Commission proposal for a Directive on improving working conditions in platform work

On 9 December 2021, the European Commission proposed a set of measures to improve the working conditions in platform work and to support the sustainable growth of digital labour platforms in the EU.

The new rules will ensure that people working through digital labour platforms can enjoy the labour rights and social benefits they are entitled to. They will also receive additional protection as regards the use of algorithmic management (i.e. automated systems that support or replace managerial functions at work). A common set of EU rules will provide increased legal certainty, therefore enabling digital labour platforms to benefit fully from the economic potential of the EU Single Market and a level playing field.

As part of the 9 December package, the Commission put forward:

- A **Communication** setting out the EU approach and measures on platform work. These are complemented by actions that national authorities, social partners and other relevant actors should take at their level. It also aims to lay the foundations for work on future global standards for high-quality platform work.
- A proposal for a Directive (i.e. binding legislation) on improving working conditions
 in platform work. This includes measures to correctly determine the employment
 status of people working through digital labour platforms and new rights for both
 workers and self-employed people regarding algorithmic management.
- **Draft Guidelines** clarifying the application of EU competition law to collective agreements of solo self-employed people seeking to improve their working conditions. This includes those working through digital labour platforms.

Proposal for a Directive on improving working conditions in platform work

Employment status

The <u>proposed Directive</u> seeks to ensure that people working through digital labour platforms are granted the legal employment status that corresponds to their actual work arrangements. It provides a list of control criteria to determine whether the platform is an "employer". If the platform meets at least two of those criteria, it is legally presumed to be an employer. The people working through them would therefore enjoy the labour and social rights that come with the status of "worker". For those being reclassified as workers, this means the right to a minimum wage (where it exists), collective bargaining, working time and health protection, the right to paid leave or improved access to protection against work accidents, unemployment and sickness benefits, as well as contributory old-age pensions. Platforms will have the right to contest or "rebut" this classification, with the burden of proving that there is no employment relationship resting on them. The clear criteria the Commission proposes will bring the platforms increased legal certainty, reduced litigation costs and it will facilitate business planning.

Algorithmic management

The Directive increases transparency in the use of algorithms by digital labour platforms, ensures human monitoring on their respect of working conditions and gives the right to contest automated decisions. These new rights will be granted to both workers and genuine self-employed.

Enforcement, transparency and traceability

National authorities often struggle to access data on platforms and the people working through them. This is even more difficult when platforms operate in several Member States, making it unclear where platform work is performed and by whom.

The Commission's proposal will bring more transparency around platforms by clarifying existing obligations to declare work to national authorities and asking platforms to make key information about their activities and the people who work through them available to national authorities.

In its <u>Communication on Better Working Conditions for a Stronger Social Europe: harnessing the full benefits of digitalisation for the future of work</u>, the Commission calls on Member States, social partners and all relevant actors to put forward concrete measures to improve working conditions in platform work. Its aim is to harness the benefits of the digital transformation and protect the European social market economy. The EU also wants to lead by example and contribute to future global standards for high-quality platform work. Platforms operate in a cross-border way and warrant a cross-border regulatory approach.

Guidelines on the application of EU competition law

On 9 December 2021, the Commission also <u>launched</u> a public consultation on <u>draft guidelines</u> on the application of <u>EU competition law to collective agreements of solo self-employed people</u>, i.e. people who work completely on their own and do not employ others. The consultation ended on 24 February 2022. The Commission is now in the process of assessing the feedback received and will adopt the final Guidelines in Q3 2022.

These Guidelines aim to bring legal certainty and make sure that EU competition law does not stand in the way of certain solo self-employed people's efforts to improve collectively their working conditions, including remuneration, in cases where they are in a relatively weak position, for example where they face a significant imbalance in bargaining power. The draft Guidelines cover both online and offline situations.

FACTSHEET on the proposed Directive on platform work:

