



Commissioner Schmit
Jobs and Social Rights

Meeting with Bolt CEO Markus VILLIG
Bilateral discussion on the platform work initiative

Virtual meeting, 26/04/2021

CAB room VTC

16:00 – 16:30

Member of Cabinet in charge: Ana Carla PEREIRA Briefing coordination: [REDACTED] [REDACTED]	Main contributors: [REDACTED] [REDACTED]
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Scene setter

You are meeting with Bolt CEO Mr Markus VILLIG. In September 2020, you met with him in the context of the roundtable discussion with platform work experts.

This discussion will revolve around the Commission's forthcoming initiative on platform work. This is an increasingly sensitive topic for **Bolt, a fast-growing platform from Estonia which fears its business model based on self-employed drivers might be threatened** if the EU initiative leads to their reclassification as workers.

Mr VILLIG's pivot might build on Bolt's co-drafting of the *Statement of Principles of EU technology platforms*, **a document committing four EU-based platforms (Bolt, Delivery Hero, Glovo and Wolt)** to a "purpose-driven business model" based on the European values and social model (cfr. Annex section for more details).

Mr VILLIG will make the case that people working through platforms should remain self-employed, while being given more social rights and better social protection.

Bolt is not in principle against a third category status, but does not actively advocate it.

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Speaking points

[General remarks]

- **Bolt is a very important player in Europe's platform economy**, providing job opportunities to tens of thousands of people, as well as a service that is appreciated by consumers.
- The European Commission appreciates the benefits of the platform economy and of platform companies such as Bolt and wants to make sure that these benefits are spread equally and accessed fairly.
- **Challenges remain**, particularly as regards the correct classification of the **employment status** of many people working through platforms, as well as the transparency and accountability of **algorithmic management and surveillance**.
- The Commission is looking into these issues in the context of its forthcoming initiative on platform work, while keeping an eye on the development of courts' relevant jurisprudence.
- The Commission is of course **very keen to hear the views of platforms and of people working through them**.

[On the Statement of Principles of EU technology platforms]

- Your *Statement of Principles of EU technology platforms* is an important step towards building **a sustainable business model** for platform work, balancing flexibility and decent working conditions.
- I read the statement with great interest and appreciated the three actions to which you commit in order to strengthen the European social model and make innovation work for all.

[On the Commission's initiative]

- As you will know, the Commission is looking into ways to improve the working conditions in platform work and, on 24 February, launched a two-stage social partners' consultation on the matter.
- The first stage, which ended on 7 April, asked workers' and employers' representatives for their views on the direction of a possible EU initiative on the working conditions in platform work.
- The second stage, which will be launched before the summer, will ask social partners for their views on the content of such an initiative.
- If they decide not to enter negotiations on the matter, the Commission will possibly put forward a legislative initiative by the end of 2021.

- Our objective is to ensure that those working through platforms are protected by minimum standards regarding working conditions and thus contribute to a sustainable development of the platform economy.
- We need to address issues that are fairly “traditional” such as access to social rights already available for other workers but also new phenomena that are totally new such as algorithm management.
- The cross-border dimension is particular important if we wish to develop a strong digital single market. Determining the jurisdiction of where the activity takes place will have implications for access to the access to social rights.
- An EU intervention will certainly help to decrease the level of legal uncertainty now faced by platforms operating in different Member States

Defensives

Bolt is keen to provide more social protection and growth opportunities such as insurance and re-skilling programmes to its drivers and riders. However, we fear this may prompt their reclassification from self-employed to workers.

- The Commission welcomes Bolt’s and any other company’s initiatives to improve the working conditions of people on platforms.
- The reclassification of people from self-employed to workers is an empirical exercise, based on evidence and facts.
- So far, the courts have not based their rulings on reclassification on the provision of social protection or growth opportunities by platforms, but rather on the finding that the people concerned were in a position of subordination vis-à-vis the platform.
- The key question is how much control a platform exerts over a person’s provision of a service, be it directly or indirectly through the use of algorithms.

Will the Commission’s initiative reclassify people on platforms from self-employed to workers?

- The employment status of people working through platforms is one of the issues that the Commission is looking into in the context of its potential legislative initiative.
- We are observing the courts’ growing jurisprudence on the matter, and see that reclassifications take place when evidence points to a misclassification as self-employed, despite a factual relationship of subordination.

- The Commission is aware that different platforms have different business models. In our potential legislative initiative we will aim to balance flexibility with improved protection for people working through platforms.

Will the Commission's initiative introduce a European third category status for people working through platforms?

- The Commission is very aware of Member States' different sensitivities on social policy and does not intend to create a European definition of what is and what is not a worker.
- We want to ensure decent working conditions for people working through platforms and legal certainty for platform companies to continue offering their services.
- In light of this, and based on the evidence gathered so far, a third category status does not seem to be the best approach to regulate platform work.

Background

[On the platform work initiative]

The Commission President's Political Guidelines commit to look into ways to improve the working conditions of people working through platforms.

The Commission Work Programme for 2021 includes a **legislative initiative under Article 153 TFEU** to improve the working conditions in platform work.

After extensive fact-finding, part of which is still ongoing, the Commission launched a two-stage social partners consultation on the matter on 24 February.

The first stage, asking for views on the direction of a possible initiative, ended on 7 April. It received **14 responses from officially recognised social partners**.

The second stage, which will ask for social partners' views on the content of a possible initiative, will be launched before the summer. If social partners decide not to enter negotiations, the Commission will possibly present a legislative proposal by the end of 2021.

We have already engaged in extensive exchanges with other stakeholders at both political and technical level in the run up to the launch of the social partners consultation.

Bolt representatives have met with the Commission, both at Cabinet and services level, bilaterally and in stakeholder fact-finding workshops, at least 8 times since October 2019.

The Open Public Consultation launched in the summer of 2020 in the context of the Digital Services Act (DSA) already included a section on the situation of self-employed people working through platforms. It is not yet decided if another open public consultation would be organised but in any case we will continue to

discuss with different stakeholders throughout the process leading up to a possible Commission proposal.

[Bolt: business profile]

Bolt was founded in Estonia in 2013 as “Taxify” by brothers Markus and Martin VILLIG. Bolt is today active in 200 cities and 42 countries worldwide, including 17 EU Member States (AT, CY, CZ, EE, ES, FR, HR, HU, IE, LT, LV, MT, PL, PT, RO, SE, SK) and the UK.

Bolt calls itself a “multi-model online transport company”, referring to its core business (on-demand ride-hailing) as well as to its new side-services like micro-mobility (electric bike and scooters rental) and its growing delivery services (mostly meals prepared by third-party restaurants, but increasingly groceries from supermarkets and other goods as well).

Bolt has over 1million drivers globally and 350K active in the EU, making it the second largest platform in Europe after Uber.

Bolt claims to be “the European answer to global giants in the platform sector”, stressing that its business model is different from that of competitors like Uber. **its avowed strategy consists in taking smaller commission fees from drivers** (15%, against an average of 20/25% charged by Uber) **and allowing them high flexibility of choice**, in terms of turning down tasks and working for other platforms.

Bolt requires its drivers to accept 40-50% of tasks assigned lest it terminates its relationship with them. It claims Uber has a requirement of 80-90%. Bolt has 300.000 drivers registered in Europe, avowedly making it the bloc’s second company after Uber in terms of self-employed opportunities offered through online platforms.

[Bolt’s stance on the EU initiative on platform work]

Bolt supports the EU’s effort at bringing legal clarity in the platform economy through harmonised rules and has often cited the P2B regulation as a best practice.

Bolt is opposed to the reclassification of ride-hailing drivers from self-employed to workers. In a meeting with DG Korte on 17 March 2021 (cfr. Annex for further info), **Bolt called on the Commission to consider a European third category status and/or bringing platform work under the scope of temporary agency legislation.**

Bolt claims that **EU harmonised rules on the employment status would bring down the current ‘wage premiums’ over national minimum wages enjoyed by its drivers** and would negatively affect the number of drivers currently working through its app.

[Overview of national court rulings concerning Bolt]

Despite the growing size of its business, Bolt has thus far been involved in only a few court proceedings concerning or touching upon the employment status of

its drivers, perhaps because the expansion to countries other than Estonia has only occurred recently.

In 2018 and 2019, Bolt (then 'Taxify') was sued by associations of taxi-drivers in Slovakia¹ and Romania² for anti-competitive behaviour.

United Kingdom

In March 2020, the Independent Workers' Union of Great Britain (IWGB) launched a claim against Bolt, concerning the employment status and dismissal of a driver.³

The driver was allegedly dismissed on the grounds that his acceptance rate for rides was too low, but IWGB argues that he was not subject to agreed minimum hours.

Being tied to minimum hours is, in IWGB's reasoning, a sign of subordination. Hence, the driver should be reclassified as a worker.

Estonia

In March 2021, an Estonian court ruled that in the case of a car-accident with injuries and financial compensation to be paid, Bolt would be responsible for covering such costs, and not the driver involved.⁴

[Markus VILLIG's CV]



Mr Markus VILLIG co-founded Bolt (formerly Taxify), when he was only 19-years-old, in 2013.

Bolt is an on-demand transportation platform providing ride-hailing, food delivery and scooter sharing services. It is one of Uber's main competitors.

Bolt has its headquarters in Estonia. It employs around 1,200 people, mostly in Europe. Half of its operational business is taking place in Africa.

Markus Villig sits on the innovation council for the EU. He holds a Bachelor's degree in Computer Science from the University of Tartu.

¹ More details available [online](#).

² More details available [online](#).

³ More details available [online](#).

⁴ More details available [online](#).

Annex

Bolt's co-drafted *Statement of Principles of EU technology platforms*



FLASH REPORT - Meeting between Bolt and DG EMPL - 17/03/2021

Participants:

Bolt

- Dominick MOXON-TRITSCH, VP for Regulation and Public Policy, Bolt
- Welmoed NEIJMEIJER, Head of Public Policy - Benelux, Bolt
- Aurélien POZZANA, Head of Public Policy - Western Europe and the EU, Bolt

European Commission

- Joost KORTE, Director-General, DG for Employment, Social Affairs and Inclusion

- [REDACTED]
- [REDACTED]

Main takeaways:

- Bolt presented its business: they're a ride-hailing platform founded in Tallinn, Estonia. They're Europe's 3rd fastest growing technology company and one of its most valuable unicorns. Estimated value: 2 billion EUR.
- Bolt operates through 350K self-employed drivers in 42 countries worldwide, mostly in the EMEA region. They're active in 18 EU Member States, which makes them the 2nd largest player in Europe's platform economy after Uber.
- Bolt charges drivers a 15% commission fee, compared to Uber's 25%. Bolt mentioned Uber in a number of instances, describing its business model as negative for both drivers and Europe's social market economy as a whole.
- Bolt said it fully supports DG COMP's initiative to grant self-employed people the right to collective bargaining. **On DG EMPL's initiative, Bolt asked DG EMPL not to reclassify its drivers as employees.**
- The reclassification of its drivers would lead to decreased flexibility and earnings, particularly since Bolt would have to force drivers into fixed shift-schemes entailing working weeks of up to 48h.

- Bolt claims it has been polling its drivers extensively, finding they value flexibility and their current above-minimum-wage earnings more than social protection benefits linked to an employment status.
- Bolt said that a reclassification would cause confusion as to which platforms would be liable for social contributions, since 80-90% of drivers are active on several apps.
- **Bolt pointed to the post-pandemic politics of labour markets, when governments will face the pressure of flexibilising work for the sake of job-creation. In this scenario, EU legislation limiting the flexibility of platform work may not be as welcome as now.**
- **In view of this, Bolt acknowledged the need to improve the social and working conditions of its drivers and suggested a third category status could be a way forward, as well as extending temporary agency work legislation to cover platforms.**
- COM thanked Bolt for reaching out and expressed appreciation for the challenges raised by Bolt, particularly regarding the post-pandemic politics and the risks of killing off a valuable source of jobs and extra income such as platform work.
- COM said it hasn't made its mind up on the third category status, but pointed to the fact that Member States seem to overwhelmingly oppose the idea. COM invited Bolt to keep in touch and reach out again with further reflections on possible solutions.
- COM underlined that part of the purpose of DG EMPL's initiative is also to give a more sustainable foundation to the platform economy to scale up, also thanks to legal clarity and less fragmentation in the Single Market.
- **Conclusion: Bolt will get back to COM with in-writing thoughts on the third category status and temporary agency work legislation. On this, a meeting could be possibly organised with Commissioner Schmit.**