

New EU gig worker rules will sort out who should get the benefits of full-time employees

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Gig economy riders for app-based meal delivery platform Deliveroo demonstrate near the company headquarters in London, Wednesday, April 7, 2021. In a bid to improve working conditions for people who deliver food and offer rides through smartphone apps, the European Union gave provisional approval Wednesday, Dec. 13, 2023, to rules that determine who should get the benefits of full-time employees and restrict the way online platforms use algorithms to manage their workers. Credit: AP Photo/Alastair Grant, File

In a bid to improve working conditions for people who deliver food and offer rides through smartphone apps, the European Union gave provisional approval Wednesday to rules that determine who should get the benefits of full-time employees and restrict the way online platforms use algorithms to manage their workers.

The European Parliament and the EU's 27 member countries agreed on a platform worker directive that has been years in the making. It aims to boost protections and benefits for the growing number of gig economy workers, while raising accountability and transparency for apps that rely on independent contractors.

Gig economy workers and platforms have fallen between the cracks of existing employment legislation, so the directive is designed to clear up those gray areas. It still needs to be ratified by lawmakers and member states, which will then have two years to transpose it into their local laws.

The new rules "ensure platform workers, such as drivers and riders, receive the social and labor rights they are entitled to, without sacrificing the flexibility of the platform business model," said Nicolas Schmit, the bloc's executive commissioner for jobs and social rights.

The negotiators say the rules will help clear up employment status of as many as 5.5 million people who have been wrongly classified as gig workers but are actually employees entitled to benefits.

A platform that meets at least two criteria will be deemed an "employer" and people working for that company will be reclassified as "workers" with the right to a minimum wage, paid vacation, pensions and unemployment and sickness benefits.

The criteria include whether an app limits their pay electronically, supervises work performance, controls working conditions and restricts hours, determines the allocation of tasks, or dictates a worker's appearance and conduct.

Ride-hailing lobbying group Move EU, which represents Uber, Bolt and Freenow, said it is "deeply concerned" about the agreement and asserts that the rules fail to meet the wishes of platform workers.

"We call on EU Member States to not approve an unbalanced provisional agreement which will create legal uncertainty for hundreds of thousands of drivers throughout the EU," the group said in a statement.

Under the rules, algorithms used to assign jobs to gig workers also will have to be overseen by humans to make sure they comply with working conditions. Workers will be able to appeal any automated decisions, such as being dismissed or having their accounts suspended.

There will be more insight into automated monitoring and decision-making systems, which will be prevented from using certain types of personal data, such as the emotional or psychological state of workers or predictions on actual or potential union activity.

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