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## Platform Work in Hungary: A Preliminary Overview

(Innovation in the Age of the 4<sup>th</sup> Industrial Revolution)

### Introduction<sup>1</sup>

The usual vocabulary of change is no longer adequate for describing the paradigmatic transformation in the capitalist development. Mazzucato (2020) stresses the trinity of the current crisis: we have to face not only with the coronavirus COVID-19 pandemic and the resulting economic crisis but also with the long debated climate crisis. Besides this triple crisis of capitalism, it is worth calling attention to another revolutionary change: the shift in the techno-economic paradigm.<sup>2</sup> In this relation, the following two major technological breakthroughs could be distinguished. The first one is the 4<sup>th</sup> industrial revolution driven by the digitisation/automation/robotisation and artificial intelligence (AI). Industry 4.0 as a terminology represents “a vision of increasing digitisation of production. The concept describes how the so-called Internet of Things (IoT), data and services will be a change in the future production, logistics and work processes [...]. They are alluding to a new organisation and steering of the entire value chain, which is increasingly becoming aligned with individual customer demands”.<sup>3</sup> The second technological breakthrough is the platform-based business model of capitalism. Unfortunately, a generally accepted terminology of this digitally based platform economy – in spite of the fast growing literature – is still missing. Among the great number of definitions, we prefer to use the concept of platform, according to which platforms “...operate as “match-makers” between previously fragmented and unconnected groups of users. In the course of pervasive digitisation, platforms have fundamentally transformed domains as diverse as the market for goods (e.g. Amazon, eBay), mobility (e.g. Uber, Lyft), labour (e.g. Upwork, TaskRabbit), funding (e.g. Kickstarter, Prosper) and of course, the entire field of online search, socialising and content production (e.g. Facebook, Google, YouTube)”.<sup>4</sup>

<sup>1</sup> The authors would like to express their appreciation for the helpful participation of Katalin Bácsi, Budapest Corvinus University, in the first version of this paper.

<sup>2</sup> PEREZ 2010.

<sup>3</sup> BUHR 2015, 4. It is worth mentioning, that the term Industry 4.0 was not an academic invention but first systematically used by a working group chaired by the Rober Bosch GmbH; Acatech aimed to work on Industry 4.0 even before the terminology Industry 4.0 was introduced at the well-known Hannover Fair in 2011 (KOPP et al. 2016).

<sup>4</sup> GRABHER–TUIJL 2020, 4.

This paper intends to describe the impacts of the second strand of technological transformation (i.e. platform economy) – often called the Uberisation of economy – in terms of job structure, working conditions, employment status and collective voice of platform workers. The core text is based on the review of both academic and grey literature on platform work and lessons drawn from the preliminary fieldwork (i.e. interviews with trade unionists, leaders of platform owners, researchers, blog writers and other experts) carried out in Hungary.

In relation with the development of platform technology, we share the following perspective that insists: “Technologies – the cloud, big data, algorithms and platform – *will not dictate* our future. How we deploy and use these technologies will. When we look at the history of innovations such as electric utility grids, call centres and the adoption of technology standards, we find that the market and social outcomes of using new technologies vary across countries. Once we start on a technology path, it frames our choices, but *the technology does not determine in the first place exactly which trajectory we will follow*.”<sup>5</sup>

The structure of this paper follows the guideline elaborated by the EU funded CrowdWork21<sup>6</sup> international research consortium. The first section gives an overview on the scientific debates about the digital platform workers. Results of the European survey – including Hungary – are outlined in the next section. The third section describes the main features of the national debate in Hungary based on a variety of sources (e.g. national media, web search, blogs, etc.). The fourth section intends to identify the position of social actors on the practice of platform work. In this section, the authors are using the Uber story as a lens to illustrate the social-economic and legal challenges for the social actors and institutions. The concluding section summarises the main lessons of the analysis.

### **Platform work and its institutional filters**

Before presenting in detail the public and scientific debate about digital platform workers in Hungary, it is worth briefly describing the main features of the Hungarian industrial relations system as well as the state-of-the-art of the international scientific debate about platform work in general. These two issues represent the most important contextual factors and therefore are necessary to be briefly summarised in order to interpret in an adequate way what is happening in the country in this particular field. The project aims to understand the multiform strategies of stakeholders, (trade unions, employers’ association, governments, self-organised platform workers’ organisations) and this cannot be achieved without a deeper understanding of the varieties of the national systems of industrial relations.

<sup>5</sup> KENNEY–ZYSMAN 2016, 14.

<sup>6</sup> Source: <https://crowd-work.eu/> (Accessed: 22.05.2020.)

*Platform work: Lack of consent-based terminology and the heterogeneous character of platform work*

The digital platform work is a new coordination form of economic activities where transactions between the partners involved are carried out through a digital platform. According to Mateescu and Nguyen, its main features are the followings:

- “Prolific data collection and surveillance of workers through technology
- Real-time responsiveness to data that informs management decision
- Automated or semi-automated decision-making
- Transfer of performance evaluation to rating systems or other metrics, and
- The use of “nudges” and penalties to indirectly incentivise workers behaviours”<sup>7</sup>

The comparison of the results of different empirical research in the field is often hindered by the lack of the harmonious use of terminology on digital labour and by the insufficiently systematic and uncoordinated data collection. This ‘knowledge deficiency’ syndrome makes cross-country comparison of platforms difficult, as well as inquiry into concerted policy actions on both national and EU level public governance that are aimed at regulating the online labour market. The source of the lack of consent is not due to the shortage of definitions but rather a plethora of terminology. Sedláková, for instance, identified the following terms most often used to describe platform work: crowdsourcing, sharing economy, collaborative economy, collaborative consumption, share economy, click-work, on demand economy, crowdworker, platform work, crowdwork, platform economy, gig work, platform labour.<sup>8</sup>

In a similar vein, Heeks (2017) made a systematic analysis of the literature on digital labour and found nearly 30 different terms to describe the intersection between work, connectivity and digital technologies. Based on a literature review, he suggested using the following “prime terms”.

*Table 1: Terms used and the implied differences in their focus*

Main focal point	Prime terms to be used
Work (labour)	Online labour, crowdwork, digital labour, microwork
Clients	Online outsourcing, microsourcing
Overall domain	Gig economy, platform economy

*Source:* Compiled by the authors based on HEEKS 2017, 2.

In this respect, it is worth citing the definition of Eurofound as the largest labour research institute in Europe, coordinating multiple European wide surveys and case study research in the field of work and employment. Eurofound suggests the following definitions of digital platform work: “Platform work is a form of employment that uses an online plat-

<sup>7</sup> MATEESCU–NGUYEN 2019, 3.

<sup>8</sup> SEDLÁKOVÁ 2018, 6.

form to enable organisations or individuals to access other organisations or individuals to solve problems or to provide services in exchange for payment. The main characteristics of platform work are the following:

- Paid work is organised through an online platform.
- Three parties are involved: the online platform, the client and the worker.
- The aim is to carry out specific tasks or solve specific problems.
- The work is outsourced or contracted out.
- Jobs are broken down into tasks.
- Services are provided on demand”.<sup>9</sup>

The CrowdWork research consortium plans to focus on work and labour in the perspective of finding new strategies to organise labour in Europe.<sup>10</sup> With this orientation in mind, we intend to recommend the simultaneous use of online digital labour or platform work together with the indication of the platform, which permit identification of the variety of professional profiles of the participants on the digital labour market. As concerning the varieties of platform workers, another important outcome of our literature review is the fact that the use of such “umbrella terms” as crowdwork, platform work, gig work, etc. hides important differences among these types of employees in terms of skill requirements, wages and other dimensions of working conditions.

Pongratz (2018) further distinguishes three types of platform work according to their core characteristics as the average skill level of the tasks performed, the average wage level, and how they address their online workers, themselves and their client companies. This is summarised in the following table.

*Table 2: The main types and semantics of various platforms*

	Microtask	Freelance platforms	Specialised platforms
Task complexity	Low	High	High
Payment	Low-paid	Higher wages	Higher wages
Workers are addressed	As workers	As freelancers	As freelancers
Jobs are labelled	Task	Project	Varies according to the purpose (design, translation, etc.)
Platform designation	Platform or marketplace	Platform or marketplace	Platform or marketplace
Buyers are called	Customers, clients, buyers	Customers, clients, buyers	Customers, clients, buyers

*Source:* Compiled by the authors based on PONGRATZ 2018, 63–64.

Furthermore, we can distinguish between platforms that are about mediating physical services and require personal presence (e.g. Uber, Babysitter.hu, Airbnb, Delivero, Bolt, etc.) from those involving an intermediary between digital services fulfilled without personal presence (e.g. Upwork, Guru, Cloud Factory, Amazon Mechanical Turk etc.).

<sup>9</sup> Eurofound 2018a, 9.

<sup>10</sup> The Project title: *Crowdwork – Finding new strategies to organise labour in Europe (CrowdWork21)*, Call for proposal: VP/2018/004 Improving expertise in the field of industrial relations.

To put it in a more formalised way, Pajarinen et al. (2018) classified 2 different types of platform workers: “(a) Online Labour Markets (OLMs), in which an outcome of a job task is electronically transmittable; and (b) Mobile Labour Markets (MLMs), in which the delivery of a service requires personal presence.”<sup>11</sup> We can further add that platform work of both OLM and MLM can belong to the category of ‘low-skilled and low-paid’ as well as ‘high-skilled and high-paid’ jobs as presented in Table 3.

*Table 3: Types of labour markets and platform work: Low vs. high-skilled work*

Types of the labour market	Micro work (low-skilled – low-paid)	Specialised work (medium to high-skilled – medium to high-paid)	High-skilled freelancers work (medium to high-paid)
Online Labour Market (OLM)	Amazon Mechanical Turk (AMT)	99designs, Article One Partners, CastingWords, crowdSPRING	UpWork
Mobile Labour Market (MLN)	Uber, Taxify, Bolt		UrbanSitter, Medicast (MD house calls)

*Source:* Compiled by the authors based on PAJARINEN et al. 2018, 5; PONGRATZ 2018, 72–73.

As Pongratz (2018) rightly stresses: “The choice of terminology by different types of platforms is neither random nor arbitrary. The term ‘worker’ emphasises the mere status of being employed and evokes associations of routine tasks and tough working conditions. ‘Freelancer’ on the other hand, stresses the independence and responsibility of self-employment, including prospect of demanding jobs and reasonable income. Thus, they refer deliberately to the established discourses of work and employment in order to arouse interest among target groups with suitable skills and ambitions.”<sup>12</sup>

Using such characteristics of job quality (JQ) as wages, education and training, working conditions, employment quality, work life balance, etc., we may avoid the oversimplification in such inexact terminology as ‘crowdworker’ and thus avoid the possible misinterpretation of the research outcomes. Semiotic analysis of the 44 global English language platforms calls attention to “...the diversity of the occupational groups involved [...]. It impedes any attempt to find an overarching category for all online works as no one category is widely used across all types of platforms.”<sup>13</sup>

During the desktop research, we analysed the data available on one of the most popular platform company website (Upwork) and found substantially differing jobs. On the Upwork freelance platform, the following professionals were represented:

- Software developers, web designers
- IT and networking professionals
- Data scientists and analytics expert
- Engineers

<sup>11</sup> PAJARINEN et al. 2018, 5. It is worthy of note that the authors distinguish short-term work assignment as an additional essential characteristic of platform work.

<sup>12</sup> PONGRATZ 2018, 64.

<sup>13</sup> PONGRATZ 2018, 64.

- Designers and creative workers
- Writing assistant
- Translators
- Legal experts

Table 4 illustrates the professional profiles of the Upwork platform in the CrowdWork21 research consortium countries. Among the countries, Germany has the leading role, followed by Spain, Portugal and finally Hungary. The difference between the frontrunner Germany, Spain and the trailing edge Hungary is more than double regarding the aggregate number of the Upworkers. The most populated professions are as follows: translation, writing and software development and web design. These professions are the most populated in the leading edge countries (Germany and Spain). However, in the trailing edge countries (Portugal and Hungary), the differences are less sharp in the case of “IT and Networking” (Portugal: 355 – Hungary: 345) and “Data Science and Analytics” (Portugal: 255 – Hungary: 245).

*Table 4: Upwork platform workers by professional profile: The Case of the CrowdWork21 project countries (2019)*

Countries	Total	Software Development and Web Design	IT and Networking	Data Science and Analytics	Engineers	Design and Creative	Writing	Translation	Legal experts
Hungary	4,891	1,235	345	245	332	1,304	493	1,304	17
Germany	13,489	3,206	706	730	594	3,381	2,214	4,307	45
Portugal	7,565	1,518	355	255	425	2,111	1,266	3,000	27
Spain	12,200	2,150	524	420	574	3,375	2,075	4,447	58

*Source:* Hungarian National Research Team, Nasib Jafarow owns calculation based on Upwork.com as of 4 April 2019.

### *Institutional filters: Erosion of the Hungarian Industrial Relations System (IRS)<sup>14</sup>*

*Varieties of Capitalism (VoC) and employment regimes in Europe.* National systems of industrial relations are just as diverse as the platform workers are, so it is worth taking a short overview on this topic. Technological changes may have different social and economic impacts in different countries according to the country-specific institutional arrangements. These key regulatory institutions – such as education and training, labour market regulation and industrial relations systems, welfare regimes, tax systems, etc. – play a crucial filtering role in shaping the national effects of even such mega-trends as the emerging and rapidly growing practice of platform work. It is also obvious that the intensity and the ‘quality’ of public discourse on platform work are also conditioned by these institutional filters to a great extent.

<sup>14</sup> For the sake of clarity, we will use the term industrial relations and labour relations as synonyms.

Institutions have been in the focus of social sciences from the beginning of their history, but the most current wave on institutional diversity can be traced back to the seminal work of Hall and Soskice (2001) on variety of capitalism (VoC). They called attention to the important interactions that exist between employment and working practices and the differences in the national systems of education and training, labour relations, labour market policies, etc. They identified three major institutional clusters of capitalism: liberal market economy (LME), coordinated market economy (CME) and Mediterranean economy. Presently, the VoC approach is one of the cornerstones of the evolutionary theory of economics. The binary model of the typology of capitalism was challenged – among others by Andre Sapir who distinguished four types of European social models. (It should be noted that an obvious disadvantage of the binary model is that not all countries easily fit into one of the two categories.) Sapir’s model is based on two axes of a welfare system: efficiency and equity. For the sake of brevity, we only present the classification of countries along the four types of social models proposed by Sapir.

Table 5: Typology of European social models

Equity	Efficiency	
	Low	High
	High	High
	‘Continental’ (AT, BE, <b>DE</b> , FR, LU)	‘Nordic’ (DK, FI, NL, SE)
	Low	Low
	‘Mediterranean’ ( <b>ES</b> , GR, IT, <b>PT</b> )	‘Anglo-Saxon’ (IE, UK)

Source: SAPIR 2005, 9.

However, the VoC school of evolutionary economics produced less developed comparative knowledge on the institutional variety of the capitalist development among the post-socialist countries, mainly due to the historically short experiences of capitalism in these countries. Fortunately, there have been notable efforts recently aimed to overcome this knowledge deficiency by applying the VoC approach for the CEE countries, too: Morawski (2019), Makó and Illéssy (2016), Bohle and Greskovits (2012), Szelényi and Wilk (2011) and Martin (2008). From among these and other attempts, the theory of employment regimes developed by Duncan Gallie is worthy of note in the context of the CrowdWork project.

Roughly speaking, the employment regime theory extends the analysis of VoC in the perspective of production regime theories by bringing in the characteristics of employment relationship, employment policy and industrial relations system. In contrast to the previous typologies, Gallie distinguished 3 types of employment regimes within the European economies. *Inclusive* employment regimes aim to increase the level of employment and at the same time the employees’ rights as much as possible. *Dualist* employment regimes guarantee extended rights for the core employees, while peripheral employees have much reduced workers’ rights and job security. In the *market-based* employment regimes, state intervention remains at the lowest possible level, labour regulation is weak, but market relations usually leads to higher levels of employment.



*European IRS institutions: Visible cross-country differences*

This section briefly presents one of the most recent attempts aimed at classifying the varieties of industrial or labour relations systems in Europe. The Industrial Relations System (IRS) represents: “...collective relationships between workers, employers and their respective representatives, including the tripartite dimension where public authorities at different levels are involved. Social dialogue refers to all communications between social partners and government representatives, from simple information exchanges to negotiations. Social partners are employees’ organisations (such as trade unions) as well as employers’ organisations.”<sup>15</sup>

An industrial relations system is an interaction between autonomous actors; nevertheless, it evolves in time. It results in a complex situation in case of post-socialist countries as the trade unions, with the exception of the Polish Solidarnosc, were not autonomous institutions at all during the socialist political regime when state party dominated all area of civil life, and the role of trade unions was reduced to be a ‘transmission belt’ aimed at mediating the will of the state party towards the rank-and-file employees and the management. In the following table we present the classification of the EU Member States according to different employment regimes.

*Table 6: Employment regimes in the European Union*

Liberal market economy	Nordic	Continental coordinated	State-coordinated	Transitional
		Austria		Czech Republic
		Belgium	France	Estonia
	Denmark		Greece	<b>Hungary</b>
	Finland	<b>Germany</b>	Italy	Latvia
United Kingdom	Norway	Luxemburg	<b>Portugal</b>	Poland
	Sweden	Netherlands	<b>Spain</b>	Romania
		Slovenia		Slovakia

*Source:* Gallie 2011, 11.

It is not at all surprising, therefore, that after the collapse of state-socialist systems the trade union density rates<sup>16</sup> fell dramatically in all countries of the region as their role and credibility had been compromised by this “forced coalition” with the mono-party state. This general decline has been continuing ever since. According to the OECD data, this declining trend is not specific for any political regime since the vast majority of the Member States show the same pattern, as it can be seen from the following table.

<sup>15</sup> AKGÜC et al. 2018, 3.

<sup>16</sup> Here we define trade union density rate as the proportion of trade union members compared to the total number of wage and salary earners.



Table 7: Union density rates in Europe (%)

Year	1998	2003	2008	2012	2013	2014	2015	2016
Country								
Austria	38	35	30	28	28	28	27	27
Belgium	55	54	54	55	55	54	54	..
Czech Republic	32	22	17	15	14	13	12	..
Denmark	75	71	66	67	67	66	65	..
Estonia	17	12	7	7	..	..	..	..
Finland	78	73	69	67	66	67	..	65
France	8	8	8	8	8	8	..	..
Germany	<b>26</b>	<b>23</b>	<b>19</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>17</b>
Greece	27	..	24	22	22	..	..	..
Hungary	<b>27</b>	<b>18</b>	<b>14</b>	<b>12</b>	..	<b>11</b>	..	<b>11<sup>z</sup></b>
Ireland	41	35	31	34	33	..	..	..
Italy	35	33	33	36	37	36	36	..
Latvia	..	21	15	13	..	..	..	..
Lithuania	..	14	9	9	8	8	8	8
Luxembourg	43	43	37	35	..	34	..	..
Netherlands	24	21	19	19	18	18	18	17
Poland	20	19	15	13	13	12	..	..
Portugal	<b>23</b>	<b>21</b>	<b>21</b>	<b>19</b>	..	<b>17</b>	<b>16</b>	<b>16<sup>x</sup></b>
Slovak Republic	36	26	17	14	13	12	11	..
Slovenia	43	44	27	22	21	..	..	..
Spain	<b>19</b>	<b>16</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>16</b>	<b>14</b>	<b>14<sup>y</sup></b>
Sweden	82	76	69	67	..	..	67	..
United Kingdom	30	29	27	26	25	..	..	..

Source: Data extracted on 10 October 2019 07:15 UTC (GMT) from OECD.Stat.

Legend:.. means no data available; <sup>x</sup> means data is from 2015; <sup>y</sup> means data is from 2014.

As we can see from Table 7, there is no country in Europe where the union density rate would increase between 1998 and 2016. There are some countries, like Belgium from the upper end and Italy from the middle segment of the density scale, where it has remained relatively stable, and those countries with the highest rates in 1998 experienced less significant decrease. In contrast, the most spectacular decline was observable in the post-socialist countries where union density rates generally trend downward since. Another important indice that is frequently used to describe industrial relations system is the collective bargaining coverage rate,<sup>17</sup> so it is worth taking a look at this indicator, too.

<sup>17</sup> The definition of collective bargaining coverage is the share of employees covered by a collective agreement compared to the total number of wage and salary earners.

Table 8: Collective bargaining coverage rates in European countries<sup>18</sup>

Year	2000	2005	2010	2015
Country				
Austria	98.00	98.00	98.00	98.00
Belgium	96.00	..	96.00	96.00
Czech Republic	47.95	41.63	51.06	46.27
Denmark	85.00	85.00	83.00	84.00
Estonia	..	28.00	24.00	18.60
Finland	85.00	87.70	77.81	89.32
France	..	96.08	98.00	98.46
Germany	<b>67.75</b>	<b>64.90</b>	<b>59.76</b>	<b>56.80</b>
Greece	82.00	82.00	64.00	..
Hungary	<b>42.42</b>	<b>24.75</b>	<b>27.33</b>	<b>22.80</b>
Ireland	44.22	41.73	40.49	33.52
Italy	80.00	80.00	80.00	80.00
Latvia	..	15.00	20.36	14.85
Lithuania	..	10.73	11.14	7.05
Luxembourg	60.00	58.00	54.22	55.00
Netherlands	81.70	86.83	89.65	79.41
Poland	25.00	..	14.86	..
Portugal	<b>78.43</b>	<b>83.20</b>	<b>76.74</b>	<b>72.26</b>
Slovak Republic	51.00	40.00	35.00	24.40
Slovenia	100.00	100.00	80.00	65.00
Spain	82.87	76.01	76.94	76.93
Sweden	94.00	94.00	88.00	90.00
United Kingdom	36.40	34.90	30.90	27.90

Source: Data extracted on 10 October 2019 08:45 UTC (GMT) from OECD.Stat.

*Note:* The OECD uses adjusted collective bargaining coverage rate, which means that the share of covered employees is compared not to all employees but only to those that have bargaining rights.

One of the most striking observations is that the differences between Old and New Member States are much higher in case of collective bargaining coverage rate compared to the union density. Collective bargaining is an important institution of social dialogue

<sup>18</sup> It is more difficult to collect this type of data; therefore, in missing cases we used the next data available. To be more accurate, for example, in case of Hungary we used the data from 1999 instead 2000, which was missing. Further ‘adjustments’ are as follows: for Denmark, Estonia, France and Slovakia we used data from 2004 to replace the missing data from 2005. For the similar year, we used data from 2006 in case of Lithuania. For 2010, we used data from 2008 in case of Belgium, data from 2009 for Estonia, France and Ireland, and data from 2011 in case of Luxembourg, Poland, Slovakia and Sweden, and for 2015, we used data from 2014 in case of France, Hungary, Ireland and Luxembourg.

that can counterweight the declining trend of unionisation rate, at least for the employees having bargaining rights. For the sake of simplicity, we compare the latest available data from 2015. In all countries, except for Lithuania, the collective bargaining coverage rate is higher than the union density rate, the difference being significant in most of the cases. For example, in Austria the unionisation rate is 27%, which is paired with a collective bargaining coverage rate of 98%. A similar phenomenon can be observed in the Netherlands where low unionisation rate (18%) is combined with a coverage rate of almost 80%. The following table summarises this compensation effect.

Table 9: Compensation effect of collective bargaining coverage rate

	Collective Bargaining Coverage Rate		
	Low	Medium	High
Union Density Rate	Estonia Hungary Latvia Lithuania Poland <b>Portugal</b> Slovakia U.K.	Czech Republic <b>Germany</b>	Netherlands Austria France Portugal Slovenia <b>Spain</b>
	Medium	Ireland Luxemburg	Italy
	High		Belgium Denmark Finland Sweden

Source: Compiled by the authors based on OECD Statistics.

There is obviously no country where the low collective bargaining coverage rate would be combined with low union density rate but as we can see from the data, the leverage or compensation effect does not prevail in all countries at the same extent. In case of the Netherlands, Austria, France, Portugal, Slovenia and Spain, the difference between the two rates are the highest, while in case of Italy, the medium level of unionisation rate is paired with a high level of collective bargaining coverage. It is obvious that the coverage rate is high in Belgium, Denmark, Finland and Sweden as the highest density rates are found in these countries as well. This leverage effect occurs in the Czech Republic and Germany but to a lesser degree since these two countries can be characterised by a low level of union density rate and medium level of collective bargaining coverage rate. There is no such compensation effect in case of Ireland and Luxemburg, where both rates are at medium level. The country group in the least advantageous position in this regard is composed by the U.K. and the vast majority of the post-socialist countries (Estonia, Hungary, Latvia, Lithuania, Poland, Portugal and Slovakia), where both rates are the lowest. These results are not surprising as these are the countries where the extension of multi-employer or sectoral level collective bargaining agreements has the weakest tradition.

What is more surprising, however, is that a more detailed analysis of the interplay between the collective bargaining coverage rate and organisational density of social partners on both the employees' and the employers' side shows that this leverage effect is due to the higher unionisation rate mostly in the Nordic countries, where trade unions are more organised than employers' association. In contrast: "In continental western and southern Europe, coverage rates are two to three times higher than the union density rate and much more driven by high rates of employer organisation and the legal extension of collective agreements to nonorganised firms by the state."<sup>19</sup> At the other extreme of the scale, we find primarily Central and Eastern European Countries, where both trade unions and employers' associations are weakly organised, and collective agreements are more sparsely extended, even if the labour regulation allows this practice.

Inspired by Visser's industrial relations regimes approach,<sup>20</sup> a recent Eurofound study tried to establish a similar typology based on more recent data.<sup>21</sup> The cluster analysis is built upon indicators covering four dimensions of industrial relations:

- Associational governance, which is aimed at characterising the relationship between governmental bodies and social partners (e.g. involvement of social partners in government decision on employment and economic policy, mechanisms for collective bargaining agreement extension, employer organisation density, coordination and main locus of collective bargaining, etc.).
- Representation and participation rights, including three variables measuring the strength of indirect participation at company level and representation rights at board level (board-level employee representation rights, Works Councils' rights, status of works councils).
- Social dialogue at company level, including employee representation coverage, incidence of information provided to the employee representation body by management, influence of employee representation in workplace-level decision-making, share of companies holding regular meetings where employees can directly express their views about the organisation.
- Strengths of trade unions and government intervention in industrial relations, including unionisation rate and government intervention in collective bargaining and the setting of minimum wage.

The typology based on the cluster analysis distinguishes six types of industrial relations regimes, the first being the social partnership, which can be characterised by a high level of collective bargaining coverage rate. However, this is not due to strong unions but rather to highly organised employers' association and strong intervention of the state in the coordination of collective bargaining, in wage-setting mechanisms. Besides, as the study notes: "At company level, this cluster includes some of the countries that have granted the

<sup>19</sup> VISSER 2009, 51.

<sup>20</sup> VISSER 2009, 49.

<sup>21</sup> Eurofound 2018b.

most extensive legal rights to works councils (Austria and the Netherlands) and the most extensive board-level employee representation rights (Belgium is an exception to this).’’<sup>22</sup>

The second cluster is the so-called ‘organised corporatism’ regime, the group of countries with high collective bargaining coverage based on highly coordinated and centralised collective bargaining and strong decentralised coordination structures: ‘A key defining feature of this cluster is the positive combination of collective autonomy and high associational governance (*i.e. high collective bargaining coverage*). It includes countries that provide extensive rights to works councils, particularly Germany and Sweden, where co-determination rights are established by law. It is also worth noting that national and sectoral collective agreements in the Nordic countries provide higher standards for information sharing and consultation than legal provisions.’’<sup>23</sup>

The third cluster is the state-centred model, which is characterised by high collective bargaining coverage rate (although somewhat lower than in the case of the previous two clusters) and a weak social dialogue at company level. This is the result of a unique institutional arrangement in which ‘centralised but quite uncoordinated collective bargaining institutions that have greater dependence on state regulation. Indeed, this cluster records the highest scores in collective bargaining state intervention, which are matched by low trade union densities. While mandatory works councils exist at company level, they are granted less wide-ranging legal.’’<sup>24</sup>

The fourth cluster is characterised by ‘company-centred governance’ where unionisation rate is low, collective and wage bargaining is decentralised and uncoordinated. The role of the state is residual and mostly limited to the set-up of the national minimum wage and to a relatively extended right of works councils guaranteed by the labour legislation. ‘[A] defining feature of this cluster is its comparatively high performance in the industrial democracy sub-dimension of representation and participation rights at company level, which is higher than the southern cluster and close to the Nordic one. This is due to the existence of far-reaching rights provided to works councils/employee representative bodies, and some of the highest board-level employee representation rights in the EU.’’<sup>25</sup>

The fifth cluster of ‘voluntarist associational governance’ is similar to cluster 4 and 6 in terms of the uncoordinated and decentralised collective bargaining system but the coverage rate is somewhat higher. While differences are higher when it comes to company level collective bargaining, this cluster records the lowest score in the industrial democracy sub-dimension of representation and participation rights at company level. Countries have the voluntary character of the liberal system of employee participation in common, in which works councils or employee representative bodies are voluntary (even where these are mandated by law, and there are no legal sanctions for non-observance). Moreover, board-level employee representation rights are not available in most of the

<sup>22</sup> Eurofound 2018b, 37.

<sup>23</sup> Eurofound 2018b, 38.

<sup>24</sup> Eurofound 2018b, 39.

<sup>25</sup> Eurofound 2018b, 40.

countries under this cluster. Social dialogue performance at company level is comparatively low, although higher than in Cluster 3.<sup>26</sup> Contrary to cluster 4 and 6, employers' associations are strong.

The sixth cluster is the most market-oriented, with weak social partners and more generally the worst values for the variables in the associational governance<sup>27</sup> sub-dimension. The uncoordinated and decentralised collective bargaining system is combined with the weak role of state intervention. Despite these differences, the last three country groups show significant similarities with low level of collective bargaining coverage and weak trade unions. As the study notes: "A clear division between two main groups: the Nordic and continental countries, which record the best scores in industrial democracy, and the southern, liberal and central and eastern-European (CEE) countries, which perform far worse in this dimension. A more detailed typology enables six clusters to be distinguished that show a high degree of stability between the two periods analysed."<sup>28</sup> The following table presents the composition of the different clusters.

*Table 10: The industrial relations cluster in Europe*

No.	Characteristic	Countries
1.	Social partnership	Austria, Belgium, Luxembourg and the Netherlands
2.	Organised corporatism	<b>Germany</b> , Denmark, Finland and Sweden
3.	State-centred associational governance	France, Italy, <b>Portugal</b> , Slovenia and <b>Spain</b> (and Greece for 2008–2012)
4.	Company-centred governance	Croatia, <b>Hungary</b> and Slovakia
5.	Voluntarist associational governance	Bulgaria, Cyprus, the Czech Republic, Ireland, Latvia, Lithuania, Malta and Romania (and Greece for 2013–2017)
6.	Market-oriented governance	Estonia, Poland and the U.K.

*Source:* Eurofound 2018, 37.

The country-specific institutional arrangements are partly the heritage of the past, partly the result of the global financial crisis and economic downturn in 2008, after which severe deregulation took place in the field of industrial relations in many countries. In relation with the former, it is necessary to mention the effect of the collapse of the state-socialist political-economics system at end of 1980s and the beginning of the 1990s. This political-economic regime termination was followed – with slight variations in the CEE countries – with the mass privatisation and fast restructuring of the national economies. For example, the dominance of large state-owned companies in socialism was replaced

<sup>26</sup> Eurofound 2018b, 40.

<sup>27</sup> Associational governance means in this context that the government relies heavily on tripartite consultation bodies and other forms of social dialogue when it comes to decision-making processes. In the industrial relations index, it is measured by the following five indicators: 1. union density rate; 2. employer organisation density; 3. institutionalised bipartite consultation bodies; 4. collective bargaining coverage; 5. Routine involvement of unions and employers in government decisions on social and economic policy (Eurofound 2018b, 20).

<sup>28</sup> Eurofound 2018b, 36.

by the dominance of the micro firms and the SME sector. This disruptive change in the size-structure in the economy speeded up the decline of trade unions and the IRS through dismantling the previous regulatory and institutional framework of the economy and society (e.g. monolithic political architecture, transmission role of the trade unions between the ruling party and the economic management of the national economy, etc.) The loosening influence of the IRS resulted in not only the decline in interest representation of the wage earners in general but also contributed to the weakening of public control on the privatisation. Social partners had difficulties to influence the shares and distribution of winners and losers of the radical changes in ownership and governance structure of the economy and society in Hungary. The outcomes of this transformation process resulted in the weakening bargaining positions of the trade unions in the CEE region.

The majority of the post-socialist countries were also hit by the deregulative labour market “reforms” as a result of an external pressure of either the Troika<sup>29</sup> or the country-specific recommendations of the so-called European Semester. However, it is interesting to note that Hungary was a rather unique exception, where “policies undermining industrial democracy have been approved in the absence of external pressure. Since 2010, the Hungarian Parliament has approved radical reforms that have restricted strike and trade union rights, and allowed collective agreements and individual employment contracts to deviate from labour law”.<sup>30</sup>

This striking example of “voluntary austerity” can only be understood if we take a closer look at the most recent changes in the Hungarian economic policy and politics. It dates back to the 2010 elections when Viktor Orbán won and achieved a supermajority in the Hungarian Parliament. We can observe a rather sharp regime change affecting all important areas of the social, economic and legal institutional arrangement. Neumann and Tóth describe the nature of these changes as “a statist and nationalist economic-policy turn and a shift from welfare to a workfare-based social policy”.<sup>31</sup> This policy turn consists of neoliberal measures that aim to massively deregulate the labour market and to cut back welfare and wage expenditure in order to maintain some sort of competitiveness of the country,<sup>32</sup> combined with large-scale economic and regulatory expansion of the state in the name of economic nationalism.<sup>33</sup>

Hungarian trade unions had been fragmented and politically divided, lacking the necessary resources, constantly losing support and trust from some of the employees so they were not prepared to counter-attack the measures of a government that had the support of two thirds of the MPs. Instead, they often focused on the interests of core employees

<sup>29</sup> Troika is a popular designation for the political decision-making group composed by the European Commission, the European Central Bank and the International Monetary Fund.

<sup>30</sup> Eurofound 2018b, 9.

<sup>31</sup> NEUMANN-TÓTH 2018, 135.

<sup>32</sup> This is the so-called low road of development based – among others – on low wages, medium-level skills, employer-friendly flexibility schemes and limited room for collective industrial action.

<sup>33</sup> We have to note, however, that the boundaries between state, the governing party and the favoured interest groups (oligarchs) are blurred.



at the expense of such peripheral employees as temporary agency workers.<sup>34</sup> The characteristics of this political turn are important in the context of the CrowdWork project as these measures further limit the opportunities for employees to express their voice.

*Labour law regulation and platform work in Hungary*<sup>35</sup>

In Hungarian labour law, platform workers are mostly independent contractors, as Hungary does not have the third labour law category. Independent contractors are self-employed workers, whose work relationships are covered by the Civil Code (contract for service). The Civil Code does not provide any employment protection in the framework of such contracts for service, contrary to the Labour Code provisions on employment relationships.

The Hungarian labour law is unprepared to cope with the regulation of platform work. It is presently characterised by a rigid ‘binary model’ of employment regulation consisting of employment contracts and civil law contracts: “universal” versus “zero” legal protection. In the perspective of the binary regulation, platform workers have either an “employee status” entitled to complete labour law protection guaranteed by the Labour Code (LC), or have the status of “self-employed” working without any legal protection under the scope of the Civil Code.

The Hungarian labour law does not regulate the third type of employment status: economically dependent worker or dependent contractor or worker. There is no special legal regulation on this third category of workers in the Labour Code. Moreover, it is impossible to use in a mechanistic way the legal regulations covering the standard (typical) and non-standard (atypical) employment relationships in the Labour Code. The major legislative issue is whether the regulation of the third employment status (economically dependent worker) would be an appropriate solution for the protection of platform (gig) workers. However, the third labour law status could only partly solve the particular problems created by gig work. Certainly, there are various issues related to platform work, which require rather particular legal solutions due to its special characteristics.

In this relation, one of the particular features of platform work is the rating system and its legal consequences. The Hungarian regulation is totally missing on “digital ratings”. Therefore, it is impossible to guarantee the transparency of online evaluation and to question its correctness (i.e. legal remedy). Beyond transparency, the transferability of ratings is also a fundamental issue without legal guarantees. Online rating has two consequences: disciplinary sanctions or termination of the legal relationship (inactivation). According to the Labour Code, disciplinary sanctions may be levied if the collective agreement or the employment contract allows it.<sup>36</sup> As a contrast, in civil law the parties may agree on

<sup>34</sup> NEUMANN-TÓTH 2018, 145.

<sup>35</sup> This section is based on the contributions of Dr. Tamás Gyulavári (labour lawyer, Department of Labour Law, Péter Pázmány Catholic University, Budapest) and Dr. Bankó Zoltán (labour lawyer, University of Pécs, Faculty of Law). The authors are grateful to them.

<sup>36</sup> Act 1 of 2012 (Labour Code), Article 56(1).

such legal consequences. In case of termination of employment (inactivation), platform workers usually lack any protection against termination due to the unilateral regulation of the employer (conditions of work on the website).

Furthermore, platform workers are not fully entitled to seemingly universal social rights, such as prohibition of child work and discrimination. In relation to child work, in principle the Labour Code provisions on the protection of young employees could be a satisfactory solution (i.e. in case of employees under 18, it is obligatory to apply the LC articles on the protection of young employees).<sup>37</sup> Unfortunately, it is unclear whether the special rules on establishment of employment in relation to young employees (the age limit) shall be applied outside the employment contract. As for the equal treatment principle, the Equal Treatment Act (125 of 2003) shall be applied in all legal relationships aimed at work. Therefore, the nature of the work relationship is not relevant, since the equal treatment provisions must be applied in all circumstances.<sup>38</sup>

Collective rights and especially the right to conclude collective agreements are not ensured outside the scope of the Labour Code. In the Hungarian labour market, collective agreements exist almost exclusively at workplace level. Collective agreements may be concluded by a trade union (or their federation), if at least 10% of the employees are union members.<sup>39</sup> However, if workers are lacking the employee status, they cannot be covered by a collective agreement. Works council agreements may provide an alternative or quasi collective agreement.<sup>40</sup> In this case, a Works Council (WC) must be elected, but establishment of a WC requires – again – the votes of employees (only). In this way, the “employee status” is the exclusive basis of employee rights, whether collective or individual.

Sector level collective agreements would be the ideal solution covering legal relations beyond employment relationships, covering also platform work. For instance, if a sector level collective agreement were operational on the entire personal transport sector, it would be possible to extend it over digital platforms providing taxi services. However, sector level collective agreements hardly exist in Hungary.<sup>41</sup> While Act 74 of 2009 on sector level social dialogue regulated the role of sector level dialogue committees and middle level social dialogue, this Act only covers interest representation of employees.<sup>42</sup> In addition, the constraints of EU competition law regarding the conclusion of collective agreements by non-employees are present in Hungarian law, too.

As a consequence, the Hungarian labour law presently hardly addresses in any substantial way questions related to the protection of platform workers. Therefore, it would be necessary to create a separate and detailed legal regulation regarding workers outside the scope of employment relationships, with particular attention to platform workers.

<sup>37</sup> Act 1 of 2012 (Labour Code), Article 4.

<sup>38</sup> Act 125 of 2003, Article 5.d and 3(1)a–b.

<sup>39</sup> Act 1 of 2012 (Labour Code), Article 276(1)–(2).

<sup>40</sup> Act 1 of 2012 (Labour Code), Article 268.

<sup>41</sup> Except the health sector. Source: [www.aek.hu/-/kollektiv-szerzodes-az-egeszsegugyben-unnepelyes-alairas](http://www.aek.hu/-/kollektiv-szerzodes-az-egeszsegugyben-unnepelyes-alairas) (Accessed: 21.09.2019.)

<sup>42</sup> Act 74 of 2009, Article 1–2, 15(1).

### **Lack of comprehensive empirical evidence on platform work: Hungarian experience in European perspective**

Although the gig-economy as such is a popular topic in the international scientific debates, this topic is rather undervalued in the Hungarian context. This is even more true when it comes to platform workers, the discussion about their jobs' content, working conditions and employment status, as well as their voice with management and collective bargaining power. This is partly because it is a rather new phenomenon, and partly because labour related issues are of secondary importance in the present practice of the Hungarian social sciences.

Therefore, international research projects represent the most important source of knowledge on platform work instead of the Hungarian ones. The first attempt to estimate the size of platform workers in 14 European countries has been made by the COLLEEM survey.<sup>43</sup> The survey results are shown in the next table in a somewhat simplified version.

*Table 11: The number of platform workers as a percentage of the total adult population (2017)*

Country	Adjusted estimate
U.K.	12.0
Spain	11.6
Germany	10.4
Netherlands	9.7
Portugal	10.6
Italy	8.9
Lithuania	9.1
Romania	8.1
France	7.0
Croatia	8.1
Sweden	7.2
Hungary	6.7
Slovakia	6.9
Finland	6.0
<b>Total</b>	<b>9.7</b>

*Source:* PESOLE et al. 2019, 15 (COLLEEM dataset).

According to the estimates of the COLLEEM project, a non-negligent share of the Hungarian adult population (6.7%) makes some earnings from platform works. This ration is well below of the rates of such project partner countries as Spain (11.6%), Portugal (10.6%) or Germany (10.4%).

<sup>43</sup> PESOLE et al. 2019.

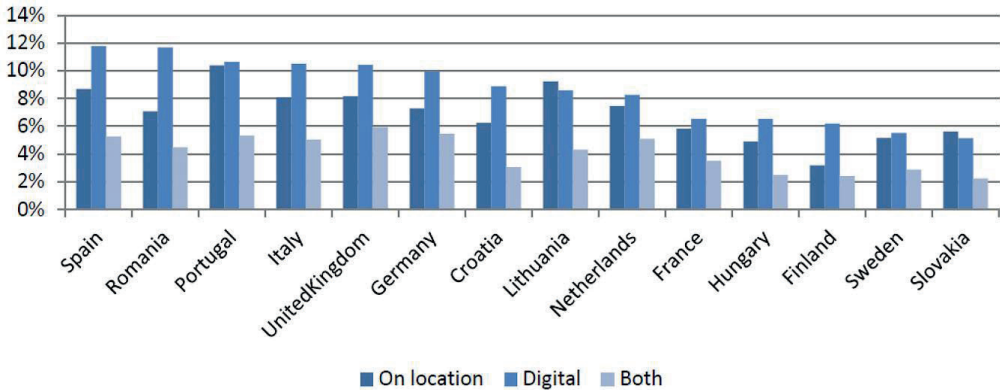


Figure 1: Types of provided service by country (2017)

Source: PESOLE et al. 2019, 35 (COLLEEM dataset).

Except for Lithuania, in all countries surveyed, the ‘digital service’ dominates. In relation with the CrowdWork21 research consortium countries, it is necessary to call attention to the leading roles of Spain, Portugal in comparison with Germany and especially with Hungary. The other interesting result of the survey: Nordic countries who have the highest level of “digital literacy” are among the “trailing edge” countries. As we mentioned earlier, the COLLEEM survey was the first attempt to map the quantitative and qualitative characteristics of platform workers in some selected European countries by using an empirical survey.

The IRSACE (Industrial Relations and Social Dialogue in the Age of Collaborative Economy) project funded by the DG EMPL of the European Commission is another recent research project on platform work. Its aim is to explore new strategies of traditional stakeholders (trade unions, employers’ association, governmental bodies, etc.) towards the challenges of the collaborative economy. As part of the project, case studies were carried out about platform workers and platform companies in Hungary. This is the most recent and most comprehensive qualitative research in the country, therefore, we will briefly summarise its main results and findings.<sup>44</sup>

During the project, 13 interviews were made and additionally two focus group interviews were conducted with six platform workers. The sectors covered by the research were: 1. local personal transport; 2. housework; and 3. accommodation service. All three sectors belong to the category of mobile labour where personal presence is required for the service delivery. These three sectors differ greatly in terms of wages, skill level of the jobs, social status and interest representation. Baby-sitting works, for example, are regarded as the least desirable jobs, while those participating in the Airbnb business rarely consider themselves platform workers but rather entrepreneurs and real estate investors. Taxi drivers, in contrast, form a socio-professional group with traditionally strong identity and collective representation.

<sup>44</sup> For the whole report see MESZMANN 2018.

However, a rapid growth was observable in all three sectors during the last decades. This was due to the global financial crisis and the subsequent economic downturn that gave a rise for both the demand and the supply side of this special segment of the labour market through the increased cost sensitivity of households (demand side) and through the increased popularity of extra income generating service platforms (supply side). As the final research report concludes, the regulation of platform work is at the heart of the public debate while job quality and employees' voice are not prioritised. Regulation is a tricky issue because all three sectors can be characterised by a high level of informality. Household work (baby-sitting) and other accommodation services (Airbnb) are minimally regulated, while the local personal transport sector is meticulously regulated.

This informality has a direct (negative) impact on the employment relations, as platform workers are usually self-employed or simply are not declared at all: "Such employment forms also do not provide solid ground for self-organization of labour. Those working in the platform economy typically do not have formal contracts and are thus deprived from enjoying rights stemming from employment contracts in addition to social rights. Micro-workers, or individual entrepreneurs, fulfil the criteria for membership with some civil and interest based associations, but do not fulfil the set criteria to become members affiliated with trade unions."<sup>45</sup> Most platform workers are typically either self-employed small entrepreneurs or registered natural persons working as service providers. This represents a further barrier to self-organisation of the workers as they are rarely entitled to join any existing trade union or create a new one. The social dialogue is even more cumbersome due to the fact that platform companies typically deny that they are employers of the platform workers but are serving only as an intermediary, bringing together buyers and sellers via an ICT platform. As concerning the buyers, it is worth noting that they are just as atomised individually as the workers are and have no social or economic interest to form any employer-type of collective entity. On the other hand, as employer organisations of the traditional (offline) subsectors have been vocal against platform companies, the most important emerging "battlefield" is not focused on the working conditions and job quality of platform workers but most often on fair competition and tax avoidance.

The general perception of the most relevant stakeholders on platform work are summarised as follows: "Workers and service providers praised the efficiency of platforms to provide opportunities for earning income and, in some cases, job generation. Many highlighted the lack of introductory education regarding the risks and requirements of working for the platforms. On the other hand, traditional employers and service providers in local transport and accommodation expressed both caution and hostility towards the platform economy. This group highlighted unfair competition due to low regulation as causing undeclared employment and thus tax evading practices of the new competitors. Platform companies and platform based employers stressed the innovative and income generating dimension of their enterprise. Employers in the accommodation sector, and also small service providers using platforms for their service providing market, stressed the benefi-

<sup>45</sup> MESZMANN 2018, 5.

cial, very different, personalized, detailed nature of services they delivered to customers. Finally, public authorities did not have a general stance towards platform companies.”<sup>46</sup>

Social dialogue is generally weak in Hungary, and consequently is even weaker when it comes to platform work. The social prestige of trade unions is low, Hungarian workers tend to consider themselves employees only if they have a full time employment contract. In addition, Hungarian trade unions do not prioritise highly platform workers as a potential recruitment base but take a more traditional approach. As mentioned previously, systemic efforts have been made from within the government that are aimed at weakening the role of the social dialogue at all levels. On the national level, the tripartite dialogue has been considerably limited in its scope and agenda, the power of the sectoral level social dialogue committees, established during the 2000s, has decreased to an even greater extent.<sup>47</sup> It seems that there is a vicious cycle in the institutional framework of the interest representation in Hungary: the trade unions traditionally tend to represent the core workforce and leave precarious workers aside,<sup>48</sup> while employees tend to neglect the significance of trade unions and see them as an ineffective, old-fashioned and excrescent tool that can generally be ignored.

### **National debate reflected in the social media<sup>49</sup>**

As the social science community has generally paid little attention to the social and economic consequences of platform work in Hungary, the same is true for public debate and for the traditional as well as online media. The majority of the articles written about platform work emphasises the advantages of platform work, while tends to understate the dark side of this form of work. There is also an interesting division between the mainstream media, which essentially ignores the topic, and some specialised blogs that are extensively focused on platform work.

For our analysis, web data on platform work were gathered and analysed. The figures presented below graphically represent where the discussion on sharing economy took place. According to the Hungarian keywords examined, the issue appeared most commonly in blogs (Figure 2). The majority of web links (HTML resources) are classified as blogs (more than 60%), which is followed by academia and media, both slightly above 10%. Websites of interest groups appeared in 5%, among them the appearance of traditional social partners (trade unions) was rare. The majority of the discussion is happening on unofficial fora, as blogs. Taking into consideration the PDF documents, these files are mostly published by the academia (approximately 40%), the interest groups are in the second place by approximately 10%. In the ratio of sources, there is no significant change between 2018 and 2019.

<sup>46</sup> MESZMANN 2018, 37.

<sup>47</sup> MESZMANN 2018, 18.

<sup>48</sup> NEUMANN-TÓTH 2018, 144.

<sup>49</sup> Some parts of this section are based on the contributions of Gergő Benedek who is a blog writer, owner of *freelancer.hu*. The classification of the web data (Figures 2 and 3) was made by Katalin Bácsi, Budapest Corvinus University.

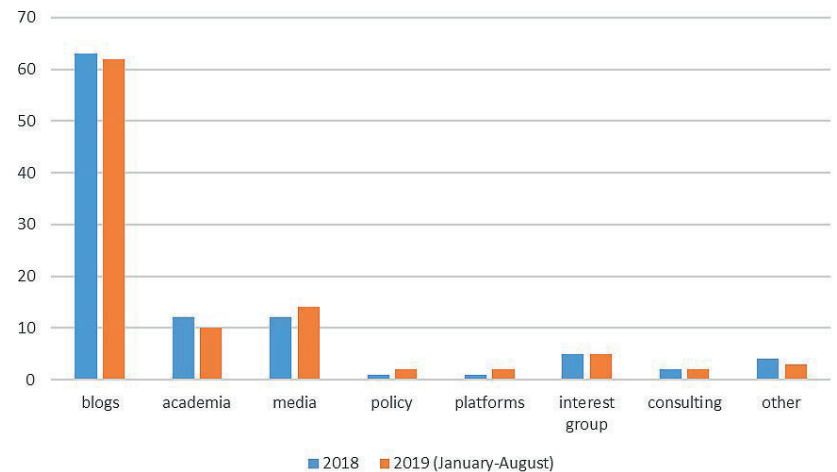


Figure 2: Classification of web data: HTML documents using native key terms

Source: Google search and own calculations. Key terms: közösségi gazdaság (sharing economy), platform gazdaság (platform economy), hakni gazdaság (gig economy), online gazdaság (online economy), digitális munka (digital labour).

The presence of debates on these topics is rare on television or radio, and only a few podcasts and news sources exist, and these are mainly connected to platforms of public transport (Lime, Mol Bubi). In magazines and newspapers, related articles are mainly connected to newly established platforms, to defining and usage of the sharing economy, and to what it means to be a freelancer. The blogs are primarily connected to platforms and freelancers.

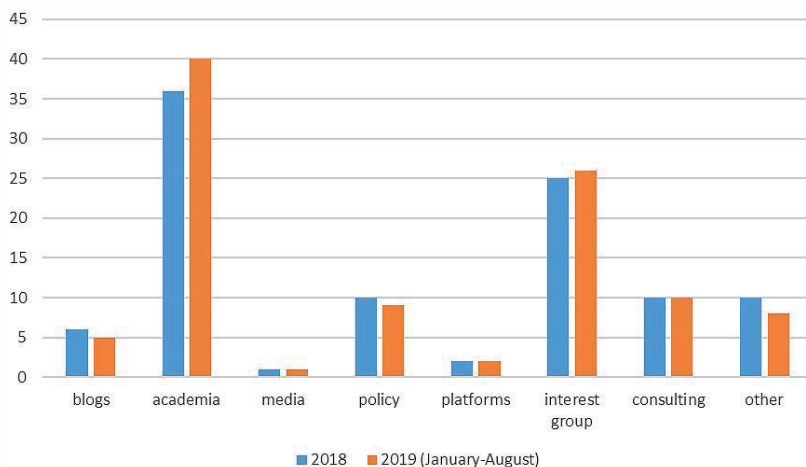


Figure 3: Classification of web data: PDF documents using native key terms

Source: Google search and own calculations. Key terms: közösségi gazdaság (sharing economy), platform gazdaság (platform economy), hakni gazdaság (gig economy), online gazdaság (online economy), digitális munka (digital labour).



The PDF documents are mainly connected to policy makers, focusing primarily on defining the sharing economy related to accommodation services and local transportation.

### **Interest representation (collective voice) and the platform work**

Platform work is a marginal issue in the current Hungarian public and scientific discourse in comparison with such topics as the growing number of Hungarians working abroad and the subsequent labour shortage on the Hungarian labour market, and more recently the social and economic impact created by the COVID-19 pandemic.

In this context, it is not at all surprising that the debate about the precarious employment practices of platform work is not so intensive. As we will examine, the majority of the public debates around such pioneering platform companies as Uber and Airbnb is primarily about the economic regulation-related effects these new business models. It is, therefore, somewhat obvious that the traditional stakeholders (trade unions, employers' associations) are less active in organising themselves around these topics, while new or grassroots interest representative associations have been slowly emerging. In the followings, we will briefly summarise the stance of the most relevant stakeholders towards platform work through the lens of some of the few initiatives and actions that have been found during the desktop research and the preliminary fieldwork, interviewing selected groups of stakeholders.

*Hungarian trade unions: Slow exploration of the new forms to organise platform workers<sup>50</sup>*

*Preliminary remarks: More European than national level initiatives.* Digitalisation and platform working are new topics for the Hungarian trade unions and the confederations. While there are 6 confederations and more than 150 trade unions, the movement is very fragmented and weak. In this context, it is a hard work to disseminate new topics (e.g. working time reduction, gender questions, platform work), because of current pressing challenges: low salaries, employees' unfriendly legislation ('slavery law' from 2018), low TU density, weaknesses of the collective bargaining power, poor working conditions in the public sector, etc. The Hungarian confederations are participating on the international trade union movement, and while the ETUC, the EPSU and other European organisations are involved and interested in the digitalisation and the platform working, the Hungarian trade unions are less open and active in the field of platform work than in other parts of Europe. A recent Eurofound study examined the newest or most innovative practices and found quite large varieties as to how the social partners address and deal with such

<sup>50</sup> This section is based on the contribution of János Véber, Deputy President of the Hungarian Union of Cultural Institutions and Public Collections Employees (KKDSZ) and Member of the Committee of Labour Market and Employment of the European Trade Union Confederation (ETUC). The authors are grateful to him.

new topics as for example platform work. The authors distinguished three main groups of countries that are shown in the following table.

*Table 12: Social partners exploring new topics since 2000 – main results (2015)*

Patterns of addressing new topics	Countries exploring these patterns
Mainly shadowing EU-level developments and initiatives	Cyprus, Czech Republic, Estonia, Croatia, Hungary, Malta, Lithuania, Latvia, Poland, Romania, U.K.
<i>Exploring also additional topics</i>	Bulgaria, Slovakia, Slovenia
Exploring new topics	France, Luxembourg, Italy
<i>With significant changes after 2008</i>	Greece, Ireland, Portugal, Spain
Exploring a broad range of new topics	Austria, Belgium, Germany, Netherlands
<i>Plus initiating organisational changes and labour market/welfare reforms</i>	Denmark, Finland, Norway, Sweden

*Source:* Eurofound 2016, 64.

As we can see from the table above, Hungarian social partners belong to the category of the least open and active countries in terms of addressing new issues emerging from such global trends like the growing number of platform workers. From the CrowdWork21 research consortium countries, data show that social partners are more innovative in Portugal and Spain, especially since the global economic and financial crisis, while German social partners are traditionally good in exploring a broad range of new topics, although to a lesser extent than their Scandinavian counterparts. This was reinforced by our own preliminary research as well, where we found that trade union leaders admitted they lacked the financial and human (expert) resources and background to initiate comprehensive actions in that field. However, we found there are some initiatives at national and international level they have been involved in recently.

*Selected EU trade union involved projects on digital economy: Weak involvement of the Hungarian trade unions*<sup>51</sup>

*International projects of ETUC (European Trade Union Council): Workers Participation – The Key to Fair Digitalisation (2016–2018)*

[www.etuc.org/en/key-fair-digitalisation](http://www.etuc.org/en/key-fair-digitalisation)

ETUC had a project entitled *Workers' Participation: The Key to Fair Digitalisation*. This project examined practices responding to the key challenges and questions surrounding workers' participation, considering the changes brought about by digitalisation. ETUC and ETUI organised conferences and seminars in this topic. ETUI published a research paper about the new challenges of digitalisation, which were based on an international sur-

<sup>51</sup> The rare exception of the involvement of the National Association of Works Council (Munkástanácsok Szövetsége) in a recent, EU supported project on platform work ([Kun–Rácz 2019](#)).

vey. The Hungarian Trade Unions and confederations were represented in the seminars, conferences. The published report on these events can be found on the following link:

[www.etuc.org/sites/default/files/publication/file/2018-09/Voss%20Report%20EN2.pdf](http://www.etuc.org/sites/default/files/publication/file/2018-09/Voss%20Report%20EN2.pdf)

As a part of this project, ETUC published the first report on platform economy (edited by Jeremiah Prassl):

[www.etuc.org/sites/default/files/publication/file/2018-09/Prassl%20report%20maquette.pdf](http://www.etuc.org/sites/default/files/publication/file/2018-09/Prassl%20report%20maquette.pdf)

*Establishing workers representation and social dialogue  
in the platform and app economy (2019–)*

The last Conference of the ETUC (held in Vienna, May 2019) underlined the importance of the new ways of employment, e.g. digitalisation and platform working. In this light, ETUC in partnership with the French institute IRES and the organisation ASTRESS has started the project *Establishing workers representation and social dialogue in the platform and app economy*, funded by the European Commission. The project started in March 2019, with a two years duration and has three specific objectives: 1. setting up and running a European Observatory for the development of workers participation in digital platforms; 2. identifying and accompanying new and innovative practices that aim at improving representation, organisation and protection of platform workers (two collective coaching sessions are planned); and 3. proposing a European regulatory framework to establish worker representation in platforms and fair working conditions in these companies. The first meeting of the observers from the ETUC side was held on 18 September, and while there was no representation from the Hungarian Trade Unions, they will be informed as the project continues.

*National level initiatives: Domination of the information campaign domination –  
The Future of Work (2016)*

The MASZSZ (The Hungarian Trade Union Confederation) and the FES (Friedrich Ebert Stiftung) organised a conference in Budapest in 2016 on the topic: *The Future of Work*. Speakers, scientists and trade union leaders identified digitalisation and platform working as a key element of employment in the future:

[http://szakszervezet.net/images/kepek/2017/11\\_november/A\\_munka-jovoje\\_konferencia-Program-20161122.pdf](http://szakszervezet.net/images/kepek/2017/11_november/A_munka-jovoje_konferencia-Program-20161122.pdf)

Report for the National Economic and Social Council of Hungary (2018)

Trade unions presented a working paper in the NGTT (The National Economic and Social Council), which is the highest level forum for social dialogue between the government, trade unions and employers' association. The paper was prepared by a working group of Hungarian trade union confederations on the topic of digitalisation. This working paper was submitted in autumn 2018. The NGTT has discussed and accepted this information paper without any recommendations for the social partners of the NGTT.

*A grassroots initiative: When platform owners (operators) organise themselves –  
The case of the Hungarian Sharing Economy Association (HSEA)*

One of the weakest points of the Hungarian industrial relation system is the weak organisation of the employer's side. This is due to multiple reasons, the most important one being the lack of interest and incentive to do so. This is not the case, however, in the field of platform work. Although trade unions are struggling with organising individualised platform workers, we already found the rudiment of a self-organising employers' association. The term might be misleading as they do not define themselves as employers, so it would be more adequate to call them business groups; nevertheless, this is a rather unique initiative.

The Hungarian Sharing Economy Association was established in March 2017 to promote the development of sharing economy in Hungary. Their members strongly believe that exploiting the potential of sharing helps all the players in the economy to operate efficiently and sustainably.<sup>52</sup> Currently they have 14 member organisations. Their *main goals* relative to platform work are as follows: 1. Support (to create a general framework for the functioning of the community economy representing the interest of businesses and consumers in every possible forum; 2. Knowledge Deepening (to increase understanding about the community economy, and promoting the aspirations of enterprises operating in the spirit of sharing economy); and 3. Influence Regulatory Framework (to promote the development of legal guidelines and tax regulations that are tailored for the functioning of community economic models and are ideal for all stakeholders).

The member organisations are recruited primarily from the person-to-person (P2P) markets and include both mobile labour market (MLM) and online labour market (OLM) companies (see section *Platform work: Lack of consent-based terminology and the heterogeneous character of platform work* of this report for a precise definition).

Platforms active on the mobile labour markets:

- Oszkár<sup>53</sup> (Oscar), car sharing company for longer distance trips, mainly inland
- a Miutcank.hu<sup>54</sup> (ourstreet.hu), a community building platform that aims at exploring the hidden opportunities and resources of one's neighbourhood, thus promoting sustainability
- Click4work,<sup>55</sup> casual work for students
- Loffice,<sup>56</sup> office, event space and coworking
- Boatly,<sup>57</sup> boat renting

<sup>52</sup> Source: [www.sharingeconomy.hu/?lang=en](http://www.sharingeconomy.hu/?lang=en) (Accessed: 22.05.2020.)

<sup>53</sup> Source: [www.oszkar.com/](http://www.oszkar.com/) (Accessed: 22.05.2020.)

<sup>54</sup> Source: <https://miutcank.hu/hu.html> (Accessed: 22.05.2020.)

<sup>55</sup> Source: <https://clickforwork.hu/> (Accessed: 22.05.2020.)

<sup>56</sup> Source: [https://budapest.lofficecoworking.com/about\\_us](https://budapest.lofficecoworking.com/about_us) (Accessed: 22.05.2020.)

<sup>57</sup> Source: <https://boatly.hu/> (Accessed: 22.05.2020.)

- Veddbérbe<sup>58</sup> (takearent.hu), renting a broad range of tools (utensils, casual clothes, office instruments, vehicles, etc.)
- Dooroffice,<sup>59</sup> event space and coworking
- Kaptár<sup>60</sup> (Hive), community office
- Roomly,<sup>61</sup> renting a premise
- Meló-diák,<sup>62</sup> student work

Platform members active on the online labour markets (OLM):

- Tikething,<sup>63</sup> ticket sales
- Barion,<sup>64</sup> online payment
- Rukkola,<sup>65</sup> online booksharing
- Tőkeportál,<sup>66</sup> crowdfinance

The activities of the association cover three main areas:

1. Supporting: They help to create a general framework for the functioning of the community economy representing the interest of businesses and consumers in every possible forum.
2. Find answers: They support to deepen the knowledge about community economy and promote the aspirations of enterprises operating in the spirit of a sharing economy.
3. Shape regulation: their members agree to promote the development of legal guidelines and tax regulations that are tailored for the functioning of community economic models that are ideal for all stakeholders.

As it can be seen from the mission statement and the main activities, the Hungarian Sharing Economy Association is a lobbying organisation aimed to promote the idea of sharing rather than a classical employer's association, but this can change over time and might play a significant role especially by its shaping regulation activities.

### *Dominance of informal and grassroots initiatives in interest articulation*

Irrespective of where they work, there are many references in the literature to factors relating to how difficult it is to organise labour working in these platforms. Akgüc et al.

<sup>58</sup> Source: <https://veddberbe.hu/> (Accessed: 22.05.2020.)

<sup>59</sup> Source: <https://dooroffice.hu/> (Accessed: 22.05.2020.)

<sup>60</sup> Source: <https://kaptarbudapest.hu/> (Accessed: 22.05.2020.)

<sup>61</sup> Source: [www.roomly.io/](http://www.roomly.io/) (Accessed: 22.05.2020.)

<sup>62</sup> Source: <https://business.melodiak.hu/> (Accessed: 22.05.2020.)

<sup>63</sup> Source: [www.tickething.hu/](http://www.tickething.hu/) (Accessed: 22.05.2020.)

<sup>64</sup> Source: [www.barion.com/hu/](http://www.barion.com/hu/) (Accessed: 22.05.2020.)

<sup>65</sup> Source: <https://rukkola.hu/> (Accessed: 22.05.2020.)

<sup>66</sup> Source: <https://tokeportal.hu/> (Accessed: 22.05.2020.)

(2018), for example, revealed a number of reasons why platform workers tend to refuse attempts from the side of trade unions to cover these workers:

1. A general declining trend in unionisation rate, as was described in the previous section.
2. Low wage earners tend to prefer to use time for executing another task rather than to attend meetings where they could be organised.
3. As platform work may involve very different tasks and activities, it is often not clear which sector platform workers belong to and therefore they are often uncertain which union would be most appropriate.
4. Platform workers carry out their tasks in a relatively individualised way and this isolated, atomised way of working does not favour organising workers for collective actions.
5. Platform work often involves short-term, temporary commitments, secondary jobs, while unionisation requires long-term common interests in one's main job.
6. The tradition of collective action varies greatly across countries, as was extensively elaborated on in the first section.<sup>67</sup>

The same issues apply in the Hungarian context. One of our experts interviewed, however, indicated that there are in fact significant differences among platform workers according to their type of jobs. Freelancers who carry out highly skilled jobs tend to regard themselves as self-entrepreneurs and in some cases view their experience as the first step in an evolution of learning how to become an entrepreneur. They build informal structures, in many cases by using online tools (chat rooms, forums, Facebook groups, etc.), to share some problems and offer solutions for them. The most important topics for these workers are the following:

1. Psychological problems like solitude.
2. Productivity: how to work effectively in a home working environment.
3. Attracting new clients: how to create brand, make new deals, promote their talent to stand out in the crowd.
4. Pricing: it is a crucial point in the freelancers' work as in most of the cases there is no general scheme for pricing, each and every work is bargained individually.
5. Working conditions: how to ensure the best working conditions, opportunities and threats of flexible working arrangement, continuous training.
6. Employment status and problems related to taxation and accountancy.

In addition to the different online “communities of practices”, there are regular meet-ups, where these problems are discussed in person with the direction of experts of the field.

<sup>67</sup> AKGÜC et al. 2018, 6.

*Uber failure in Hungary: Unfair competition not tolerated by social actors*<sup>68</sup>

Uber appeared in Hungary during the early 2010s and its business model became a hot topic automatically. There were two main concerns about their activities: first, Uber paid its company tax outside Hungary. Second, their business model was based on unfair competitive advantages. Uber claimed that they are not a taxi company but only a high-tech firm and application developer through which they link customers and individual service providers who were (self-) entrepreneurs. Rival taxi companies, however, protested against them for several reasons:

1. Uber did not pay the obligatory deposit every other taxi company had to pay.
2. Uber did not have to comply with strict environmental requirements regarding fleets.
3. Uber did not have any obligations towards their quasi-employees and
4. The Uber drivers did not have to make the same exams and tests that every other taxi driver had to.

The main root of all of these issues was Uber's business model and the fact that Uber refused to be acknowledged as a taxi company. Taxi drivers represent a traditionally strong interest group in Hungary and in this case, they found a powerful ally in the Hungarian Government because of the tax evasion. The taxi drivers' trade unions organised demonstrations and petitions against Uber that was promoted by taxi drivers and taxi company owners. The Hungarian Trade Union for Taxi Drivers (Magyar Taxisok Szakszervezete) blocked Budapest in January 2016 with a demonstration that effectively shut down traffic in the city centre. Following this demonstration, the Hungarian Parliament adopted a new regulation, which practically prohibited providing services in a similar way to Uber, and on 13 July 2016, Uber announced they would leave Hungary. However, it is worthy of note that the employment status and the working conditions of the taxi drivers working for traditional taxi companies are rather similar to those working for Uber; therefore, the public debate around Uber focused mainly on unfair competition and tax avoidance, while deeper problems related to job quality, working conditions and employment status have been overshadowed. The destiny of Uber in Hungary was rather similar to the German case where "...Uber never got off the ground. The overarching taxi association mounted an immediate cease and desist order which framed Uber as a threat to the public interest and themselves as defender of the rule of law. The debates therefore moved quickly away from the public to the judicial arena".<sup>69</sup> There is, however, a similar company, originally called Taxify, renamed Bolt, that operates in Budapest and uses an app essentially identical to the one used by Uber for drivers and clients to connect and pay for rides electronically.

<sup>68</sup> The authors would like to thank the significant contributions of Tibor Meszmann (research fellow and activist, Central European Labour Studies Institute [CELSI], Bratislava) that were an invaluable help in preparing the present report.

<sup>69</sup> THELEN 2019, 3.



*Platform work and digitalisation of catalogues, records of public collections*

The Hungarian public collections (libraries, museums, archives, etc.) usually have limited catalogues or inventory, and because the staff of these public institutions is limited in their ability to conduct digitalisation for these documents, small companies have been established to carry out digitisation tasks. These companies usually hire librarians and archivists, some of whom normally work in the public sector as civil servants, as part-time workers or via self-employment. The Union of Cultural Institutions and Public Collections Employees (KKDSZ) considers these workers a target group (self-employed or part-time workers) but the organising of such a group is complicated. The KKDSZ will organise a conference in 2020 on the topic of digitalisation, they submitted an application for funding the Friedrich Ebert Stiftung in Budapest.

*Platform workers versus entrepreneurs: The case of Airbnb<sup>70</sup>*

There has been a steady growth in the accommodation services beginning in the late 1970s in Hungary, although this subsector is geographically concentrated around Budapest and Lake Balaton. The accession to the European Union in 2004 had an additional rise in the number of nights spent by international tourists in the country, and another wave has coincided with the emergence of Airbnb, which has proven to be a major disruptor of the lodging industry. Contrary to the case of Uber, the presence of Airbnb did not provoke any major social protests, mainly because of the much softer regulation: while Uber would have had to spend significant resources to meet all requirements resulting from the severe regulative environment, Airbnb has been completely free to operate. Thus, the company is not even registered in the country, running its daily operation through its two main European affiliates: Airbnb Ireland UC and Airbnb Payments UK Ltd.

According to some estimates, the number of apartments advertised through Airbnb is between seven and ten thousand. The Hungarian Hotel and Restaurant Association is the most powerful stakeholder on the employers' side, and the association has been a vocal advocate against Airbnb since it entered onto the Hungarian market. Although the unionisation rate is extremely low in the sector (0.9%) it has a relatively well performing social dialogue committee. The Association often invites foreign experts to these meetings, and several background papers have been elaborated under their supervision. Three of these expert documents deal exclusively with the impacts of platform economy<sup>71</sup> on the sector: the first *The emergence of sharing economy on the market of accommodation services* was published in 2015, the second *Analysis of experiences on renting private apartments as a commercial activity* was published in 2016, and the third *Demand and supply on the private apartments market between 2010–2017* came

<sup>70</sup> This section is based on MESZMANN 2018 with some updates and complements.

<sup>71</sup> They use the term sharing economy but we will refer to it as platform economy for the sake of consistency.

out in 2018.<sup>72</sup> The Association considers Airbnb a strong competitor and attempts to lobby against it. Their arguments can be regrouped into three main streams: 1. unfair competition; 2. poor working conditions; and 3. reliance on foreign investors, who take profits outside of Hungary.

The first line consists of the well-known arguments on fair competition, the quality standards of the services and the taxation issues. As we mentioned earlier, Airbnb is not registered in Hungary and consequently it does not pay any taxes after the income generated in the country. In contrast, it is the owners of the apartments that would pay the taxes. While tax avoidance practices are not common in case of big real estate companies who recognise the legal risks involved, this is not necessarily the case for the individual lessors.

A second group of arguments deals with the poor working conditions of employees working in the platform economy. This was a hot topic in 2017 during the sectoral social dialogue committee meetings: “The session of late 2017 covered the issue of platform economy in the accommodation sector, and in this session, the employers’ side posited that platforms indirectly threaten job security, quality of employment of workers in the traditional proxy sector, and created highly precarious, unregistered employment.”<sup>73</sup> It is important to stress that this was the only example we found where the working conditions of those engaged in the platform economy emerged as a key topic in the context of formal or institutionalised social dialogue.

A third group of arguments call attention to the wider negative impacts of short-term renting activities. As the market prices are lower in Budapest than in other European capitals, short-term renting proved to be a good investment for foreign investors, especially as the interest rates have been close to zero in the recent years. The appearance of Airbnb has led to an exponential growth of prices both for renting and for buying, and represents a major social risk for a growing number of people residing in Budapest, although the impact of the coronavirus pandemic on tourism and real estate has yet to be understood.

However, the majority of these arguments have not created much public interest so far, and the functioning of Airbnb can generally be regarded as smooth. The only social group that has been relatively successful when protesting against Airbnb have been the residents of inner districts of Budapest, where many young tourists rent apartments for a long week-end for partying, primarily young tourists who visit Budapest to celebrate bachelor days, birthdays and visit the ruin pubs. In this case, the debate is not around taxation or working conditions but rather on how to regulate this market in order to ensure the repose of residents of these central districts. (Budapest is not alone in having alcohol-fuelled, budget-airline-driven tourism cause disruptions in residential areas. Krakow, Prague and other destinations in Central Europe have experienced similar issues.)

<sup>72</sup> The documents can be found on the following link [www.hah.hu/elemzesek/sharing-economy](http://www.hah.hu/elemzesek/sharing-economy).

<sup>73</sup> MESZMANN 2018, 24.

It is also worth calling attention to the fact that this special group of apartment owners differs greatly from all other types of platform workers in that they do not consider themselves platform workers. Other platform workers – be they micro-workers or highly skilled freelancers – also regard them as real estate investors and/or entrepreneurs who have nothing to do with “real” platform workers.

### Concluding remarks

The analysis of the available quantitative and qualitative literature on platform work indicates that the online labour market has produced a visible growth since the global financial crisis and economic downturn (2008). The most recent survey on the use of platform work among internet users (COLLEEM database) shows that in such leading edge countries as Spain, Germany and Portugal, the estimated number of platform workers may exceed one-tenth of the adult population.<sup>74</sup> In less active countries, such as Hungary, the share of occasional or regular platform workers is much lower, i.e. about 7% of the adult population. However, it is also worth highlighting that the frequency of usage of platform works does not necessarily tell us much about its real role in terms of income generated by, or working hours spent on platform work. More detailed analyses suggest that this type of employment remains residual compared with the standard employment form that are based on full-time working contracts on the offline labour market. Nonetheless, it is crucially important to regularly monitor the development trends in this field. At present, we lack reliable data from methodologically well-designed surveys that make cross-country comparisons and especially longitudinal analysis ponderous if not impossible.

The first step in this direction would be reaching a consensus on the definition of platform work and a tentative typology to classify its most important forms. Currently there exists a plethora of definitions describing the wide variety of forms in this emerging and evolving sector of employment. The jobs differ greatly by several key factors: skill level required by the tasks or projects, length of time involved (which may range from passing keys to Airbnb clients to long-term contracts for software coding projects), as well as by the wages accessible for and the perceived social status of the workers. In addition, there are other features, such as online vs. physical presence that are being increasingly blurred as the coronavirus alters the workplace and more people are working online from home. What is common, however, in all types of platform jobs is the fact that the workers have a precarious employment status, being either self-employed or natural persons with some special legal and tax regulation. There is a vivid debate among labour law specialists on the question of whether it would be beneficial to create a special employment status for platform workers since platform companies deliberately avoid considering themselves employers of these workers. Such a special status would allow to clarify and “whiten”

<sup>74</sup> PESOLE et al. 2019.

this grey sector of the economy and allow platform workers to be paid a more equitable compensation for their level of social contributions.

Despite the lack of public debate on these issues, the employment status of the platform workers, their job content and their working conditions may raise serious concerns among not only social scientists but among trade unionists as well. A more detailed analysis of the national industrial relations system shows that the chances of the platform workers to be unionised or be represented by a trade union varies greatly according to country-specific institutional arrangement and culture of social dialogue. Platform workers are in an especially precarious situation in Hungary. Trade unions are generally weak, but their bargaining has been systemically further weakened since 2010. Instead of collective interest representation, individual bargaining has always been the prevailing form of solving workplace conflicts. In addition, the trade unions are also discredited for the majority of employees because of their compromised role in the state-socialist system and due to the dominance of the SMEs in the current employment landscape. Finally, the trade unions themselves tend to overlook platform work in part due to a lack of the necessary financial resources to organise, but primarily because it is extremely hard to organise this highly individualised, scattered group of workers.

Furthermore, we need more international comparative research on this topic. In addition to the COLLEEM project, which gathered quantitative information on platform workers, the only research project in Hungary that attempted to map the opportunities and threats of interest representation of platform workers has been the IRSDACE project. Labour law represents the only exemption, and labour law experts are relatively active in this field. Several PhD dissertations and higher level scientific papers have been recently made about how to regulate the precarious employment status of the platform workers. Perhaps not independently from the generally weak interest of social scientists in examining platform work in Hungary, the public debate is also virtually non-existent.

It is mainly the employers and their associations organised in the traditional segments of the same sector that are vocal about platform employment, focusing their complaints of how the companies and their workers are circumventing regulation, lessening quality standards and engaging in tax avoidance all of which result in unfair competition. The poor working conditions of platform workers were raised only in 2017 in the sectoral social dialogue committee of the hotel and tourism sector.

Although Uber and Airbnb have much in common in their business models, the appearances of the two global platforms in the Hungarian market have had completely different social impacts. This calls attention to the decisive role of such institutional filters, including the regulatory framework (being high in case of the local transport and low in case of accommodation), the professional identity of different socio-professional groups (strong in case of the local transport and weak in case of accommodation), and the sector-specific characteristics of sector level social

dialogue.<sup>75</sup> One major research challenge is to better understand this filtering role of meso and macro level institutions in shaping the concrete country-specific local forms of such global practices as platform work. Another relevant research question is whether traditional forms of collective interest representation are suitable tools to organise such highly individualised workers, and if this is not the case, what are the more appropriate ways to ensure a minimum level of job quality and employment protection for the platform workers. Thirdly, it would be important to have reliable quantitative data on the spread of platform economy, in order to see to what extent it is interlinked with the changing demand of the offline labour market.

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<sup>75</sup> In case of local transport, the well-organised employers reached a mutual agreement with the taxi drivers who had a strong professional identity, and they managed to chase down Uber relatively soon. In case of accommodation, the similarly well-organised employers' association was unable to successfully lobby against Airbnb. To some extent, it was due to the lack of unionised workforce, the unionisation rate being below 1% in this sector.

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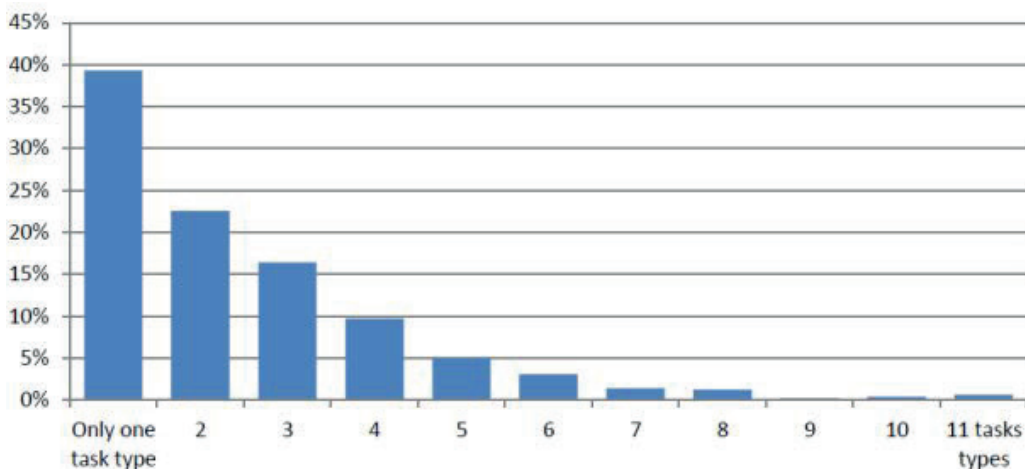
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	I	II	III	IV	V	VI	VII	VIII
	<b>1. Frequency</b>		<b>2. Hours</b>		<b>3. Income</b>			
	% monthly or more	Estimate signif. frequency	10 or more hours pw	Estimate signif. hours	25% income or more	Estimate signif. income	50% income or more	Estimate signif. income
United Kingdom	82.5%	9.9%	56.1%	6.7%	71.0%	8.5%	35.7%	4.3%
Spain	80.5%	9.4%	56.7%	6.6%	52.1%	6.1%	17.6%	2.0%
Germany	78.3%	8.1%	63.1%	6.6%	62.8%	6.5%	23.9%	2.5%
Netherlands	89.1%	8.7%	55.0%	5.4%	66.8%	6.5%	29.8%	2.9%
Portugal	67.2%	7.1%	56.1%	6.0%	39.6%	4.2%	15.4%	1.6%
Italy	79.7%	7.1%	61.0%	5.4%	61.0%	5.4%	20.4%	1.8%
Lithuania	65.0%	5.9%	61.3%	5.6%	60.9%	5.6%	17.7%	1.6%
Romania	79.5%	6.4%	55.8%	4.5%	47.7%	3.8%	9.7%	0.8%
France	84.2%	5.9%	59.7%	4.2%	69.1%	4.8%	25.8%	1.8%
Croatia	64.3%	5.2%	63.9%	5.2%	36.6%	3.0%	12.8%	1.0%
Sweden	74.6%	5.3%	49.2%	3.5%	64.1%	4.6%	23.0%	1.6%
Hungary	74.8%	5.0%	62.0%	4.1%	52.7%	3.5%	19.2%	1.3%
Slovakia	73.4%	5.1%	39.6%	2.7%	53.5%	3.7%	12.5%	0.9%
Finland	68.7%	4.1%	48.9%	2.9%	54.4%	3.3%	10.7%	0.6%
Total	80.1%	7.7%	58.2%	5.6%	61.8%	6.0%	24.0%	2.3%

*Annex 1. Frequency of use of and the estimated income generated by the platform work (2017)*

Source: PESOLE et al. 2019, 18 (COLLEEM dataset).



*Annex 2. Number of task types performed by platform workers*

Source: PESOLE et al. 2019, 36 (COLLEEM dataset).

*List of abbreviations used in the report*

ASTREES	Association Travail Emploi Europe
CELSI	Central European Labour Studies Institute
COLLEEM	Collaborative Economy and Employment
CEE	Central and Eastern European Countries
EPSU	European Public Service Union
ETUC	European Trade Union Confederation
ETUI	European Trade Union Institute
FES	Friedrich Ebert Foundation
IRSDACE	Industrial Relations and Social Dialogue
IRES	Institut de Recherche Économique et Sociales
KKDSZ	Hungarian Union of Cultural Institutions and Public Collections Employees
MASZSZ	Hungarian Trade Union Confederation
NOVA FCSH	University Lisbon – Faculty of Social Sciences and Humanities
NGTT	National Economic and Social Council
OECD	Organisation for Economic Co-operation and Development
VoC	Variety of Capitalism