

## Chapter 7

# Conclusions



**Ligita Gasparėnienė and Rita Remeikienė**

1. While digitalisation-driven automation and robotisation pose a risk to employment, particularly for low-skilled workers, they also present opportunities for economic growth and job creation in the long term. The replacement of human labour with smart devices may initially lead to job displacement, but the resulting increase in labour and business productivity can drive demand across other sectors, potentially raising overall employment levels. Furthermore, automation can foster the creation of higher-quality jobs with better wages, contributing to an improved labour market. To mitigate the negative effects on vulnerable workers, it is crucial to focus on reskilling and upskilling initiatives, ensuring that the workforce can adapt to the changing economic landscape and benefit from the opportunities presented by technological advancements.
2. The rise of digital platform work is significantly transforming the labour market by promoting flexibility and creating new models of work, such as freelance, service contracts, and multiple job arrangements. While digital platforms offer potential for better matching of labour supply and demand, especially in regions like Europe, the share of platform workers remains relatively small compared to Asia, indicating substantial growth opportunities. However, this shift also brings challenges, including low wages, shorter paid working hours, and intense competition among workers. Moreover, the lack of formal qualification verification on digital platforms may discourage workers from improving their skills, leading to inefficiencies in workforce qualifications and skill mismatches. To fully harness the potential of digital platform work while addressing its downsides, it is essential to implement policies that ensure fair wages, encourage skill development, and foster efficient matching of qualifications to job tasks.

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L. Gasparėnienė · R. Remeikienė (✉)  
Faculty of Law, Vilnius University, Vilnius, Lithuania  
e-mail: [ligita.gasparenienne@tf.vu.lt](mailto:ligita.gasparenienne@tf.vu.lt); [rita.remeikiene@tf.vu.lt](mailto:rita.remeikiene@tf.vu.lt)

3. Digital labour platforms are characterized by minimal external regulation, which results in disruptive and unclear relationships between workers and employers. The lack of subordination and institutional visibility at the organizational level creates a power imbalance, with workers often misclassified as self-employed or independent contractors, leading to violations of their rights and increased social vulnerability. The terms of service on these platforms typically prioritize the commercial interests of platform owners, sidelining the concerns and welfare of workers. This reflects the significant power advantage held by platform owners. However, as digital platforms evolve and as understanding of their operations deepens, there are growing opportunities for workers to gain greater autonomy and influence over their working conditions. To address the challenges posed by this new labour model, it is essential to establish clearer regulations that protect workers' rights, ensure fair treatment, and promote a more balanced relationship between workers and platform owners.
4. Digitalisation-driven changes in the labour market are creating a divide between manual workers, whose jobs are increasingly at risk due to automation, and educated workers with creative and decision-making abilities, who face less risk of job displacement. As competition between human labour and technology intensifies, wages are expected to stagnate, and workers' bargaining power may decrease, especially with the growing trend of limited attachment to specific workplaces. The impact of digitalisation also varies by country, with lower labour costs leading to greater positive effects and higher labour costs experiencing milder consequences. However, the polarisation in the labour market can be mitigated through rising worker qualifications and the integration of machines and software for routine and non-routine tasks. To address the disruptive effects of digitalisation, welfare state protections must be adapted to support workers, ensuring that innovation is promoted while balancing its benefits and challenges for the workforce.
5. The shift from a "brown" economy, characterized by the misallocation of capital, to a "green" economy offers significant potential for long-term economic growth, job creation, and sustainability. The green transition is expected to enhance resource and innovation efficiency, transform production processes, and reshape demand structures, leading to increased aggregate income and improved macroeconomic conditions. The growth of green innovation is closely tied to broader innovation, as it often requires complementary advancements. Although gaps in green investments remain, particularly in sectors like energy, agriculture, and infrastructure, increased investments in these areas are likely to stimulate job creation. The adoption of efficiency-enhancing and disruptive technologies, along with the demand for low-carbon products, such as electric vehicles and renewable energy, will further drive growth. These changes, supported by knowledge spillovers and R&D advancements, will bolster competitiveness, especially in sectors with existing comparative advantages. Ultimately, the green transition not only offers economic benefits but also strengthens national competitiveness and employment, positioning these sectors as key drivers of future growth.

6. The green transformation policies will bring significant changes to the labour market, creating both new opportunities and risks. The positive effects are likely to include the creation of green and green-collar jobs in industries such as construction, transportation, energy, agriculture, and forestry, as well as in technologically advanced sectors like waste management and environmental research. These changes will lead to an overall increase in employment, particularly for low- and medium-skilled workers, and offer more geographically dispersed and online job opportunities. However, the transition may also have negative consequences, including job losses in high-environmental footprint industries, reduced demand in less productive companies, and rising inequality and polarisation in the labour market. Despite these challenges, the overall impact on employment is expected to be moderate, as the affected industries form a relatively small portion of total employment, and many jobs will shift across sectors rather than be lost. The pace at which workers' skills can be adapted to meet new demands will depend on the speed of green technology development, with local labour markets experiencing greater mismatches in areas where reorientation is slower.
7. The conditions for digital platform work in Eastern European post-Soviet economies are heavily influenced by the legacy of the transition period and the political-economic decisions made during this time. The integration into Western or Eastern blocs has led to significant institutional and structural distortions, shaping labour market dynamics and work aspirations, particularly among the younger generation. In post-Soviet countries that joined the EU, faster economic development, greater purchasing power, and more efficient social protection systems have created a more secure traditional labour market, making digital platform work a secondary income source or entry point for youth. In contrast, developing post-Soviet countries, characterized by high unemployment, low purchasing power, and inefficient social systems, provide more favourable conditions for digital platform work as workers seek alternative income sources. Additionally, the increasing share of the service sector, technological advances, job mismatches, and a lack of trust in trade unions further contribute to the expansion of digital platform work, especially in larger post-Soviet economies with greater consumer market potential.
8. On 23 October 2024 the European Parliament and the Council adopted the directive (EU) 2024/2831 on improving working conditions in platform work. This Directive will come into force on 1 December 2024. Member states will then have 2 years to incorporate the provisions of the directive into their national legislation. These new EU law's rules aim to improve working conditions for the more than 28 million people working on digital job platforms across the EU. This is the first-ever piece of EU legislation to regulate algorithmic management in the workplace and to set EU minimum standards to improve working conditions for millions of platform workers across the EU. The Platform Work Directive will make the use of algorithms in human resources management more transparent, ensuring that automated systems are monitored by qualified staff and that workers have the right to contest automated decisions. It will also help correctly determine the employment status of people working for platforms, enabling

them to benefit from any labour rights they are entitled to. Member states will establish a legal presumption of employment in their legal systems that will be triggered when certain facts indicating control and direction are found. The main compromise elements revolve around a legal presumption which will help determine the correct employment status of persons working in digital platforms:— member states will establish a legal presumption of employment in their legal systems, to be triggered when facts indicating control and direction are found; — those facts will be determined according to national law and collective agreements, while taking into account the case-law of the Court of Justice of the European Union; — persons working in digital platforms, their representatives or national authorities may invoke this legal presumption and claim they are misclassified; — it is up to the digital platform to prove that there is no employment relationship. Moreover, member states will provide guidance to digital platforms and national authorities when the new measures are being put in place for the effective implementation of and respect for the legal presumption. The Platform Work Directive introduces rules that protect platform workers' data more robustly. Digital labour platforms will be forbidden from processing certain types of personal data, such as data on someone's emotional or psychological state and personal beliefs.

9. The survey data on digital platform work in Moldova reveals a complex interplay of financial, social, and professional motivations. While Moldovan workers value the flexibility, autonomy, and skill development opportunities provided by platform work, the precarious nature of this type of employment also exposes them to vulnerabilities, such as income instability and a lack of social protections. These challenges, compounded by Moldova's economic instability and rural-urban divide, underscore the dual-edged nature of platform work in the country.
  - 9.1 Moldovan platform workers, like their global counterparts, experience significant gaps in *social protection coverage*. This issue is particularly concerning for older workers and those in freelance or temporary contract positions. The lack of a clear legal status for platform workers contributes to this vulnerability, as many are categorized as independent contractors, which excludes them from essential social protection. This situation mirrors global trends, where platform workers face similar challenges in securing labor rights and benefits.
  - 9.2 *Flexibility* remains one of the most attractive features of platform work, with many Moldovan workers appreciating the autonomy it offers. However, the unregulated nature of platform work can blur the boundaries between personal and professional life, leading to difficulties in maintaining a healthy *work-life balance*. Younger workers may tolerate these conditions for short-term benefits, but older workers, especially those dependent on platform work for primary income, are more affected by its precariousness.
  - 9.3 Moldovan workers face *income instability* due to the intense competition on platforms and the *control exercised by algorithms* that determine task

distribution and compensation. This lack of transparency and control over earnings reflects broader global concerns about the fairness of algorithmic management in the gig economy. Addressing these issues through better regulatory oversight of platforms is critical for ensuring that workers are fairly compensated.

Moldova's experience with platform work aligns closely with international patterns. Across the world, platform workers face similar challenges—precarious working conditions, income insecurity, and a lack of social protections. These vulnerabilities highlight the need for legislative reforms that extend labor protections to non-standard forms of employment, a conversation that is gaining traction both in Moldova and globally.

The findings also resonate with ongoing discussions in the European Union about the need to formalize platform work and integrate it into existing labor market frameworks. The EU's push for sustainable development and the protection of workers' rights aligns with Moldova's efforts to secure fair treatment and protections for its growing platform workforce.

To address the challenges faced by platform workers in Moldova, *policymakers must prioritize the following*:

1. *Legal clarity and social protection.* Introducing clear legal frameworks that define the status of platform workers is essential. Moldova should consider adopting policies that align with international best practices, ensuring that all workers, regardless of their employment classification, have access to social protections such as health insurance, pensions, and fair wages.
2. *Formalization of platform work.* Encouraging the formalization of platform work by extending traditional labor market protections to gig workers will help reduce the vulnerabilities they face. This could involve implementing minimum wage standards, enforcing fair contract terms, and ensuring workers have the right to organize and negotiate collectively.
3. *Balancing flexibility with fairness.* While platform work offers flexibility, it should not come at the cost of workers' well-being. Policymakers must find a balance between preserving the autonomy that attracts many to platform work and ensuring that these workers are not exploited. This includes regulating algorithmic management to ensure transparency and fairness in how tasks and compensation are allocated.
4. *Support for vulnerable groups.* Particular attention should be paid to women, younger workers, and those in rural areas, who are more likely to engage in platform work due to limited alternative employment opportunities. Gender disparities and geographic divides in platform work must be addressed through targeted policies that promote inclusion and provide additional support for these groups.

The Moldovan gig economy, much like its global counterparts, presents both opportunities and challenges. While platform work offers immediate income opportunities, especially in the country's constrained labor market, it also exacerbates vulnerabilities for those who rely on it as their primary source of income. As

Moldova continues to integrate into the global digital economy, proactive policy interventions focusing on social protections, legal clarity, and equitable opportunities will be essential to creating a more resilient and inclusive gig economy. By addressing these critical issues, Moldova can ensure that its platform economy contributes positively to both economic development and social justice, aligning with broader global efforts to formalize and protect platform work.

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