

Improving Platform Workers' Conditions While Preserving Jobs and Innovation in the EU

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Bolt is the leading European on-demand mobility platform, founded in Estonia in 2013. Bolt operates a ride-hailing, transport rental and food delivery platform in 300 cities in 45 countries around the world, including 22 EU Member States. 670,000 drivers and couriers are registered on Bolt's platform to provide transport and delivery services. Bolt is the second largest direct provider of at-scale flexibly engaged work within the EU, and the largest European company in this space.

Bolt has *always* supported the goal of improving the working conditions of platform workers and has consistently acted in this regard. But what is currently being proposed by the European Commission will lead to the loss of hundreds of thousands of livelihoods in the EU.

The Commission intends to publish in early December a legislative proposal regulating platform work which includes a 'rebuttable presumption of employment'. This will eventually force platforms to employ their workforces, reversing the recent decision of the ECJ in *Yodel*¹ which sets out already clear criteria to identify disguised employment and to identify real self-employment in platform work.

If Bolt is *de facto* forced to employ its drivers and couriers, this will immediately lead to the loss of 150,000 jobs across the EU. Bolt could service its current levels of demand with 30% of its current number of active drivers and 60% of its current number of active couriers if it moved to a maximum utilisation model, which is the norm in employed driver fleets, for example in the logistics industry.

Worse, while the social protections of the remaining workers may arguably be improved, their pay would be significantly reduced. **Bolt's at-scale flexible engagement model enables it to offer the highest paying work available to unskilled labour in the European labour market.**

Ride hailing drivers in EU Member States earn in gross terms (including waiting time) on average between two to three times the local minimum wage. Were these opportunities to be converted to conventional employment they would inevitably pay at or around the minimum wage.

The European Commission has rightly identified unacceptable practices in the labour market of the Community. But rather than choosing to crack down on bogus self-employment and improper practises

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A62019CO0692>

"Directive 2003/88/EC of the European Parliament and of the Council of 4 November 2003 concerning certain aspects of the organisation of working time must be interpreted as precluding a person engaged by his putative employer under a services agreement which stipulates that he is a self-employed independent contractor from being classified as a 'worker' for the purposes of that directive, where that person is afforded discretion:

- to use subcontractors or substitutes to perform the service which he has undertaken to provide;*
- to accept or not accept the various tasks offered by his putative employer, or unilaterally set the maximum number of those tasks;*
- to provide his services to any third party, including direct competitors of the putative employer, and*
- to fix his own hours of 'work' within certain parameters and to tailor his time to suit his personal convenience rather than solely the interests of the putative employer"*

such as zero-hours contracts, DG Employment seems wedded to a path which will inevitably lead to enormous pain in European labour markets just as they begin to recover from COVID-19.

European trade unions may be willing to reduce the pay of the platform economy jobs that survive the proposal of 'presumption of employment' but emphatically *they do not speak for platform workers*. **In survey after survey², platform workers say that if they wanted a minimum wage job with shift patterns, they would have one.** In a tight EU labour market they will not struggle to find one.

Bolt surveyed a sample of its service providers in 7 Member States in April 2021. Of 4,500 ride-hailing drivers who answered the survey, 75% told Bolt that they prefer having the freedom to choose when they drive instead of working in a set shift. 70% of drivers stated that they prefer switching between platforms instead of being tied to a single platform.

Bolt and other platforms have provided such evidence to DG Employment. **It is therefore hard to understand why the Commission has not set out to undertake an impartial and representative survey of those engaged in platform work**, preferring instead to rely on partial accounts from vested interests purporting to speak on behalf of those actually engaged in such work.

Bolt insists that none of its service providers are exploited. They chose platform work because they are economically rational and it suits their circumstances. When surveyed, 84% of Bolt ride hailing drivers stated that they placed a higher premium on enhanced earnings and flexible schedule over greater social protections. 56% habitually work for multiple platforms concurrently, boosting earnings.

This is not to say that the social protections available to platform economy service workers should not be improved – but it should not come at the expense of their pay. **Bolt has proposed that a legislative intervention to ensure a structured social dialogue between platform workers and platforms** would be an appropriate way to address the inequality of bargaining power between an individual and a multinational company. There may even be a role for trade unions in such an arrangement and potentially a role for an EU agency in its supervision. And platforms should be enabled to provide lifelong learning and vocational skills without putting service providers' employment status at risk.

Similarly there may be **a role for minimum income guarantees to address volatility of earnings** which are fact of such work. And the Commission should look to build on its excellent work in the Platform to Business Regulation which requires platforms to provide a clear, comprehensible contract and provide for **employment law type rights upon sanction and termination**. Again, platforms would offer workers savings and pension options (potentially with contributions) if it did not put self-employment at risk.

Bolt and other platforms have made every effort to offer meaningful, indeed painful, concessions affecting their core business model. Again it is bizarre that they have been excluded from a 'social dialogue' based policy-making process in the formulation of the current proposals. Platforms have stood by ready, willing and able to have a real dialogue on core business model but DG Employment has been intractable until now in its apparent insistence on presumption of employment - in the full knowledge that it will destroy hundreds of thousands of well-paying jobs across the EU.

² See for example <https://bit.ly/34rXI9c> and [https://bit.ly/3baMD9P\\$](https://bit.ly/3baMD9P$)

As the Commission is very well aware, employment law is only partially harmonised across the Member States. What DG Employment is currently proposing is an overreach not to mention a violation of the principle of subsidiarity. Given the inevitable labour market impact the proposals are unlikely to receive a warm reception in the European Council.

Bolt urges the Commission to pause with the present proposals, to undertake a detailed economic analysis of the labour market implications of what is being proposed and to conduct a meaningful survey of those engaged in platform work and let them decide their future.