

Platform workers & their social protection needs in Georgia

Ana Diakonidze

Tbilisi State University

Department of Social & Political Sciences

ETF Webinar on New forms of work and platform economy in
developing and transition economies

7 November, 2022



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?

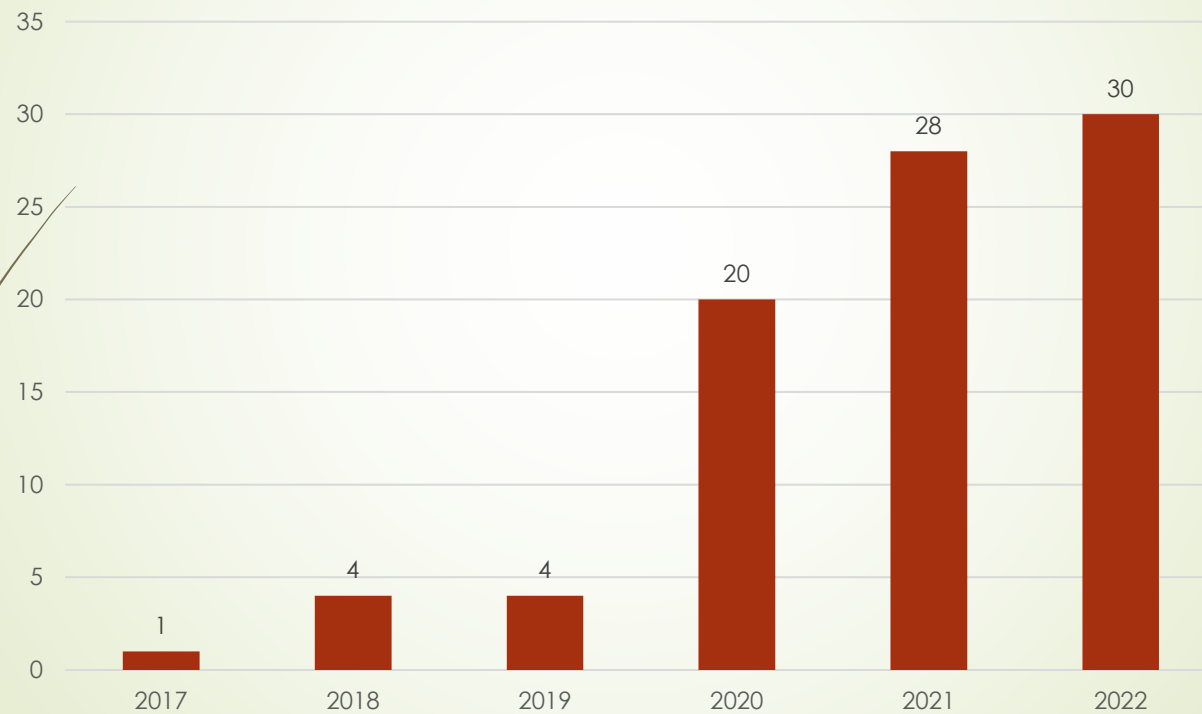


Profile of app-based couriers

- 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

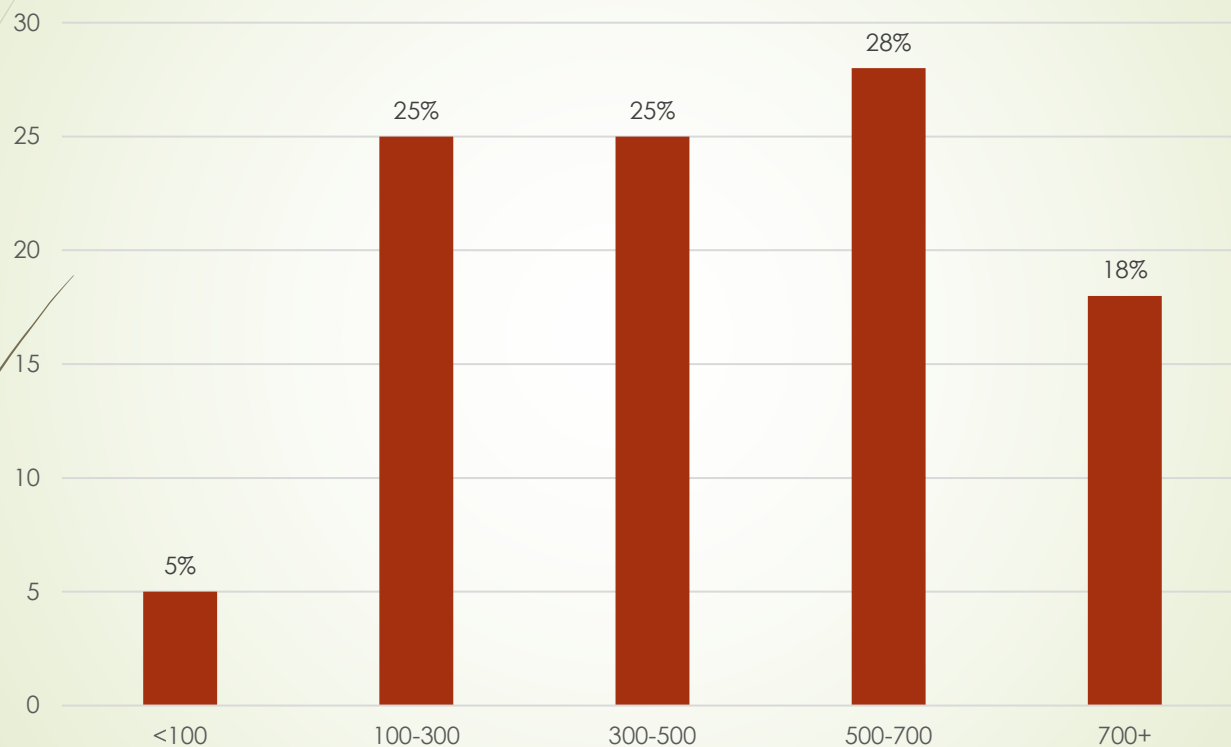


Working conditions

- ▶ 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:
Ang.diakonidze@tsu.ge