Press Information

Informal meeting of employment and social policy ministers on 19 and 20 July 2018
Informal Meeting on Opportunities of Digitalisation and New Forms of Work

On 1 July 2018, Austria took over the presidency of the Council of the European Union (EU Presidency) for the third time – after 1998 and 2006.

In the field of labour and social affairs, the framework is defined by the cross-cutting topic of "digitalisation of work".

At the informal meeting of employment and social policy ministers (informal EPSCO), held on 19 and 20 July, all ministers for employment and social policy from the EU and the European Free Trade Association (EFTA) countries, the European Commission, European social partners and other actors are invited to discuss the opportunities and challenges of digitalisation. Indeed, safeguarding prosperity and competitiveness through digitalisation plays a central role in a "Europe that protects". In this context, special attention will be given to social and labour law protection of people engaged in new forms of work, with a particular focus on platform work. Ways and means to facilitate work as well as new opportunities for people with disabilities to enter the labour market will also be discussed. Another key topic on the meeting's agenda is the way in which robots are changing the daily work of many workers and employees.

The latter aspect is also the topic of an exhibition which illustrates the latest developments in the fields of digitalisation and robotics by way of very practical examples: the Vienna University of Technology (TU Wien) will present its care robot Hobbit, the Kompetenznetzwerk Informationstechnologie zur Förderung der Integration von Menschen mit Behinderungen (Competence Network Information Technology to Support the Integration of People with Disabilities) will present its 4-D Joystick, JOANNEUM RESEARCH will demonstrate human-robot collaboration using its robot Panda as an example, the Design Research Lab (DRLab) of the Berlin University of the Arts will show its Lorm Hand, the Dutch start-up Qwiek BV will present its Qwiek.up illustrating the successful use of technologies in care and, last but not least, the University of Applied Sciences Technikum Wien will present FLipMouse, a mouth-control device for keyboards and smartphones.
Background Information on the Meeting

On 19 July, discussions in the plenary session and the three workshops will deal with "New forms of work with a focus on platform-based work – social and legal protection". On 20 July, the meeting will address the topic of "Robotics: impact on quantity and quality of work".

19 July: Morning session – New forms of work with a focus on platform work

Across Europe, "standard employment" – a long-term, full-time relationship between a worker and a single employer, is the dominant form of employment. In the aftermath of the Great Recession, in the wake of societal change, and with new economic activities enabled by the growth of digital technology, new forms of employment have emerged or developed further. Some of these new forms are clearly the result of rapidly developing digital technologies.

Independently of how the new forms of employment originate, they are transforming traditional one-to-one employer-employee relationships, the way in which work is organised, or both. The new forms of employment emerging in the labour market offer both advantages and disadvantages.

New forms of employment enable workers to access the labour market. However, it is unclear whether this is a stepping stone into ‘traditional’ employment or results in labour market segmentation. Most new forms of employment have high levels of flexibility and, in some cases, autonomy. In themselves, these are desirable; however, they also mean job insecurity, and social and professional isolation. The result is more stress and greater work intensity.

In addition, platform work involves both opportunities and risks. Platform work, as the name implies, uses an online platform to enable clients and workers to exchange services and payment online. The growth of platform work has been enabled by the spread of information and communication technologies (ICTs) and improved Internet connectivity. Technological change also influences the way in which people “come together”. Thus people offer their work online on a platform or companies offer services provided by people who sign in virtually on this platform.

To the extent that the platform economy generates new economic activity, there is a potential for job creation. Due to its low barriers to entry, platform work has the scope to enable people outside the labour market to enter it. This is particularly true for vulnerable or marginalised groups: the digital algorithms used to make “decisions” on online platforms are, in principle, less likely to discriminate against particular groups than individuals involved in traditional recruitment processes might. Certain types of platform work contribute to workers’ employability. The
autonomy and flexibility inherent in platform work is another potential benefit. In theory, the worker chooses the tasks and chooses when, where and how to perform them. In practice, this level of discretion is the case for only some types of platform work; for others, more control is exerted by the platform. The platform economy also makes visible some undeclared activities, such as the sporadic work performed by students, better enabling enforcement and moving labour out of the informal economy.

Income is a major factor of uncertainty. Although some platforms enable workers to earn a reasonable income, the level of security is far from being perceived as such. Although in some cases, income generated through platform work may even be higher than in the traditional labour market.

Probably the biggest challenge related to platform work is the unclear employment status of platform workers in terms of the implications of employment rights and obligations, their social protection and their access to representation.

The morning session's speakers are: Beate Hartinger-Klein, Federal Minister of Labour, Social Affairs, Health and Consumer Protection; Marianne Thyssen, EU Commissioner for Employment, Social Affairs, Skills and Labour Mobility; Matthias Horx, futurologist and management consultant; Juan Menéndez-Valdés, Director of the European Foundation for the Improvement of Living and Working Conditions and Isabel Cañó Aguilar, Vice-President of the European Economic and Social Committee (EESC).

19 July: Workshop 1 – Labour law developments and challenges

Traditionally, labour law distinguishes between employees (who are subordinate to and dependent on employers) and the self-employed. This results in different rights and obligations for the two categories, with generally lower levels of protection for the self-employed. But because of the hybrid status of platforms, platform workers can have characteristics of both employees and the self-employed. Which of the two they more closely resemble depends on the type of platform work, the tasks performed and the level of intervention by the platform. No EU member state specifically regulates the employment status of platform workers: as a result, it is the terms and conditions of the platform that determine the workers' formal employment status. Generally, platform workers are considered to be self-employed. However, some platforms do offer an employment contract to workers (such as cleaning service provider Book-A-Tiger and food delivery service Foodora in Austria).

The uncertain employment status of platform workers, and the nature of the work, make the organisation and representation of platform workers difficult. Platform
workers typically do not share a common identity, are not physically present at a single workplace, and enter and exit employment frequently. They may not even consider their activity to be work.

Despite the challenges, examples exist across Europe of trade unions seeking to mobilise and organise platform workers. Trade unions have supported court cases and strikes, negotiated working conditions with individual platforms, organised information campaigns, set up working groups and published position papers on the issue.

Workshop 1 will be chaired by Björn Böhning, German State Secretary at the Federal Ministry of Labour and Social Affairs. There will be contributions from Uma Rani Amara, economic expert at the International Labour Organization (ILO), and Artur Schreiber, CEO of Foodora Österreich and Delivery Hero Austria.

19 July: Workshop 2 – Social protection developments and challenges

A workers’ employment status influences their access to social protection. As platform workers are generally considered independent contractors, they are covered by social insurance systems for self-employed workers, which tend to be less favourable and/or have higher contribution rates than systems that cover employees. Furthermore, some national regimes set minimum eligibility thresholds related to employment duration or income levels, which might be difficult for platform workers to reach, the majority of whom carry out this work on a part-time or occasional basis. Gaps in access to social protection due to a worker’s labour market status not only have an influence on the welfare of the affected individuals but also on the economy and society in terms of domestic demand, investment in human capital, social cohesion and the financial viability of social protection systems. These gaps may also result in abuse of employment statuses and create unfair competition between companies that continue to contribute to social protection and those that do not contribute.

Research finds low levels of social protection among platform workers. Lack of social protection is not only an issue for individuals without coverage, but also affects society as a whole. If a sizable segment of the population does not pay social contributions, this will restrict the ability of national institutions to provide public goods and services, while demand for such provision is predicted to increase.

Regina Doherty, Irish Minister of Employment and Social Protection, will chair Workshop 2, which features Joost Korte, Director-General of the Directorate-General Employment, Social Affairs and Inclusion of the European Commission, and Christian Rozsenich, CEO of Clickworker, as keynote speakers.
19 July: Workshop 3 – The potential of new forms of work for better labour market accessibility for people with disabilities

In the European Union, one in six persons has a mild to severe disability, which amounts to some 80 million people. As they have far too often been unable to fully participate in society and in the economy, the EU has explicitly reaffirmed its clear intentions to work towards improving the situation of Europeans with disabilities, placing a particular focus on the period between 2010 and 2020.

The EU-wide harmonisation of standards and obligations relating to the accessibility of information technologies is an important field of action. With regards to the employment of people with disabilities – irrespective of whether they are self-employed or employed – the digital environment not only holds general, entrepreneurial potential, but also represents an unparalleled and unique platform for interaction when it comes to tackling and overcoming challenges in the fields of communication and mobility.

Making ICT accessibility a reality will create a digital environment in which the focus is placed on people’s individual skills and capabilities, necessary qualifications and professional as well as other experiences, and in which disability alone must in no way become a ground for exclusion with respect to employment.

The comprehensive and sustainable implementation of accessibility in all ICT-related areas in this respect means putting the inclusive approach into practice, thus ensuring the participation of as many people as possible – and especially people with the most diverse types of disabilities – in our digitalised society.

Opportunities are offered in this respect by the Disability Mainstreaming approach, which provides for the perspective of people with various types of disabilities to be taken into account and included in all decisions and processes in society. Another very relevant topic in this context is Active Assisted Living (AAL), which covers technologies designed to enable people with disabilities to lead a self-determined life.

The chair in Workshop 3 will be held by Lia-Olguta Vasilescu, Romanian Minister of Labour and Social Justice. Presentations will be given by Pat Clarke, Vice-President of the European Disability Forum, and Markus Kalbhen, Executive Board Member of Specialistern, a dedicated job placement platform for autists with a special focus on the IT sector.
20 July: Robotics: impact on quantity and quality of work

In terms of job displacement, as of June 2018 there is not enough data at European level to be definitive. However, robots’ capacity to perform repetitive and dangerous tasks offers the opportunity to automate activities previously performed mostly by workers in low- and mid-skilled jobs. In terms of job creation, some experts have proposed that cost reductions arising from the use of Advanced industrial robotics (AIR) favours the reshoring of logistics and production to Europe to take advantage of shorter supply chains. As a consequence, a small number of highly specialised jobs could be created. Furthermore, new occupations in robotics maintenance might be emerging.

AIR is expected to make some physically demanding and hazardous jobs less strenuous, hence positively contributing to health and safety. However, the actual impact on health (strain relief and freedom of movement) and safety (risk of collision with other workers, friction and system failure) has to be seen in the long term.

Depending on how AIR is implemented, it could improve job quality by making tasks more interesting for employees; alternatively, it could make tasks boring and repetitive, leading to loss of autonomy for workers. Social interaction in the workplace could also change: if workers spend most of their time next to a machine, they could feel more isolated. Worker-machine interaction could also lead to closer surveillance since sensors will be able to monitor not only machines but also the performance of workers, which could cause concerns over privacy and data protection.

Opportunities and challenges in the field of robotics will be addressed by Horst Pichler, Head of the Research Group on Cognitive Robotics; Stefano Scarpetta, Director for Employment, Labour and Social Affairs at the Organisation for Economic Co-operation and Development; Christa Sedlatschek, Director of the European Agency for Safety and Health at Work; Marianne Thyssen, EU Commissioner for Employment, Social Affairs, Skills and Labour Mobility, European Commission and Beate Hartinger-Klein, Austrian Minister of Labour, Social Affairs, Health and Consumer Protection.
Study on Platform Work

In the context of the content-related preparations for the informal meeting, the Centre for European Policy Studies (CEPS) was commissioned to carry out a study on platform work in Austria. The results of the study were then incorporated into a study prepared by the European Foundation for the Improvement of Living and Working Conditions (Eurofound) on employment and working conditions of selected types of platform work, under which a more detailed analysis was conducted on Austria and five further EU member states (France, Germany, Italy, Poland and Sweden).

The main findings of the Eurofound study will be presented for the first time at the informal meeting by Director Juan Menéndez-Valdés. The study will be published in autumn 2018.

The report on Austria includes a number of interesting findings:

In Austria, platform work is especially prevalent in the context of food delivery (represented by the platforms Foodora, Uber Eats or Lieferservice.at) and personal transportation (via the platforms Uber and Taxify). Geographically speaking, these activities are centred mainly in Vienna.

The topic of platform work is particularly interesting, as it is the subject of a very lively public debate. On the one hand, discussions in the media focus on the fact that platform work is associated with a lower income and working conditions that are generally less favourable than in other forms of work. On the other hand, however, the debate highlights the benefits of forms of labour that offer workers more flexibility. Platform work is a topic of much discussion among the social partners, who also highlight the risk that this form of work could be used to circumvent social and labour law regulations (including taxation and social protection provisions) and might also lead to unfair competition. The discussion mainly focuses on local (or physical) platform work – in this case, services like Foodora, Uber, MyHammer\(^1\) or Book-A-Tiger\(^2\). In Austria there is, however, also online platform work. The most important players on the Austrian market are the internationally active platform Clickworker, on which platform workers carry out micro-activities, and the competition-based design and architecture platform GoPillar.

As is already illustrated by these few examples, the range of services provided via platforms in Austria is very wide. Thus, not only the required skills but also the

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\(^1\) MyHammer offers services provided by handymen and handywomen to private households.

\(^2\) Book-A-Tiger connects clients with platform workers who offer cleaning services. According to its website the platform is no longer accepting new clients in Austria.
associated working and employment conditions vary considerably. As there is little data available, the spread of platform work in Austria can only be roughly assessed. In addition, the available figures vary greatly. According to a study by Huws and Joyce (2016), 18% of respondents have already found work on platforms (5% weekly and 9% monthly), while the Eurobarometer survey (2016) found that only 2% of respondents regularly offer services via platforms.

In Austria, there is no legal framework that applies specifically to platform workers. They are subject to different regulations depending on their employment status and the type of work they offer. Most platform workers are self-employed; employment contracts tend to be an exception (only with Foodora and Book-A-Tiger). Although all platform workers have access to statutory social insurance (regardless of their employment status), they are subject to different labour and social law provisions. It is interesting that workers who are active for one and the same platform can have a different employment status. On Foodora, for example, some bicycle couriers are employed via the platform, while others work as freelancers. For platform workers, this distinction also means there are different income models.

Another special aspect of platform work in Austria relates to the representation of interests. Since platform workers who are active as one-person companies and hold a business licence are members of the employer organisation in Austria, both the platform workers and the platform itself may be represented by one and the same employer organisation. An interesting example with respect to workers’ representation is the Fair Crowd Work initiative. It provides online information on platforms and assesses them based on reports by platform workers and the business terms and conditions they offer. Fair Crowd Work is also involved in and contributes to the Frankfurt Declaration on Platform-based Work. This declaration is a common statement by a number of workers’ organisations and calls for the establishment of uniform standards and fair working conditions in the platform economy.