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## **Opening Statement on Platform Work in Europe - Joint Committee on Enterprise, Trade and Employment**

**Platform work is not a new phenomenon in the EU.** Between 2010 and 2023, the platform economy has seen [significant growth](#) in terms of the number of platform operators, the types of services that can be performed through digital platforms and the number of workers who engage in platform work. The growth in the scale of the platform economy has been accompanied by diversification in the types of tasks performed by workers, the formats for service provision, the levels of skills required to do the work and the types of processes through which clients are matched with workers.

**This heterogeneity has consequences for how work is organised and performed through platforms and implicitly for the working conditions of platform workers.**

Platform work is therefore done both by workers who retain entrepreneurial control over the way they work, such as workers in high-skilled occupations, and those whose flexibility and autonomy in the organisation of work is curtailed by the standards set by the platforms. For the former case, there is no difference between traditional self-employment and work provided on platforms, except that all transactions are digital. For the latter, the limits set by the platforms on the way work is performed restrain the flexibility associated with traditional self-employment, and the relationship between the self-employed worker and the client resembles an employment relationship. This puts platform workers at a disadvantage to both truly self-employed workers and dependent employees.

**The COVID-19 pandemic and the rebound in the European labour markets that followed, strengthened the role of the platform economy.** Platforms generate labour market opportunities for workers, providing them with a [vital link to the labour market](#). At the same time, they can contribute to the diversification of services for consumers. Yet, platform [work raises also a set of challenges](#) including issues related to the misclassification of employment status, bogus self-employment; evasion of tax and social security contributions and undeclared work in certain sectors or types of work (for example, household services); access to employment entitlements related to training and health and safety if work is based on tasks rather than a job (as in casual work); and access to representation and a collective voice.

**While the majority of platform workers are classified as self-employed or independent contractors, not all benefit from the autonomy and freedom to organise work that is characteristic of traditional self-employment.** This is especially the case for workers who provide low-skilled on-location services such as ride hailing or delivery drivers, but it is also true of various groups of workers who provide online services. Since in many EU countries access to social protection is linked to employee status, with benefits such as unemployment benefits being limited to employed workers, misclassified platform workers can be deprived of their social rights.

**Research carried out by Eurofound demonstrates that in recent year the platform economy has entered the stage of consolidation both when it comes to the number of platforms operating in the European Union and the number of workers who provide services through platforms.** In 2020, there were around 520 platform operators in the EU, with the majority operating as intermediaries for freelance, delivery and home services tasks. Estimates of the proportion of people working through platforms vary depending on the methodology of the survey, the country focus and the type of platform work considered. The 2018 Collaborative Economy and Employment (Colleem) survey found that around 11% of workers in Europe had at some point provided work through digital platforms, with significant differences across countries (18% in Spain, 14% in the Netherlands, and 13% in Ireland) A more recent online survey carried out by Eurofound in 2022, shows that, on average, 2.4% of respondents in the EU reported having provided work through online digital platforms in 2022 and 1.9% through on-location digital platforms.

**Amidst the regulatory challenges raised by platform work, various initiatives have been put forward by governments, social partners as well as platforms themselves to ensure compliance with rules and regulations and improve the working conditions of platform workers.** As of March 2024, the [Eurofound platform economy database](#) includes 370 such voluntary and legal initiatives. The most common type of initiative focuses on awareness raising campaigns and information provision followed by initiatives aimed at addressing the employment status of platform workers and initiatives aimed at organizing and representing workers. The aim of the different initiatives also varies widely. For example, in France the aim is to ‘create conditions for maintaining these sectors within the realm of independent work while offering workers improved working conditions and remuneration’. The French approach is therefore to maintain the platform work sector within the confines of independent work while nudging platform companies to improve the working conditions in the sector through voluntary codes of conduct and collective bargaining agreements. In Denmark, social partners have played a key role in improving the working conditions of platform workers by signing [nationwide collective bargaining agreements](#) which set minimum standards for pay, social security and collective representation. In Estonia, the focus of regulation is not on employment status but more broadly on improving working conditions for self-employed workers by clarifying regulations governing self-employment. By contrast, in Spain, the Rider’s law focuses on reclassifying delivery workers from self-employment to employment. Finally, in Ireland, efforts have focused on addressing the potential misclassification of platform workers by clarifying existing guidelines on employment status through updating the ‘Code of Practice Determining Employment Status’. The diversity of initiatives demonstrates the current regulatory fragmentation in the EU but also the [difficulty of addressing the issues raised by platform work](#).

**In 2021, the European Commission has proposed a [Directive](#)** aiming to address regulatory fragmentation in the EU, ensure a level playing field for companies and improve the working conditions of platform workers. The proposed Directive seeks to ensure that the employment status of people working through platforms is correctly classified depending on their actual working arrangements. It also proposes a set of innovative rules relating to the transparency of algorithmic management systems by platforms as well as the enforcement and traceability of work done through platforms for national authorities.

**Following an extended period of legislative negotiations at the European level there is currently no agreement on the provisional deal on platform work.** However, while the Directive is still being debated, five Member States (Belgium, Croatia, Greece, Malta Portugal) have already implemented labor market reforms that include elements of the proposed directive such as criteria for determining the employment status of platform workers and rules regarding the transparency of algorithmic management systems.