

Digital age

Back to the future: Policy pointers from platform work scenarios



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When citing this report, please use the following wording:

Eurofound (2020), *Back to the future: Policy pointers from platform work scenarios*, New forms of employment series, Publications Office of the European Union, Luxembourg.

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Research project: Development of scenarios (200901)

Luxembourg: Publications Office of the European Union

Print: ISBN 978-92-897-2113-4 doi:10.2806/287472 TJ-02-20-661-EN-C

PDF: ISBN 978-92-897-2114-1 doi:10.2806/660867 TJ-02-20-661-EN-N

This report and any associated materials are available online at <http://eurofound.link/ef20012>

It is part of Eurofound's New forms of employment series. See the full series at <http://eurofound.link/efs009>

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This report presents the results of research conducted prior to the outbreak of COVID-19 in Europe in February 2020. For this reason, the results do not take account of the outbreak.

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.

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Contents

	Introduction	1
	Policy context	1
	Objective and methodology	3
1.	Potential futures of platform work	5
	Business as usual	5
	Robust and consistent response by the EU	6
	Clear employment status benefits all workers and worker cooperatives	7
2.	Conclusions and policy pointers	9
	Capitalising on opportunities inherent to on-location platform work	9
	Clarifying and enforcing regulations	9
	Tackling broad labour market issues as well as platform-specific issues	10
	Strengthening worker representation	11
	Recognising platform work as a feature of the digital age	12
	Resources	13

Introduction

Policy context

While European labour markets remain dominated by standard employment – that is, permanent full-time employment subject to labour law – continuous labour market change is increasing the share of non-standard employment. Notably ‘compound non-standard employment’, combining elements of different non-standard employment forms (such as involuntary short-term part-time employment), has grown over the past decade (Eurofound, 2020). This raises concerns among policymakers because of the inherent potential for precarious and vulnerable employment. The validity of such concerns is obvious at the time of writing this report. The COVID-19 pandemic that hit the world in the first quarter of 2020 not only poses a public health challenge of unprecedented dimensions (European Commission, 2020b), it also has had the most severe effects on the world economy in living memory. In the first half of 2020, euro area economic activity operated between 25% and 30% below its capacity, and EU gross domestic product (GDP) for the year is expected to contract by 8.3%. While the unemployment rate has increased only slightly so far – mainly cushioned by measures like short-time working schemes – it is expected to rise, particularly in countries where it was already high before the pandemic (European Commission, 2020c). Precarious workers have been the first to be hit by employment loss, and the negative impact on them is expected to persist longer than for other workers.¹

Next to the growth of non-standard work, Europe is characterised by an increasing diversity of employment forms, with the emergence and increase of new forms of employment (Eurofound, 2015). These are employment forms that differ from traditional employment in terms of the formal employer–employee (or client–worker) relationship, work organisation or work patterns, or the combination of these elements. Some of these new forms of employment fall into the category of standard employment, while others are non-standard.

One of the new forms of employment, driven by technological advancements as well as the economic and societal aim for more flexibility, is platform work. This matching of supply and demand for paid labour through an online platform is still small in scale in Europe. Pesole et al (2020) estimate that 1.4% of the population in 16 EU Member States analysed do

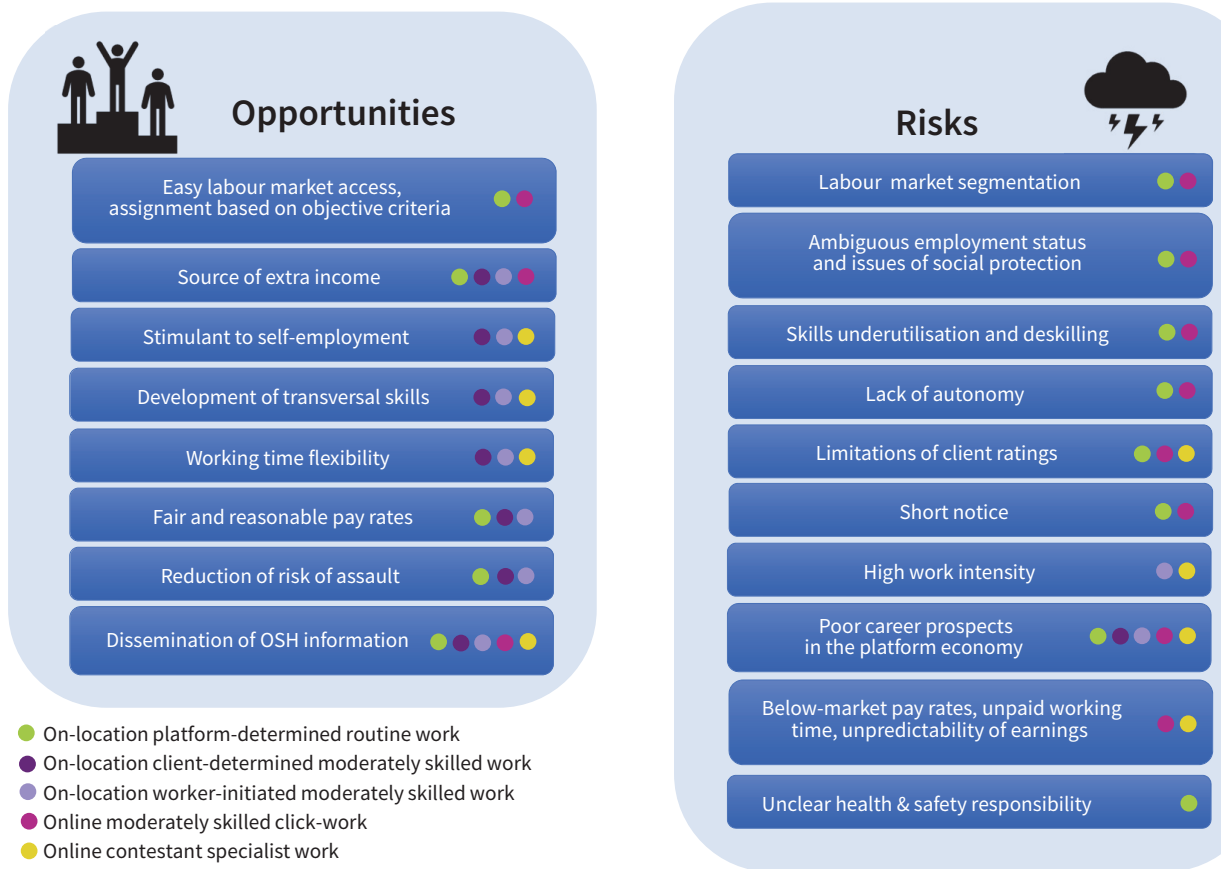
platform work as their main job, while another 10% do it at various levels of intensity and frequency next to other activities. Experts agree that this employment form and business model has been dynamically growing over the last decade and expect further growth in the future.

Due to this expected growth, its potentially disruptive impact on established labour market concepts, regulations and institutions, and the opportunities and risks it can bring for the labour market and platform workers, platform work has become part of the public and policy debate on the future of work and digitalisation. For example, in *A Union that strives for more: My agenda for Europe*, then-candidate for President of the European Commission Ursula von der Leyen referred to her objective to ‘look at ways of improving labour conditions of platform workers’ (von der Leyen, 2019), and this is also mirrored in the *Commission Work Programme 2020* (European Commission, 2020a).

There is considerable heterogeneity within platform work (Eurofound, 2018), with some forms offering a wide array of benefits at macro level and for the affiliated workers (Eurofound, 2019). A substantial share of platform work, however, can be considered to be precarious and hence deserves specific policy attention. Again, the current situation of the COVID-19 crisis shows the vulnerability of platform workers, notably those experiencing a lack of work (and hence income) due to voluntary or imposed self-isolation and social distancing while having limited or no access to state benefits and support. For example, as anecdotal evidence (as comprehensive data are missing), in May 2020, Ustek-Spilda et al (2020) reported that half of platform workers had stopped work since the onset of the pandemic, and those who continued working experienced a substantial drop in earnings. Similarly, Stephany (2020) noted a deep decline in platform-mediated online services in March 2020 compared to the same month in 2018 and 2019. There are, however, also positive stories: in reaction to the decreasing demand, some platforms mediating on-location services adjusted their service portfolio, including services such as food, parcel and grocery delivery, with the aim of maintaining business continuity and providing platform workers with continued access to tasks (CNBC, 2020; The Verge, 2020; Ustek-Spilda et al, 2020).

¹ Further discussion of the impact of COVID-19 on the platform economy is available in the dossier ‘Platform economy: Developments in the COVID-19 crisis’ on Eurofound’s platform economy web repository at <https://www.eurofound.europa.eu/data/platform-economy/dossiers/developments-in-the-covid-19-crisis>

Figure 1: Selected opportunities and risks of different types of platform work



Note: Definitions of each type of platform work are available in the source publication.
 Source: Eurofound, 2019 (adapted)

In recent years, research and policy have devoted much effort to identifying the opportunities and risks related to platform work. The most important ones related to the employment and working conditions of platform workers are shown in Figure 1. It is important to note that potential benefits and disadvantages for the labour market and platform workers differ considerably based on type of platform work.

While some of the identified issues are specific to platform work, others are also relevant for other forms of non-standard employment. When searching for and implementing solutions to improve the employment and working conditions of platform workers, care should be taken to determine whether tailor-made approaches exclusively for platform work should be sought or whether a wider approach should be applied, one that more generally tackles the issues but also covers platform work.

Across Europe and beyond, governments, social partners, grassroots organisations and the platform economy itself are already piloting policies and instruments to ensure decent standards in platform work.² Time will tell what works and what does not. An obvious challenge, however, is the uncertainty of the future, notably in the current situation where countries are getting to grips with the substantial shock of the COVID-19 pandemic.

Against this background, this report aims to illustrate some ‘potential futures’ for platform work and, derived from these, pointers on what policy could do to make a desirable future happen and to avoid an undesirable one. While the scenarios elaborated are plausible in the sense that they *might* happen, no assessment is – or can be – made about the likelihood that they *will* happen. Rather than prescribing specific policy action, the report has been drafted to encourage policymakers to think about potential development pathways of the platform economy as the basis to consider relevant and feasible interventions.

2 See the ‘Initiatives’ section of Eurofound’s platform economy web repository at <https://www.eurofound.europa.eu/data/platform-economy/initiatives> for details on these.

Objective and methodology

This report is based on the research project ‘Future scenarios of platform work’, the aim of which is to explore the economic, labour market and societal impacts of two types of platform work – platform-determined routine work and worker-initiated moderately skilled platform work – by 2030.

Eurofound defines platform work as ‘a form of employment that uses an online platform to enable organisations or individuals to access other organisations or individuals to solve problems or to provide services in exchange for payment’ (Eurofound, 2018). The main characteristics of platform work are the following:

- paid work is organised through an online platform
- three parties are involved: the online platform, the client and the worker
- the aim is to carry out specific tasks or solve specific problems
- the work is contracted out
- jobs are broken down into tasks
- services are provided on demand

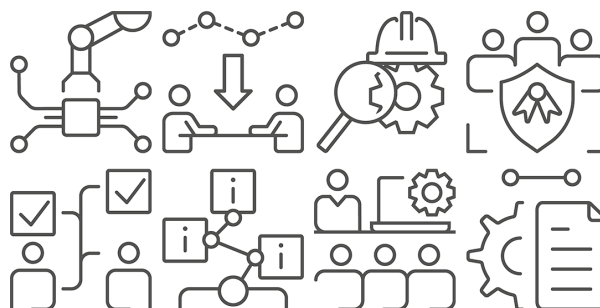
Eurofound established a typology that identified 10 distinctive types of platform work that had a critical mass of platforms and active workers as of 2017. Two of these types have been selected for analysis in this project.

- **On-location platform-determined routine work** covers low-skilled work that is delivered in person and assigned to the worker by the platform. The platform often takes the role of an employer (at least partially) without, in most cases, providing workers with an employment contract. This type of platform work is currently fairly widespread in Europe as regards both workers and platforms. Well-known examples include food-delivery services such as Deliveroo, Foodora and Glovo and person-transportation services such as Uber and MyTaxi.
- **On-location worker-initiated moderately skilled work** refers to low- to medium-skilled work where tasks are selected and delivered on-location (in person) by the worker. The ability to choose their own assignments provides these workers with flexibility, which is considered a major benefit of platform work. At the same time, the significant disadvantages of uncertainty and dependence on the platform for work are reduced. Well-known examples include repair and maintenance services such as those organised through MyBuilder, Supermano or Werkspot.

Between December 2018 and March 2020, the project applied a foresight methodology that used a qualitative approach to derive possible futures (‘scenarios’) to explore what may happen, rather than predicting what will happen. The process followed five stages, combining desk research as well as a series of workshops with experts from research, policymakers and practitioners from the platform economy. The five stages are as follows.

1. Define the research question and choose the time horizon.
2. Construct the system and identify the key influencing factors (‘drivers’).
3. Describe the key drivers and draft hypotheses for their development.
4. Explore potential futures by combining the driver hypotheses.
5. Outline strategic choices.

The project identified eight key drivers deemed to substantially influence the development of the two analysed types of platform work by 2030: technology, the labour market, labour regulation, consumer protection, sector regulation, information obligations relating to tax and social insurance authorities, platform ownership/governance, and platform business models.



Based on assumed developments of these driving factors, a total of 10 scenarios have been developed. Three of them, and the policy pointers derived from them, are summarised in this overview report.

The full project ‘Future scenarios of platform work’, including more detailed information on the methodology, driving factors and their development hypotheses, as well as the full descriptions of the 10 scenarios and policy pointers, are on the Eurofound website at <http://eurofound.link/scenarios>.

1 Potential futures of platform work

This chapter summarises 3 of the 10 possible scenarios identified by the ‘Future scenarios of platform work’ project and outlines the opportunities and risks associated with each one:

- Business as usual
- Robust and consistent response by the EU
- Clear employment status benefits all workers and worker cooperatives

Business as usual

The business as usual scenario assumes the least change compared with the current situation, so it is the most probable in the short run.

The scenario assumes a continued moderate level of technological progress and labour market polarisation.

Platform work is characterised by a dominance of non-EU platforms that aim to increase their profits, and further expansion and market diversification is expected.

In terms of labour (including social protection), sector and tax regulation, and consumer protection, there is no harmonised approach across the EU on how to deal with platform work. Some Member States regulate certain aspects of platform work, while for other aspects and in other Member States, a lack of clarity over which regulation to apply remains. Overall, this results in divergent approaches across the EU.

The following opportunities and risks have been identified.

Opportunities	Risks
<ul style="list-style-type: none"> ○ Concentration of platform work in urban areas facilitates regulation and enforcement. ○ Increasing task diversity within platform work qualifies platforms to be classified as information society actors, facilitating their regulation at EU level in certain domains (such as single market or data issues). ○ More widespread use and task diversity within platform work provides better access to services to the dominant client group – private individuals and households. This includes services where demand is likely to increase, such as care and personal services, but which are increasingly difficult to access due to lack of provision or high costs. ○ Increasing demand for services mediated through platform work and advancements in enabling technologies (such as electric bikes and virtual reality) enhances labour market access for a larger group of the population (such as physically less fit or less skilled individuals). ○ Increasing importance of ratings and automated task assignment based on transparent and objective criteria or algorithms enhances labour market access for some groups typically subject to discrimination (PD). ○ Increasing demand for services mediated through platform work, particularly when consumer protection also covers peer-to-peer services, facilitates earning opportunities for those strategically using platform work (WI). ○ Consumer protection regulation covering platform-mediated peer-to-peer services provides new business opportunities for the insurance sector. 	<ul style="list-style-type: none"> ○ Dominance of non-EU platforms challenges regulation and enforcement. ○ Increasing task diversity within platform work qualifies platforms to be classified as information society actors, challenging their regulation at sector level in Member States in certain domains (such as labour or social policy issues). ○ Dynamically changing business models challenge regulation of platforms through legislation, which tends to move slower. ○ Dominance of large non-EU platforms results in an oligopolistic market situation, hampering the market entry of new players, thereby endangering healthy competition and economic and labour market innovation. ○ Dominance of large non-EU platforms results in profits realised in the EU being spent in other world regions, thereby fostering these economies rather than the EU economy. ○ Lack of clarity regarding the sector classification of platform work results in unfair competition between the platform and the traditional economy, with the latter crowded out, and deteriorating service quality and consumer protection. ○ Concentration of platform work in urban areas hampers economic convergence of rural and urban areas due to diverging developments (platform work crowding out certain sectors of the traditional economy in urban areas). ○ Concentration of platform work in urban areas accentuates the labour market polarisation that is already found to be more severe in urban areas than in rural areas. ○ Increasing platform work in combination with a polarising labour market results in higher levels of labour market segmentation, with limited career options for workers, skills mismatches and potential deskilling. Working conditions deteriorate further due to an ever-strengthening position of platforms caused by a high level of labour supply and replaceability (PD).

Opportunities	Risks
	<ul style="list-style-type: none"> ◦ Unregulated consumer protection for platform-mediated peer-to-peer services leaves consumers in a high state of insecurity. ◦ The unregulated employment status of platform workers results in misclassification and, in turn, limited access to employment rights, social protection and representation (PD). ◦ Increased importance of ratings based on opaque criteria or underdeveloped algorithms unduly hampers workers' access to work, particularly if portability of ratings across platforms is limited and redress options are few (PD). ◦ Tax and social insurance contribution evasion due to lack of obligation on platforms to report information, in combination with platform work increasingly replacing traditional employment results in reduced state income and increased challenges for the welfare system (PD).

Notes: PD – mainly relevant for on-location platform-determined routine work. WI – mainly relevant for on-location worker-initiated moderately skilled work.

Robust and consistent response by the EU

This scenario is set against major events experienced in the EU over recent years, such as the Great Recession, the refugee crisis, Brexit and the COVID-19 pandemic. These developments have triggered political instability and fuelled the rise of nationalism in many Member States. The EU is called on to prove its added value and regulate within its mandate to reawaken confidence in the EU.

This scenario assumes a fast adoption of technology and an unfavourable labour market situation. The employment status of platform workers is still unclear, but there are minimum labour standards for all, specific trade regulations for platforms, and obligations on the platforms to report information (to clients and to tax and social insurance authorities). It is also expected that alternative platform governance and ownership structures gain importance (based on a stakeholder-value model).

The following opportunities and risks have been identified.

Opportunities	Risks
<ul style="list-style-type: none"> ◦ Transparent and clear sectoral attribution of platform work results in fair competition between platforms and between the platform and the traditional economy, ensures levels of service quality and consumer protection, and facilitates representation, social dialogue and collective bargaining. ◦ Technological advancements provide a wider scale and scope for platform work beyond urban areas; this can contribute to economic and social convergence of rural and urban areas. ◦ Technological advancements and task diversity within platform work make this employment form/business model more attractive for business clients; this can contribute to make production and service provision processes more efficient and thereby foster the competitiveness and innovation capacity of the European economy. ◦ An increasing share of business clients can contribute to improve working conditions for platform workers due to reputational effects. ◦ Minimum labour standards for all improve the employment and working conditions of those platform workers who are genuine self-employed (WI). ◦ Decreasing demand for 'traditional' platform work tasks due to automation results in an improved competition situation in the platform economy; established platforms will be challenged, giving room for new market entrants, which results in a healthier platform economy and fosters innovative approaches. 	<ul style="list-style-type: none"> ◦ The fast technological development and the related increased deployment of digital solutions, including platform work, risks that some groups of the population (such as consumers or service recipients) and workforce are left behind as they are not capable of using the new technologies. ◦ As demand for platform work exceeds supply, the power of platforms (and clients) in relation to workers increases, and earning opportunities and working conditions further deteriorate (PD). ◦ Unclear employment status of platform workers poses some risk of misclassification, hence access to employment rights and entitlements is limited, even if minimum labour standards are improved for all (PD). ◦ An increasing share of business clients drives down prices/rates in platform work due to higher cost awareness. ◦ In an increasingly competitive platform-mediated peer-to-peer services sector with limited possibilities to pass on the emerging costs to clients, platform workers' increased need to offer consumer protection to gain a competitive edge reduces their net earnings. ◦ The combination of several developments increases the risk of in-work poverty among the platform workers. ◦ The increased importance of client ratings based on opaque criteria or underdeveloped algorithms unduly hampers workers' access to work, particularly if portability of ratings across platforms is limited and redress options are few (PD).

Opportunities	Risks
<ul style="list-style-type: none"> ○ New platform business models oriented on stakeholder value rather than shareholder value serve a societal purpose and contribute to employment creation. In the longer run, these can raise clients' expectations of responsible behaviour on the part of all platforms. ○ New platform business models oriented towards stakeholders rather than shareholder value can contribute to maintaining and improving workers' skills as profits are reinvested for workers' benefit (including training). ○ More widespread use and task diversity within platform work in combination with the new platform business models provides better access to services for private individuals and households. This includes services where demand is likely to increase, such as care and personal services, but which are increasingly difficult to access due to lack of provision or high costs. ○ Increasing demand for services mediated through platform work and advancements in enabling technologies (such as electric bikes and virtual reality) enhance labour market access for a larger group of the population (such as physically less fit or less skilled individuals). ○ The increasing importance of client ratings and automated task assignment based on transparent and objective criteria or algorithms enhances labour market access for some groups typically subject to discrimination (PD). ○ Transparency on the status of platform workers as professional versus non-professional provider increases the security level of consumers and hence their willingness to engage in platform work; this fosters earning opportunities for workers. ○ Platform workers' increased need to offer consumer protection to gain a competitive edge in an increasingly competitive platform-mediated peer-to-peer services sector provides new business opportunities for the insurance sector. ○ More limited tax and social insurance contribution evasion due to information-reporting obligations for work mediated by platforms results in increased state income and fewer challenges for the welfare system (PD). 	

Notes: PD – mainly relevant for on-location platform-determined routine work. WI – mainly relevant for on-location worker-initiated moderately skilled work.

Clear employment status benefits all workers and worker cooperatives

This scenario assumes that platform workers have gained a more powerful position in a recovering labour market where demand for labour exceeds supply, which enables them to prevail upon governments to clarify their employment status. It also assumes that governments oblige platforms to report information on tax and social security contributions to the authorities.

Furthermore, to make the platform economy more attractive for clients, liability issues are clarified. As the platform economy expands, alternative platform-governance models gain ground, and those following a stakeholder-value model become competitive. The overall outcome is positive compared to other scenarios.

The following opportunities and risks have been identified.

Opportunities	Risks
<ul style="list-style-type: none"> ◦ Concentration of platform work in urban areas facilitates regulation and enforcement. ◦ More widespread use and task diversity within platform work provides better access to services to the dominant client group – private individuals and households. This includes services where demand is likely to increase, such as care and personal services, but which are increasingly difficult to access due to lack of provision or high costs. ◦ New platform business models oriented towards stakeholders rather than shareholder value contribute to better job quality and overall entrepreneurial activity. In the longer run, these can raise clients’ expectations of responsible behaviour on the part of all platforms (WI). ◦ Increasing demand for services mediated through platform work and advancements in enabling technologies (such as electric bikes and virtual reality) enhance labour market access for a larger group of the population (such as physically less fit or less skilled individuals). ◦ Increasing demand for services mediated through platform work, supported by clear consumer protection and employment status, improves overall job quality and working conditions, including social protection and representation (PD) or facilitates earning opportunities for those strategically using platform work (WI). ◦ Consumer protection holds platforms liable, which fosters client demand for platform-mediated services and hence increases work opportunities, training offers and service quality (PD). ◦ Consumer protection that holds platforms liable provides new business opportunities for the insurance sector. ◦ Consumer protection that holds platforms liable, in combination with limited possibilities to pass on emerging costs and platforms being subject to general sectoral regulations, result in a more level playing field between the platform and the traditional economies. ◦ More limited evasion of tax and social insurance contributions due to clarified employment status and information-reporting obligations for platforms results in increased state income and fewer challenges for the welfare system (PD). 	<ul style="list-style-type: none"> ◦ Concentration of platform work in urban areas hampers economic convergence of rural and urban areas due to diverging development patterns (platform work crowding out certain sectors of the traditional economy in urban areas). ◦ Concentration of platform work in urban areas exacerbates labour market polarisation that is already found to be more severe in urban areas than in rural areas. ◦ Increasing platform work results in higher levels of labour market segmentation, with limited career options for workers, skills mismatches and potential deskilling (PD).

Notes: PD – mainly relevant for on-location platform-determined routine work. WI – mainly relevant for on-location worker-initiated moderately skilled work.

2 | Conclusions and policy pointers

This chapter consolidates the main conclusions and policy pointers derived from the project. It flags issues that experts assess as likely to emerge, irrespective of what the future might look like, as well as those that are specifically related to individual scenarios. Bearing in mind that the analysis concentrates on two specific types of platform work (on-location platform-determined routine work and on-location worker-initiated moderately skilled work) and given the heterogeneity within platform work, the conclusions and policy pointers cannot necessarily be generalised for all platform work.

Capitalising on opportunities inherent in on-location platform work

- In spite of the considerable differences among the scenarios analysed, all show a variety of opportunities for the economy, labour market and society. Policymakers should be aware of these. For example, in economically challenging times, such as the aftermath of the Great Recession or the COVID-19 pandemic, an employment form with low entry barriers like platform work can be beneficial for those worst hit – the young or low skilled, for instance. The EU level could act as a facilitator, encouraging an exchange of approaches and lessons learned among Member States.
- In this context, a common finding across all scenarios is that the growth of platform work in rural areas could be fostered, either through awareness-raising among the population and workforce or by incentivising platforms to offer their services in those areas. Such an approach could serve a double objective: developing the rural labour market and enhancing the provision of services of public interest (thereby advancing societal goals, such as better provision of care services for the ageing). Reviewing EU rural development policy in this regard could be considered.
- For such an opportunity-based approach to work effectively, it is important to ensure that platform work acts as a stepping stone into standard employment for those who want this, rather than a route to labour market segmentation or crowding out of traditional jobs.

- With sound framework conditions, platform work can also be used strategically to promote entrepreneurialism. Platform workers aspiring to work in a self-employed capacity can be supported to try it out, while those who are already genuinely self-employed can be supported to expand their economic activity. In particular, support could capitalise on the networking element of the platform economy, to foster exchange and cooperation among the workers, and encourage stakeholder-value business models among platform providers.
- The establishment of labour platforms applying a stakeholder-value business model can serve a double benefit of improving the working conditions of the affiliated workers and providing accessible and affordable services of public interest. National governments could incentivise the establishment of such platform models (for example, worker cooperatives) through start-up subsidies and procurement or outsourcing. Or governments could operate such platforms themselves – for example, offering care or transport services in rural areas through community-owned platforms. Such intervention would need to be done in a way that is not perceived as unjustified subsidisation of certain activities, causing social discontent and challenging public budgets.
- Taking advantage of the data gathering inherent to the platform economy, tax and social security contribution evasion (and hence undeclared work) could be reduced if platforms – voluntarily or legally required – share this information with relevant national authorities. A balance between such information provision and the data protection rights of platform users needs to be ensured. The experiences in this context of some Member States as well as the proposal for an EU-level ‘digital single window’, as proposed by the Commission’s high-level expert group on the impact of the digital transformation on EU labour markets, could be considered.

Clarifying and enforcing regulations

- An important characteristic of platform work as of mid-2020 is a striking lack of clarity over whether the established regulations apply to this employment form and business model and, if so, which ones. These questions go beyond employment-related regulation and relate to aspects of sector regulation and consumer protection, for example.

- The scenarios discussed assume different levels of regulatory clarification in the various areas. Overall, more positive outcomes for the economy, labour market and society are expected if regulatory clarity is higher. This, however, is based on the assumption that the regulations are fit for purpose. Regulation needs to ensure a balance between creating a level playing field between the traditional economy and labour market, on the one hand, and the platform economy, on the other, and it must maintain the attractiveness of platform work as an employment form and business model for the actors involved. If regulation is too relaxed or not well designed, it can create advantages for platforms at the expense of workers, clients or competitors in the traditional economy. If regulation is too rigid, platform providers might refrain from offering their services due to lack of profitability, clients might find the business model not cost or time efficient, and workers might not be able to capitalise on the flexibility offered through this employment form. From a macroeconomic perspective, this might be undesirable due to the loss of innovation and competitive advantages that could be generated through platform work.
- Irrespective of the regulatory intensity, a common challenge across the scenarios is the enforceability of the regulations. Platform work, similar to other forms of non-standard employment, challenges the surveillance that ensures that market players adhere to the regulations. Capacity-building in national enforcement bodies is recommended. This could have a quantitative aspect (such as investing in digital tools for monitoring or increasing the number of staff) and a qualitative one (such as awareness-raising, exchange of experiences and good practices). Both could take place at national or local level, with support from the EU level. Existing instruments and networks, like the European Network of Public Employment Services or the European Platform tackling undeclared work, could be used for this purpose.
- Another approach could be to support indigenous start-ups in the platform economy and assist them in scaling up to gain a competitive edge over the large non-EU platforms. These platforms are likely to be less challenging to subject to EU and national legislation. Furthermore, a larger number of EU platforms with market maturity will positively influence the competitive landscape of the platform economy, with expected benefits for clients and workers. This could facilitate worker representation and negotiations of working conditions, and the profits they generate in the EU platform economy are more likely to be spent here.

Tackling broad labour market issues as well as platform-specific issues

- Several of the challenges identified for platform work are not specific to this employment form and are found elsewhere in the labour market. Examples include issues related to the misclassification of employment status, bogus self-employment and dependent self-employment in certain types of activity (such as the creative industries); evasion of tax and social security contributions and undeclared work in certain sectors or types of work (for example, household services); access to employment entitlements related to training and health and safety if work is based on tasks rather than a job (as in casual work); and access to representation and a collective voice based on specific employment characteristics (such as solo self-employment or fragmented types of employment).
- To maintain and improve the labour market standards achieved in Europe over recent decades, further work should be done on these aspects. Their re-emergence in policy debates linked to platform work can give new or enhanced impetus in the effort to find solutions. Such solutions should explicitly cover platform work but could go beyond by comprehensively covering situations characterised by these issues.
- For better regulation of new employment forms, including platform work, new regulation is not necessarily required. Existing regulation dealing with more traditional employment situations that share characteristics with newer labour market trends could be scrutinised to discover whether they could be expanded to also cover the new employment forms. In the context of platform work, regulations related to temporary agency work or economically dependent self-employment could be considered.
- From a different perspective, the platform economy could be used as a 'laboratory' to pilot innovative approaches, learn from their implementation, and explore the possibility of expanding them to the traditional labour market. Such initiatives could be launched at national level, with exchange facilitated at EU level.

- On the other hand, there are some matters that are specific to platform work and should be tackled by targeted approaches. Examples are the fairness and transparency of the underlying algorithm, data protection and ownership, surveillance of platform workers, portability of ratings across platforms and redress mechanisms in case of perceived unfair treatment. Considering the international nature of many of the platforms, and some types of platform work, cross-national regulation or guidance for national actors would be beneficial.
- One of the most discussed aspects of platform work is the employment status of platform workers. The outcomes of the various scenarios suggest that clarity on this question is key for creating a ‘desirable future’ for platform work in the EU. To achieve this goal, the different scenarios illustrate two options:
 - Beyond the platform economy, Member States could continue the work on defining criteria to differentiate between employees and self-employed. Within Member States, efforts could be enhanced to harmonise the application and interpretation of such criteria across different institutions (such as labour, tax and social insurance authorities or labour courts).
 - With a specific focus on platform work, efforts could be made to establish a default employment status by type of platform work; for example, employee in the case of platform-determined work and self-employed in the case of worker-initiated work. Platforms and workers could have the option to provide evidence that they diverge from this default status if they prefer to do so.
- Alternatively, or additionally, schemes guaranteeing minimum employment standards including social protection (such as the Council Recommendation on access to social protection for workers and the self-employed (2019/C 387/01)), irrespective of employment status, could be implemented. This requires some consideration regarding the basis for contribution, which should be designed in a way so as not to discourage workers from opting for self-employment status due to higher costs involved, while at the same time being cognisant of the financial sustainability of the system in the context of decreasing state budgets.

Strengthening worker representation

- Due to the substantial challenges related to legislating for the employment and working conditions of platform workers, alternative forms of regulating the relevant frameworks need to be considered. One option is applying more effort to give platform workers a collective voice and to enable social dialogue and collective bargaining. In spite of the considerable differences across the analysed scenarios, they all conclude that trade unions or other forms of worker representation (like grassroots organisations) need to be strengthened to better represent workers’ interests in the platform economy. This is particularly the case for platform-determined platform work, which is characterised by a wide range of unfavourable working conditions and the low negotiation power of the individual worker – even in the more favourable scenarios.
- Another aspect to be considered is the lack of or limited access to representation for platform workers acting as self-employed. Competition law needs to be reviewed to discover whether current interpretations might be too narrow to adequately cater for the changing realities of the labour market. Such assessments could be driven at EU level, to provide guidance for national implementation. These should go beyond platform work and more generally cover solo or small-scale self-employment, including dependent self-employment.
- At the same time, it should not be taken as a given that all platform workers want to be or have a need for representation. This is particularly the case for those acting as genuine self-employed, as observed with regard to worker-initiated platform work. Instead of finding solutions through representation, efforts could explore whether and how platform-to-business regulation could be further improved to avoid unfair terms and conditions for the self-employed trading through platforms.
- Along this line, platform workers’ role in the governance structures of platforms could be strengthened to provide them with greater influence on the employment conditions created by platforms. Regulations addressing worker representation on management boards could be reviewed, for example as regards the feasibility of extending the minimum threshold numbers of employees to affiliated workers (that is, including those acting as self-employed for the platform).

Recognising platform work as a feature of the digital age

- It is striking that in those scenarios where the regulatory aspects of platform work are less of an issue, policy pointers related to digitalisation are prominent. Europe needs to ensure that it does not lag behind in the development and deployment of modern and advanced technologies, so that it maintains and improves its competitive position in an increasingly globalising digital era. While this is relevant beyond the platform economy, it should also be considered here, due to the strong technology reliance of the business model. Investments of the EU and Member States in research and development, along with deployment in the economy, such as the Digital Europe Programme (2021–2027), can foster the competitive position of indigenous platforms.
- Because the platform economy is based on data, regulators need to create adequate frameworks to protect users – workers and clients – as regards the creation, collection and use of data (such as the General Data Protection Regulation rules). The EU should invest more in identifying the issues at stake (the ‘power of data’) and how they could be dealt with and facilitate capacity-building and exchange of practices (support, regulation and enforcement) across Member States.
- Cybersecurity is another issue related to data in platform work that could be tackled at supranational level. Based on the example of other sectors (like in the airline industry), an EU-wide infrastructure or umbrella organisation that sets minimum standards of conduct that all market players must adhere to could be established.
- Skills development should receive more attention in discussions and initiatives related to platform work. This could be initiated at EU level and operationalised in the Member States. Different target groups should be considered.

 - From a societal perspective, the increase in services mediated through platforms requires that specific population groups are familiarised with the use of this technology to satisfy their needs. The older generation particularly should be targeted, considering the demographic trend of an ageing society and an emerging trend of digitisation of services of public interest.
 - From a labour market perspective, workers should be familiarised with using platforms to find and conduct work. Notably, lower-skilled workers who are more at risk of losing their jobs because of automation and who need to find alternative employment could be coached in the effective use of platforms.
 - From an economic perspective, highly educated professionals tasked with programming the algorithms underlying platforms need to be further trained to progress the quality of the algorithms. Emerging alternative platform business models (based on stakeholder value) will have different requirements of such algorithms (for example, incorporating societal values or needs in the selection mechanism rather than using price as the dominant criterion).

Resources

Eurofound publications are available at www.eurofound.europa.eu

Future scenarios of platform work: <http://eurofound.link/scenarios>

Eurofound's platform economy repository, holding analyses, articles, policy documents and other resources on platform work: <http://eurofound.link/platformeconomy>

Eurofound web topic 'Digital age': <http://eurofound.link/digitalage>

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Platform work– the matching of supply and demand for paid labour through an online platform – is still small in scale but is expected to grow. Accordingly, it is important to anticipate the opportunities and risks related to this business model and employment form.

This report explores potential scenarios for two selected types of platform work by 2030, drawing on Eurofound’s ‘Future scenarios of platform work’ project. It assesses the expected implications for the economy, labour market and society if these potential futures were realised. On this basis, policy pointers show what could be done to facilitate desirable and avoid undesirable futures. These policy pointers consider how to capitalise on the opportunities inherent in on-location platform work, the need for regulatory clarity and enforcement, issues around worker representation, and the embeddedness of platform work in the digital age.

All future scenarios of platform work are available via Eurofound’s platform economy repository at: <http://eurofound.link/scenarios>

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.

