



**Platform
Economy**

Building the web-based
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WORKING CONDITIONS

**OUR RESPONSE TO THE EUROPEAN
COMMISSION PROPOSAL ON IMPROVING
WORKING CONDITIONS IN PLATFORM
WORK**



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

This document contains the initial opinion and comments of Plattformföretagen/Platform Economy on the European Commission's proposal.

About Plattformföretagen/Platform Economy

We are the largest trade association in Northern Europe bringing together 40 SMEs, Start Ups and platforms active on issues affecting freelancers and the future of work. Our members include companies offering self-employment, financial and education services as well as modelling, beauty, ride hailing and quick commerce companies. Please visit www.plattformforetagen.org for more information.

Our reaction to the proposal

We welcome the aims of the proposal to improve conditions for platform workers. This aligns with our goals in supporting legitimate operators who take responsibility and operate a serious business while respecting the law and paying taxes. We want to see continual improvements to the working conditions associated with platform work and ensure algorithmic transparency. We also support open access to data and the ability to share this quickly and easily.

However, this proposal must be in line with the Nordic labour market model, and thus the current way of doing things that is accepted at the national level in the Nordics. In its current form, the text threatens to transfer more control and decision-making power to Brussels. Moreover, the EU could be over-reaching its mandated competences - and is doing so on a questionable legal basis - by wanting to decide who is classified as an employee.

The Platform Economy is much broader than ride-hailing and courier businesses. Although the focus of this proposal is in this area, we represent lawyers, architects, musicians, teachers, builders, health care professionals, beauticians, hairdressers and models to name just a selection. Their voices have not been heard in the drafting of this proposal and this is evident in the text. All of these professionals tell

us that they value self-employment and want to retain the financial freedom and flexibility it offers.

Furthermore, the proposal in its current form could actually blur the lines between employment and self-employment. In doing so it undermines and threatens the role of legitimate self-employment companies who take on the rights and responsibilities of an employer while allowing freelancers without a company to send invoices and get paid for their work, without the administrative, time and cost burden of starting a company.

Our main areas of concern

This proposal has been drafted with only very limited input from freelancers, platform workers, the platforms themselves or consumers and therefore the impact of this proposal has not been sufficiently assessed. A proposal that comes from such a flawed process – in contrast to the Nordic model of participation and negotiation – cannot respect the traditions of the labour market here.

It is important to clarify legitimate self-employment since many of the individuals who use digital labour platforms are truly self-employed. They have their own company or else use self-employment in order to carry out work and send invoices, for example.

Flexibility is vital for these workers and they actively choose a freelance lifestyle: as such they should not be forced into an outdated 9 to 5 employment framework which does not fit their needs. Digitalisation and the internet is giving workers extra power and choice. This proposal should embrace and reflect this.

The main elements of the proposal which need to be amended surround the presumption of employment. The proposal introduces an EU-level presumption of employment for platform workers. In Article 4 there are a set of five criteria and if any two of these five are met then the worker will presume to be employed. We feel that this is excessive, and not in keeping with labour market traditions in Sweden and other Nordic countries. An open social dialogue between all relevant actors should be the basis on which these kinds of collective

decisions are taken; not a “one-size-fits-all” Directive imposed by the European Union.

However, if there is significant political will to ensure that a presumption of some kind is included in the Directive, then it is critical to formulate clear criteria that must be fulfilled to trigger such presumption. Without such clear criteria, a presumption of employment would lead to years of further legal uncertainty.

The criterion on “effectively determining, or setting upper limits for the level of remuneration” should be removed. It is standard practice in B2B relationships - and a fundamental element of business across Europe - that a price for services can be set between commercial partners. There is no reason this path should be departed from when it comes to the digital sector. Furthermore, examples from markets where remuneration levels have been removed show that the pay of workers is reduced as a race to the bottom occurs between independent workers. This is not a result that the European Commission intends to achieve in this proposal.

Regarding “supervising the performance of work or verifying the quality of the results of the work including by electronic means” this should be amended. An inability to verify the quality of the results of the work carried out would negatively impact consumers who use these services and also create problems for digital labour platforms who will not be able to maintain a quality service. This should also be decoupled from the presumption of employment.

While we do not feel that “one size fits all”, EU Member States should not be allowed to add extra criteria and national provisions that will create a greater financial and administrative burden for SMEs and platform companies.

Finally, platform companies need to be able to help workers, offer them incentives and support them in order to attract the best freelance talent available without them being classified as an employee. This should be reactive to the needs of both workers and platforms; and the Nordic model is and remains the best way of ensuring this in Scandinavian countries.



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