

# EU directive on platform work

The Parliament is due tol vote on the agreement reached with the Council on a new directive that sets minimum standards to improve working conditions for people who work through digital labour platforms. It introduces the first-ever EU rules regulating algorithmic management in the workplace. The directive is the outcome of difficult negotiations and sends a signal to taxi and food delivery drivers and domestic workers that the EU is determined to set straight platforms' use of gig work, albeit with less ambition than in the initial proposal.

## **Background**

Platform work is a non-standard form of employment. It refers to the use of an online platform to enable organisations or individuals to contact other organisations or individuals to solve specific problems, or to have access to specific services in exchange for payment. Working conditions and social rights of platform workers are not enshrined in standard labour regulations. A rapidly increasing segment of the EU economy, platform work employed more than 28 million people in 2021 (with 5.5 million of them potentially wrongly categorised as self-employed) and the number is projected to reach 43 million by 2025.

## **European Commission proposal**

In 2021, the Commission tabled a <u>proposal</u> for a directive seeking to facilitate the correct determination of platform workers' employment status, based on five 'criteria of control' by the platform. If two of the five were fulfilled, the relationship between a platform and a worker would be presumed to be employment, and the worker would gain access to the applicable labour and social protection rights. This classification could be contested by either side on the basis of national criteria. The proposal would also introduce a requirement for human monitoring of algorithms and the rightfor workers to contest automated decisions.

# **European Parliament position**

Parliament's mandate was the December 2022 Committee on Employment and Social Affairs (EMPL) report that moved the criteria for triggering the presumption of employment outside the legal body of the text, and instead introduced an indicative list of non-mandatory criteria based on national rules to determine that a person is a platform worker. The report also strengthened provisions on data protection and human oversight of all decisions affecting working conditions, and promoted collective bargaining.

### Finding a lasting compromise

The Council agreed its <u>position</u> in June 2023. A <u>provisional political agreement</u> was reached in December 2023, but it was <u>not endorsed</u> by Coreper. A <u>second provisional agreement</u> was secured on 8 February 2024, only to be rejected again by the Council a week later. On 11 March 2024, employment and social affairs ministers eventually <u>endorsed</u> the February agreement, without the support of France and Germany. The <u>agreed text</u> introduces the legal presumption of employment, but only requires Member States to define the facts indicating control and subordination of the worker by a platform, based on their labour law and collective agreement systems. It imposes greater transparency on algorithmic management and prohibits certain types of decision. The text still needs to be formally adopted by Parliament in plenary and then by the Council. Member States will then have two years to introduce the new rules.

First-reading report: <u>2021/0414(COD)</u>; Committee responsible: EMPL; Rapporteur: Elisabetta Gualmini (S&D, Italy). For further information, see our 'EU Legislation in progress' <u>briefing</u>.



Outcome of the Conference on the Future of Europe: This proposal is relevant for measures 13(5);35(1), (3).

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