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TERMS, CONDITIONS AND TAX POLICY OF DIGITAL PLATFORM WORK

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Abstract

Digital platform work offers new opportunities for business companies and workers, for example for those who may find it difficult to enter the traditional labor market. Generally speaking, it is work done through, on, or mediated by a digital platform. The most common platform business model is an electronic marketplace for matching labor supply and demand. It is often associated with, for example, professions and works in the transport sector (carriers and taxi drivers), as well as the work of cleaners and assistants. Digital platform workers are monitored through algorithms which affect work allocation, compensation, and accumulate the worker data that can be used for greater supervision and control. As noted by De Stefano et al. (2021), modern digital labor platforms create the economic conditions for service providers (workers) and customers (clients) to connect with each other. These platforms unilaterally set operating rules and recognize the status of independent contractors over traditional employees. The examples of the "Amazon Mechanical Turk", "Doordash", "Ola", "Taskrabbt", "Handy" and "Instacart" indicate that workers are qualified as independent contractors without the traditional guarantees, such as social security or unemployment benefits. Previous studies disclose that platforms do not employ workers and do not provide any guarantees, but simply connect service providers (contractors) with customers, leaving contractors responsible for complying with the relevant legal regulations and managing operational costs. Though flexible, this model poses challenges in terms of workers' rights and social protection. While many platforms follow the model where workers are treated as independent contractors, a few platforms, like "Wonolo" and "Upwork", offer other alternatives. They allow contractors to work for wages and exercise certain employee rights. The platform "Hilfr" offers two types of conditions for cleaning assistants: assistants can operate as freelancers or automatically acquire the status of an employee after 100 hours of work under a collective agreement which provides additional rights and guarantees for platform workers. Summarizing, digital labor platforms represent the innovative labor market model which provides flexibility for both employers and workers, but at the same time poses new challenges in terms of the qualification of labor relations and legal regulation. Qualification of workers as independent contractors often means that they are deprived from the traditional employment-related social guarantees, which can lead to serious social security issues and legal disputes. The practice of digital platforms shows how important it is to improve legal regulations to adequately protect both parties in the employment relationship.

Keywords: digital labor platforms, legal regulation, innovative labor market model, social security, tax policy