

European Parliament, Employment and Social Affairs Committee

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**“The impact of business models, including the platform economy, on
employment and social security in the EU”**

Statement by Oliver Roethig, UNI Europa Regional Secretary

For UNI Europa, the European services workers union, one of the key challenges for employment, social security and regulation is the disappearance of standard models for business and work organisation.

The platform economy is only one example.

At the core of this development are three trends:

- 1) Companies cover ever smaller parts of the value chain.
- 2) They act across borders, both in producing their products or services and in providing those to their customers.
- 3) Companies operate with ever smaller core workforces with a stable employment relationship – complemented by input from all kinds of non-permanent employees, self-employed workers and companies.

The result is business models that are fragmented, amorphous and ever changing without providing too many leverage points for regulators or trade unions. Intended or not, a key characteristic is an organised lack of accountability – geographically and functionally.

We might be bogged down in the complexity of all the different types of employment relationships and business models. Yet, most of these new characteristics are simply long established methods to circumvent a company's obligations and exploit workers by using new technologies.

Legislation has tackled those methods before. We can do so again.

We can rely on the breadth of national laws and EU law as well as international standards like the European social charter and ILO conventions.

We also can rely on common sense:

Last month, my organisation was involved in the re-newel of the Bangladesh Accord on fire and safety. The big fashion brands accept their responsibility to ensure that workers down the value chain actually have save jobs.

Two more, abstract examples:

If a self-employed construction worker dies due to a work accident, is this a case for the accident insurance or simply insolvency?

If children work gigs on platforms, is this child labour or simply wrongfully ticking the box that one is old enough on the website?

I think most of us know the right answers without needing a legal expert.

Let me raise 10 issues for consideration based on discussions with our member trade unions:

The first two relate to workers:

- 1) Bogus self-employed workers are employees who are falsely categorised. The EU needs to make the fight against bogus-self-employment a priority at EU level to ensure that labour law and health and safety standards are fully implemented.
- 2) We need a wider and more inclusive definition of “worker” covering also self-employed workers and workers of online platforms. For this, we can build on existing ILO standards (Recommendation 198). We oppose creating a general separate category for self-employed workers or online workers, especially if it leads to a reduced set of rights.

The next 4 issues focus on employers:

- 3) For self-employed workers, the assumption should be that an employment relationship exists while the burden of proof should be reversed so that a client needs to prove that he is not the employer.
- 4) Online platforms involved in intermediation in many ways fulfil the functions of employers, at least in part. They should be categorised as such, perhaps modelled on temporary work agencies. We might also take ideas from responsibilities that contractors have vis-à-vis workforces of their sub-contractors.
- 5) Increasingly, we see workers having multiple employers, e.g. gig workers working on different platforms. What we need is regulation that creates the concept of a collective employer with a joint responsibility to ensure the rights of workers – also across borders.
- 6) Legislation needs to be adapted so that employers contribute financially to the social security systems covering their workers. It is also worthwhile considering how companies can be made to contribute to the social security systems of those countries to which their workers provide services.

The final issues concern workers’ rights:

- 7) All workers, regardless of their type of employment status, whether employed or self-employed, must benefit fully from social protection schemes and labour law. This includes, amongst others: minimum remuneration standards, portability of entitlements, right to health and safety, effective access to life-long learning and continuous training.
- 8) They must have the rights of freedom of association, collective bargaining and being represented by a union.
- 9) Competition law must be amended so that it does not interfere with collective bargaining covering self-employed workers. The reason is simple: collective bargaining is about remuneration and terms and conditions of employment for individual workers, it is not about a price for a product or service.
- 10) Labour inspectorates need to be sufficiently resourced at national level. Considering the transnational nature of business today, closer cooperation among national labour inspectorates or even a European inspectorate should be explored.

In conclusion, the objective is to make the legislative framework for employment relationships and social security fit for purpose. In particular, we need to address precarious employment relationships. Loopholes need to be closed that allow companies to shift the business risks to workers and to evade social security contributions and collective bargaining.

Europe's social model has at its core a concept of working life that allows workers and their families to live in dignity – also in the digital age. A key aspect is that working life provides long-term stability, predictability and a career perspective. While it might not mean one job for life, employment for life with decent pay and decent working conditions should remain the goal.

A final point on platforms:

More than a decade ago, UNI Europa and the employers for the temporary agency sector worked together to propose a directive on temporary agency work. My call today is on platforms to come together with trade unions – in social dialogue – to develop decent standards for platform workers.