

## Gig economy workers are to get better EU protections – creating an awkward choice for Rishi Sunak

Published: June 12, 2023 3.31pm BST

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Brexit dividend? Ian Davidson/Alamy

Workers for online operators like Deliveroo and Uber are in line for sweeping new rights and protections within the EU after ministers met in Luxembourg to thrash out proposals. The resulting agreement on proposed rights for platform workers has huge implications for the gig economy. It also puts pressure on the UK to follow suit.

Using apps on our phones to purchase goods and services has become second nature for many of us – particularly on the back of the COVID lockdowns. Working in the gig economy is another story, however. It does offer workers flexibility in terms of when and how much they work, but variations in the amount of work available can make it difficult to earn a steady wage.

It can also be dehumanising having your working day organised and monitored by algorithms. And workers are often categorised by these online platforms as self-employed rather than employees. This has implications for things like sick pay, holiday pay, trade union rights and health and safety protections.

## The proposals

The EU's proposed platform work directive, which was originally published in 2021, is designed to address these kinds of issues. It will introduce a legal presumption that online platforms will be deemed to be employers, so long as certain criteria are met.

In response to the challenges of being managed by algorithm, the directive aims to give workers more information on why decisions which affect their work are made. They will also receive a new right to challenge such decisions – regardless of whether they are deemed to be an employee or self-employed.

Another important part of the EU plans is to provide greater opportunities for gig workers to communicate with each other to organise, for example through trade unions. One element is that online platforms will be required to consult with workers and their representatives on major decisions. There will also be a duty on platforms to provide key information to authorities in member states in order to help to enforce workers' rights and protections.



Gig economy protesters in Paris. EPA

National governments within the bloc had been struggling to reach an agreement. Spain, for example, has championed a tougher approach, having introduced protections at national level in 2021.

Other countries such as France have been inclined to be more cautious, particularly around treating platform workers as presumed employees. Similarly, a group of leading CEOs recently wrote a letter to the Financial Times that gave short shrift to the directive's explicit desire to retain the benefits of gig work:

*[The] directive focuses almost exclusively on who is an employee and who is not and does little to improve the rights of the self-employed. Ministers should take the time to get this right and not sacrifice the chance to improve the situation for the sake of a quick agreement.*

The ministerial meeting at the European Council, which began on Monday June 12, was on the back of renewed efforts by current EU Council president Sweden to find agreement through a compromise text. Now that an agreement has been reached, the council will begin negotiations with the European parliament that could translate into new legal protections as soon as this year. Exactly what laws may be introduced will depend on the fine details of the agreed compromise text.

## **The UK dimension**

The gig economy has also grown considerably in the UK in recent years, with workers facing similar issues to those in the EU. The UK government may not be part of the current discussions taking place between EU leaders, but that doesn't mean it can sit out the debate on extending protections to platform workers.

The UK has previously made efforts to protect gig workers, for example through the commissioning of the Taylor review of modern working practices. But these have come under criticism for falling short of what is needed.



Cities like Edinburgh could soon be more lax than continental counterparts. Arch White/Alamy

Now that EU ministers have reached an agreement, it is likely that governments across the bloc will adopt tougher protections for gig workers in the near future. This could very well mean that a delivery rider in London may soon be questioning why their counterpart in Lisbon has better rights and protections.

There could be a danger of this becoming a classic example of Brexit resulting in poorer outcomes for workers in the UK. Or if the UK government tries to adopt similar protections, it will be accused by free-market Brexiteers of simply following the EU agenda. With a general election barely a year away, it's the sort of debate that the UK government might prefer to avoid, but doing so will be very difficult.