

DIGITAL PLATFORMS AS BOOSTERS OF THE SECONDARY LABOUR MARKET? POLISH PERSPECTIVES ON COURIERS AND DRIVERS

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Purpose: The aim of this article is to investigate perceptions of the income earned by couriers and drivers operating through digital labor platforms (DLPs), as well as to assess the future prospects for the development of this segment of the labor market.

Design/methodology/approach: A critical review of literature and a diagnostic survey method.

Findings: The digital platform segment exhibits features of a secondary labor market while Polish society largely remains unaware of this fact and uninterested in paying higher fees for courier and driver services. Growth of this segment is anticipated.

Research limitations/implications: The typical imperfections of direct research. Moreover, conducting the internet-based survey narrows the sample of respondents to digitally included people only. Future research could investigate perspectives on the circumstances of online platform workers. This approach, however, is contingent on the development of platform work and the recognition of this phenomenon.

Social implications: Providing an insight into the general working practices of couriers and drivers providing services via the app.

Originality/value: The topic is relatively new, especially in the Polish public's awareness. The article as the first publication brings a presentation of Poles' opinions on platform work with focus on couriers and drivers incomes.

Keywords: digital labour platforms, dual labour market, work "via apps", couriers, drivers.

Category of the paper: Research paper.

1. Introduction

In the last decades, the labour market has experienced a transition, with a shift away from traditional employment models towards their decentralised forms, often based on short-term contracts, projects, or even tasks. These changes are accompanied and fostered by technological progress which, together with the increasing flexibility of the labour market, have paved the way for the platformisation of this market. This process, which involves the creation of digital platforms (e.g. Uber or Upwork), connecting service providers (platform workers) and service

recipients (clients), is gaining particular importance in the context of the development of artificial intelligence that make platforms manageable. The impact of these changes extends to both highly developed and developing countries, and Poland is not an enclave in this respect. Despite this, the topic seems relatively new, both in the literature and in the Polish public's awareness. A research gap has been identified by the lack of publications presenting Poles' opinions on platform work. The aim of this article, therefore, is to investigate the opinions of Polish residents on the income of couriers and drivers providing services through digital labour platforms (DLP). This analysis is embedded in the theory of the dual labour market due to the fact that this business model is attributed with characteristics that constitute the weak position of workers, typical for the secondary segment of the market. The investigation into the incomes of this cohort aims to shed light on wider socio-economic aspects. The public perception of such workers, notably those involved in delivery and transportation services in urban areas, can subtly impact the evolution of this segment. This, as will be demonstrated, extends to influencing the incomes of the supply side.

The article is divided into three main sections. In the first one, a characterization of DLP is undertaken in the context of dual labor market theory, examining to what extent this emerging labor market segment aligns with its assumptions. The next section outlines the methodology of the study, followed by the presentation of its results in the third section. The article concludes with findings. The methodology used in this research includes a critical review of literature (drawing from both Polish and English sources), as well as a diagnostic survey.

2. Digital labour platforms and dual labour market theory

DLPs are a type of online exchange platform that allows interactions between individuals belonging to groups of independent users of these tools (OECD, 2019) and benefit from indirect positive network effects (Śledziwska, Włoch, 2020; Tusińska, 2023). Value is exchanged externally to the platform, and while their owners are not directly involved in this act, they are rewarded for diminishing transaction costs. Indeed, establishing contacts between companies or individuals beyond the intermediary would be made more challenging, particularly due to the elevated expenses associated with seeking information on available offers, including labor services (Boruciński, 2019). In the case of DLP, there is a three-way relationship, namely: the client (customer), the platform operator (representing the owner) and the service providers – the platform workers (Ostoj, 2020). The latter are committed to performing specific tasks as follows:

- online – these can be micro-tasks (e.g. coding, tagging photos; examples of platforms are MicroWorkers or Clickworker) or complex and specialised activities (specific to creative professions, e.g. graphic designers) offered through platforms such as Freelancer or 99designs;
- offline, when so-called “work via app” is typically performed, i.e. passenger transport services (Uber), shopping or restaurant meal delivery (Glovo) and odd jobs (Task Rabbit) (ILO, 2021; Schmidt, 2017).

The platforms are actually different, but share some common features (Berg, 2018; Ostoj 2022; ILO, 2021; De Stefano, Aloisi, 2018; Kenney, Zysman, 2016; Koutsimpogiorgos, 2020), namely:

- There exists no permanent cooperation between the worker and the client, the orders are one-off tasks for which the service provider receives remuneration. The platform, in turn, garners a commission ranging usually from 15 to 30 percent.
- Ostensibly functioning as a repository of service providers, the platforms also extend their influence to various other areas. This includes the implementation of an algorithm-driven system for allocating tasks, oversight of performance, and the establishment of rankings for workers. Predominantly, a worker's position within these rankings affects the profitability of orders automatically assigned to them.
- Platform workers operate independently and assume their own risks. They are typically self-employed and do not benefit from minimum wage protections, statutory holiday entitlements, or insurance coverage.
- The platform does not furnish training, a workspace, or resources, such as computers, vehicles, or bicycles.
- The bargaining power of platform workers is weak due to their limited capacity to organise as a single group and lack of influence over service pricing.
- Initiating work as a service provider is straightforward, involving no negotiations or inquiries. It simply requires acceptance of the terms and conditions set forth by the respective platform.

Numerous characteristics, including the absence of minimum wage, the platform's commission fee, and indirectly, the simplicity of the registration process that promotes an oversupply of services, contribute to the low income levels of workers. Assuming a lack of consistent assignments and factoring in the waiting time for tasks, the effective hourly rate tends to be even lower. Concurrently, there is a necessity to maintain efficient equipment and facilities, along with their associated costs. Furthermore, the working conditions for couriers and drivers delivering offline services are more challenging due to face-to-face interactions with clients and the need to navigate through urban traffic under various weather conditions. While the form of work described offers several benefits to service providers, such as flexibility, autonomy, and the absence of routine, the combination of relatively low and unstable incomes,

along with the lack of social protection, makes the dual labor market theory, developed in the 1970s by Piore (1978) and Doeringer and Piore (1971), appear valid in the context of this business model. Various scientists (i.a. Reich et al., 1973; Harrison, Sum, 1979) have also been seeking to develop the theory and their studies retained the basic duality incorporated in the theory by Doeringer and Piore. The theory posits the existence of distinct labour market segments: a primary (privileged) segment and a secondary (underprivileged) one. The first one is distinguished by stable, well-compensated employment opportunities that include benefits such as health insurance, pension plans, and prospects for promotion. Workers in this segment typically possess higher qualifications, better skills, and demonstrate greater productivity compared to those in the secondary segment. The latter encompasses individuals engaged in non-standard contract (often fixed-term or part-time) and those categorised dependently self-employed. These workers lack additional benefits, including access to welfare, and face minimal chances for promotion. Their bargaining power is limited, and they are often compelled to accept jobs that are poorly-paid and less demanding in terms of skills and qualifications (Kamińska et al., 2014).

The segmentation of the labour market is sustained by disparities in education, training, discrimination, and other institutional and economic factors. Consequently, promotion from the secondary to the primary segment is a strenuous endeavor. It necessitates not only individual efforts to acquire relevant skills and qualifications but also overcoming various barriers. In the long term, the prevalence of precarious employment heightens the risk of poverty, which, in turn, may impact other life decisions, including the choice to become financially independent, start a family, or decide on its size (Auer, Danzer, 2015). Given that many attributes of the secondary labour market segment align with those of platform work (particularly offline job, which tends to be unskilled and less well-compensated), it is reasonable to anticipate similar consequences for individuals engaged in platform-based work.

Although employment through flexible contracts during a crisis may mitigate the risk of poverty compared to unemployment, the pro-cyclical nature of such employment is emphasized. During economic downturns, it is often those in underprivileged positions who are the first to lose their jobs (Walby, 2009; Périvier, 2014). In the context of platform work, it is daunting to obtain empirical data spanning multiple crises and countries. However, it is noteworthy that the crisis 2007+ contributed to the rise of platform-based employment in the United States. During periods when a part of the population faced unemployment, work of this nature, despite its lower quality, emerged as a more favorable option compared to having no income source. It can therefore be assumed that some of those previously employed on flexible contracts or part-time work who had lost their jobs may have then started providing services under the model described. This shift indicates a sort of “anti-cyclical” of platform work, reinforcing its role in the labour market and expanding the pool of platform workers, alongside other driving factors like technological advancements and increasing labour market flexibility. As suggested, the implications of this change are profound,

impacting not only the material circumstances of such workers and their families but also having broader demographic and social ramifications. To sum up, despite in this area “the secondary market” and “platform work” appear to be at odds with each other in general they are simultaneously valid.

3. Methods

In light of the evolving dynamics within the labour market and the prevailing financial situation of platform workers, the question of public awareness of the issue is of interest. Consequently, this article examines the findings derived from a survey conducted among adult inhabitants of Polish cities. This exploration specifically focuses on gathering perspectives about platform work, with a particular emphasis on the roles of couriers delivering meals from restaurants or shopping, as well as taxi drivers (both working “via apps”).

The study was conducted employing a diagnostic survey method, utilising an internet-based questionnaire technique. It was formally outsourced to an organization (BioStat) possessing access to a comprehensive research panel allowing for the selection of a representative sample of the adult Polish population residing in urban areas, ensuring diversity and representativeness in terms of gender, age, and educational background. The study was conducted in December 2023. The sample (401 respondents) included 51,1% women and 48,9% men. According to the age criterion: 9,5% were people aged 18-24; 19% were respondents aged 25-34; 41,6% were people aged 35-54, 29,9% were aged 55-70. As to their place of residence: 47,6 % were residents of large cities – those containing over 50 thousand residents; 52,4% were city dwellers up to 50,000 inhabitants. The structure of the sample in terms of the level of education was as follows: 43,6 % of people with higher education, 25,9 % with post-secondary or secondary vocational education, 17,7% with general secondary education, 11% with vocational education and 1,7 % with lower secondary, primary or incomplete primary education.

The deliberate limitation of the sample exclusively to urban populations was predicated on the supposition that inhabitants of these areas are, at the very least, indirectly acquainted with the services rendered by couriers and taxi drivers operating through application-based platforms. Given that the survey's focus was on gathering opinions rather than personal experiences, the criterion to exclude individuals who had neither utilized nor personally ordered services through such platforms was omitted. A concise introduction at the outset of the questionnaire was incorporated to clearly differentiate between workers operating “via apps” and “traditional” couriers and taxi drivers.

This article delineates a subset of findings derived from an analysis of responses to four specific questions. Each question was structured in a closed format, permitting respondents to select only one answer from the provided options. One question asked for an assessment of the

growth prospects of this segment of the labour market, two questions were focused on inquiring about the income levels of platform workers. The fourth question aimed to ascertain respondents' willingness to pay a higher price for services rendered by couriers and drivers “via apps”.

4. Results

A significant majority, nearly three quarters of those queried regarding the prospects for the development of the market for food/shopping delivery and passenger transport services ordered via specialised platforms anticipate the popularity of such ordered services to increase in Poland. Within this group, approximately 38% contend that this increase will be rapid and widespread and nearly 35% surmise that this growth trend will predominantly persist within specific demographics and/or be confined to larger urban areas. This latter group may represent respondents who are more aware of the problem of digital exclusion and an attachment to traditional ways of transacting or performing certain tasks in-house. A mere 5% of respondents believed that the current surge in popularity is ephemeral and will diminish over time, whereas 22,2% expressed no definitive viewpoint on the matter.

The investigation into perspectives regarding the remuneration of couriers and drivers was conducted on the basis of the answers given to two questions: What are your assumptions or knowledge about the income level of couriers delivering meals or shopping ordered via platforms, e.g. Pyszne.pl, Wolt, Glovo, UberEats, etc. (via their mobile app or website)? What are your assumptions or knowledge about the income levels of taxi drivers working via platforms e.g. Uber, Bolt, FreeNow (via their mobile app or website)? The breakdown of responses to these questions is shown in Table 1.

Table 1.

Opinions on income levels of couriers delivering meals or shopping and drivers carrying passengers)

Answer	Couriers		Drivers	
	N	Share	N	Share
In my opinion, they earn relatively much.	11	2,7%	21	5,2%
In my opinion, they earn commensurate with the effort, resources committed and time spent.	55	13,7%	74	18,5%
I have not previously contemplated this matter, I do not know.	185	46,1%	187	46,6%
In my opinion, their earnings are relatively modest, yet it is conceivable that the gratuities received serve as a form of supplementary compensation.	79	19,7%	71	17,7%
In my opinion, their earnings are relatively low, and it is likely that the tips received are also minimal.	67	16,7%	46	11,5%
Based on direct information from couriers, drivers, or my own personal experience, I am aware that the income of individuals in these professions is quite low.	4	1,0%	2	0,5%

Source: Own elaboration based on research results.

The largest group declares a lack of opinion/knowledge with regard to the subject matter in question (exceeding 46% of responses for both couriers and drivers). It is worth noting the extremely low percentage of responses expressing a belief in very low income (1% pertaining to couriers and 0,5% for drivers). A minority (2,7%) are of the belief that couriers receive relatively high remuneration, while a slightly higher percentage (5,2%) hold this view concerning drivers. Furthermore, 18,5% of the respondents opine that drivers have an income commensurate with their level of commitment. A slightly lower percentage (13,7%) have a similar perception of couriers, yet they are perceived as a category where lower earnings are offset by tips (with 19,7% of responses as opposed to 17,7% for drivers). Additionally, 16,7% of the surveyed Polish population believe that both the wages and tips received by couriers are low, in contrast to 11,5% who express this sentiment about drivers.

Subsequently, the survey participants were asked about their willingness to pay a higher fee for the service, assuming their awareness of the (relatively) low income of couriers and the absence of social security provisions for them. This question also encompassed their views on the potential circumstances leading to an increased fee since could theoretically be the result of platform workers' arrangements (if they were allowed more autonomy in this regard), a top-down rate setting (for instance, to ensure alignment with the minimum wage), or alternatively result from an individual decision of the client to offer additional financial gratification beyond the obligatory payment, as a recognition of the quality of the courier's/driver's work. The structure of the responses is presented in Table 2.

Table 2.

Responses on the propensity to pay elevated charges for courier and driver services

Answer	N	Share
Regardless of my knowledge, I would not allocate a larger amount of money to the delivery/transport service or to tipping couriers and drivers	151	37,7%
I am amenable to providing higher tips to such couriers and drivers, yet I oppose the imposition of a minimum rate, set in a top-down manner, for services ordered via specialized platforms.	114	28,4%
I would be willing to pay more/give a higher tip, but this inclination is specifically reserved for services rendered by couriers.	64	16,0%
I would be willing to pay a higher price (set by the government or by the couriers/drivers themselves) for the service provided than is currently offered, as everyone merits remuneration that is decent.	53	13,2%
I would be willing to pay more/give a higher tip, but this inclination is specifically reserved for services rendered by drivers.	19	4,7%

Source: Own elaboration based on research results.

The largest group, 37,7% of those questioned, would not want to pay more for the services of any category – be it in the form of a fixed rate or a gratuity, and the financial circumstances of platform workers have no bearing on this stance. This could imply that a significant proportion of the population prioritises the cost-effectiveness of services or operates within a constrained budget. A further 28,4% are open to higher payments but prefer a flexible approach to the determination of wages and tips. Slightly above 13% are agreeable to a higher top-down fixed rate, whether it is legislated or determined by the couriers/drivers themselves.

This could reflect a heightened sensitivity to the needs of workers and/or an endorsement of a more regulated payment structure. Notably, there exists a disparity in the proportion of individuals willing to expend additional amounts on gratuities – 16% for couriers as compared to 4,7% for drivers. This gap might suggest a perception of the courier's role as more labor-intensive or undervalued, especially considering that, as previous survey findings indicated, they are regarded as earning less than drivers.

To summarise the results of the survey, the income of drivers and couriers working “via apps” has so far not been of interest to a large proportion of the public. Over 37% perceive the income levels of couriers to be low or very low, with a majority within this faction presuming that tips adequately supplement these earnings. Conversely, more than 16% believe that couriers are well-compensated or receive remuneration commensurate with their efforts. The perspective shifts slightly in the context of drivers: nearly 30% of respondents are under the impression that drivers earn an extremely low income. Just below 24% contend that drivers' earnings are high or satisfactory, indicating a general perception of a more favorable financial situation for drivers and a correspondingly reduced propensity to offer them tips. Nonetheless, a significant number of the respondents express reluctance to increase their expenditure on delivery or transport services, regardless of the form it may take. A subset of the surveyed people is open to higher expenses for the mentioned services, yet there exists variance in preferences regarding the targeted group and the manner of this additional spending.

Although the results show how main groups of offline platform workers in Poland are perceived, the research also has its limitations. Apart from the typical imperfections of direct research, the internet-based study narrows the sample down to the digitally included only. Future research could also investigate perspectives on the circumstances of online platform workers. This approach, however, depends on the future development of platform work and the recognition of this phenomenon.

5. Summary

To address the question posed in the title of this article, it is prudent to consider the outcomes of both the comprehensive literature review undertaken and the survey findings, which specifically focus on the context of the Polish economy and society.

Digital labour service platforms represent the business model that predominantly benefits their owners and consumers; the latter avail services at relatively low costs. While this model does offer some advantages to service providers as well, it concurrently subjects them to a weakened bargaining position, a lack of social protections, and typically, unstable and modest incomes. The last characteristic is particularly true for those providing offline services, including couriers and drivers. The negative features of the model, from the perspective of

service providers, allow for an objective evaluation of these platforms' role in contributing to the expansion of the secondary segment identified in dual labor market theory, characterised by lower wages and flexible employment conditions. This trend could be further exacerbated by increasing digitalization and the simplicity of initiating services under this model, which may become particularly significant in times of economic downturn.

The financial situation of platform workers may also be influenced by the decisions of service recipients, who allocate a given amount of money for the services provided to them, including both the payment and any potential gratuities. In the context of Poland, despite the growing popularity of the DLP model, a substantial part of the population remains uninformed about the income levels of platform workers and exhibits a lack of interest in this domain. Concurrently, a considerable number of individuals, even when aware of the modest incomes of drivers and couriers operating “via apps”, are reluctant to spend more for their services. While the proportion of individuals willing to offer additional gratuities (especially to couriers) is not small, it is crucial to acknowledge that tipping is a discretionary act. Furthermore, the declarations of willingness to tip may not always align with actual behavior and can be influenced by situational factors, such as the availability of cash at the moment. In conclusion, the income levels of platform workers are shaped not only by objective factors intrinsic to the business model but also by the attitudes prevalent within Polish society. These elements collectively contribute to the proliferation of the secondary segment in the labor market.

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