

## Employment relationships in the platform economy must be identified and recognized

FinUnions' member organisations SAK and STTK support the Commission's efforts to improve the position of those working in the platform economy<sup>1</sup>.

The aim must be to oblige member states to ensure the employment status for those entitled to it. It must be ensured that employment relationships are better identified as such, and that it is not possible to have work carried out under any other legal relationship than an employment relationship when an arrangement fulfils the characteristics of an employment relationship. The burden of proof should not be on the employee.

Action at the EU level is necessary both from the point of view of improving the minimum protection of the workers and from the point of view of the functioning of the internal market. From the point of view of equal competition, it is problematic if work that meets the characteristics of an employment relationship has not been identified as an employment relationship in some member states.

The European Court of Justice, as well as courts in several EU countries, have ruled that various partnership or contract arrangements are employment relationships. A person working in the platform economy may be subject, directly or indirectly, to the management and supervision of the employer or platform operator without the actual possibility of deciding independently on the time or the price of the work. At the same time, however, the rights brought about by an employment relationship are lacking, such as occupational safety and health, job security, employee insurance, and earnings-related social security.

The need to remedy this situation is also justified by the International Labour Organisation (ILO) in its employment protection recommendation (No 198-2006). The recommendation calls for measures to prevent employment relationships from being disguised as other agreements.

The focus on identifying arrangements that meet the characteristics of an employment relationship as being employment relationships is important, as this prevents the creation of a new, so-called third category group between employees and entrepreneurs.

If new, separate rights are created, specifically for those working in the platform economy, there is also the problem of reinforcing this way of working as a non employment relationship, in contrast to court rulings and the ILO recommendation.

SAK and STTK will provide a more detailed position on improving the position of those working in the platform economy when a proposal is made by the Commission. SAK and STTK will also contribute to the position of the European Trade Union Confederation (ETUC).

More information:

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<sup>1</sup> The European Commission's work programme for 2021 includes a legislative initiative to improve working conditions for those working in the platform economy. At the same time, the Commission's Directorate-General for Competition is working on an initiative on collective agreements for self-employed persons and EU competition law, which also deals with the position of platform workers. SAK and STTK consider it important that the development needs in the rights of those working in the platform economy are assessed at the EU level on the basis of labour law and in cooperation with the social partners.