**Abstract**

**RS-177**

Title: “Platform Employment in Russia: Estimates, Characteristics and Impact on the People’s Well-being”

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1. **Goal of research:** A study of the scale and specifics of platform employment in Russia, aimed at assessing its impact on the well-being of the population and developing recommendations for improving the measurement and regulation of platform employment.
2. **Methodology:** (a) desk research of Russian and foreign scientific and expert publications on the definition of platform employment, the specific of its regulation, assessment of its scale and contribution to the income of the population; (b) methods of conducting quantitative field research (development of tools, requirements for the sampling population – for conducting a special survey of the population on platform employment); (c) methods of organizing quantitative data, methods of descriptive statistics; (d) methods of analyzing qualitative sociological data.
3. **Empirical base of research:** (a) the results of the Labor Force Survey of the Federal State Statistics Service for the 1st and 2nd quarter of 2022; (b) microdata of sample observations of the population: Comprehensive Observation of Living Conditions of the Federal State Statistics Service (questionnaire and data array 2020), Sample Survey of the Income and Participation in Social Programs of the Federal State Statistics Service (questionnaire and data array 2022), sample online survey of the population on employment and income of the Institute for Social Policy of the Higher School of Economics (HSE), conducted by August 2021 (sample of 5,000 people at the age of 18-65 years), special sample online survey of the population on platform employment of the HSE Institute for Social Policy, conducted within the framework of this research in April 2022 (based on a representative sample at the country level of 12,000 respondents aged 18-72 years); (c) data from focus group discussions with platform workers, conducted by the HSE Institute for Social Policy in April-May 2022 (24 focus groups) and September-October 2022 (11 focus groups).
4. **Results of research:**

* In Russian practice, the basis for estimating the number of people employed in the platform economy, until recently, was most often data on the number of registered self-employed workers. However, the study showed that self-employment and platform employment are overlapping, but not identical sets in Russia. Thus, some self-employed workers carry out their activities without using online platforms, relying on their own customer base, turning to informal channels of their search or resorting to self-employment as a convenient and organizationally simple way to legalize non-regular income from part-time jobsin their professional field (instead of concluding civil law contracts). At the same time, according to a survey conducted by the HSE 2022, only 51.4% of all platform-employed people formalize all or part of their work or services officially. Of these, about 15% work through platforms with the status of an individual entrepreneur, 35% are registered as self-employed, and another 32% work on the basis of a civil contract.
* Official estimates based on the Labor Force Survey of the Federal State Statistics Service show that in the 1st quarter of 2022 3.5 million employees were included in platform employment, in the 2nd quarter — 3.7 million employees, in the 3rd quarter – 3.5 million employees. In relation to the total number of employed population, this corresponds to 4.6%, 5.0% and 4.8%, respectively. This is close to the estimation of the total number of self-employed registered in the country and at the same time less than the estimations given by sample surveys of the population.
* A special sample survey of the population conducted during the study implementation showed that platform employment in April 2022 was the main for 1.6% of the Russian population aged 18-72 years (generalized per population estimate – 1.7 million people). Among working respondents, the share of those who indicate platform employment as their main job is 2.4%. For another 1.6% of the population (1.7 million people), platform employment is a regular addition to the main one. The cumulative prevalence of regular platform employment is 3.1%. At the same time, in relation to the number of employed, this ratio reaches 4.2%, which is slightly inferior to the indicator obtained during the processing of Labor Force Survey data – presumably due to the fact that the Labor Force Survey also partially included persons who were occasionally included in such format of employment. Some involvement in platform employment (on a regular or non-regular basis, including in addition to other employment) was observed in 14.7% of the population (15.5 million people). Among them, 78.6% these are non-regular part-time jobs, 21.4% – the main or regular employment (in addition to the main job).
* Platform employment is more often the main one for young people aged 18-24 (4.4%), while in other age groups the proportion of people whose work through platforms is the main one does not exceed 1.5%. The distribution by type of localities shows that the highest share of those who have platform employment as the main one is in the largest cities with over a million people, including Moscow and St. Petersburg (1.8%), lower - in rural areas, and urban-type settlements (1.4%). Regular employment on the platforms is mainly characteristic of people with lower secondary education; In general, the involvement in platform employment is higher among students, people who are faced with force majeure in the labor market (in particular, due to the current economic situation), people with limited ability to work, as well as among respondents living in households with several minor children.
* Estimates based on interval questions about the income of platform employees in a sample survey implemented within the framework of this study show: the median monthly income of respondents employed through platforms as their main place of work lies in the range of 30-45 thousand rubles. The average monthly income from the platform employment of employees included in this format, according to these estimates, is 15 thousand rubles per month. For employees who have indicated platform employment as their main job, a similar amount reaches 45.9 thousand rubles per month. Generalization of these estimates for the total population and annual revenue leads to an estimate of 2.8 trillion rubles, which corresponds to 2.2% of the gross disposable income of the population.
* The demand of employees employed through the platforms for basic social guarantees, including on the terms of their voluntary co-financing, is low. At the same time, the obtained results allow to conclude that: (1) a more pronounced request for life and health insurance programs in the workplace with platform employment is observed in men (with a general low interest of respondents in this measure), primarily among the youngest (18-24 years old) and the oldest (65 years and older) respondents; (2) a more pronounced request for access to schemes for co-financing pension rights, paid sick leave and vacations is observed among women; (3) a lower willingness to participate in all co-financing schemes is observed among employees included in platform employment on a regular basis, compared with the occasionally employed; (4) a significantly more pronounced request for access to pension co-financing schemes is articulated by respondents of pre-retirement age compared to other groups and less pronounced in the group of respondents older than retirement age.
* Excessive regulation of platform labor and equating it with standard labor relations creates high risks of transition to the shadow economy of works and services that are currently provided through platforms. The readiness to switch to shadow employmentis confirmed by the data of the focus group discussions. On the other hand, for workers who have platform employment as the main, the absence of minimum social guarantees provided for the self-employed may become a source of new social risks in the future. In this regard, the most effective option for the development of this sphere, meeting both the needs of employees and the needs of the platform economy as a whole, could be soft regulation and expansion of the possibilities of voluntary insurance of certain risks while maintaining the status of self-employment. The legislative movement currently taking place in this direction responds well to the formed economic and social demand.
* The most promising direction for improving the regulation of platform employment in the nearest years is the development of schemes for voluntary participation in the payment of insurance premiums, with the right to certain adjustments in the amount of payments. The role of platforms in this case should primarily consist in informing platform employees about existing programs and opportunities to participate in them, as well as in creating a convenient user infrastructure for connecting to such risk insurance schemes. The demand for such programs and inclusion in them can be increased by the implementation of the "constructor" format, within which employees will be able to independently "collect" a set of insurance products in accordance with their individual request in the interface or service implemented on the basis of the platform. At the same time, popular programs include not only traditional social guarantees, but also a variety of voluntary insurance programs: first of all, health insurance (medical care) and civil liability insurance for drivers (auto insurance). The inclusion of these products in the "constructor" can contribute to a general increase in interest in such a tool and generate positive externalities: by including proactively demanded voluntary insurance programs, employees can more actively connect to other guarantees, including basic ones.
* There is a pronounced demand for access to social insurance programs and simultaneous willingness to participate in them on the terms of initiative contributions among non-residents of the Russian Federation employed in the platform segment. This group of employees is already willingly included in existing voluntary insurance programs, and they are interested in expanding their variability. First of all, in this case it means insurance of temporary disability, health and life, medical care – due to limited access to such services in the state compulsory health insurance system. The development of targeted solutions for this group of platform workers is also necessary from the perspective of Russia's medium-term economic development. Creating favorable working conditions and protection from key social risks for non-residents employed in the Russian labor market is one of the important steps to attract migrants in conditions of labor shortage, which is predicted in the nearest years against the background of another downward demographic wave. The importance of having access to social guarantees may increase depending on the higher professional and qualification status of potential migrants.
* The development of a statistical employment monitoring system on the platform is also important. Given its prevalence, it seems necessary to expand the program of regular national surveys on this subject and, in particular, to include questions about this format of economic activity: (1) in the program of Labor Force Surveys – in an integrated format that provides data collection on platform employment in relation to the main and additional work on a full range of issues; (2) in national surveys aimed at collecting information on the level, structure and sources of income of the population – in particular, in the program of Sample Observation of the Income of the Population and Participation in Social Programs; (3) to the program of the regular sample survey of the time budgets of the population.

1. **Level of implementation of the research results:** The work was carried out in the interests of the Government of the Russian Federation. Its results were presented to the customer in the format of analytical notes. The results of the research are presented at various scientific and practical events, including the XXV St. Petersburg International Economic Forum, the VII Russian Labor Safety Week, HSE scientific seminars with the involvement of external experts, and are also included in materials for the Government Expert Council of the Russian Federation. In December 2022 it is planned to present individual results of the study at a meeting of the expert "round table" organized by the Federation Council Committee on Social Policy on the topic: "New reality: the development of the labor market".