

Same Service = Same Regulations

A breakdown of the EU's Platform Work Directive

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With an aim of ending bogus self-employment among digital work platforms, the EU Platform Work Directive is a balanced outcome for the private employment services industry, which can now rely on national labour laws combined with European guidance to determine if a worker is an employee or independent contractor.

The new rules, which were adopted in April 2024, help level the playing field by reigning in the formerly loosely regulated digital labour platforms to better align them with the private employment services industry, which is heavily regulated. By weeding out the practice of some platforms providing “fake” independent workers, the directive looks to create fair competition and rid the EU of social dumping.

The directive introduces a presumption of an employment relationship that is dependent on the employer, or platform, to establish based on control and direction of the worker. Companies must rely on the country context, including labour laws and collective agreements, as well as taking into account EU legal guidance.

In practice, an employment relationship between workers and digital platforms may be established as follows:

- By assessing the facts, people working via a digital platform may be deemed to have an employment contract or an employment relationship as defined by the law, collective agreements or Member State practice, with consideration given to EU law.
- When the existence of an employment relationship is established, the employer should be clearly identified and should comply with the corresponding employers' obligations under EU law, national law, and collective agreements that apply to the sector.
- These facts demonstrate that a platform fulfils the conditions of being an employment agency and thus acting as an employer.

However, some countries are finding it difficult to comply with Recital 27 on the definition of employer and employment agency. In some jurisdictions the party or parties have to be considered an employment agency before being recognised as an employer. To address this concern, the World Employment Confederation will offer support to its national federations to campaign for proper implementation of the Directive at national level.

Improving Working Conditions

The Directive also ensures that transparency and a human-centric approach will be established and followed in the use of algorithms in HR management. This aligns with [the World Employment Confederation's code of Ethical Principles on the use of Artificial Intelligence](#) in the HR services industry which calls for a balance that benefits both individuals and companies. In addition to improving working conditions, the algorithmic management rules also aim to help determine the employment status of people working for digital platforms.

EU Member States have the next two years to integrate the directive into their national systems.