Searching for Hope Beyond the Failed EU Directive on Platform Work: *Fairwork's Response to The Failed Council Vote*

On Friday the 16th of February, 2024, EU member states failed to agree on a proposed Directive to regulate platform work. The Directive, despite its shortcomings, which we have highlighted in our recent policy brief, would have established key imperatives to improve working conditions for millions of platform workers in the EU. Most importantly, it would have given a unified message to platform companies that despite the intense corporate lobbying to shift the discourse, the EU's priority continues to lie primarily with the wellbeing and interests of workers.

Fairwork's research has time and again shown that when regulated, the platform economy can offer fairer outcomes for all stakeholders, including workers, consumers, and platforms. It is no coincidence that the platforms that operate in countries with stricter regulation on platform work, and those that engage in dialogue with stakeholders like us to address unfair practices, provide better working conditions. For example, when clear regulations on employment status are in place, workers often can earn above minimum wage. They benefit from mechanisms that minimise physical and mental harm at work by making use of insurance and social security schemes; they are not liable under subcontracting arrangements; have channels to address grievances; and, if and when all other channels fail, they can demand their rights in consultation with workers' representatives, such as works councils and unions.

Friday's vote sends a disheartening message for the future of platform work. It demonstrates that despite growing criticism from workers, activists and scholars, the EU is failing to address the many struggles and injustices that platform workers face.

The vote also means that there will be no "level playing field" for digital labour platforms in the near future. Platforms will continue to be confronted with fragmented legislation and unclear and contradictory regulations, which can result in costly legal proceedings whilst perpetuating a race to the bottom with regards to working conditions.

Worse still, the failure will be to the detriment of those platforms that have already developed more socially acceptable business models and wanted help from the EU to ensure that these offerings do not continue to put them at a competitive disadvantage.

Despite the Council's decision to shut down conversations on regulation, we need to continue to push key policy stakeholders to create the conditions for a fair future of platform work. How, though, can this be accomplished? How can the EU move forwards in improving working conditions for platform workers?

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1) Continue multi-stakeholder dialogue: Friday's vote should not be seen as an endpoint to discussions on fair platform work. Rather, new avenues for dialogue should be sought at the EU level, to make sure a new Directive can be implemented in the next legislature. This dialogue should include multiple stakeholders, such as workers, policymakers, scholars and platform management. Based on these discussions, the EU should have a draft proposal early after the elections and bring it to vote in the next semester.

2) Implement regulatory mechanisms at the individual/member state level: The differences in opinion amongst member states may have prevented the EU from acting in unison, but member states can and should seek regulatory models to address issues such as bogus self-employment, algorithmic management, and subcontracting practices. By passing country-specific laws, EU member states can cater to the needs and dynamics of their respective labour markets'.

3) Invest in research: The EU should continue to foster scholarly conversations that provide an in-depth understanding of platform work and offer solutions to the problems faced by platform workers. Facts, not presumptions, should lead this dialogue. To that end, platform companies should also be more open about the data they collect in shaping their business models. More transparency in terms of algorithms that shape selection, work allocation and remuneration will enable researchers to develop better assessments of the platform economy, which in turn will help stakeholders to design more sustainable policies and practices.

Fairwork Europe Working Group