



Digital platforms in Italy

Analysing economic and employment trends

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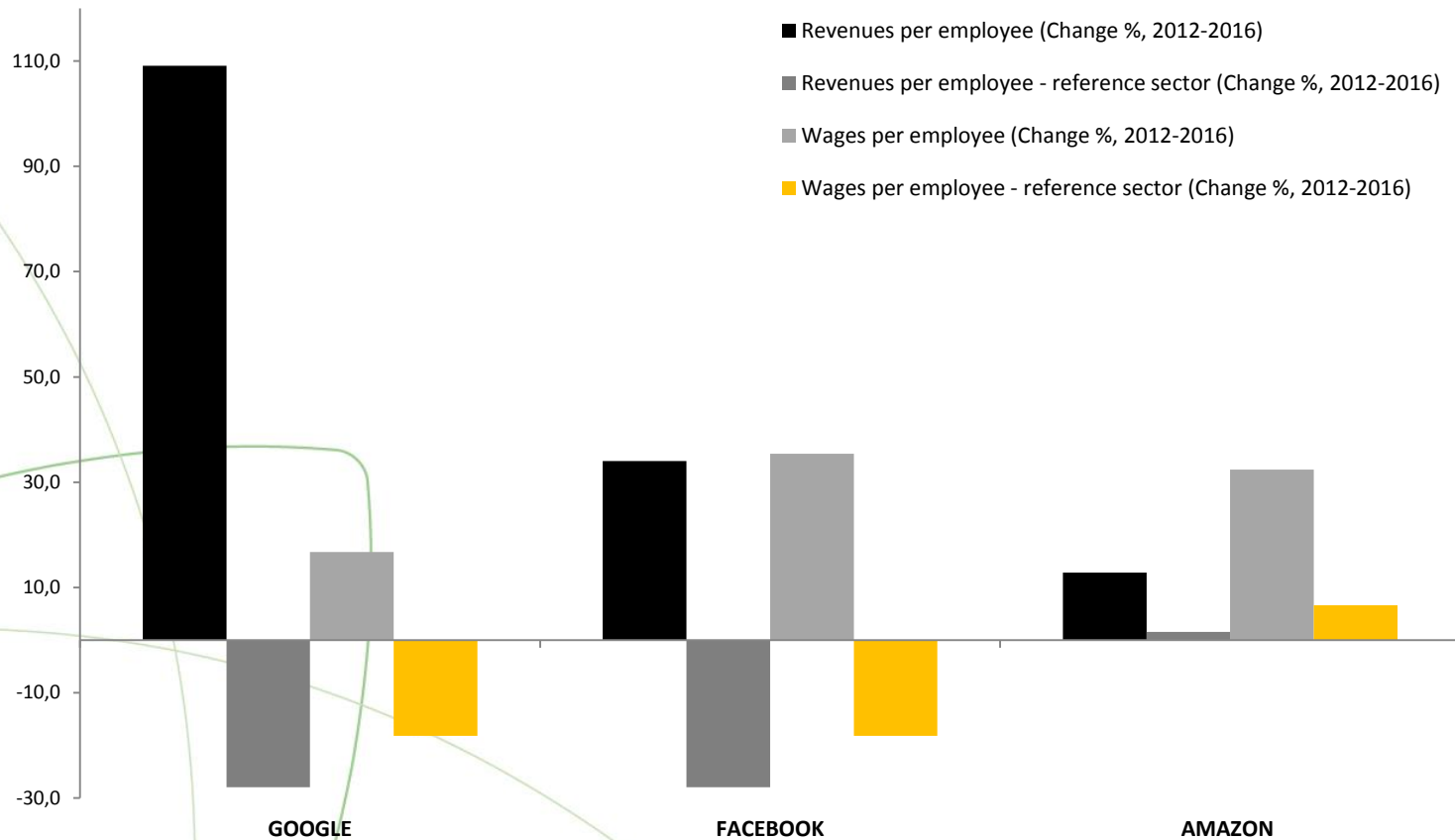
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- **Ongoing and forthcoming research on digital platforms**
- **Analyzing economic trends: empirical evidence and key issues at stake**
- **Analysing employment trends**
- **A focus on labor platforms**
- **Policy challenges and conclusions**

- **Digital platforms in Italy – *INAPP policy brief* (Guarascio and Sacchi 2018), *just released***
- **The platform economy in Italy and Europe (De Minicis, De Vincenzi, Franceschetti, Guarascio, Lettieri, Marchetti and Marocco) – *INAPP research report, forthcoming***
- ✓ ***The report: a comprehensive analysis of economic, sociological, juridical and industrial relation implications plus an empirical mapping of digital platforms operating in Italy***
- **A quantitative survey on labor platforms in Italy – aiming at exploring labor characteristics and working conditions in the platform economy (expected in 2019)**

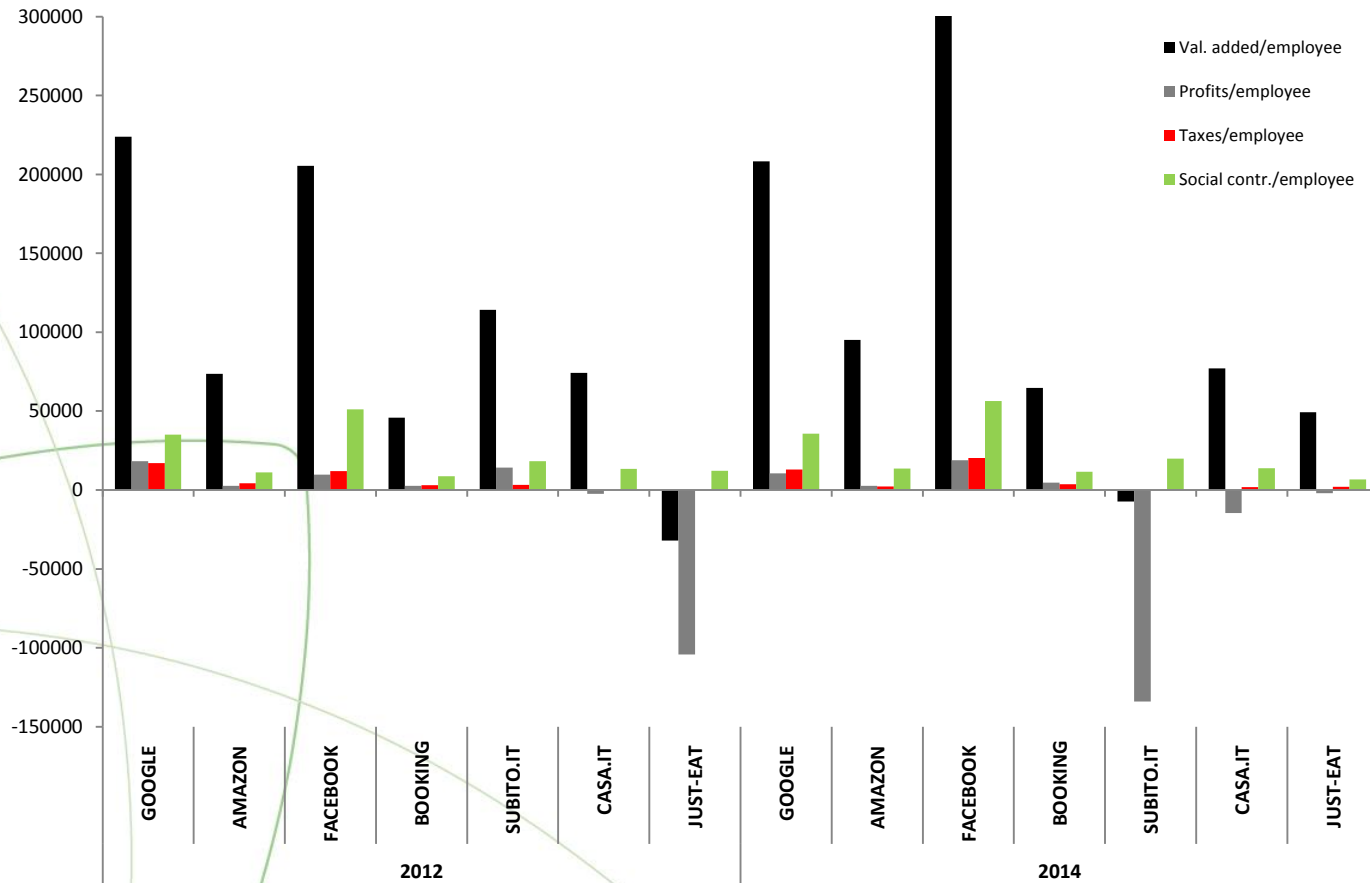
- Rampant growth of global platforms and fast diffusion of labor (mostly for food-delivery) and real estate and accommodation service-related platforms
- Market success mostly driven by: i) **information monopoly and network effects** ii) **cross-subsidizing demand and supply** iii) **'radical outsourcing'** iv) **working in scarcely or totally unregulated mkt segments**
- Significant impact on: markets and **competition** (crowding out of traditional businesses and spreading of start-ups); huge **concentration** in sectors as advertising, logistics and business services; **labor relationships** (fragmentation and 'radical flexibility')
- Platforms are unfolding in significantly **heterogeneous economic and institutional contexts**: 'local reactions' matter and macro-structural implication should be taken into account

The dynamics of Google, Facebook & Amazon in Italy Revenues and wages per employee platforms vs reference sectors 2012-2016



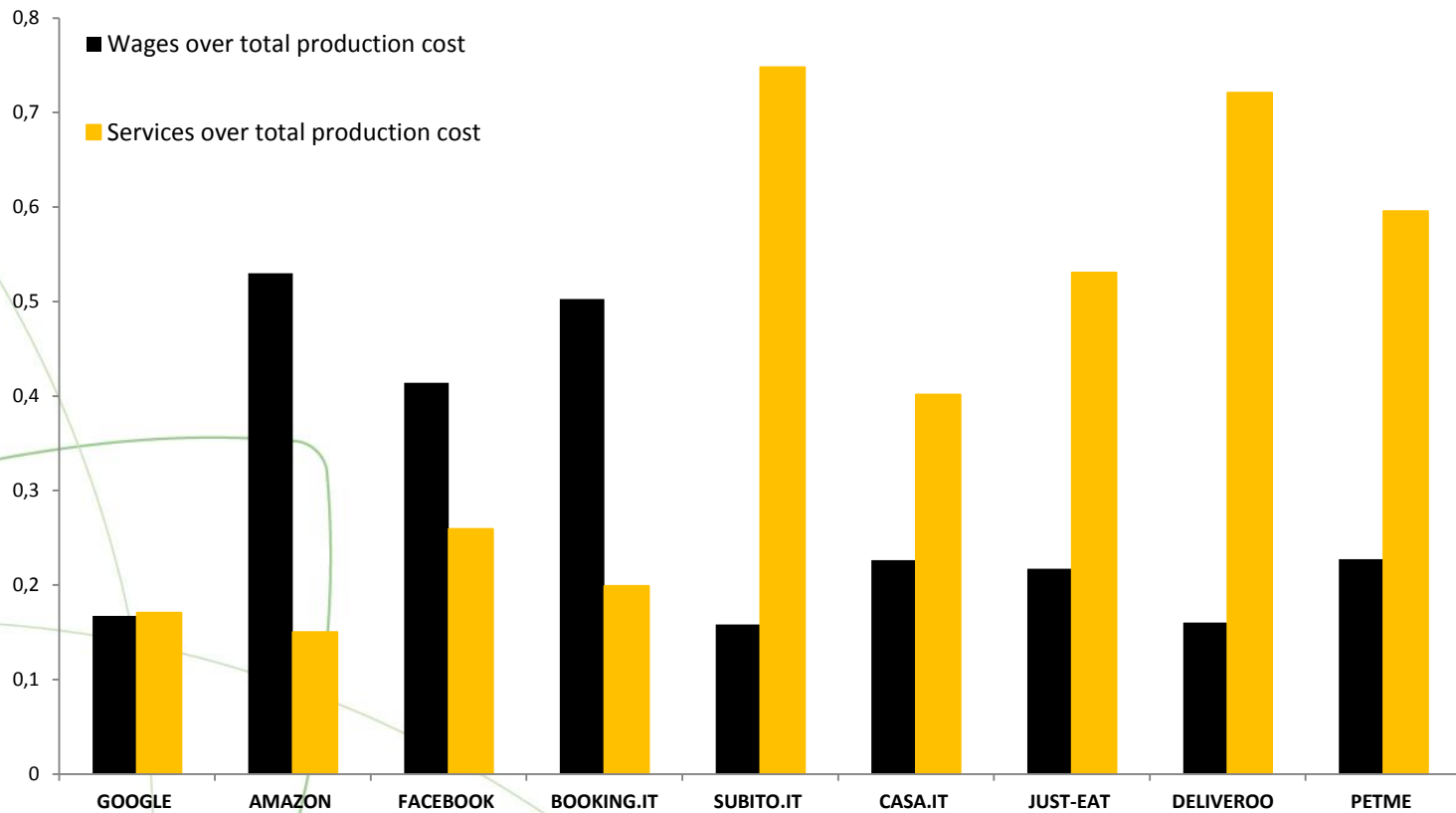
Note: Balance sheet data. Amazon data includes logistics and business service divisions. Reference sectors are those declared in companies' balance sheet.

Value added, profits, taxes and social security contributions per employee
Main digital platforms operating in Italy - 2012 and 2014



Note: AIDA BVD balance sheet data. Missing data for some labor platforms.

Wages and service expenditure over total production cost
Main digital platforms operating in Italy – 2016



Note: INAPP elaboration on AIDA-BVD balance sheet data.

- **Rampant growth of global platforms (AMZN, Google and FB) vis-à-vis their reference sector (fast market penetration)**
- **A significant divergence is detectable by looking at the dynamics of value added and at that of taxes per employee**
- **Relatively weaker economic performance and greater instability of labor and intermediation platforms as compared to key players**
- **The heterogeneity detected comparing digital-platform's cost structure unravels significant differences concerning organizational modes and relative outsourcing intensity**

Analyzing platforms employment trends (1)

Employment dynamics (# employees) of digital platforms operating in Italy Years 2012-2016

	GOOGLE	FACEBOOK	AMAZON	JUST EAT	DELIVEROO	FOODORA	CASA.IT	BOOKING	SUBITO.IT
2012	140	11	240	11	NAC*	NAC	104	156	30
2013	150	12	394	21	NAC	NAC	117	174	44
2014	178	15	596	36	NAC	NAC	129	201	64
2015	192	20	853	44	51	23	130	226	88
2016	195	22	1169	80	70	45	135	239	111

Source: INAPP elaboration on Aida-BVD data. NAC: not yet established. Data for PETME are not available for the years considered

Analyzing platforms employment trends (2)

Employment dynamics (# employees, new contracts and GWT) of digital platforms operating in Italy
Years 2016-2017

Platform	# Employees (2016)	Gross worker turnover	New contracts* (average 2016-2017)	New contracts* (average 2016-2017)					Total
				Open-ended	Fixed-term	Temp agency work	Collaborations	Other**	
Amazon IT Logistica	1058	1229%	7133	10,1%	0	89,7%	0	0,2%	100%
Amazon IT Services	111	47%	58	68,2%	2,6%	0	0	29,2%	100%
Google Italy	195	60%	66	37,4%	3,8%	53%	0	5,8%	100%
Facebook Italy	22	34%	6	77,8%	0	0	0	22,2%	100%
Booking.com	239	52%	67	6%	52%	37%	0	5%	100%
Casa.it	135	48%	25	40,6%	32,4%	7%	0	20%	100%
Subito.it	111	48%	36	66,2%	0	16%	5,3%	12,5%	100%
Deliveroo	70	54%	30	80%	18,5%	0	1,5%	0	100%
Foodora	45	156%	1814	0,6%	1,7%	0	97,2%	0,5%	100%
Just-Eat	80	84%	37	22,5%	56%	16%	0	5,4%	100%

Analyzing platforms employment trends (3)

- **Extremely low employment intensity (with the exception of AMZN logistics)**
- **Low GWT with the exception of AMZN Logistics and Foodora**
- **Large use of paid employment - mostly open-ended and temporary contracts for Google and FB (managerials and high-tech profiles) while temporary agency work prevails for AMZN Logistics - apart from Foodora relying heavily on coordinated and continuous collaborations...but labor platforms as a whole deserve a dedicated discussion (that follows...)**

Analyzing platforms employment trends (4)

The (heterogenous) organisational models of Italian labor platforms Deliveroo, Foodora and Just-Eat

Deliveroo model	Foodora model	Just-Eat model
<ul style="list-style-type: none"> • Small group of employees mainly on open-ended contracts • Riders hired with occasional collaboration contracts switching to self-employment if annual compensation exceeds 5,000 euros 	<ul style="list-style-type: none"> • Small group of employees mainly on fixed-term contracts • Riders hired with coordinated and continuous collaboration contracts 	<ul style="list-style-type: none"> • Small group of employees mainly on subordinate contracts (open-ended, fixed-term and small amounts on personnel leasing contracts) • Riders hired through auxiliary companies providing coordinated and continuous collaboration contracts

Source: Guarascio and Sacchi 2018 – INAPP Policy brief N. 8

Conclusions

- **Digital platforms are spreading fast in Italy: fast mkt penetration (AMZN, Google and FB), challenging traditional businesses and regulations, opening new spaces for competition...**
- **Business models based on the control of vast (and significant in economic terms) information networks open the way to: i) new (and particularly intense) form of market concentration ii) opportunities for the development of new products and start-ups iii) intensification of production outsourcing (both manufacturing and services) iv) extremely flexible labor relationships**
- **Policy makers are asked to fill legal and regulatory gaps connected to labor and capital platform activities: privacy, competition policy, workers rights and industrial relations, plus sustainability of the platform economy in fiscal and social security terms**

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