around 70%), social networks (61%) and public employment services, which improve their percentage from 52% in 2021 to almost 60% in 2022.

- 60% of respondents **would prefer a salaried job**, with this preference more pronounced in those over 36 years old, and nearly 55% of the total believe that their career will be developed mainly through platforms, compared to 38.6% last year. In a five-year forecast, one in four believes their situation will get worse, a third expects it will remain the same, and 40% are confident it will improve, with the optimistic view focusing on urban environments and core workers.

STRESS, OCCUPATIONAL RISKS AND SATISFACTION

People working through platforms have reported experiencing between 35% and 60% one or more risk factors that trigger stressful situations this year. Compared to 2022, there is a decreasing trend:

- Among risks related to physical or moral integrity, it stands out, with a significant **reduction** compared to the previous year, the **risk of aggression** going from 58.1% to 39.2% in 2023 (in 2021 it was 32.4%), the **risks of sexual harassment** have also decreased (44.6% in 2022 and 32.6% in 2021 to 37.3%) and a smaller reduction is observed in the **risk of suffering accidents** (39.9% 2022 compared to 34.4% 2021) to 39.2%.

- Of the problems resulting from a lack of control, the number of respondents who are **concerned about the lack of qualifications in digital skills increases** slightly (59.8% in 2023 compared to 58.1% in 2022). However, those who see themselves unable to influence their working conditions and subject to excessive external control (49.2% in 2023 compared to 52.3% in 2022) are slightly down.

- In risks related to relationships with clients and others, the factor of constant client evaluation, which was reported by over half of respondents in 2022, has now decreased to 44.2%.

- Lastly, other significant risk factors are still the lack of platform support in emergency cases (52.3% in 2022 and 49.2% in 2023) and issues of work-life balance due to a lack of disconnection (52.1%, decreasing to 44.6%).

- The trend persists that women are the most affected by these risks, significantly reporting higher risks of aggression, sexual harassment, health problems, lack of digital skills, inability to influence working conditions, and lack of disconnection.

- High levels of risks and stressors remain a concern, although there is a positive reduction from 2022 to 2023. In conclusion, it is too early to determine whether this is a trend due to the maturation of the sector or a cyclical response resulting from better working conditions in the traditional job market.

Satisfaction levels with platform work have remained very similar. In 2022, satisfaction was low for just over a third, 47.32% expressed medium satisfaction, and 20% were highly satisfied, compared to 2023, when 35% show low satisfaction, 42.1% show medium satisfaction, and 22.5% show high satisfaction. This result remains concerning for a growing sector seeking to establish itself as a job-generating source.

4. FALSE SELF-EMPLOYED

As mentioned earlier, there has been a reduction in the number of self-employed individuals on platforms this year, although they are still significantly over-represented compared to the number of self-employed individuals in the traditional economy. However, the trend is towards reducing the number of self-employed individuals and assimilating them into the general economy (Todolí, 2017). One reason for using self-employed individuals may be economic improvement, another reason may be the limited reform introduced by the twenty-third additional provision in the Workers' Statute (Todolí, 2021), and the proposal of a European Union Directive aiming to clarify employment relationships by correctly reclassifying more than four million potential false self-employed individuals as employees within the Union (Barcevičius et al., 2021).

This report aims to approximate the number of false self-employed individuals who should be converted into salaried employees, either through the approval of European legislation or the application of the Supreme Court ruling of September 25, 2021 (Glovo case), as well as other case law on false self-employment (Todolí, 2019).

We find that the number of self-employed individuals that could be reclassified remains excessively high and very similar to the figures in 2022, exceeding 50,000 individuals in all cases and even approaching 100,000 exceptionally. This raises suspicions that, while there have been some advances in this situation due to the increase in the percentage of contracted workers, there is still a serious problem to consider.

TASK ASSIGNMENT

This year's responses are more reminiscent of those obtained in 2021 than those from the previous year. Thus, 38.2% say the platform assigns the work (34.1% in 2021, 42.9% in 2022), 44.3% choose which tasks to perform (47.1% in 2021, 38.8% in 2022), and in 17.6% of cases, the decision is made by the client (18.8% in 2021, 18.3% in 2022). There is a significant percentage of self-employed individuals who claim that task assignment is determined by the platform (40.2%). Considering that a lack of autonomy in selecting clients is an indication of employment, this means that around 64,018 self-employed individuals could be classified in an employment relationship with the platform.

TASK SUPERVISION

In general, we observe how the review of work on platforms by these platforms is widespread. Thus, more than half (56.2%) claim that their work is always (20.5%) or often (35.7%) evaluated by the platform, while 33.5% say they are evaluated sometimes, and only 10.3% claim this never or rarely happens. Compared to the previous year, the data show little variation in this regard. Therefore, the fact that, as happened last year, 60.4% of self-employed individuals say they are always or often subject to this control, gives us a figure of 96,377 self-employed individuals who could be reclassified as employees.

WORK CONTROL

In this case, we are again facing a widespread picture of control by the platform. 57.2% of respondents claim to be subject to monitoring always (14.1%) or often (43.1%), while 42.9% are monitored sometimes (27%) or never (15.9%). Although monitoring was also widespread the previous year, it is noteworthy that there has been a decrease among those who claim to be constantly monitored (21.4% in 2022) and an increase among those who are never monitored (10.3% in 2022). However, there has also been a significant decrease among those who are only monitored sometimes (36.8% in 2022) and a substantial increase among those who are monitored often (31.4% in 2022).

In this case, we cannot help but draw attention to the fact that, although self-employed individuals have one of the lowest rates of continuous monitoring of their tasks by the platform, approximately only one in four (24.4%) claim not to be subject to this control. Considering that surveillance of job performance is an indicator of employment, and that 48.9% of self-employed individuals claim to be subject to this surveillance always or often, we can conclude that about 78,027 self-employed individuals in the Valencian Community operating on platforms would actually be workers for these platforms.

CODE OF CONDUCT, PROCEDURE, AND/OR DRESS CODE

While this type of behaviour has been somewhat reduced compared to last year, a significant percentage still feels compelled to comply with appearance and/or conduct rules imposed by the platform. Specifically, 42.3% (48.5% in 2022) say that this requirement is always (12.5% this year, 18% in 2022) or often (29.8%, 30.5% in 2022) present, while 57.2% (51.5% in 2022) say that such requirements occur sometimes (37.9% this year, 35.3% in 2022) or never (19.8%, 16.2% in 2022).

Considering that imposing a specific appearance or behaviour on someone performing a job is a clear indicator of employment as a manifestation of business management authority, we can conclude that approximately 76,751 self-employed workers should be reclassified as platform employees.

CREATION OF A PERSONAL CUSTOMER BASE

In this respect, we observe that in 79.2% of cases, people working on platforms see their ability to create their customer base or work for a third party restricted at least sometimes, although it is only common for 34.7% of respondents (8.9% say this always or almost always happens, and 25.8% say it happens often). The data are quite similar to those from the previous year, with a variation of about five points less among those who answered that it happened often (30.4% in 2022) and five points more among those who responded sometimes (39.7% in 2022). On the other hand, regarding self-employed individuals, only 31.3% respond that they never or rarely face these restrictions. Although this percentage is the highest among the groups, we cannot ignore that restricting the ability to attract customers or work for others implies a lack of freedom in developing one's own business, indicating that we are not dealing with true self-employed individuals. In fact, a significant 40.3% of self-employed individuals indicate that these restrictions always or frequently occur, so we could be talking about a total of 64,305 people who could be reclassified as platform workers.

SUBSTITUTION AND SUBCONTRACTIONG

According to the responses provided by the surveyed individuals, 24% claim that the platform always or almost always demands that the work be carried out by the user of the platform, while 38.1% say that subcontracting or substitution is allowed only on some occasions. Considering that platforms only allow substitution or subcontracting quite often in 30.3% of cases and always in a minimal 7.6%, we can conclude that the most common situation in platform work is that the worker cannot subcontract or substitute themselves in the activity. These data remain relatively unchanged from the previous year when 37.1% claimed they could subcontract or substitute often or always, 34.9% said it was allowed only sometimes, and 28.1% claimed it was never or almost never allowed. Self-employed individuals can subcontract often or always in 41.1% of cases, while employees can do so in 36.4%. Furthermore, only 14.5% of employees are prohibited from subcontracting their activity, while in the case of self-employed individuals, we find a high 38.2%, the highest percentage in this category. This is surprising, considering that self-employed individuals should have much greater freedom to run their own businesses. If we understand that the restriction on subcontracting is an indication of employment, given that 58.9% of platforms routinely limit this freedom, we could be talking about approximately 93,984 self-employed individuals who should be reclassified.

FIXING THE PRICE OF WORK

According to these data, we can see that the vast majority (91.2%) of those working on platforms have had their remuneration determined by the platform at some point; in fact, for more than half (55.5%), this practice always or often occurs. In this regard, the data remain consistent with the previous year. However, there is a significant increase in those who say that the platform always or almost always determines their remuneration (13.4% in 2022, 21.7% in 2023), at the expense of those who say it happens quite often (39.8% in 2022, 33.8% in 2023). As was the case in 2022, we observe that, in the case of self-employed individuals, the platform determines their remuneration to a greater extent than in the case of employees.

Indeed, this year the incidence is significantly higher, as, if last year 55% of self-employed individuals answered that this always or often happened, this year they respond in this way at 65.7%; moreover, 30.9% say that this happens always or almost always. The lack of freedom for the self-employed to set the price of their own work, imposed by the platform, is an indicator that we may be dealing with a fraudulent use of this figure. Considering this indicator of employment, we can obtain an approximate figure of 104,834 self-employed workers who should be reclassified as employees.

5. RESEARCH AND OBTAINMENT OF EMPLOYMENT ON PLATFORMS AND CAREER PERSPECTIVES

It is of great importance to understand to what extent work on platforms offers career development opportunities. The results reveal several interesting aspects.

FIRST ACCESS TO WORK ON PLAFORMS

In retrospect, they report on how they first gained access to work on platforms. The results, sorted by frequency, are as follows: One third of respondents accessed their first platform job via social networks such as LinkedIn, and an additional 23% did so through online job portals. Informal channels still play a significant role with 22.1% of respondents accessing their first platform job through this channel. Public employment services were the ways of accessing the first job on a platform for 4.4% and private employment agencies had minimal impact (1.2%).

CURRENT JOB SEARCH

A remarkably high percentage of workers who are looking for a job despite working on platforms, and there is even a slight increase in 2023. Whereas in 2022, almost 80% were actively seeking employment while working on the platform, in 2023, 82.4% respond affirmatively. A minority is searching for jobs on the same platform where they currently work (20.7%), while the majority is looking for a job on other platforms (39.5%) and a significant number are exploring options outside of platforms (34.6%).

PRIORITIES IN THEIR CURRENT JOB SEARCH

It is evident that when seeking additional work, priorities, based on their frequency of mention, include flexible working hours and appropriate salary. It is interesting to note that nearly 60% would still prefer salaried employment in their job search (although this preference has decreased by 3% compared to 2022).

MOST COMMON JOB SEARCH CHANNELS

Considering that respondents could mention multiple channels, the ranking based to the number of mentions is as follows: 8 out of 10 platform workers seeking employment use internet job portals and almost three out of four send their CVs to companies. Following closely, used by around two thirds of the respondents: family and friends' contacts, as well as social networks such as LinkedIn. Finally, approximately one in two respondents use public employment services, the media and private recruitment agencies, and more than one third prepare for competitive examinations. It is consolidated in the series since 2021 that working on platforms is widely used by those preparing for competitive examinations.

CAREER PROSPECTS IN PLATFORM WORK

Regarding whether they envision their professional development taking place entirely or predominantly in platform work, 58% answer in the affirmative, 31% in the negative and only 11% are not sure. If we compare these data with those of the previous edition, we can see that there is a decrease in the level of uncertainty, with an increase of approximately 4 percentage points in both the affirmative and negative options.

GENERAL ASSESSMENT OF CHANGES SINCE THE ONSET OF PLATFORM WORK TO THE PRESENT

When making a general assessment of their situation on the platform, the data reveals that 31.9% state that the situation in platform work has improved, with only 11.4% stating that it has worsened with respect to the previous year. This view is reflected in the findings of this report, which shows a slight improvement in some of the indicators, such as a reduction in the risks of stress, but where there is still much room for improvement in terms of wages, the prior payment required to access a job and the existence of a large number of self-employed workers without real control over their work activity.

RECOMMENDATIONS FOR PUBLIC ADMINISTRATION

In conjunction with the conclusions, where some suggestions for consideration have already been made, the recommendations that the authors have drawn from this report are listed below.

1. This year, even though the number of self-employed on platforms has decreased, the number of self-employed with no real control over their work activity has increased. This seems to indicate that those self-employed individuals who have become employees or have left the platform economy were best placed to have their autonomy respected by the platform, leaving those who probably do not have sufficient bargaining power to maintain their freedom. Therefore, it seems important to continue legislative, judicial, and administrative oversight efforts in support of these individuals.

2. A significant number of platforms still require workers to pay money to access jobs. To prevent the spread of this business model, which goes against regulations, specific surveillance campaigns should be designed by the Labour Inspectorate and measures to discourage their use should be studied. In addition, public employment services can be offered as a free alternative for these workers.

3. For the second year in a row, the vast majority of jobs on platforms are below the minimum wage in terms of hourly output. Collective bargaining and social dialogue should establish control measures to avoid this type of job insecurity.

4. There is still a clear under-utilisation of digital platforms by poorly trained people even in jobs that do not require formal education. It is therefore recommended to promote training in basic digital skills for work, especially for those groups that are particularly vulnerable to unemployment. Training in digital skills and competences for work should aim to reduce the digital divide and increase enhance job opportunities. In fact, in 2023, more platform workers than in 2022 reported their lack of training in the skills they need for their job as a source of stress.

5. We continue to maintain that, to avoid filtering and reduced job opportunities, it is not only important to provide training in digital skills. It is also necessary to train in those transversal competences that, not being digital, change significantly when used in platform work contexts ("digitised" competences).

6 The number of self-employed has been reduced in 2023 but is still large. Even among the truly self-employed, they may be particularly exposed to occupational health risks. The perception of these risks has decreased, however, the fact that the responsibilities for the analysis and prevention of the different risks that have been identified in this group of workers fall on them, makes them particularly vulnerable. The administration should monitor potential risks that are inherent in the design and operation of the platforms and act through the Labour Inspectorate when these risks have a relevant likelihood of causing harm (e.g. digital reputation risks, etc.).

7 This report highlights that there is many platform workers seeking additional work both within and outside platforms. Furthermore, it reveals that a large proportion of these individuals use public employment services. In addition, the profiles of these individuals by gender, age, location, etc. are detailed. This information can be used by employment services to generate specific courses for these profiles to help them find the additional employment they are looking for.

8 Working conditions of platform work are improving very slowly. However, it is a fact that "they are here to stay". Therefore, we believe that public employment services should see platform work as a new source of employment to be offered. Therefore, their employment mediators should have in-depth knowledge of these platforms to be able to advise and guide the unemployed and especially to inform them about strategies to get better working conditions within the diversity of options of the platforms.

9 From the obtained data, we observe how platform work empowers certain vulnerable groups to earn an income. This is the case for people with disabilities who do not fit into more traditional jobs and also for people who have experienced a loss of purchasing power and who complement it through the flexibility offered by platforms work. LABORA could incorporate in its strategic plans to focus on these profiles the options offered by platform work.

10 It has also been detected that platform work allows workers to do "crafting", i.e. to shape their professional career by learning different trades and tasks, allowing for better career opportunities and improving their future employability. This issue can be considered by LABORA when providing assistance in the design of jobseekers' professional careers.

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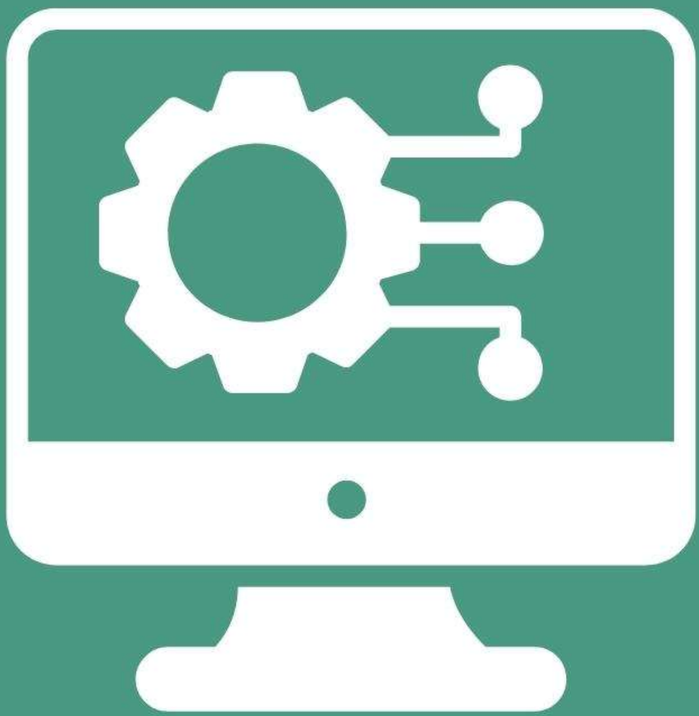

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