# **European Parliament**

2014-2019



### Committee on Employment and Social Affairs

2015/2349(INI)

29.9.2016

# **OPINION**

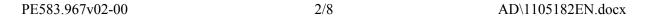
of the Committee on Employment and Social Affairs

for the Committee on Transport and Tourism

on new opportunities for small transport businesses, including collaborative business models (2015/2349(INI))

Rapporteur: Elena Gentile

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#### **SUGGESTIONS**

The Committee on Employment and Social Affairs calls on the Committee on Transport and Tourism, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- A. whereas technological advances, new business models and digitalisation have transformed the transport sector significantly in recent years, with major impacts on traditional business models as well as on working conditions and employment in the sector; whereas while, on the one hand, the transport sector has opened up, on the other hand, working conditions have in many cases worsened, owing to the economic crisis and, in some cases, to insufficient implementation of existing regulations;
- B. whereas the transport sector comprises not only direct transport service providers, but also SMEs offering services such as maintenance of transport means, sale of spare parts, training of staff, and rental of vehicles and equipment; whereas there is an enormous potential for job creation linked to these activities, including employment for highly qualified workers; whereas policies for the transport sector should take the interest of the entire value chain into account;
- C. whereas the Commission, in its communication entitled 'A European agenda for the collaborative economy' (COM 2016/0356), points out that flexible work arrangements in the collaborative economy create uncertainties about the rights and the levels of social protection that are applicable, and that the boundaries between self-employed and workers are becoming increasingly blurred;
- D. whereas only 1.7 % of EU enterprises make full use of advanced digital technologies, while 41 % do not use them at all; whereas the digitalisation of all sectors is crucial if the EU's competitiveness is to be maintained and improved;
- E. whereas SMEs play a special role in job creation in the transport sector, particularly in road transport, and whereas they are in a weaker position than larger companies in terms of access to finance for essential investments, including loans and support from European funds;
- F. whereas the flexibility and ease of entry inherent in the collaborative economy can provide employment opportunities for groups traditionally excluded from the labour market, in particular women, young people and migrants;
- G. whereas the European sectorial social partners are concerned about the unfair competition on intra-city mobility markets posed by the emergence of 'ride-sharing for reward' platforms, often associated with unfair market practices such as avoidance of tax payments and social security contributions, as well as circumvention of employment and social standards;
- H. whereas transport services can provide a good way of becoming self-employed and promote a culture of entrepreneurship;
- I. whereas, according to recent findings, there is a tendency to shift the responsibility for social security payments and employment benefits in the transport sector to subcontractors

and self-employed drivers; whereas there is a risk that self-employed drivers are pushed into precarious working conditions, while bogus self-employment expands at the same time<sup>1</sup>:

- J. whereas online platforms for transport services can offer the possibility of a swift match between service requests by customers, on the one hand, and labour supply by registered companies or workers, on the other;
- K. whereas the OECD considers good-quality jobs to be an essential factor in efforts to tackle high inequality and promote social cohesion<sup>2</sup>;
- 1. Stresses the need for a proportionate regulatory and administrative environment that encourages investment and access to finance, while ensuring sustainable growth and decent jobs within small transport businesses;
- 2. Notes the emergence of the collaborative economy in the transport sector, with more flexible forms of work; underlines that the collaborative business models in the transport sector should be discussed in the context of a broader debate to create fair and transparent conditions of competition; stresses the importance of a stable legal framework for efforts to promote the development of the collaborative economy;
- 3. Notes that the number of part-time workers, agency workers and self-employed persons in the transport sector has increased and that the general trend is towards more flexible employment contracts; notes that the collaborative economy in the transport sector thereby offers new opportunities for people to earn an additional income, for the employment of young people (in particular those seeking casual work and flexible forms of employment allowing them to combine work with study), for the better reconciliation of work and private life, and for the reduction of underemployment and unemployment; points out, however, that, in some circumstances, this development can also lead to precarious situations; stresses that flexible employment must be covered by existing health and safety provisions, as well as by social protection measures, in order to avoid long-term social and financial implications, and must exclude potential risks such as worker overload and pay levels that are not commensurate with performance; highlights, therefore, the need for labour market flexibility, on the one hand, and for economic and social security for workers on the other; stresses that reducing costs should not undermine working conditions or employment standards;
- 4. Calls on the Commission and the Member States, in cooperation with the social partners, to assess on a regular basis the impact of digitalisation on the number and types of jobs in the transport sector, and to ensure that employment and social policies keep pace with the digitalisation of the transport labour market;

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<sup>&</sup>lt;sup>1</sup> Report commissioned by the European Commission on the State of the EU Road Haulage Market (2014), Task A: Collection and Analysis of Data on the Structure of the Road Haulage Sector in the European Union (3 February 2014); <a href="http://ec.europa.eu/transport/modes/road/studies/doc/2014-02-03-state-of-the-eu-road-haulage-market-task-a-report.pdf">http://ec.europa.eu/transport/modes/road/studies/doc/2014-02-03-state-of-the-eu-road-haulage-market-task-a-report.pdf</a>.

<sup>&</sup>lt;sup>2</sup> Presentation by Mark Pearson, Deputy Director, OECD Directorate for Employment Labour and Social Affairs at the EMPL-ECON hearing on inequalities on 21 June 2016; <a href="https://polcms.secure.europarl.europa.eu/cmsdata/upmloas/e54ad36f-29cb-4c77-a9c7-2e4e2858fe55/Microsoft%20-%20Inequality%20OECD%Pearson.pdf">https://polcms.secure.europarl.europa.eu/cmsdata/upmloas/e54ad36f-29cb-4c77-a9c7-2e4e2858fe55/Microsoft%20-%20Inequality%20OECD%Pearson.pdf</a>.

- 5. Notes that the digital sector also encompasses professional services and intermediates offering platforms that only connect providers and users; encourages the Member States to establish minimum thresholds allowing them to differentiate between economic activities involving the provision of professional services and non-professional peer-to-peer activities; stresses that while the former should naturally comply with taxation and social security provisions, the professional use of the latter should also be regulated;
- 6. Notes the opportunities provided by the collaborative economy and by the Digital Single Market for job creation and inclusive growth within small transport businesses; stresses that the collaborative economy, like any other economy, must pay tax and social contributions, comply with employment and social legislation, and ensure consumer protection; believes that the high transparency potential of the collaborative economy allows for good traceability of transport service operations, in line with the aim of enforcing existing legislation; calls on the Commission to publish guidelines on how EU law applies to the various types of collaborative business models in order to fill, where necessary, regulatory gaps in the area of employment and social security in a manner that respects national competences; calls on the Member States to carry out sufficient inspections and to impose sanctions where rules have been breached;
- 7. Points to the relatively low barriers to beginning a career in the transport sector and to the great potential the sector thereby offers in combating long-term unemployment;
- 8. Stresses that all transport service providers, including those in the collaborative economy, need to comply with requisite health and safety provisions and should be bound by existing minimum safety and social security standards, regardless of their business or employment models, whether 'ride-sharing for reward' platforms, agency work or any other model;
- 9. Calls on the Member States fully to implement and enforce all laws and regulations pertaining to online transport service platforms;
- 10. Stresses the importance of monitoring compliance with mandatory rules on working hours, and driving and resting times, in the transport sector; recalls that Regulation (EU) No 165/2014 on tachographs in road transport does not apply to vehicles of less than 3.5 tonnes (light goods vehicles); stresses that, in line with this regulation, monitoring should take place by means of digital monitoring devices installed in vehicles; calls for checks on working and rest times to be stepped up; recalls that all tasks in relation to the activity of an employee are to be considered working time; stresses, likewise, the importance of monitoring compliance with European and national legislation regarding the protection of health and safety at work, including working conditions in vehicles, for all people involved in the transport sector, irrespective of whether their employment status is that of a self-employed, subcontractor, temporary staff member or contract worker;
- 11. Welcomes the important role of trade unions, which in many Member States work together with transport service providers in an effort to make the transformation of the transport sector socially sustainable; highlights the importance of strong and independent social partners in the transport sector, of an institutionalised social dialogue at European and national level and of the participation of employees in company matters; encourages the social partners to negotiate collective agreements for all transport services in line with national laws and practices, as such agreements are an effective instrument to ensure

- decent social and employment standards; encourages SMEs in the sector to establish associations or platforms that support them in this regard and that keep them informed;
- 12. Takes note of the ongoing discussions regarding the introduction by certain Member States of minimum wages for transport businesses operating on their territory; notes that Commission President Juncker stated in his opening statement before Parliament that 'in our Union, the same work at the same place should be remunerated in the same manner'1;
- 13. Recommends that collaborative economy businesses, as well as people working in the transport sector, find models to work together in pursuing shared interests, such as in the area of insurance;
- 14. Calls on the Member States to ensure fair competition, decent working conditions and social protection for all transport workers in order to reduce precarious employment in a sector in transition, and to improve the enforcement of existing rules and collective agreements; calls on the Commission and the Member States to fight anti-competitive practices in the transport sector and to exchange best practice in this regard; calls, in particular, on the Member States and the social partners to engage in the Platform to tackle Undeclared Work; believes that the collaborative economy, via recorded electronic transactions, can help Member States combat practices that could lead to unfair competition;
- 15. Recalls that the European Court of Justice has defined the concept of 'worker' on the basis of an employment relationship characterised by certain criteria, such as subordination, remuneration and the nature of the work; welcomes, in this regard, the Commission's communication on a European agenda for the collaborative economy; calls for more efforts to be made to tackle bogus self-employment, to protect workers and to create a level playing field for businesses in the transport sector;
- 16. Calls on the Commission and the Member States to guarantee all workers in the transport sector decent working conditions, including the required level of health and safety protection at work, regardless of the size and type of the company employing them, the place of employment or the underlying contract; stresses the importance of health and safety at work, particularly in the light of demographic changes and the high level of mobility of workers in the transport sector;
- 17. Draws attention to a number of instances of unfair competition in the transport sector, which are often at the expense of small transport businesses; recalls that unfair competition can contribute to the degradation of working conditions; calls on the responsible authorities to sanction any misconduct in this regard in an adequate way;
- 18. Stresses that working and employment standards must not be circumvented through

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<sup>&</sup>lt;sup>1</sup> 'A New Start for Europe: My Agenda for Jobs, Growth, Fairness and Democratic Change – Political Guidelines for the next European Commission; Opening Statement in the European Parliament Plenary Session Strasbourg, 15 July 2015; Jean-Claude Juncker, Candidate for President of the European Commission', p. 7; <a href="http://www.eesc.europa.eu/resources/docs/jean-claude-juncker---political-guidelines.pdf">http://www.eesc.europa.eu/resources/docs/jean-claude-juncker---political-guidelines.pdf</a>.

- subcontracting; encourages the Member States to monitor the situation, to strengthen, where necessary, laws on joint and several liability, and to ensure the adequate implementation and enforcement of existing regulations;
- 19. Welcomes the flexible working time models negotiated by the social partners in the transport sector that enable workers better to reconcile work and private life; stresses, however, the importance of monitoring compliance with mandatory rules on working hours, and driving and resting times, which should become easier as a result of the digitalisation of the transport sector;
- 20. Stresses the particular importance of SMEs operating in the transport sector in small towns, hard-to-access regions and on the outskirts of large urban areas in providing transport for people commuting to work or travelling to schools, shops and services, particularly where the public transport system does not function properly;
- 21. Highlights the importance to transport workers of 21st century working skills such as digital skills, team working, critical thinking and problem solving in coping with transformations and technological developments in the sector; stresses that the key to socially sustainable transformation and adaptation in the transport sector lies in employee training; calls on the social partners, as well as on education and training institutions, to develop related skill strategies and education programmes for small transport businesses; regards it as the employer's task to acquaint employees properly with new technologies such as IT and tracking applications; stresses that, in the case of temporary contracts, the agency supplying the staff must give them adequate preparation and training;
- 22. Calls on the Commission and the Member States to promote social economy models in the transport sector and to exchange best practices in this regard, as social enterprises have proven more resilient during times of economic crisis than other business models;
- 23. Calls on the Commission to gather reliable data on the collaborative economy in the transport sector and to study the impact on working conditions.

## **RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION**

Date adopted	26.9.2016
Result of final vote	+: 35 -: 2 0: 9
Members present for the final vote	Laura Agea, Tim Aker, Guillaume Balas, Brando Benifei, Mara Bizzotto, Enrique Calvet Chambon, David Casa, Ole Christensen, Martina Dlabajová, Lampros Fountoulis, Elena Gentile, Arne Gericke, Thomas Händel, Marian Harkin, Danuta Jazłowiecka, Agnes Jongerius, Ádám Kósa, Kostadinka Kuneva, Jean Lambert, Jérôme Lavrilleux, Jeroen Lenaers, Verónica Lope Fontagné, Javi López, Morten Løkkegaard, Dominique Martin, Elisabeth Morin-Chartier, Emilian Pavel, João Pimenta Lopes, Georgi Pirinski, Marek Plura, Sofia Ribeiro, Maria João Rodrigues, Anne Sander, Jutta Steinruck, Ulrike Trebesius, Marita Ulvskog, Renate Weber, Tatjana Ždanoka, Jana Žitňanská
Substitutes present for the final vote	Georges Bach, Rosa D'Amato, Rosa Estaràs Ferragut, Tania González Peñas, Sergio Gutiérrez Prieto, Flavio Zanonato, Gabriele Zimmer

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