

# Fair working conditions in platform work

## Ensuring labour rights for all workers

Pending the upcoming European Commission initiative, 3F United Federation of Workers in Denmark proposes three steps to improve working conditions on digital labour platforms in the EU.

### 1. Eradicate false self-employment

Platform workers should have employee status by default. EU initiatives, must ensure a better classification so that more workers get employee status along with affiliated rights and protections.

This is best achieved through a **uniform and broad EU definition of “worker”**. “The definition needs to be broadened beyond platform work in order to provide protection to a growing group of non-standard workers, such as fake self-employed.

A broad EU definition will also strengthen the **rebuttable presumption of an employment relationship** between the worker and the labour platform. To change this, the platform, rather than worker, would need to prove that there is no employment relationship.

### 2. Reject a new third employment status

Platform workers are neither a new, nor a separate, category of workers. **Initiatives that establish or acknowledge a third intermediary category, either formally or de facto, is not in the interest of the employee.**

Experience shows that a third, intermediate employment category will provide less security, blur boundaries between workers and self-employed and push more workers into this new category. Therefore, there is reason to be concerned about a revision of the EU competition law that would provide self-employed access to collectively bargaining.

The priority should be to classify fake self-employed correctly as workers in labour law before providing self-employed access to collective bargaining. Otherwise we risk creating competing collective agreements for groups of workers within the same sector, which de facto creates third employment category.

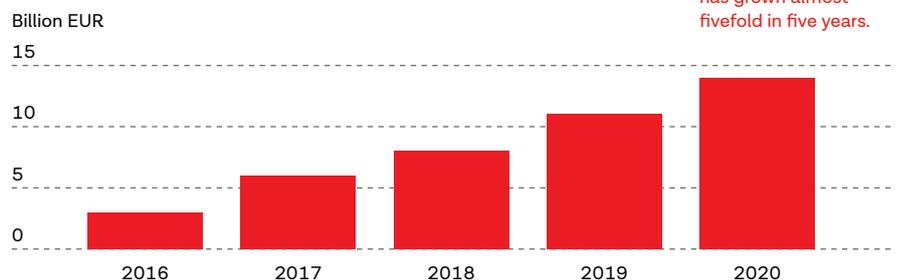
### 3. Control algorithms and respect responsibilities

The digital infrastructure in which platform companies operate must be regulated: **There is a need for greater transparency, accountability and control of algorithmic management**, and GDPR standards must be safeguarded to ensure platform workers’ rights to their data and portability.

In addition, digital labour platforms must **assume corporate responsibility** and comply with applicable standards and legislation within their industries and the country in which they operate.

### Development of the digital labour platform (DLP) economy in EU27

(Source: CEPS study for the European Commission, May 2021)



# Why do we need EU action?

## State of affairs in the platform economy

The platform economy is growing, but the working conditions on the platforms are not acceptable. We must ensure that the working conditions of platform workers are aligned with those of regular employees<sup>1</sup>.

The main problem is the lack of employer responsibility on many labour platforms, which refuse to provide legal rights and a safety net to their workers. Therefore, many platform workers have an unclear employment status or are fake self-employed, who have neither the freedom of the self-employed nor the protection of employees.

This unfair competition creates downward pressure on wages and working conditions in competing companies with regular employment conditions.

As problems are not exclusive to platform workers, there should be a broader initiative towards non-standard work such as zero-hour contracts and fake self-employed.

## Collective agreements cannot stand alone

3F has significant experience negotiating collective agreements with digital labour platforms.

- In 2018, 3F negotiated the world's first labour platform collective agreement with HILFR, a cleaning platform.
- In 2021, 3F and the Danish Chamber of Commerce signed a national sectoral agreement for food delivery services. Just Eat was the first online labour platform to sign the agreement.

These experiences show that collective agreements can be reached with digital labour platforms when they are willing to do so. But too many labour platform companies are built on a business model of cheap labour and deny employment responsibility. Therefore, there is also a need for a better political framework and for European action.

## Respect for national labour market models

For 3F it is essential that EU initiatives must underpin efforts by social partners and governments, and be designed in full respect of divergent labour market traditions, the autonomy of social partners and national competence.

## Digital labour platforms in numbers (DLP)

- While the DLP economy continued to grow, earnings fell from 2019 to 2020.
- 93 percent of platform earnings are generated by self-employed – many are false self-employed.
- Three to quarters of the DLP economy originates from taxi and delivery platforms, which are traditional employee jobs.
- 11 percent of EU's workforce (24 million) worked on platforms in 2018 – up from 9.5 percent in 2017.
- Three million EU workers have platform work as their primary occupation.
- Only 19 percent of the workers have a clear contractual relationship.

## Case: Development in food delivery

In the EU, food delivery has become the main sector for digital labour platforms, growing 125 percent from 2019 to 2020.

This trend is intensified in Denmark, where independent food couriers increased 13-fold from 2018 to 2021.

Number of independent food couriers in DK.

919  
2018

12.695  
2021



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<sup>1</sup>Misclassification is recognized as the key challenge by the European Commission in its second phase consultation of social partners, June 2021.