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# TO BE OR NOT TO BE A PLATFORM WORKER? LITHUANIAN CASE IN THE CONTEXT OF EU COUNTRIES

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**Abstract.** The first wave of the COVID-19 pandemic, which peaked in 2020, and the unprecedented demand for home delivery services have led to the growth of platform work in many countries all over the world. The article analyses the situation of platform workers in the Lithuania's labour market in the context of other EU countries. The paper presents the findings of a survey of platform workers carried out to define the social-economic picture of platform workers and identify their attitudes towards platform work in Lithuania. The survey has shown that the labour market situation of platform workers in Lithuania follows trends similar to other European countries in terms of socio-demographic characteristics, preferences and challenges. Slightly more significant differences between EU countries and Lithuania can be observed when analysing platform workers' working time and earnings.

**Keywords:** platform work, platform workers, digital labour platforms, Lithuania.

**JEL Classification:** J21, J24, J81, L86.

## Introduction

Rapid globalisation and digitalisation processes over the last few decades have entailed the emergence of platform work, which is not only rapidly changing the world of work, but is also posing new challenges that many countries have never seen before. The onset of the COVID-19 pandemic in 2020 and the unprecedented demand for home delivery services have accelerated the growth of platform work even more. Between 2016 and 2020, the number of digital labour platforms (DLPs) active in the EU-27 increased by about 12 per cent (from 463 to 520), while the earnings of people working through platforms increased by about 2.5 times (from an estimated €2.6 billion to €6.3 billion) (de Groen et al., 2021). It was estimated that around 28.3 million people were working through DLPs more often than just occasionally (i.e. more frequently than once a month) in the EU-27 in 2021. At the same time, it is forecast that the number of people opting to work in the platform economy could achieve 42.7 million in the EU-27 by 2030 (Barcevičius et al., 2021).

With such a massive growth, the working conditions of platform workers have become a central topic for many governments and researchers. Although platform work is appreciated for flexible working hours and additional earning opportunities by platform workers, the pandemic has highlighted a number of shortcomings in this type of employment. Research has shown that most Member States do not regulate the employment status of platform workers (they are classified as self-employed or freelancers), and this has significant negative implications for their social protection, representation at work, and pay (Eurofound, 2020; Lane, 2020; Karanovic & Stofberg, 2021, Eurofound, 2018).

In December 2021, the EC proposed a new Directive that includes a set of measures to improve working conditions in platform work in the EU (EC, 2021a). The Directive seeks to clarify work relations between various digital platforms and those who work through them (Kalinkaitė-Matuliauskienė, 2022a). However, despite EU-level debate on this matter, employment patterns and working conditions of platform workers still remain unchanged in most European countries.

Although in Lithuania, like in many other countries, statistical data on platform workers are not collected and published officially, both State Tax Inspectorate's (STI) data and press releases show that the extent of platform work is growing in the country. According to the STI[1], the number of persons having registered "Transportation

[1] In Lithuania, people who want to work through digital labour platforms (DLPs) are required to obtain individual activity certificates (IACs) from the tax authorities.

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services, not elsewhere classified", which include ride-hailers, increased by 60 times in Lithuania between 2015 and 2020 (from 292 to 17,998 persons); the number of persons having registered "Other postal and courier activities", which include food delivery couriers, increased by 12 times over the period at issue from 721 to 9,032 persons. These figures show a significant increase in platform work in Lithuania.

Like in other European countries, the development of platform work in Lithuania was accelerated by the COVID-19 pandemic, when home delivery services through different applications became very popular during the lockdown. According to Lithuanian legislation, platform workers are not considered employees as they work on the basis of individual activity certificates and are qualified as self-employed. Except for ride hailing services, platform work is poorly regulated in Lithuania. Platform workers do not have employment contracts and do not enjoy employees' rights and social guarantees, what makes them particularly vulnerable in the labour market. Platforms, in turn, call such workers "partners" and are not obliged to take care of their social guarantees and working conditions. According to experts and trade unions, there is a huge delay in addressing social and economic issues in the area of platform work in Lithuania. As demonstrated by the European Commission (EC) study carried out in 2020 to gather evidence on the working conditions of platform workers, Lithuania ranks among the five countries that have implemented the least national tools and responses regarding the working conditions and social protection of platform workers in the EU-28 (EC 2020). The fact that the situation is very sensitive and needs to be addressed is also shown by the initiatives of platform workers in Lithuania against the founders of the platforms. For example, in July 2020, Bolt Food delivery couriers in Lithuania organised a "strike" against reduced rates (although, according to lawyers, they do not have the right to strike under the national legislation). In November 2020, couriers petitioned the head of Bolt Food demanding higher pay and stability in working conditions (LRT.lt, 2020). In February 2022, Bolt ride-hailers organised a one-day "strike" against increases in commission fees in Lithuania (LRT.lt, 2022).

Despite the unprecedented growth of this form of employment in Lithuania and exacerbating problems, there have been no national studies conducted to analyse the situation of platform workers in the country, their working conditions and the reasons for choosing this form of employment. Fragmentary analyses of the platform work situation in Lithuania are presented in studies by Barcevičius et al. (2021), Brancati et al. (2020) and Pesole et al. (2018), but these studies are limited to information on the number of people working through platforms, their hourly earnings and average weekly hours worked, without performing a more in-depth analysis.

The aim of the article is to shed more light on the situation of platform workers in the labour market in Lithuania in the context of other EU countries. The article analyses the prevalence and the main features of platform work in Lithuania in the EU context. A special focus is put on the employment status of platform workers and their access to social protection in the country. With the aim of clarifying the social-economic portrait of platform workers and attitudes towards platform work, a survey of platform workers in Lithuania was carried out in January – February 2022. A total of 170 platform workers were interviewed online using random probability sampling.

The article is organised as follows. After the introduction, the paper discussed the conceptualisation and classification of platform work (section 1), the methodology of the research (section 2), as well as the prevalence (section 3) and the main characteristics of platform workers (section 4). Further, the main advantages and disadvantages of platform work are analysed and then the attitudes of platform workers towards their status and work are presented (with a special focus on the employment status and social protection of platform workers) (section 5).

## 1. Conceptualisation and classification of platform work

There are many different definitions of platform work; however, all of them contain similar elements and features. A core element of platform work is a digital labour platform (DLP) that allows meeting demand and supply for certain services. The core features of platform work are a triangular relationship between platform, platform worker and client, and online intermediation (European Commission [EC], 2019). The Centre for European Policy Studies (CEPS) defines DLP as "private internet-based companies that act as intermediaries, with greater or lesser extent of control, for on-demand services requested by individual or corporate consumers" (de Groen et al., 2021, p. 7). Similarly, according to Eurofound, platform work refers to "matching of the supply of and demand for paid work through an online platform" (Eurofound, 2018, p. 3). The OECD defines platform work as "transactions mediated by an app (i.e. a specific purpose software program, often designed for use on a mobile device) or a website, which matches customers and clients, by means of an algorithm, with workers who provide services in return for money" (OECD, 2019, p. 14). According to the ILO, "DLPs facilitate work using digital technologies to 'intermediate' between individual suppliers (platform workers and other businesses) and clients, or directly engage workers to provide labour services". The work undertaken on these platforms is referred to as "platform work" or "gig work" (International Labour Organization [ILO], 2021). By conducting ETUI internet and platform work survey, Piasna and Drahokoupil (2019) defined platform work as a subset of internet work which includes the provision of platform-mediated services and excludes the renting of accommodation and the sale of products online (Piasna & Drahokoupil, 2019).

The scientific literature distinguishes between two types of platform work: online web-based platform work (i.e. micro tasks, clerical and data entry, etc.) and location-based platform work (i.e. transport, food delivery, housekeeping, etc.) (ILO, 2021; Pesole et al., 2018; EC, 2019). The main difference between these two types is the way the work is performed. According to Pesole et al. (2018), online platform work refers to services provided "via online platforms, where you and the client are matched digitally, payment is conducted digitally via the platform and the work is location-independent, web-based". Location-based platform work refers to services provided "via online platforms, where you and the client are matched digitally, and the payment is conducted digitally via the platform, but work is performed on-location" (Pesole et al., 2018, p. 3). In other words, online platform work refers to tasks that platform workers perform from any suitable location on their electronic devices. Online platform work may be also referred to as crowdwork, location-independent, web-based, or online freelancing, whereas on-location platform work must take place in a specific physical location (EC, 2019). On-location platform work more often covers low-skilled work that is delivered in person and assigned to the worker by the platform, whereas online platform work is more often high-skilled online work where the client usually selects the worker by means of a contest. This type of platform work is especially prevalent for creative tasks (Eurofound, 2018). It should be noted that the mentioned two types of platform work can be further distinguished based on the type of tasks performed, their duration and complexity (e.g. on-location platform-determined work, on-location worker-initiated work, online contestant specialist work, etc.) (ILO, 2021; de Groen, 2018), but the focus of this analysis is on the two main types of platform work mentioned above.

## 2. Research methodology

The main aim of the article is to analyse the situation of platform workers in the labour market in Lithuania in the context of other EU countries. Data collection for the study was carried out by applying the following research methods:

- A comparative in-depth review and synthesis of the relevant literature and other existing data sources, including academic and grey literature, national and cross-national studies and statistics, and other relevant information.
- Analysis of secondary data collected from the Lithuanian national authorities such as the State Tax Inspectorate and the State Social Insurance Fund Board under the Ministry of Social Security and Labour.
- An online survey of people working through platforms, using a random probability sampling that offers the most inclusive, robust and representative methodology (Piasna, 2020). The survey was carried out in January – February 2022 and covered a total of 170 platform workers in Lithuania.

The main limitation of this survey is the lack of data on the general population, i.e. the number of platform workers in Lithuania (which made it difficult to determine the sample) and the relatively small number of platform workers interviewed due to time and financial constraints. Nevertheless, the survey results reflect the situation in Lithuania with no more than 7.5 per cent confidence interval.

## 3. Prevalence and main types of platform work

There is a lack of reliable data on the extent of the platform work and on the profiles of workers performing such activities in different European countries. It is difficult to estimate the size of the platform economy in the world due to insufficient regulation, lack of harmonious terminology and of reliable information provided by the platforms. Because of this reason, a variety of methodological strategies have been used to estimate the size and prevalence of platform work. As a result, estimates on the size and prevalence of platform work greatly differ (EC, 2019).

A recent ETUI survey on platform work that was conducted in 14 EU Member States revealed that around 4.3 per cent of the surveyed working-age adults carried out work through a DLP in 2021. However, the share of main platform workers accounted for around 1.1 per cent of all respondents. The main platform workers in the study were defined as those who earn 50 per cent or more of their income via platforms and/or those who work via platforms more than 20 hours a week (Piasna et al., 2022).

According to the calculations made by Barcevičius et al. (2021), the estimated share of population in the EU-27 who, in the period of six months, worked through DLPs more than occasionally was 10.7 per cent of EU-27 daily internet users (or 28.3 million people in the EU-27) (Barcevičius et al., 2021).

According to the COLLEEM I survey, in 2017, main platform workers in Europe accounted for about 2.3 per cent of the adult population. The share of the main platform workers was the highest in the UK (4.3 per cent) and the lowest in Finland (0.6 per cent). If taking account the mere fact of persons who have ever done platform work (not taking into account platform workers' income and the number of hours worked), then the share of platform workers as a percentage of the adult population would be much higher – on average 9.7 per cent. Authors' calculations suggest that the percentage of individuals who have ever done platform work ranged from 12 per cent in the United Kingdom to 6.0 per cent in Finland in 2017 (Pesole et al., 2018).

According to the COLLEEM II survey of 2018, main platform workers in Europe constituted 1.4 per cent (Brancati et al., 2020).

De Groen et al. (2021) argue that Europe is dominated by on-location services. The authors estimate that around 90 per cent of intermediated DLP services are on-location services (taxi and delivery being the most important services, accounting for 63 per cent in terms of earnings; home services, professional services and domestic work accounts for 29 per cent in terms of earnings). Online services such as micro tasks, freelance, contest-based and medical consultations account for around 10 per cent in terms of earnings (de Groen et al., 2021).

Table 1. The number of IACs acquired by ride hailing service providers and couriers in Lithuania in 2015–2020 (source: State Tax Inspectorate (2021), data provided on a special request)

| Economic activity | Indicator | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|
| Other passenger land transport n.e.c. (ride hailing services) | Persons having registered the economic activity | 292 | 2,291 | 7,119 | 12,938 | 17,286 | 17,998 |
| | Of which: those who indicated it as the main activity | 185 | 1,782 | 5,966 | 11,173 | 14,997 | 15,227 |
| Other postal and courier activities (courier activities) | Persons having registered the economic activity | 721 | 905 | 1,218 | 2,296 | 3,889 | 9,032 |
| | Of which: those who indicated it as the main activity | 633 | 794 | 1,049 | 1,967 | 3,339 | 7,147 |

The aforementioned studies provide different numbers of platform workers in Lithuania. According to the COLLEEM I survey, main platform workers in Lithuania accounted for 1.6 per cent in 2017. If only taking into account the fact that persons have ever done platform work, the share of platform workers would be 9.1 per cent in Lithuania (Pesole et al. 2018). According to the COLLEEM II survey of 2018, main platform workers accounted for 1.2 per cent in Lithuania (Brancati et al., 2020).

As there are no official data, it is not possible to accurately assess which type of platform work is more common in Lithuania. Due to the rapid increase in the number of couriers and ride-hailers in the country over the last five years (in Lithuania, as in other EU countries, they are dominant among platform workers), we may assume that on-location platform work is prevalent in Lithuania. It is these two groups that will be the main focus of the analysis in Lithuania.

As it was already mentioned, statistical data on platform workers are neither collected nor published in Lithuania. However, limited information is available from the STI as people who wish to work through DLPs in Lithuania are required to obtain an individual activity certificate (IAC) (Table 1). Ride hailing services fall under the economic activity "Other passenger land transport n.e.c."; courier activities fall under "Other postal and courier activities".

As we can see from Table 1, the number of persons working as ride-hailers and food delivery couriers on the basis of IAC has been growing in Lithuania over the past six years. In Lithuania, ride-hail drivers saw a particularly significant jump in 2016, while the number of people providing the delivery of food through various platforms significantly increased in 2018. When analysing these figures, we should have in mind that they might be overestimated as some people who registered as service providers via platforms might not be actually working.

According to de Groen et al. (2021), the COVID-19 pandemic has had a significant impact on the activities of certain types of platforms. The authors point out that, until 2019, the DLP economy was dominated by taxi platforms, but due to COVID-19 this has shifted to delivery platforms – food delivery platforms more than doubled in size during 2020, whereas taxi platforms lost about a third of their activities (Groen et al., 2021). As shown in Table 1, Lithuania follows a similar path. The number of couriers more than doubled in Lithuania in 2020 as compared with 2019. Currently, the food delivery market in Lithuania is overloaded. If a person wants to get a job on a food delivery platform, he or she has to queue for a job. The platforms receive so many job applications that not everyone who wants a job gets it in Lithuania (Naprys, 2021).

A slightly different situation was observed in ride-hailing activities during the pandemic. After a rapid pre-pandemic growth, the number of ride-hailers remained almost unchanged in 2020 as compared with 2019. According to the representatives of ride-hail platforms, with the onset of the pandemic, the demand for transportation services declined in Lithuania and some people providing such services had to suspend their activities. This was also due to the drivers' fear of being infected with coronavirus. It was only at the end of summer 2021 (after the restrictions were released), when the demand for transportation services started to return to the pre-pandemic level. However, some drivers did not return to this activity and there was a shortage of drivers in 2021 (Žebrauskienė, 2021).

According to trade union representatives, the absence of available statistics on platform workers and high competition between couriers are beneficial for the managers of the platforms – platforms encourage competition between their couriers and drive prices down (Lithuanian Trade Union Confederation [LTUC], 2020). Lack of work is another problem associated with high competition in platform work (Gegužės 1-osios profesinė sąjunga [G1PS], 2020). Studies have shown that many platform workers in Europe cannot get as much work as they would like to (European Parliament, 2017; Berg, 2016). The lack of available work means that it is common for platform workers to spend long periods searching for work, which translates into many hours of unpaid work (European Parliament, 2017).

## 4. Who are platform workers?

Research has shown that young people are more likely to take up (on-location) platform work in Europe (EC, 2021a; Pesole et al., 2018). According to the COLLEEM I and II surveys, the average age of platform workers (providing services at least monthly) was 34.7 in 2017 and 33.9 in 2018 (Brancati et al., 2020). According to the ETUI survey carried out in 2018, the average age of platform workers in five EU countries (Bulgaria, Hungary, Latvia, Poland and Slovakia) was 37.5 (Piasna & Drahokoupil, 2019).

In terms of gender, studies have shown that platform work is more frequently carried out by men than women (Huws et al., 2019; Pesole et al., 2018; Brancati et al., 2020). According to a recent EC report, the exception is Italy where women (at 52.8 per cent) outnumber men (at 47.2 per cent) among those doing platform work at least weekly. In some countries (like Belgium, Czech Republic, France, Malta and Sweden), non-native/foreign-born workers constitute an important group among on-location platform workers (EC, 2021a).

Similar trends in terms of age and gender are seen in Lithuania, too. According to our survey, about 80.6 per cent of platform workers were male. The age of respondents ranged from 18 to 58 years; the average age of respondents was 33 years; people under 35 accounted for some 64.5 per cent of all respondents.

Most surveys show that people working through DLPs are, on average, more educated than the general population. Many of them are either studying or are tertiary graduates (Piasna et al., 2022; Barcevičius et al., 2021). According to Piasna et al. (2022), students, on average, are up to twice as likely as non-students to be doing internet or platform work.

The survey in Lithuania confirmed the results of the above-mentioned studies: 29.6 per cent of platform workers in Lithuania had a university degree, 19.5 per cent were post-secondary graduates and 42 per cent were secondary/special upper secondary graduates. Around one fifth of respondents (21.2 per cent) were in post-secondary studies at the time of the survey (and therefore likely to have classified themselves as having secondary education at the time of the survey).

Some studies have shown that platform workers do other jobs in addition to platform work. However, different studies yield different results. According to Huws et al. (2019), in most European countries, around nine out of ten platform workers combine platform work with other sources of income. Unlike this study, a survey conducted in the EU-27 in 2021 showed that over 70 per cent of all people engaged in platform work indicated online platform work as their main occupation (Barcevičius et al., 2021).

According to our survey, platform work is the main occupation for more than half of the respondents (57.7 per cent) in Lithuania About a third (32.4 per cent) of platform workers reported it to be an additional job on top of their salaried employment, and a tenth (10.6 per cent) of the respondents combined it with other economic activities performed under a business certificate or IAC. As the survey showed, around half of platform workers in Lithuania worked on one platform, 27.6 per cent on two platforms and 15.9 per cent on three or more. The most common platforms in the country included Wolt (represented by 47.6 per cent of the respondents), Bolt Food (45.9 per cent) and Bolt (38.2 per cent).

## 5. To be or not to be?

### 5.1. Advantages and disadvantages of platform work

The performed literature review enables identification of different motivations for workers to engage in platform work. The main advantages and disadvantages of platform work are listed in Table 2.

Table 2. Main advantages and disadvantages of platform work (source: compiled by the authors based on Eurofound (2020), Hoang et al. (2020) and other sources)

| Advantages | Disadvantages |
|---|---|
| Low entry requirements to the labour market | Ambiguous employment status, insecure employment |
| Source of extra income | Poor social protection |
| Working time flexibility | Limitations related to client ratings |
| Higher level of autonomy when selecting tasks | No opportunities for feedback or negotiations, poor worker representation |
| A stepping stone to traditional employment | Insecurity due to low transparency on algorithm management system |
| Serve as a social equaliser by reducing economic exclusion of disadvantaged groups | Low pay rates, unpredictability of earnings |
| Possibility to work for transnational companies/corporations | Poor career prospects in the platform economy |

Studies have shown that easy labour market access due to low entry requirements and opportunity to earn extra income are among the main motivations for workers to participate in the platform economy (ILO, 2021; Eurofound, 2020; Hoang et al., 2020; Huws et al., 2019). According to de Groen et al. (2021), the total earnings of people working through platforms in the EU-27 increased from an estimated €2.6 billion in 2016 to €6.8 billion in 2019 (de Groen et al., 2021).

In addition to income, it is often emphasised that platform workers have a higher level of working time flexibility and autonomy in selecting tasks, compared with other forms of work, especially standard work (EC, 2019; Eurofound, 2020; Huws et al., 2019; European Parliament, 2017). For example, food delivery riders and taxi drivers typically receive task offers allocated by an algorithm, which they can accept or decline. However, researchers emphasise that the allocation strategy used to divide tasks among platform workers depends heavily on the type of work and the algorithm of the platform (EC, 2019). Many platforms impose penalties for declining tasks or set a minimum number of mandatory acceptances. Algorithmic management often limits the autonomy of platform workers as they may feel pressured to accept tasks to avoid a penalty or bad review (EC, 2019; Renau-Cano et al., 2021). Renau-Cano et al. (2021) conclude that the increased freedom and flexibility for platform workers is often accompanied by lower income and increased insecurity.

Among other motivations to work in the platform economy, researchers mention possibilities to gain some work experience that could help enter traditional employment, to work for transnational corporations and to access employment for people with more disadvantaged social backgrounds (Hoang et al., 2020; Eurofound, 2020).

The main disadvantage of platform work which is emphasised by many researchers is an ambiguous employment status of platform workers that leads to insecure employment (Eurofound, 2020; European Parliament, 2017). According to de Groen et al. (2018), despite being one of the main topics in the debate, the employment status of platform workers generally remains uncertain from a regulatory perspective. In many countries the status of platform workers falls between employment and self-employment, however, in most cases the providers of labour services via platforms are formally independent contractors rather than employees (Pesole et al., 2018; EC, 2019). The ambiguous and unregulated employment status of platform workers results in their limited access to employment rights, social protection and representation as well as insecurity about pay (Eurofound, 2020). Also, because platform workers are considered to be self-employed or freelancers, they do not get access to training available for typical employees and have poorer career prospects (Eurofound, 2015).

The analysis of the literature on disadvantages of platform work suggests that the ambiguous employment status and lack of access to social protection are the main factors having negative impact on the working conditions of platform workers. For this reason, they are analysed in more detail in the following sections.

### 5.2. Employment status of platform workers

As it was mentioned earlier, most Member States do not regulate the employment status of platform workers. In 2018, none of the 18 countries analysed by the Eurofound had clear regulations specifying the employment status of platform workers (Eurofound, 2018). The situation hasn't changed much over the last few years. Platform workers have been traditionally qualified as independent workers or contractors but not as employees (Freshfields Bruckhaus Deringer [FBD], 2021). According to de Groen et al. (2021), no persons working through platforms were officially employed on 79 per cent of DLPs analysed; instead, they were self-employed. A very small number of DLPs employed all of their workers (all of them providing location-based delivery services). Such practice is more common in Germany and the Netherlands (de Groen et al., 2021).

Furthermore, according to recent studies, platform work is often carried out not on the basis of a separately negotiated written contractual (employment or service) agreement, but on the basis of the acceptance of standardised terms and conditions by the platform worker. As a result, without contractual agreements, platform workers lack adequate protection such as the right to disconnect, the right to information and explanation on certain (semi-automated) decisions, the right to have access to internal complaint handling mechanisms, and others (EC, 2021b). In addition, because platform workers are commonly treated as the self-employed, they are frequently unprotected by basic labour law protections pertaining to hourly pay, occupational health and safety, annual leave, collective bargaining rights, etc. (Johnston et al., 2020). According to Lane (2020), this situation is not fair, as the line between employees and self-employed people working in the platform economy is blurred. Platform workers, like employees, often have limited control over their work (in many cases they cannot set prices, they cannot choose the order of their tasks, etc.); they are dependent on their clients/employers (e.g., financially) and are controlled via technology-enabled monitoring (Lane, 2020). All these factors create a de facto relationship of subordination between the platforms and platform workers.

In terms of the employment status of platform workers, Lithuania does not differ much from other European countries. In Lithuania, persons willing to engage in platform work are required to hold an IAC. As a rule, they have no employment contract with the founder of the platform and provide services under a civil contract. For this reason, in most cases platform workers are not considered employees in Lithuania (only a very small share of platform workers are employed on a contract basis). According to our survey, around a third (34.1 per cent) of platform workers had service contracts signed with the platform; a fifth of the respondents had no contract (20.6 per cent) or had only signed app manuals (21.2 per cent). Only 4.7 per cent of the respondents had employment contracts signed; the remaining 19.4 per cent were unwilling/unable to answer this question.

Providing services under a civil contract means that natural persons provide certain services for remuneration through a platform at their own risk and at their own expense. Civil contracts concluded by the parties eliminate the possibility to consider such individuals employees and prevent them from exercising employees' rights (e.g. the right to claim the minimum wage, the right to annual leave or additional payment for night work, the right to apply to labour disputes commissions, etc.) (Davulis, 2020). It also means that in the event of disagreements, the State Labour Inspectorate (SLI) is not in a position to assist in dispute resolution and the disputes have to be resolved in court (Masiokaitė-Liubinienė, 2020).

With regard to the legal status of platform workers in Lithuania, it can be noted that the legislator has taken action to address only the problem of the legal status of persons providing ride hailing (taxi) services in the country by adopting amendments to the Road Transport Code (RTC). Amendments to RTC No I-1628 enacted in Lithuania on 1 January 2020 provide for the stricter regulation of ride hailing activities. The amendments to the RTC read that the activities of requested carriage of passengers by car for remuneration shall be provided by self-employed natural persons on the basis of a contract concluded with a passenger transport operator (Uber, Bolt or other platforms). This legal provision has essentially eliminated the possibility of challenging the civil legal nature of the relationships between platform drivers and the platform itself; pursuant to the laws of the Republic of Lithuania, drivers providing ride hailing services work as self-employed (Davulis, 2020).

To conclude, the problems related to the employment status of platform workers have remained unsolved both in Lithuania and in the majority of other EU countries. It should be noted that recently the EC has taken actions to at least partially address these issues. On 21 April 2021, the EC released its proposed draft regulation that intends to create a legal framework on artificial intelligence. The regulation would establish rules on the development, placing on the market, and the use of artificial intelligence systems across the EU (EC, 2021c). The regulation would undoubtedly have some impact on platform work as most DLPs use technology-based algorithms to control services provided by platform workers. Furthermore, in December 2021, the EC proposed a Directive aimed at supporting the sustainable growth of DLPs in the EU. The proposed Directive seeks to ensure that people working through DLPs are granted the legal employment status that corresponds to their actual work arrangements. The Directive provides a list of criteria to determine whether the platform is actually "an employer". If the platform meets at least two of those criteria, it is legally presumed to be an employer (EC, 2021a). However, the latter Directive is controversial in Lithuania both among the social partners (employers' organisations and trade unions) and platform workers themselves (for more details see Section "Attitudes of platform workers towards their status and work").

### 5.3. Social protection of platform workers

As platform workers in Europe are usually considered self-employed, they are generally covered by the social insurance systems of self-employed workers, which tend to be much less favourable than those of employees (Eurofound, 2018; Schmidt, 2017). The study carried out by de Groen et al. (2021) revealed that almost none of the people working through platforms have access to unemployment benefits. Similar results were found for other types of social protection such as health insurance, maternity benefits, sickness benefits, old age/survivors' pensions, etc. The exception is accident and occupational injuries insurance, which is offered by around 23 per cent of DLPs (de Groen et al., 2021). According to the Eurofound's report (2018), the majority of countries analysed had no specific provisions related to health and safety in place for platform workers. In addition to low social protection, platform workers are usually charged a variety of fees by the DLP (e.g. subscription fees or fees per contact with a client, etc.) (de Groen et al., 2021).

In Lithuania, platform workers are self-employed – this is actually the only status that could be used by platform workers in Lithuania (unless an employment relationship is proven to exist between the worker and the company, but there is no information about such cases in Lithuania). Having no employment contracts, platform workers have no access to any employees' rights and social guarantees. Platform workers are not entitled to unemployment social insurance benefits if they lose their platform job, nor are they insured against accidents, although their working conditions are often precarious. They also have no paid annual leave and are not applied provisions relating to the amount of the minimum monthly wage. In addition, platform managers have no obligation to provide such workers with the necessary work equipment and do not compensate for equipment failures and their maintenance costs (Lrytas.lt, 2020). As platform workers do not sign employment contracts with the platforms, the latter can take the advantage of unilateral change of service rates. This is exactly what happened to Bolt Food couriers in Lithuania in July 2020, when the company decided to reduce the service rate for food delivery from €3 to €2.8 (Verslo žinios, 2020).

### 5.4. Attitudes of platform workers towards their status and work

To summarise the above information, platform workers' attitudes towards their work remain rather ambiguous despite all the conditions above. Research has shown that respondents tend to identify two main reasons for choosing platform work, namely, the willingness to earn additional income and the flexibility of working hours (flexibility in terms of where and when to work, possibility to balance work and family commitments, etc.) (EIGE, 2020; Barcevičius et al., 2021; Pesole et al., 2018). The above answer options were also chosen by the majority of respondents in the survey conducted in Lithuania – 83.5 per cent said that the main motivation for doing platform work was the ability to control one's own working hours; 50 per cent said that the main motivation was extra income; 44 per cent indicated that it was the most suitable job for them in their current life circumstances (more than one answer could apply).

According to research, the main disadvantages of platform work identified by platform workers usually include high competition, low pay rates, unpredictable income, long working hours, lack of support from the platform (workers feel left to deal with issues on their own) (Eurofound, 2018; Muszyński et al., 2021; Barcevičius et al., 2021). Our survey has shown that platform workers in Lithuania face similar problems at work, with half of all the respondents (50 per cent) identifying high competition and lack of orders as the main problem of platform work. Other problems of platform work most frequently identified by the respondents included the absence of annual holidays (39.4 per cent), the lack of dialogue between the platform and its partners (38.8 per cent), no benefits in case of illness or accident at work (37.6 per cent), and financial instability (32.4 per cent) (more than one answer could apply).

The fact that lack of orders/tasks is a major problem in platform work can also be inferred from other authors' surveys. According to an ILO survey, people working on DLPs spend around one-third of their time on unpaid work (ILO, 2021). Other surveys suggest that the amount of unpaid time spent waiting for tasks can even be similar to the amount of time spent actually implementing those tasks (Barcevičius et al., 2021; EIGE, 2020).

According to our survey, despite the high competition and the lack of orders, the majority (70 per cent) of respondents in Lithuania said that if they could choose how many hours to work per week, they would choose to work the same number of hours as they currently work; 20 per cent would like to work more hours; and 8.8 per cent would like to work fewer hours. According to the survey, the number of hours worked per week by platform workers ranged from 4 to 80 hours in Lithuania (the average weekly working time for platform workers was 33 hours.) Around a quarter (24.9 per cent) of the respondents indicated that they worked more than 40 hours per week on platforms. Our survey has shown that platform workers worked longer hours in Lithuania than similar workers in Europe. According to the COLLEEM survey, in Europe 42 per cent of platform workers worked on platforms less than 10 hours on average per week, whereas in Lithuania only around 16 per cent of platform workers worked this number of hours (Pesole et al., 2018, p. 48).

Research has demonstrated that around 55 per cent of platform workers receive hourly earnings that are below the net minimum wage when both paid tasks and unpaid working time on platforms are taken into account. Earnings in food delivery are usually considerably lower than earnings on online or ride-hailing platforms. Hourly earnings after platform fees and before taxes in different EU countries vary from €5.4 in Poland to €23.7 in Denmark in the delivery sector and from €6 in Poland to €24 in Sweden in the ride-hailing sector (Barcevičius et al., 2021, p. 102). Our survey has shown that the income of platform workers in Lithuania differ quite substantially (as does the number of hours worked). A third (33.5 per cent) of respondents reported earning up to €500 per month after tax, and a quarter (25.9 per cent) reported earning more than €1000. In Lithuania, the net amount of the minimum wage (MW) is around €534 in 2022, suggesting that around a third of platform workers in Lithuania earn less than the MW. In terms of pay, around half of the respondents in Lithuania either strongly agreed or more strongly agreed than disagreed with the statement that "The pay I receive is commensurate with my workload and efforts" and around a third (33.5 per cent) strongly disagreed/more strongly disagreed than agreed with this statement.

Thus, there seems to be no clear answer as to how this new, quite popular and still rapidly expanding form of employment should evolve in the future, not only in order to ensure flexibility and efficiency of the business, but also to maximise protection for platform workers, providing them with at least minimum social guarantees and decent working conditions. This is also confirmed by the aforementioned EU Directive which is currently being quite widely debated.

As soon as the Directive came around, it was met with a wave of criticism from platforms which blamed the Directive for having negative impacts on the platform workers themselves as it would cut work for those who prefer the flexibility of self-employment (Euronews, 2021). Although a number of experts in different EU countries are positive about the Directive, they also express criticism about it. According to experts, the major shortcoming of the Directive's approach is that "it would not improve the conditions of platform workers who are classified as self-employed and are unlikely to change their employment status" (European Policy Centre [EPC], 2021). The fact that some platform workers are to continue to be self-employed is also apparent from the case-law of some countries. For example, on 1 August 2021, food delivery platform Deliveroo won a court battle on riders' status in Belgium. The court found that Deliveroo riders cannot be requalified as employees in Belgium. The same conclusions have been delivered by courts in other countries (Euractiv, 2021).

As mentioned above, the Directive has caused considerable controversy in Lithuania, both among the social partners (employers' organisations and trade unions) and among the platform workers themselves. Trade unions in Lithuania welcomed this issue being addressed at the European level as, in their opinion, most platforms only seek to maximise their profits and do not care of platform workers. On the other hand, union representatives have expressed concerns that the exclusive treatment of platform workers could lead to abuses from employers who would transfer some of their workers to platforms and only call them in when there are orders. Employers' representatives were more categorical, arguing that the Directive in its current form would be the death knell for platforms, platform users and consumers (Kalinkaitė-Matuliauskienė, 2022b).

Findings from our survey suggest that the Directive is supported by just over a quarter (27.1 per cent) of respondents in Lithuania; more than half (54.1 per cent) of platform workers are against its implementation in Lithuania and the remaining one fifth are undecided. One of the main fears of platform workers is the loss of work flexibility if the platform were to be recognised as an "employer". Approximately half of the respondents (51.8 per cent) strongly disagreed and 11.8 per cent disagreed more strongly than agreed with the statement "I would like to be employed on a contract basis and to have all the guarantees of a salaried employee, even if I lose my job flexibility". 27 per cent of the platform workers interviewed strongly agreed or more strongly agreed than disagreed with this statement.

## Conclusions

The rapid growth of platform work in recent years continues to expand in Europe and the rest of the world. This trend has been in particular driven by digitalisation processes and the emergence of new forms of employment related thereto, and by the COVID-19 pandemic that hit the world in 2020. It is predicted that the number of platform workers could increase by 1.5 times in the next decade compared with 2021 (Barcevičius et al., 2021). Although statistical figures on platform work in Lithuania are limited, State Tax Inspectorate's data show that the extent of platform work is rapidly growing in Lithuania. According to the State Tax Inspectorate, the number of persons having registered "Transportation services, not elsewhere classified", which include ride-hailers, increased by 60 times in Lithuania between 2015 and 2020 and the number of those having registered "Other postal and courier activities", which include food delivery couriers, increased by 12 times over the period at issue.

The results of our survey demonstrate that the labour market situation of platform workers in Lithuania follows trends similar to other European countries in terms of socio-demographic characteristics, preferences and challenges:

As in other European countries, platform workers in Lithuania are predominantly men, aged under 35, with secondary/special upper secondary education (including students representing around one fifth of them), and more than half of the respondents do platform work as their main job.

In Lithuania, as in other EU countries, platform workers mainly favour the opportunity to control their working hours and earn extra income; main disadvantages of platform work include high competition and lack of orders, no annual leave, lack of dialogue between the platform and its partners, and limited social protection.

As regards differences between the EU and Lithuania, the survey has shown that platform workers work longer hours in Lithuania than platform workers in EU countries on average, and a smaller proportion of platform workers earn less than the minimum wage in Lithuania as compared with platform workers in the EU. According to our survey, the average weekly working time is around 33 hours in Lithuania. Approximately a quarter of respondents reported working on platforms more than 40 hours per week (which is a standard working week in Lithuania). Around one third of platform workers in Lithuania reported earning less than the minimum wage (€534); according to Barcevičius et al. (2021), this portion is around 55% in EU countries.

Despite debates at the EU level, many challenges related to platform work remain relevant in most European countries. The employment status of platform workers is not regulated in the majority of Member States (platform workers are classified as self-employed persons or freelancers), and this has significant negative implications for their social protection, representation at work, and pay. In this context, Lithuania does not differ much from other European countries. In Lithuania, persons willing to engage in platform work are required to hold an individual activity certificate – they have no employment contract with the founder of the platform and provide services under a civil contract. Civil contracts eliminate the possibility to consider such individuals employees, prevent them from exercising employees' rights and result in their limited social protection.

Despite numerous challenges, the Directive proposed by the EC in December 2021, aimed at improving working conditions of platform workers in the EU, is controversial in Lithuania. According to our survey, the Directive is supported by slightly more than a quarter of respondents; more than half of platform workers are against its implementation in Lithuania. The main reason for this is the fear of losing work flexibility. Thus, it seems that with the new realities of the labour market, future labour regulations will have to transform and offer new forms of employment verging on the line between self-employment and dependent employment and allowing for certain social guarantees and adequate working conditions to be ensured while retaining a sufficiently high level of flexibility.

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