



Platform Working

Submission to the Joint Committee on
Enterprise, Trade and Employment



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1. Introduction

Social Justice Ireland welcomes the opportunity to make a submission to the Joint Committee on Enterprise, Trade and Employment on Platform Work.

2. Context

Platform work, the matching of demand and supply of paid work through an online platform using an algorithm is an increasing aspect of the labour market.¹ While still relatively small in scale, it is an area that continues to expand and develop with 28 million workers in the EU working through digital labour platforms in 2022, and this number is projected to increase to 43 million workers by 2025.² Among the main issues emerging in relation to platform work in recent years are employment status, access to rights and entitlements for platform workers, ownership and management of platform algorithms and consumer protection.

Potential opportunities associated with platform work such as labour market integration of disadvantaged groups and allowing women to remain connected to the labour market have been referenced, however it is unclear as to how these potential opportunities are being or have been realised.

At an international level, the Organisation for Economic Co-operation and Development (OECD)³, in an examination of the impact of the pandemic on labour markets identified precarious working arrangements with low pay, limited or no access to social protection, lifelong learning and collective bargaining as one of the trends that continues to impact the labour market. The OECD⁴ suggests that, in addition to a focus on upskilling and lifelong learning, reshaping social protection provisions must ensure better coverage of workers in non-standard forms of employment. A greater focus on collective bargaining and social dialogue can complement government efforts to make labour markets more adaptable, secure, and inclusive. The EU Social Protection Committee⁵ also expressed concern regarding new forms of employment and associated gaps in access to social protection and the challenge of low pay in the context on an uneven post-pandemic recovery. At a European level, work has been ongoing in the areas of platform work since 2020 and provisional agreement has been reached on an EU Directive on Platform Work although it has yet to be approved by all EU Member States.

At a national level, data from a European Trade Union Institute Survey on Internet and Platform Work⁶ shows that Ireland had the second highest percentage of respondents reporting platform work within the previous 12 months and had a higher than average intensity. Lower skilled tasks were more common in Ireland, with transport and delivery the most commonly reported for Ireland with these

¹<https://www.eurofound.europa.eu/en/topic/platform-work>

² <https://www.consilium.europa.eu/en/policies/platform-work-eu/>

³ <http://www.oecd.org/employment-outlook/2020#:~:text=Unemployment%20will%20remain%20high%20into,a%20second%20pandemic%20wave%20hit.>

⁴ <https://www.oecd.org/coronavirus/policy-responses/supporting-livelihoods-during-the-covid-19-crisis-closing-the-gaps-in-safety-nets-17cbb92d/#:~:text=It%20examines%20the%20raft%20of,growth%20post%2DCOVID%E2%80%91119.>

⁵ <https://op.europa.eu/en/publication-detail/-/publication/0f0e7935-2304-11eb-b57e-01aa75ed71a1/language-en>

⁶ <https://www.etui.org/publications/platform-economy-europe>

workers engaged in this form of work on at least a monthly basis. On-location platform work was most commonly found in Ireland.⁷

Social Justice Ireland is concerned that platform work will exacerbate the challenge of precarious employment, and the working poor problem, given the aforementioned issues regarding rights and entitlements, and the fact that the income from this type of work is very low.⁸ Additionally, platform work can erode collective bargaining efforts, as the decentralised and individualised nature of employment relationships in the platform economy undermines traditional models of collective negotiation.⁹

3. Precarious employment and in-work poverty in Ireland

Judged over time, the Central Statistics Office (CSO) labour force data suggest the emergence of a greater number of workers in precarious employment situations. The figures in Table 1 point towards the growth of various forms of part-time work and a high number of underemployed workers over recent years. While the number of people employed is higher now than at any time, just over one in five workers are part-time workers, of which, 102,000 are underemployed, that is working part-time but at less hours than they are willing to work.

The high number of individuals with less work hours than ideal, as well as those with persistent uncertainties concerning the number and times of hours required for work, is a major labour market challenge and one which may grow in the period ahead. Aside from the impact this has on the well-being of individuals and their families, it also impacts on their financial situation and adds to the working-poor challenges. There are also impacts on the state, given that the Working Family Payment (formerly known as Family Income Supplement (FIS)) and the structure of jobseeker payments tend to lead to Government subsidising these families' incomes, and indirectly subsidising some employers who create persistent precarious employment patterns for their workers.

Many platform workers will also engage in the unpaid labour of spending time in the search for tasks to work on and many will require additional equipment such as phones and computers (with the corresponding need to understand the technology) on which to access the platforms, as well as bikes and cars for deliveries which all involves a considerable financial outlay in advance.

Precarious work impacts on the ability to plan ahead (Dörre, 2011) and may impact on the ability to enter into contracts and rental agreements as wages are unstable (Standing, pg.136, 2019). There can also be extra risks to health and safety experienced by platform workers such as "social isolation, unconventional workplaces and work-life conflict (and) the algorithms to allocate tasks, monitor and evaluate workers' performance and behaviour...can undermine workers' autonomy, job control and flexibility, and can result in heavier workload, exhaustion, anxiety and stress, negatively impacting health and wellbeing".¹⁰

Social Justice Ireland believes that now is the time to adopt substantial measures to address and eliminate these problems. Our commitment to the development and adoption of a Living Wage

⁷ On-location work defined in the survey as work found through an online platform, app or website done at a client's home or another location away from your home, for instance handyman work, cleaning, beauty treatment or childminding.

⁸ <https://www.etui.org/publications/platform-economy-europe>

⁹ https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_624286.pdf

¹⁰ <https://healthy-workplaces.osha.europa.eu/en/about-topic/priority-area/digital-platform-work>

reflects this. However, aside from pay rates, policy also needs to address issues of work quality and security more aggressively, increasingly so in light of the digital and green transitions that are taking place in the workplace.

Table 1: Ireland's Labour Force Data, 2011 – 2022

	2011	2019	2022	Change 11-22
Labour Force	2,226,500	2,467,800	2,686,500	+460,000
LFPR %	61.8	62.6	65.0	+2.8
Employment %	60.1	70.1	73.0	+13.1
Employment	1,886,400	2,357,300	2,574,500	+688,100
<i>Full-time</i>	1,438,400	1,866,200	2,020,200	+581,800
<i>Part-time</i>	447,900	491,100	554,300	+106,400
<i>Underemployed</i>	147,200	108,100	102,400	-44,800
Unemployed %	15.3%	4.5%	4.2%	-11.1
Unemployed	340,100	110,500	112,000	-228,100
LT Unemployed %	9.3	1.6	1.3	-8.0
LT Unemployed	206,500	38,600	34,300	-172,200
Potential Additional LF	n/a	99,300	59,900	n/a

Source: CSO, LFS on-line database.

Notes: All data is for Quarter 4 of the reference year.

LFPR = ILO labour force participation rate and measures the percentage of the adult population who are in the labour market.

Employment % is for those aged 15-64 years.

Underemployment measures part-time workers who indicate that they wish to work additional hours which are not currently available.

n/a = comparable data is not available.

LT = Long Term (12 months or more). LF = Labour Force.

Data from the 2022 CSO Survey on Income and Living Conditions indicates that 5.8 per cent of people in employment were living in poverty in 2022.¹¹ Over time poverty figures for the working poor have remained more-or-less static, reflecting a persistent problem with low earnings. However, in 2022 this number increased by 40 per cent to 133,565 compared to the previous year. This is a remarkable statistic, and it is important that policy better recognises and addresses this problem.

Many working families on low earnings struggle to achieve a basic standard of living. Policies which protect the value of the minimum wage and attempt to keep those on that wage out of the income tax net, and promote the living wage, are relevant policy initiatives in this area. In the context of such a persistent problem with in-work poverty and low earnings, it is very concerning that, according to the European Trade Union Institute Survey on Internet and Platform Work¹² data, in Ireland a larger proportion of workers rely on platform work as their main source of income compared to the average across European countries, indicating a relatively high economic dependency on platform work. The survey also found that income in platform work is very low and it would position a worker who relied exclusively on them below the poverty line.

¹¹ [CSO Survey on Income and Living Conditions](#)

¹² <https://www.etui.org/publications/platform-economy-europe>

4. Living Wage

The Living Wage rate is based on the rationale that full-time employment will at least provide for a socially acceptable minimum standard of living for a single person without dependants. It represents the minimum required to meet physical, social, and psychological needs, and enable a life with dignity. In principle, a living wage is intended to establish an hourly wage rate that should provide employees with sufficient income to achieve an agreed acceptable minimum standard of living. In that sense it is an income floor, representing a figure which allows employees to afford the essentials of life. Earnings below the living wage suggest employees are forced to do without certain essentials so they can make ends meet.

Over the past decade *Social Justice Ireland* and a number of other organisations have come together to form a technical group which researched and developed a Living Wage for Ireland. The technical group updates the living wage figure for Ireland annually. The latest update to the figure was published in September 2023 and reported a Living Wage rate of €14.80 per hour for 2023/24. This is a 6.9% (€0.95) change from the 2022/23 rate of €13.85 per hour. This is the minimum rate required for a full-time worker (without dependants) to afford the goods and services that people have agreed are essential for enabling a life with dignity.

Around 120,000 workers in Ireland earn the National Minimum Wage (NMW) or less, and up to twice that many again earn below the Living Wage – the rate a single person working fulltime must earn to achieve a minimum socially acceptable standard of living. The key difference between a minimum wage is that it makes “no tangible reference to the life situations, living costs or life chances of workers” when compared to a living wage that “involves direct considerations of the socio-economic situations of workers” (Wilson, 2021).

Social Justice Ireland believes that the Living Wage has a vital role to play in addressing the challenges of in-work poverty.

Providing a Living Wage would alleviate the problem of low-paid employment and have a positive economic multiplier effect. Ireland has one of the highest rates of low-paid employment in the OECD; almost 6 times the rate of Belgium, which is the best performer, and 2nd worst behind only the United States. We must address this from both a societal and an economic standpoint.

5. Benchmarking and Indexation

Society itself is continuously changing and the income people need in order to maintain a basic and decent standard must reflect current agreed standards of living. A lesson from past experiences of economic recovery and growth is that the weakest in our society get left behind unless welfare increases keep track with increases elsewhere in the economy. If issues regarding income adequacy are not addressed, then progress in reducing the numbers of people in poverty, and the numbers of people in energy poverty will not be evident. *Social Justice Ireland* has consistently advocated for called for the benchmarking of core social welfare rates to 27.5 per cent of average weekly earnings, and for a system of indexation to then be introduced to ensure security and certainty for those on fixed incomes.

Almost two decades ago, in December 2006, Budget 2007 benchmarked the minimum social welfare rate at 30 per cent of Gross Average Industrial Earnings (GAIE). This was a key achievement and one

that we correctly predicted would lead to reductions in poverty rates, complementing those already achieved in earlier years.¹³

The CSO has since discontinued its *Industrial Earnings and Hours Worked* dataset and replaced it with a more comprehensive set of income statistics for a broader set of Irish employment sectors. A subsequent report for *Social Justice Ireland* found that 30 per cent of GAIE is equivalent to 27.5 per cent of the new average earnings data being collected by the CSO (Collins, 2011). A figure of 27.5 per cent of average earnings is therefore the appropriate benchmark for minimum social welfare payments and reflects a continuation of the previous benchmark using the current CSO earnings dataset.

Table 2 applies this benchmark using recent CSO Earnings and Labour Costs data. By the end of Q3 2023, average weekly earnings equalled €907.72, an increase of 4.6 per cent from Q3 2022. Taking this as the starting point for earnings in 2024, we can determine that the updated value of 27.5 per cent of average weekly earnings equals €249.62 implying a shortfall of almost €17.62 between the minimum social welfare rates being paid in 2024 (€232) and this threshold.

Table 2: Benchmarking Social Welfare Payments for 2024 (€)

Year	Average Weekly Earnings	27.5% of Average Weekly Earnings
2020	814.99	224.12
2021	853.08	234.60
2022	881.29	242.35
2023 (Q3)	907.72	249.62
Start of 2024	907.72	249.62

Notes: Earning data from CSO Earnings and Labour Costs (February 2024¹⁴).

Given the importance of this benchmark to the living standards of many in Irish society, and its relevance to anti-poverty commitments, the current deficit highlights a need for Government to commit to converging on a benchmark equivalent to 27.5 per cent of average weekly earnings in 2024 and develop a pathway to index core social welfare rates to the Minimum Essential Budget Standard over time. Platform workers often face income volatility and lack of traditional employer-provided benefits increases their reliance on social welfare payments as a crucial safety net during periods of instability. As such, ensuring that social welfare rates are benchmarked to reflect changes in the economy becomes paramount in addressing the evolving challenges faced by workers in both traditional and non-traditional employment sectors.

As the world of work changes, such as the increasing prevalence of platform work, so must our social protection systems, in order to provide support for people across the life-cycle, and adequate support for people of working age when they find themselves in a period of unemployment. As noted earlier, both the OECD and the EU Social Protection Committee have called attention to the need for social

¹³ See <https://www.socialjustice.ie/system/files/file-uploads/2023-05/SER%202023%20Annex%203%20Income%20FINAL.pdf> for full details of the benchmarking process.

¹⁴ <https://www.cso.ie/en/releasesandpublications/ep/p-elcq/earningsandlabourcostsq22023finalq32023preliminaryestimates/#:~:text=Key%20Findings,Q3%202022%20hours%20of%2033.1.>

protection systems to adapt and provide better coverage of workers in non-standard forms of employment.

6. Conclusion and policy recommendations

In our policy framework for a new Social Contract (Social Justice Ireland, 2020), we call for decent jobs as part of a Vibrant Economy. Echoing the call of the UN Sustainable Development Goals¹⁵ for decent work for all, *Social Justice Ireland* believes that every person in society should have the right to contribute to that society. Part of this means that worthwhile employment should be a genuine option for everyone who seeks it. Jobs should provide decent working conditions and pay a wage that allows employees to achieve a decent standard of living. Recent decades have seen a gradual erosion in the quality and security of employment, not just in Ireland but across the developed world.

In order to respond to issues highlighted in this submission, Government should consider the following:

- Recognise the challenges presented by precarious employment and adopt targeted policies to address these.
- Strengthen and enforce legislation to tackle job precarity and low pay.
- Policy should at all times seek to ensure that new jobs have reasonable pay rates, and adequate resources are provided for the labour inspectorate.
- Increase the National Minimum Wage to the Living Wage.
- Benchmark social welfare rates to 27.5 per cent of average weekly earnings in 2024 with a view to developing a system of indexation over time.
- Develop flexible working initiatives to support increased participation of vulnerable groups and those underrepresented in the labour market.
- Increase investment in lifelong learning and the up-skilling of those who are unemployed, or who are at risk of unemployment.

¹⁵<https://www.un.org/en/exhibits/page/sdgs-17-goals-transform-world>

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Social Justice Ireland is an independent think-tank and research organisation that advocates for people and communities, providing independent and effective policy development to create a sustainable future for society and for society.



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