



Improving ride-hailing drivers' conditions without putting at risk jobs and innovative industries in the EU

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The European Commission intends to publish early December a legislative proposal on platform work. The ride-hailing platforms fully support the goal of improving the working conditions of platform workers in line with the initial goal of the Commission on platform work. But the shift of the Commission to solely focus on the status of employment and especially the proposal to set up a “rebuttable presumption of employment” will lead to the loss of hundreds of thousands of earning opportunities in the EU.

If platforms were eventually forced to employ the drivers, this would lead to a substantial decrease in the number of ride-hailing drivers. Based on industry calculations we estimate that around 40% of drivers in the EU would not be needed by the platforms to service the demand if they were moved to a model that would have to consolidate working hours across fewer workers in order to increase efficiency and optimize task allocation. That would lead to hundreds of thousands of job losses in the ride-hailing industry as a whole. In addition, employed drivers would be paid in line with market standards in similar industries - close to the minimum wage - as opposed to earning revenues consistently higher than the local minimum wage.

Equally importantly, the vast majority of ride-hailing drivers do not want to be employed. This is not what they are asking for. Surveys¹ conducted across Europe demonstrate that they enjoy the flexibility and enhanced revenues allowed by self-employment and by being able to work for multiple platforms simultaneously.

A requirement for platforms to employ their service providers would reduce their existing pay, cause a deterioration in working conditions due to the loss of flexibility, and most importantly result in a large number of job losses just as the European economy is aiming at recovering from a year and half of harsh conditions.

It is important to highlight that platform workers such as drivers enjoy the typical characteristics of being self-employed. They are free to connect and disconnect from the platforms, they unilaterally decide on their work schedule, they can accept or decline work offers and can work on multiple platforms while maintaining their own business at the same time. Drivers that work with ride-hailing platforms also have to comply with sector specific conditions. Drivers need to apply for a license - sometimes even two licenses - with the local transport authorities before they are allowed to offer commercial transport services to passengers. Often an exam and a background check are required to ensure the driver meets all safety

¹ See for example <https://bit.ly/34rXI9c> and [https://bit.ly/3baMD9P\\$](https://bit.ly/3baMD9P$)



requirements. It is clear that drivers across Europe invest time and resources preparing for exams, applying for licenses, investing in vehicles, with a view to generate a specific income that justifies the time and financial investment. These revenue expectations could be jeopardized if the drivers had to be employed.

Platform work has enabled hundreds of thousands of people all around Europe to benefit from decent working conditions and enhanced revenues. In all Member States, the gross earnings of self-employed ride-hailing drivers are above the minimum wage and often a multiple of it. Nevertheless, there is still room for improvement and platforms are committed to continually improving working conditions of the drivers.

First of all, ride-hailing platforms are open to discussing building a sectoral framework for a structured social dialogue with drivers' representatives which could be held under the supervision of the European Commission or Member States. Platform associations such as Move EU could be part of this process.

In addition, ride-hailing platforms are ready to assess what can be done to improve the working conditions and benefits for drivers, provided that there is legal certainty around the independent status of drivers. We believe that a clear framework that allows platforms to offer more to drivers, without increasing the risk of reclassification, can unlock features that could include better access to social protection, access to representation, lifelong learning, saving plans and more clarity on how platforms' algorithms work.

But addressing the objective of improving the platform workers' conditions through the employment status, as the European Commission intends to do, will negatively impact working conditions for platform workers themselves, reduce their earning opportunities and also severely impact the tens of millions of European citizens who benefit from these services. Lastly, it will show that the European Union is taking a step back in incentivizing innovation and creation of jobs, as platforms would be severely affected.

Setting up a rebuttable presumption of employment or a shift in the burden of proof - as envisaged by the European Commission - will not bring more clarity on the status of platform workers. The introduction of a rebuttable presumption of employment will lead to drivers being reclassified despite their will to remain independent and control their working time, schedule, and earnings. In order to reverse the outcome, they would have to address the courts leading to additional cases. On the other hand, the introduction of a reversal of burden of proof, although less onerous in its implementation, will also increase legal uncertainty with court cases increasing. The result of both options would be a significant legal and financial uncertainty for platforms, limiting their capacity to offer work opportunities, to continue innovating or to accelerate the green transition. The potential significant drawbacks of both options is not justified by drivers' desire as in most cases would mean less flexibility and reduced earnings.



What is required to help fight against bogus self-employment is not new legal processes which will increase litigation but clearer criteria to define what falls into self-employment and what doesn't. Such criteria should include the ability for the platform worker to unilaterally choose to work or not at any

given time on any platform of their choice, and on multiple platforms simultaneously. It should not include the inability to set prices as ride-hailing efficiency heavily relies on the ability of platforms to balance offer and demand in real-time.

Ride-hailing platforms are very much willing to support improving working conditions of platform workers. But creating more legal uncertainty and litigation will only lead to less work opportunities for the hundreds of thousands of platform workers throughout Europe.

About us

[Move EU](#) brings together the leading actors in the field of ride-hailing. Speaking with one voice, our members aim to foster sustainable deployment of on-demand mobility and new mobility services in the European Union. Move EU members connect passengers with licenced on-demand taxi and private hire vehicle (PHV) drivers, for the purpose of carrying passengers in return for payment.

ANNEX

Options to improve drivers' working conditions

- **A safety net / social protection**

=> Create portable benefits funds so that drivers could effectively move freely among or work simultaneously on multiple platforms accruing benefits.

- **A stronger voice for platform workers**

=> Platforms should support technology that helps ensure drivers have the opportunity to come together and discuss the issues that are affecting them.

=> Create a structured social dialogue between drivers' and platforms' representatives ensuring proper representation mechanisms (i.e. election of driver representatives).

- **Savings**

=> Platforms should create mechanisms that:

- Encourage drivers to plan for the future and avoid unplanned costs associated with illness or inadequate retirement savings
- Improve access to pensions among drivers
- Ensure the financial literacy of drivers

- **Transferable Skills / Lifetime Learning**

=> Platforms should be able to participate in the provision of vocational training, "on the job" learning and development, lifelong learning and informal learning outside work to drivers. As part of this, the Commission should seek to develop a unified framework of employability skills and encourage stakeholders to use this framework.

- **Improving health and wellbeing at work**

=> Platforms would be required to have a dedicated internal initiative and guidelines on how drivers can prevent work-related health issues.



=> Platforms would be required to provide online support to drivers who wish to discuss work-related health (including mental health) issues.

- **Algorithmic transparency**

=> Drivers should have the right to meaningful human intervention for all decisions producing legal effect or similarly significantly affecting them. Drivers should be able to express their point of view and/or contest the decision. Exceptions may exist only for serious safety and fraud risks.

=> Platforms to provide public-facing information on any automated decision-making in their marketplaces.

=> Platforms to publish and explain contractual obligations and consequences.