

# Platform workers & their social protection needs in Georgia

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# Platform work and social security

- ▶ By definition platform workers are out of traditional social safety nets (Behrendt et.al. 2019; De Stefano, 2016);
- ▶ Literature finds that gig economy is free-riding on social security provided by conventional employment, since most of platform workers in advanced economies do this as a side-hustle (Schor et.al. 2020; Ravenelle, 2019);
- ▶ However, this may not hold true for platform workers in less advanced economies



# Georgia: zooming in the context

- ▶ Poor socio-economic outlook: high unemployment(18.1%) coupled with high share of informal employment (ca. 29%)
- ▶ Social security systems underdeveloped: absence of unemployment insurance
- ▶ Even "regular workers" do not enjoy much social protection



# Empirical focus

## Data collection:

- 6 Focus groups with app-based couriers (“Wolt”, “Glovo”, “Bolt”)
- Online survey of app-based couriers (ongoing, 87 answers recorded so far)

## Research questions:

- What are the social protection needs of platform workers in Georgia & how do they address them?
- What is their attitude towards state social security schemes?

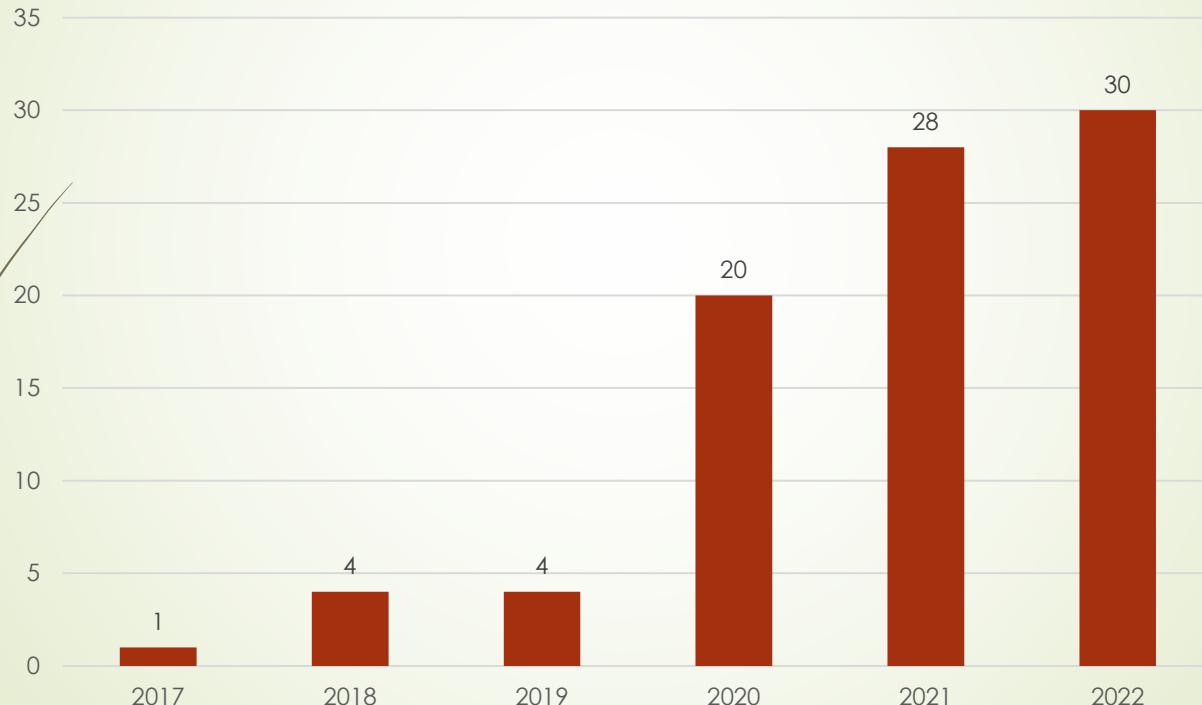


# Profile of app-based couriers

- ▶ Primarily male: 88%
- ▶ Age: average – 26; median – 25;
- ▶ Platform work is the “main occupation” for 65%
- ▶ Majority had some prior work experience:
  - 45% was in formal employment (had a contract)
  - 35% worked informally (without contract)
- 49% of those who had a formal job worked in service industry



# Sign-up rate by years



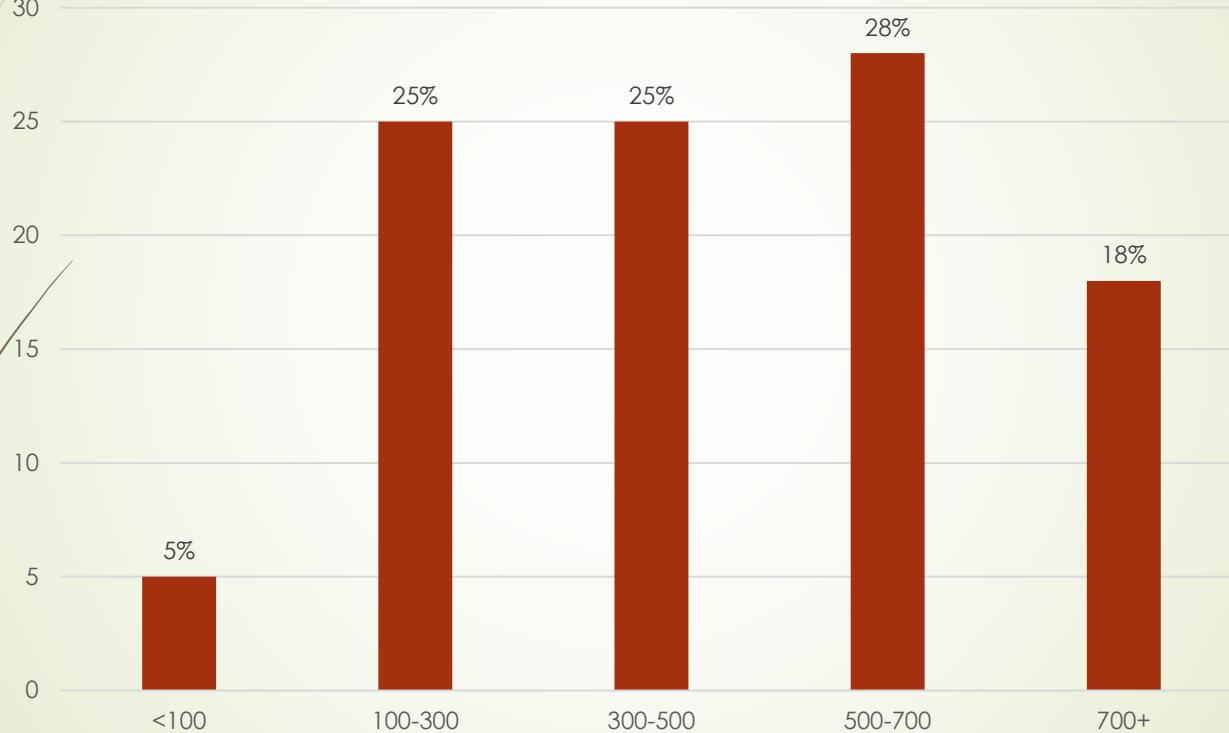
# Working conditions

- ▶ Flexible working arrangements, however, have to work minimum 10 hours per day to earn “meaningful income”
- ▶ Average weekly working hours:
  - for “core workers” – 47h.
  - for “side-hustlers” – 33h.
- ▶ No access to holiday, overtime & other benefits regulated by the law





# Weekly earnings (in GEL)



# Social Security

- ▶ 92% are registered either as "small" or "micro" entrepreneur
- ▶ Only 25% pay income tax & pension contributions
- ▶ 90% have no private medical insurance

- ▶ Income replacement – main concern, as no work equals no pay
- ▶ Nevertheless, platform workers are reluctant to pay income tax/social security contributions



# Preliminary Conclusions

- ▶ Platform work is the main source of income, thus dependency on platforms is high
- ▶ Income security is the major concern, but willingness to pay taxes/contributions is low
- ▶ Lack of regulation encourages the rise of “disguised self-employed”
- ▶ This may undermine the effectiveness of government initiated Bismarckian (insurance-based) social protection system





Comments & Questions welcome at:  
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