



Blog

THE EU IS RUNNING OUT OF TIME TO PROTECT EUROPEAN WORKERS FROM A TURBO SVARC SYSTEM

Silke Maes

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O Autorovi

Silke Maes is a European Studies graduate from Ghent University in Belgium. She studied abroad at Sciences Po Toulouse, and is currently doing an Erasmus Mundus masters in European Politics And Society at Charles University in Prague, and Leiden University. Her research interests are centred around European social policy and the external aspect of European migration management.

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As we near the final stages of negotiations between the European Parliament and the member states on the Platform Work Directive in the European Union, the fate of millions of workers hangs in the balance. Time is running out to protect Czech and EU workers from a Turbo Švarc system.

Platforms such as Deliveroo, Wolt and Uber have been mushrooming throughout Europe, influencing not just how we consume and get around but also reshaping the way we work. Platform work is booming in Europe. It has become an increasingly popular mode of work, where people use apps or websites to find jobs like Ride-sharing, Food Delivery or web design. While flexible, workers often lack job security and social protection, sparking heated debates, court cases and strikes across Europe. The EU is now finalising its initiative to better protect platform workers. At the heart of the discussions lies a mechanism for the protection against false self-employment. As the EU negotiators approach the final stages, the fundamental question is whether the regulation will be toothless or, conversely, fortify the protection of worker's rights and dignity in the Czech Republic and beyond.

The clock is ticking. With only nine months left until the end of the EU mandate, the institutions must urgently find common ground. The directive regulates several facets of platform work. On important aspects such as protecting workers against monitoring and decision-making by algorithms, negotiators are pretty close to an agreement. However, the most contentious point is "the presumption of employment". Simply put, with the presumption of employment, platform workers will be assumed to be employees, rather than self-employed, by default. It is this crucial provision, designed to shield 28 million European platform workers from false self-employment, that is causing division between the Parliament and the member states. Last month, the Parliament proposed a compromise in an attempt to break the deadlock. The new proposal would, amongst other things, weaken the text's wording and give national authorities more discretion in

applying the presumption. This would inevitably lead to a different application of the regulation across the EU and will cause problems, especially in those countries where enforcement of workplace regulations is already a challenge.

There is no doubt the Czech Republic is among those states. The infamous Švarc law case has already shown how difficult it can be to ensure efficient enforcement and tackle false self-employment. However, with the emergence of the platform economy, the Czech government is confronted with a phenomenon described as a turbo Švarc system. To make matters worse, the Czech government has not been supportive of the proposal and has made several attempts to weaken it during the negotiations. In such an environment, a regulation giving too much leeway will lead to non-enforcement and leave platform workers without the protection they need and deserve.

The stakes in these negotiations are high. The legislation could make a major difference for platform workers across Europe. A strong directive would finally ensure the dignity and fair working conditions of a growing group of gig workers and support the sustainable growth of digital labour platform work in the bloc. Conversely, a weak directive would not only fail to safeguard the rights of Europe's platform workers but also undermine judicial precedents. It could make it even harder to win legal cases against platform companies, such as Uber or Deliveroo, that have, for too long, exploited the vulnerabilities in the system. In addition, if the EU fails to conclude a strong agreement, it will also affect millions of European workers beyond the platform economy. Atypical work is on the rise in Europe, and the issue of misclassification of work is in no way limited to Uber drivers or Wolt deliverers. So, to make sure Czech workers have the social protection and decent working conditions they need in the digital age, the EU's social regulation should evolve along with a changing economy. In this context, it is crucial that the final text sets the scene for addressing the challenges of the future of work and lays the foundation for protecting social rights in the changing landscape.

Trade unions have been at the forefront of the fight for employment status for platform workers. In recent years, they have garnered increasing support from governments and courts across Europe, signalling a growing recognition of the need for fair labour practices in this sector. However, there has been strong pushback from platforms, which fear the new regulation will cause a surge in labour costs. Uber warned, in the Financial Times, that the new legislation could have dramatic consequences for its services in the EU. The company argued that the directive could force the company to shut down its activities in hundreds of EU cities, cause price increases for its taxi services by as much as 40 per cent, and lead to longer waiting times for customers. Platforms are heading into an uncertain and turbulent future. Yet, their strong pushback raises a fundamental question: can the platform economy offer a viable business model in the future at all if minimal wages and social protections could so easily cause its downfall?

The Platform Work Directive is at a crucial crossroads, and its outcome might even shape the future of work in Europe. Negotiators must understand that robust protection against false self-employment is not a hindrance but a shield. It guards against exploitation, upholds workers' rights, and ensures fairness in the platform economy. Now is the moment to prioritise the well-being of platform workers, reinforce the presumption of employment, and draft a directive that can withstand the challenges of our evolving labour landscape. The future of work hinges on it.