



# Online Magazin IAB -

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## Setting out for Digital

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Platform work is increasing worldwide, leaving  
spite of the international and flexible char  
security is feasible if one is ready to ex  
for Digital Social Security.

Digitalisation changes the world of labour, and  
some are destroyed, others are created. Second,  
tasks. And third, it provides new opportunities  
digital interconnection makes it feasible to tra  
platforms without any physical contacts from the  
The relevant tasks include more and more activit  
or environment-specific in the past. The complex

information collection, product testing, program allocation of tasks through platforms is also going to be a major area (such as recording retail prices etc., but

## How does platform work develop?

Evidently, this development opens up new options and relationships. Platform work (or crowdwork) follows a trend of comparatively low levels in most countries. While there are different measurement methods, for instance a survey report by the OECD respondents having ever sold labour via an online platform in developed European countries. Platforms can increase the number and offer new efficient and flexible opportunities for individuals regarding independent and self-determined work. From the perspective, platform work has an informal character since the basic risks of life such as sickness, disability and dependency are often not covered by the gainful employment. Relying on platforms as their main source of income, especially as a secondary job, it leaves a gap in that the income is not insured by social security. Of course, it is possible that platform work provides income at all, so that crowdwork mitigated and the gap is closed. No stance regarding the desirability of platform work, but it can improve on the evident social deficiencies.

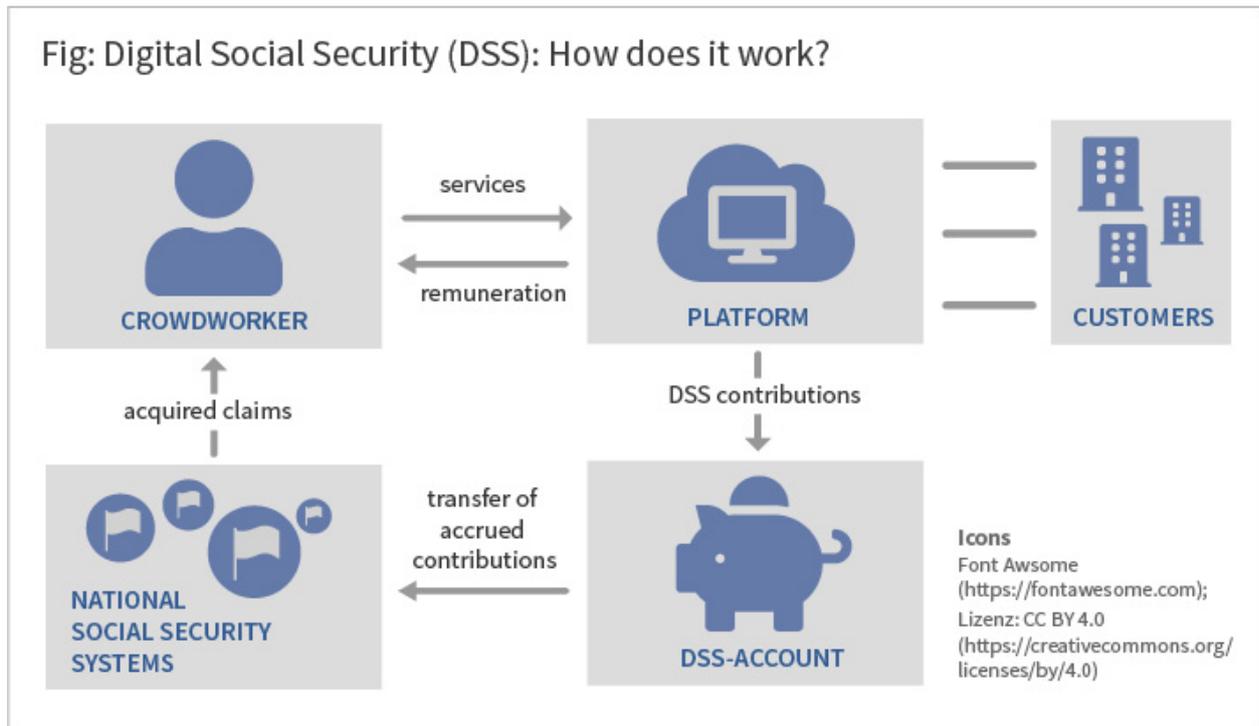
Consequently, it comes as a challenge for labour force. After all, they are just as much in need of social security and relationships. If countries provide a relevant welfare state of need, social benefits step in. But then, tax evasion in the growing often informally operating sector which is not inducing false incentives to neglect individuals. Adverse selection just as the need for cash discourages the initiative of the individuals will lead to satisfaction. Further positive effects such as on health, the environment and the national community.

In sum, there are good reasons to extend social also major obstacles many would deem prohibitive

## Is organising social security for

A significant challenge lies in the international contrast, today's social insurances are tied to with ever changing contract partners within the security systems is probably impossible to manage fully-fledged international social insurance. However, be used for the benefit of social security. A full call Digital Social Security (DSS). It would add into the personal DSS account of the platform work deduction, or as a mixture of both). This simple element to be included into the different platform a month from the DSS accounts to the relevant national place of residence, or nationality, if desired). structures. This includes deciding how to distribute and generating corresponding claims. The DSS account international institution such as the ILO or the Figure 1. Key is the automatic mechanism in the direct coordination between all customers and so

Fig: Digital Social Security (DSS): How does it work?



## How does Digital Social Security

An international DSS would naturally not adhere to national social security systems, such as the concrete contribution rates and specific flexibility once the accrued DSS contributions are transferred to the national social security system. As one of the rules to solve the claims to the ratio of contribution rates from the national system to the contribution rate in the DSS system is 20 percent, the claims will also be 20 percent less. Further differences between the national systems. For instance, different insurances/purposes would be country-specific. For instance, do not work according to the principle of equivalence, amounts to other insurances (such as pension) which do not work according to the principle of equivalence. Thereby, regulations on minimum contributions for self-employed in several countries (e.g. in case no fully-fledged social security system is mandatory according to national regulations could be different contribution rates this may concern contribution

contributions for earnings below certain limits, insurance. Finally, right in the first instance may be considered in order to replicate national distort competition (beyond the effect of the st mirror any regulations that make contribution ra arise in countries equipped with no social secur insurances or similar local organisations then. political steps would be of prime importance.

For illustrating the functioning of DSS, the box the concrete regulations remain flexible in that

#### Box: Examples of Digital Social Security in pra

Person A performs programming tasks on platform average 6.000 euros a month. Her DSS contributi insurance, (2) the pension fund and (3) the un exceed the minimum contribution and actually re full health insurance. Regarding (2), contributi ceiling, so that substantial pension claims are unemployment benefits (with the amount determi say, twelve months average contributions reached to A s high income DSS overpays social security regulations the amount not distributed in (1) t

Person B receives social benefits and conducts income of about 100 euros per month. B is cover state for welfare recipients. B s DSS contributi claims from a former regular job are slightly i to the low earnings, B can also opt for a refur the country currently considers lowering the bu exclusively for very small jobs, but from a cer

Person C lives in a developing country and tops dollars via platform work. While no fully-fledg basic health insurance is currently being creat necessary payments. However, her DSS contributi

and augmented by further own payments from the insurance coverage.

## Can social security be tackled wi

Regarding platforms and platform work, there is security. Determining the legal status of platform employment under the circumstances of diverse and such as working time, data protection, work safety that, besides social security. It is likely that as dependent employment. These jobs should be treated full set of employees rights applying in the territory still useful as an efficient tool to unbureaucratic market environment. Beyond, platform work will appear more cases in the light grey area, where realistic bypassed, given the international and flexible cooperation between customers and workers and the limited reach of a changing market. Here, DSS fills a real gap.

In general, workers rights are meant to protect the relationship with the employer and the unequal bargaining power represents a crucial issue regardless of individual freelancers or as something in between. Indeed, the concern also self-employed, either compulsory or facing ambiguities about the employment status on which might be treated differently over time.

## Do crowdworkers have the means to contributions?

Platform workers often earn low wages, especially in the backdrop of diminished transaction costs leading to a forthcoming study, Uma Rani, Marianne Furrer a

workers with 1 to 2 years experience on microtask work (such as search and communication), with the lower-income countries. Wages naturally depend on more qualified jobs.

It is well known that under these circumstances, for the risks of life. What should be the consequences if social security systems were organised in the late time, workers were arguably more in need for cash and refrained from establishing compulsory social security. They lost a lot. Today, again, there is much to lose. DSS is meant to be to initiate dynamics leading to sustainable wage developments.

The income of workers must suffice both to make ends meet and to cover costs of sickness etc. But if this is not fulfilled, the contrary, poverty is most critical in times of hardship. Individuals might even further slip into poverty and personal capital goods have to be sold. Even workers may refrain from future investments for fear of calamities. In the absence of a major justification for a compulsory social insurance system, are called for, including to a certain extent re-education and gain acceptance, the DSS project could start from scratch. One may consider temporarily topping up private social security compatible with the national social security framework.

## Would social security contributions

Obviously, compulsory financial contributions in the gig economy be subject to substantial evasion effects. However, it may not only improve matching processes, but may also be important. Importantly, both the information on the contract and the contributions to be deposited in advance. Concretely, part of the contributions transferred to the DSS account, where, depending on the country, comprise a certain markup on the agreed salary.

that are often higher than usual social security within countries and a consensus among different Realistically, this does not mean that fraud could ensure compliance would be much better than for institutions could also create own platforms that operate with reduced fees to leave room for DSS. Special attention should be paid to the interaction stands to reason that black labour is quite prevalent labour market authorities to learn of DSS money fraud would be complicated. On the downside, this newly developing) unregulated platforms. In any established political consensus, authorities would platform activities in their territory.

## Conclusion

In the light of these arguments, DSS appears as a low contribution rates would allow market participants new instrument. Once institutional structures have quantitative level could be raised. In the same addition to those having made the first move. DSS is feasible and socially beneficial. Naturally, there is but it does provide a viable way to deal with the lack of control.

## Literature

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