



The Growth of platform work and its innovation potential

The platform economy has introduced a new way of working more freely and efficiently into the labor market. There is a significant potential for growth and innovation in the platform work industry. The growth potential of platform work is not only related to the ability to make existing work more efficient and scalable, but also to the possibility of creating new jobs. For example, the Commission estimates that 79% of the EU's working-age population will work jobs created by the platform work model by 2030. The Technology Industries of Finland recognizes that platform work can function as an important tool in the technology industry, potentially solving issues such as labor and skills shortages.

Although platform work in recent years has appeared mainly as food courier and transport services, it is and will keep growing to be significantly more widespread across a large range of industries (see Figure 1). Platform work is taking its first steps, even if they are a little shaky. Finland must ensure that the regulation of platform work is possible and that it supports the emergence of new innovations.

The working conditions of the platform work are taken care of sustainably

It must be possible to work as an entrepreneur or in an employment relationship when working in platform work. The prevailing uncertainty as to the nature of the legal relationship can be resolved within the framework of existing national law. The technology industry proposes the following measures to improve the working conditions of self-employed workers in platform work:

- Develop the entrepreneur pension tax (YEL) insurance system so that work as an entrepreneur is more comprehensively covered by employment pension insurance.
 - Promote the ongoing draft law of the Ministry of Social Affairs and Health (STM), which is intended to clarify the regulation of the entrepreneur's income.
 - Exploring the possibility of extending voluntary YEL insurance. For example, insuring even small earnings.
 - The current situation, where entrepreneurs are often in practice underinsuring their jobs, is unsustainable, both for the entrepreneurs themselves and for the financing of social security.
- Empower workers with data
 - Ensuring genuine competition between platforms by providing better access to data, standardizing data connectivity or, for example, opening key programming interfaces (APIs).
 - Create a safety network for self-employed users for protection against accidents, unemployment and pension. This can be achieved using the platform mechanism, data and PPP model (?)
 - By having relevant data available through APIs, self-employed users could use smart services and contracts to compare the terms and compensation of different platforms. This would create a real-time controlled bargaining system for users that can be controlled by regulators to set certain limits. This creates better working conditions for self-employed workers while also maintaining the dynamic capacity of the platform economy.

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Addressing the shortcomings of the Platform Directive

The technology industry considers the Commission's proposal for a directive, published on 09.12.2021, to be a step in the right direction. The creation of common rules of the game at EU level could reduce uncertainty about the legal status of the worker and the operating environment. However, we are critical of the redefinition of employment criteria at EU-level, as this undermines the national competence and power of EU member states in defining their own employment criteria.

Main comments from TIF on the proposed platform work directive:

- If common rules of the game are created at EU level, the rules of the game must also be genuinely common. Therefore, the criteria referred to in the proposed directive should be exhaustive to the extent that Member States are not allowed to supplement the criteria at national level. Otherwise, the objectives of the proposal will not be achieved.
- The proposed criteria does not recognize the unique features of platform work. Applying the criteria at the present time would lead to a categorical basic assumption that work performed on a temporary basis is always, in principle, work performed in an employment relationship. The Court of Justice of the European Union has succeeded in assessing the status of the employment relationship in the Yodel case (C-692/19) in April 2020. The clear criteria created in the Yodel case, which identify the specificities of platform labor, could replace the proposed criteria.

