International Labour Organization

European Commission

Policy dialogue between the EU and NEDLAC on Digital labour platforms

Meeting report

Policy dialogue under the joint EU-ILO Project
“Building Partnerships on the Future of Work"

Policy dialogue between the EU and NEDLAC on Digital labour platforms

Meeting report

Policy dialogue under the project "Building partnerships on the future of work" funded by the European Commission.

March 2023

Background and objectives

- The International Labour Organization (ILO), National Economic Development and Labour Council (NEDLAC) and the European Commission organized a policy dialogue between the EU and NEDLAC on the future of work. This was organized as part of the international project “Building partnerships on the Future of Work” funded by the EC Partnership Instrument.
- The webinar took place on Tuesday, the 7th of March 2023 via Zoom.
- The ILO and the Joint Research Centre of the European Commission (EC-JRC) are together implementing the project. It aims to gain a deeper understanding of the global changes and their repercussions on the world of work in different settings via research, and to create the conditions for a dialogue between the European Union and non-EU partner countries.
- The objective of this online dialogue was to bring together experts from the ILO, EU, academia and NEDLAC to discuss issues related to the future of work related, in particular the findings from recent research on decent work on digital platforms, and the use of algorithmic management practices.

Presentations and discussions

Chair: Dorothea Schmidt-Klau (ILO Employment Policy, Job Creation and Livelihoods Department)

Introductory remarks

Introductory remarks by Dorothea Schmidt-Klau (ILO Employment Policy, Job Creation and Livelihoods Department)

Ms Schmidt-Klau opened the webinar and reminded the participants that it was a is part of the activities under the EU funded project on building partnerships on the future of work. The project is being implemented by the ILO and the EC-JRC together with partner countries. One of the partner countries is South Africa. This unique and very successful project has a goal on the one hand to come up with innovative research, and on the other to foster dialogue between the EU and partner countries of the project on topics related to the future of work. The project is due to end soon, and one of the lessons learnt is that the dialogues which were based on new and unique research findings, as well as discussed with tripartite partners, were particularly well appreciated. This webinar thus follows this logic. After having conducted new and innovative research on the topic of digitalisation in general, and decent work on digital labour platforms in South Africa in particular, done by the ILO and the Witwatersrand University, the webinar will share the results and discuss the findings. The dialogue today involves the ILO, EU, academia and NEDLAC. She thanked the co-organizers and provided an introduction to the speakers.

Welcome speech by Max Uebe (Head of Unit, DG EMPL)

Mr. Uebe welcomed the participants on behalf of the European Commission and thanked the ILO for organizing the webinar. He noted that the webinar is part of a wider project on the future of work which was launched in 2021 with the ILO. It entails partnerships with four countries, Mexico, Korea, Canada and South Africa. He added that South Africa was well placed to participate in this exchange, especially as the country's President had co-chaired the ILO's Global Commission on the Future of Work. South Africa is a key player on the world stage for promoting decent work. The speaker noted there would be a final public conference under the project planned by the ILO for 11 and 12 May to discuss the outcomes and their policy implications. He added that the exchange between the EU and South African stakeholders will also continue later outside the project as well. Close collaboration has already been underway between the EU delegation in Pretoria and the South African authorities regarding general support for active labour market policies. The dialogue between the EU and South Africa on other policy areas like microeconomic policies, trade, environment, etc. could potentially be further deepened by adding more explicit elements of labour and social dialogue in the coming years.

With regard to the webinar, the speaker mentioned that he is currently heading the unit at the EC dealing with the future of work that is focusing on digital labour platforms, the working conditions on such platforms, artificial intelligence, algorithmic management, telework, the right to disconnect, among other issues. The developments in digitalization and artificial intelligence have the potential to create jobs, increase productivity, innovation, and investment leading to prosperity. The COVID-19 pandemic has accelerated many trends, with telework arrangements and platform work becoming more prominent, leading to the emergence of new forms of work such as part-time, freelance, and self-employment business models. At the same time, vulnerabilities have increased such as regarding access to social protection, or precarious working conditions and incomes. There is also an increasing divide between low-skilled and high-skilled workers, and worsening workforce inequalities, highlighting the need to address the challenges of the future of work. The Commission has taken some policy initiatives to shape the future of work, and South Africa has also been developing its policy approaches.

One of the most important initiatives by the EC has been a legally binding directive on improving working conditions in platform work proposed in December 2021. It tackles three core issues, which are the misclassification of employment status, algorithmic management, and cross border transparency. Given the nature of platform work, particularly online platform work, the EC is interested in international cooperation and global governance to address the issues, and supports the efforts underway in the international fora particularly those being undertaken by the ILO. The speaker lastly emphasized the commitment of Commissioner Schmidt to ensure that technological innovation and social concerns are balanced and wished the participants a successful meeting.

Opportunities and challenges on digital labour platforms: A global perspective

Presentation by Uma Rani (Senior Economist at the ILO Research Department)

Ms. Rani presented on the opportunities and challenges on digital labour platforms from a global perspective. The research currently underway in South Africa on algorithmic management practices would be discussed later in the year. The presentation focused on the ILO's World Employment and Social Outlook report on the role of digital labour platforms in transforming the world of work that was launched in 2021.

Firstly, platforms have rapidly grown over the past decade due to advancements in technology, especially cloud computing and infrastructure. This has enabled remote work and outsourcing across different parts of the world, which has increased the popularity of these platforms. However, there remains a digital divide and there are gaps regarding digital infrastructure and devices in some regions. Secondly, the use of data has become important, especially for AI-enabled mechanisms and algorithmic training. Systems such as ChatGPT have been gaining popularity, which are based on machine learning algorithms. Investments have thus been increasing in platforms and such AI-enabled services. The rise of digital labour platforms has also gained attention in developing countries as governments see them as a silver bullet to provide employment opportunities and address poverty and inequality. There is however a debate on whether this technology can be used to formalize work, with a notion that by registering workers there would be a move towards formalization, although this also entails having labour and social protections. Technology could hence be used in a better way to provide protections to the workers.

The business model of platforms is different from traditional models, as it relies on a large workforce of independent contractors or the self-employed while having a small, employed core workforce. This core workforce mainly consists of technology and legal professionals, while the platform mediates the large workforce of independent contractors. Furthermore, because platforms are agile and operate virtually, they shift costs, responsibilities, and risks onto the workers. If the platform were to be unprofitable, it can easily shut down without incurring many losses. Finally, platforms are changing human resource management practices and are algorithmically driven. They are ICT-enabled and use data to train algorithms that are used for allocating work, overlooking work processes, reviewing worker performance, and determining worker pay. This level of technology use, automation or algorithmic management is distinct from past practices.

These platforms are used by a wide range of businesses, from small AI start-ups to Fortune 500 companies. Fortune 500 companies use online platforms to access knowledge for innovation, for recruitment purposes, or contract out various tasks, such as software development or finding solutions for a specific project. Consumers are also using platforms, such as for taxi and delivery services, as well as for other services such as healthcare, domestic work, or medical consultation during the COVID-19 pandemic. Start-ups that specialize in AI or business process outsourcing companies are also using platforms to develop automated processes or AI-enabled services for different companies. One popular service is virtual assistant, which takes over certain secretarial tasks and automates them. However, it's challenging to automate certain processes completely, so even though these tools are marketed as automated AI tools, there's still significant human labour involved, particularly based out of developing countries. In the case of ChatGPT as well, workers in Kenya were used to ensure that it does not provide toxic responses. While one can argue that this provides employment opportunities for people, it is essential to consider whether this is the kind of development outcomes that should be pursed, which is open to debate.

The speaker presented findings from surveys with around 12,000 workers across the world. The research also included talking to businesses, platform companies, and platform worker associations, providing a tripartite way of looking at the issue. The platform workers are a young and highly educated. Women make up 40 per cent on online platforms. Location-based platforms such as taxi and delivery services are dominated by men. Platforms are also providing opportunities for persons with disabilities, migrant workers, and women. However, the classification of platform workers is a challenge that has implications for labour and social protection benefits. The motivation to undertake platform work is often related to the challenges in the local labour market, such as a lack of sufficient incomes or lack of alternative employment opportunities. Some workers are motivated by improving skills and carrier opportunities, especially on talent platforms. For many women, across developed and developing countries, working from home or work flexibility is an important motivating factor.

The challenges faced by platform workers include low earnings, with significant differences between developing and developed countries, and gender pay gaps. Workers on freelance platforms from developing countries earn 60 per cent less than those in developed countries. The business model of these platforms relies on charging fees to the worker to generate revenue, which can be up to 35 percent, and could be contrary to the Private Employment Agencies Convention, 1997 (No. 181). Workers often also need to pay different types of fees to access work. On location-based platforms, earnings vary greatly, and in some countries, workers on these platforms have higher incomes compared to traditional taxi drivers or delivery workers. However, this may be due to the lack of opportunities for traditional workers and being undermined in the market, and hence this aspect needs to be looked at very carefully. Additionally, platform workers often work long hours to earn an income, which has implications for their occupational safety and health, and work-life balance. Workers on average spend up to 65 hours per week in the taxi sector and 59 hours per week in the delivery sector.

Social protection coverage for the workers is poor across all platforms, with significant gaps in health insurance, work-related injury provision, unemployment benefits, and disability insurance, which put workers at risk especially during the COVID-19 pandemic. About 70 per cent could not access paid sick leave or compensation if they tested positive for the virus. Furthermore, algorithmic management determines the everyday experiences of platform workers. Access to work on these platforms is based on ratings and reputation, and low ratings can lead to deactivation from the platform. A lack of flexibility and autonomy often affects platform workers, with only a few on some talent platforms having the flexibility to refuse work. Negative impacts of refusing or cancelling work can include a decrease in ratings or deactivation from the platform. Deactivation can also occur due to client or consumer complaints. Many platforms, however, lack dispute resolution mechanisms, and even when they exist, workers are often not aware of them or do not have the time and resources to pursue them. Workers are also monitored on these platforms on a regular basis, and on freelance platforms, workers reported having to share screenshots and being required to be available at specific times.

Countries around the world have introduced various measures to protect workers on platforms, but the approach varies depending on the country. In Europe and the US, the discussion is on the employment relationship as it provides the workers social and labour protections. In developing countries, where many workers tend to be in the informal economy, the approach has been to provide platform workers with social security or work injury benefits. Interventions have also looked at providing access to data or building in tax and social security together. Over the past two years, even developing countries have started discussing the employment relationship, particularly in Latin America, and there are talks about bringing platforms within the sector they belong to.

The report recommends engaging in international policy dialogue, for which the ILO is well positioned as a tripartite organization, with workers, platform companies, and governments, in order to address issues across various fields, including labour law, competition law, and data protection, so as to protect workers, ensure transparency of algorithms, and improve data protection and portability of worker data and ratings. Many of the recommendations align with the proposed EU directive. In October 2022, the ILO held a tripartite meeting of experts on decent work in the platform economy, and recently a policy gap analysis has been prepared to understand how existing labour standards cover aspects related to work in the platform economy. The results of this analysis will be discussed in the upcoming Governing Body meeting of the ILO, and a decision will be made on whether to hold a discussion at the International Labour Conference on this subject.

Digital labour platforms in South Africa

Presentation by Ruth Castel-Branco (Witwatersrand University)

Ms. Castel-Branco presented on digital labour platforms in South Africa. She shared a background and noted that the Southern Centre for Inequality Studies has been conducted research on the impact of digital technologies on the future of work across nine different countries in the global South, including in low- and middle-income countries. The research aimed to provide an empirical basis for understanding where digital technologies and platforms fit into the labour market. The speaker's presentation draws on a report by Professor Eddie Webster and research conducted in Johannesburg, Akra, and Nairobi, but also reflects broader patterns in other country case studies.

Digital platforms have been expanding across the African continent, while investments and revenues are concentrated in a few countries of the global North and China. The proliferation such platforms in Africa, many of which are multinational companies, has sparked debates about the relationships of power between workers in the global South and venture capitalist firms located all over the world. While some countries in Africa have been able to mobilize capital and expand their own endogenous labour platforms, such as Sweep South in South Africa, which has then expanded to other African countries, there is a concern about a sub-imperialist quality to this. South Africa is a leading player in this area, with Nigeria and Kenya following closely behind. Interestingly, Uber was able to turn a profit in record time in South Africa, even though immediate profit is not a key concern with platform expansion, but is often testing out AI or collecting data. The study looked at three different cities and found that Uber is a dominant player in the South African platform economy, which is not the case across all countries in Africa.

For South Africa, which has a high unemployment rate, digital platforms promise a source of income, with an allure of formality and flexibility. The studies found a range of platforms such as agritech, which are geared towards self-employed small scale agricultural produces, driven by international development agencies. Clickfarms, which are associated with social media that allow for hiring workers to like, follow etc. that are marketed towards young unemployed people. E-commerce platforms, like Takealot in South Africa, which have been subject to competition hearings that have mostly focused on the impact of big businesses on smaller, historically black businesses. However, the question of labour and working conditions has not been a central part of these hearings, which raises an interesting debate about the role of competition law versus working conditions. Lastly, digital labour platforms, both location-based and online-based platforms, which have been the central element. However, there is a danger of creating a segmented labour market where a small group of workers are employed by the platforms while a larger group of outsourced workers are engaged in disenfranchised activities.

The report showed an even spread of platforms workers South Africa who had been working for 3 to 5 years and those who joined just a month ago. The main reason for joining a platform was the absence of other employment opportunities, as well as the flexibility of being an own account worker. Only 22 per cent joined for better pay, which is different from other countries like Ghana, where better pay was the main reason for joining. The theoretical framework drawing on Beverly Silver’s work suggests that today's precarious workers may become tomorrow's working classes. A power resources approach was used to think through the structural, associational, institutional, and societal power. The report includes reflections on the possibilities of these.

The point of production is the app and platforms do not invest in massive capital assets. Misclassification of platform workers as own account workers is a critical issue. Workers have to endure a high level of scrutiny, are economically dependent on the app and do not own the means of production. Other dynamics include issues of taskification and algorithmic management, which is argued to be a refined version of Taylorist scientific management approaches. There is a disassociation from the labour process, separation from conception and execution, and a monopoly on knowledge. In addition, there is no possibility of career progression for platform workers, and financialization has emerged as a problem. Intermediary companies have emerged that impose elements of labour control on workers, as they must work a certain amount of hours to pay back loans for renting or owning vehicles. These workers are managed not only through algorithmic management but also through credit and debt relations. However, business models in the platform economy are constantly changing, as seen in the entry of the first outsourced ride hailing service in Mozambique. Although, even with services which have had an employment relationship, workers have been seeking court intervention to enforce labour protections. Simply reclassifying workers as employees is not a guaranteed solution in a context where employment rights may not be enforced.

Workers in the platform economy consider their smartphones as their place of work, while the point of production is the app. Workers are also concentrated around shopping malls, especially for UberEats, where associations have developed around these geographic spaces. Findings on working conditions show long working days, low wages (sometimes below national minimum wages when operational costs are considered), and a reduction of various forms of work to national minimum wage work, which highlights the need to think beyond national minimum wages and consider living wages and comparable activities in non-platform work. There are also issues with regard to lack of paid leave and social security benefits, limited occupational health and safety protections, surveillance, and anxiety. Gamification contributes towards deep levels of anxiety. There are also issues with indebtedness and the right to collectively bargain. Inequalities are thus reproduced, including gender inequalities and there are questions around citizenship, immigrant status, and geographic location. One paper explores how Uber drivers in South Africa feed into existing power relations around where to operate to access desirable clientele.

A majority workers in South Africa were found to be unaware about the commissions being charged, also due to the fact that different commissions were introduced at different points in time and due to a lack of transparency on income more generally. In addition, workplace challenges include crime and unfair client ratings, which is also related to a lack of recourse available to workers, whereas the ratings process shapes the allocation of work and incomes. Stress was also an issue, particularly due to vulnerability to accidents, police harassment or illness.

There are emerging forms of platform worker resistance in the global South, including through social media groups, off-app renegotiations with customers, logging-off, public protests, and hybrid forms of organization. Drawing on the Leeds Index, it can be seen that trade unions have been more active in the global North, but there are examples of emerging unions in the global South, as well as trade unions that have extended their focus to platform work such as those in Kenya and Uganda. The demands of striking workers in South Africa include pay, police harassment, safety and then commission, unlike in Kenya where demands regarding commissions have been key. Despite the diversity of employment relationships, platform workers fit under the category of workers as defined by national legislation in South Africa, which is also a product of growing insecurity of salaried unemployment in the country. The challenge for trade unions is to incorporate platform workers into their organizations, given that platform workers often perceive themselves as self-employed, but still make demands typical of unionized workers.

While workers' structural power is limited in the context of high unemployment, the marketplace power of platform workers can be strong, such as by logging off the app to successfully strike and secure some victories. There are however many gaps for platforms workers such as to be able to access institutions that regulate the labour market, and with regard to the right to collectively bargain, and the ability to shape the terms of algorithmic management. There were some attempts in Kenya to regulate the ride hailing sector, but it was advanced through the Department of Transportation rather than labour, and the regulation is not effectively regulating labour protections. The speaker in conclusion warns against taking such an approach as it does not result in protecting platform workers.

Debates in Europe about digital labour platforms

Presentation by Tobias Muellensiefen (European Commission)

Mr. Muellensiefen presented on debates in Europe around digital labour platforms and the attempts to regulate platform work, given that the proposed directive has been tabled to the institutions of the EU. It was tabled a year ago. Form an EU perspective, there exists a triangular relationship in platform work, between the platform, the client and the worker, which can be a similar to temporary agency work. However, there is a main difference as in platform work, the jobs are broken down into tasks than can be very short term, and can create challenges to grasp platform work in legal and conceptual terms. The EC takes a broad conception of platform work, including both on-location platform work such as food delivery, ride hailing and cleaning etc., as well as online platform work, which is less visible but even larger in scope, and can include highly qualified work, like software development or graphic design to less qualified tasks like click work.

The speaker provides an estimation of 28 million people engaged in platform work in the EU, with the majority engaged in online platform work. However, many people do platform work as a marginal activity to earn additional income, and only a minority make it their main job. The number of digital labour platforms is increasing, with about 500 identified, half originating from the EU and half from other countries, mainly the US or UK. Most platforms classify workers as independent contractors, but about 5.5 million of them may be misclassified as self-employed and should be classified as workers. Over 250 court decisions in 12 EU Member States have dealt with the employment status of platform workers, and many have found misclassification. Earnings on platforms vary, but many earn less than the minimum wage, and there is also a lot of unpaid work related to waiting time or searching for tasks. Precarity of platform work is also a very strong factor in the EU.

The EU is attempting to improve this situation at a more systemic level, rather than focusing on specific problems like accident insurance or working time. The first challenge is regarding the employment status, wherein misclassification hinders workers from accessing protections such as accident insurance, unemployment insurance, pension rights, and labour protections. Reclassifying workers as employees is seen as a gateway to labour rights, but this can be difficult since legal subordination is often hidden in algorithms. However, many reclassification claims have been successful in courts, although this also results in uncertainty over applicable rules and underlines the need for more systemic action. The second challenge is related to algorithmic management, particularly prevalent in platform work, where algorithms replace human managers in controlling work, deciding who gets which tasks, bonuses, and penalties, and rating workers. There is a surveillance element and that algorithms are taking decisions automatically. This reduces transparency, while impacting working conditions, including earnings and psychological well-being. Gamification in particular pushes people to work harder, thereby limiting freedom and autonomy. There is a lack of human oversight and interaction, with chat bots being the primary point of contact for workers, making it challenging to have rights recognized. Currently, there are limited remedies in labour law for algorithmic management.

The proposed EU directive has three main objectives: correct determination of employment status; transparency, fairness, and accountability in algorithmic management; and improving transparency in platform work, including in cross-border situations. Once adopted, all EU member states will need to integrate these rules nationally. Some key instruments have also been proposed including, rebuttable presumption of employment relationship, a set of new rights for people subject to algorithmic management, obligations for platforms to provide information on people working through platforms, and establishing digital communication channels for the people on platforms to support social dialogue. In addition, a digital labour platform is defined as a commercial service that organizes work performed by individuals at the request of clients through an internet-based platform. This does not include platforms that simply connect service providers without any matching being done, such as those that display job offers or aggregate service providers in an area.

The proposed employment status for digital labour platforms involves a legal presumption of an employment relationship for platforms that control the performance of work. Five criteria have been developed based on case law to determine whether a platform is controlling the performance of work, including remuneration, specific binding rules, supervision or verification of work quality, restrictions on freedom, and restrictions on building a client base. If a platform meets at least two of these criteria, they are presumed to be an employer. This rebuttable presumption can be challenged by the platform.

For the proposals on algorithmic management, these cover automated monitoring and decision-making systems. There is a requirement for transparency for these systems, including the criteria used for decision-making. Restrictions on data use are also proposed, with data collection during hours when the worker is logged off being prohibited. Human monitoring of automated systems is required to ensure compliance with labour regulations, and workers must be able to contest automated decisions and receive written statements of reasons. Information and consultation rights have also been proposed. In addition, some of the algorithmic management rights would also be applicable to self-employed platform workers, namely rights on transparency, restrictions on data use, human monitoring, and decision reviews, but health and safety rules would not apply to them.

Negotiations for the proposed EU directive on platform work are ongoing. If approved, Member States would have two years to transpose it into national legislation. Besides this, France and Greece have taken the approach of letting courts decide on employment status, but self-employed workers would still receive additional rights such as collective bargaining and health and safety. Spain's Riders Law also presumes an employment relationship for those under the authority of platforms in the delivery sector. Belgium, Portugal, Croatia, and Malta have already acted on the EU proposal and adopted national legislation, which should soon be applied.

Discussion

Ms Schmidt-Klau posed two questions: how is the business world reacting to attempts to regulate the platform economy, and is there any information available on transitioning back to non-platform work?

Ms. Rani mentioned that one of the participants pointed out that it is not accurate to refer to the app as the point of production on digital labour platforms, since workers do not own the app like they own their cars or houses. Instead, the participant claimed that the platform should be referred to as a market.

Ms. Tsholo Lelaka (NEDLAC Secretariat) noted that from a social partner’s perspective, this webinar would assist them in terms of sharing knowledge and improve an understanding of the changing nature of work and to determine policy interventions. She also added that in South Africa, the outbreak of COVID-19 highlighted loopholes in labour laws and social partners have been looking to overhaul the laws to also incorporate informal workers. The law is rooted in having an employment relationship, but it does not exist for platform workers. This process is still ongoing, and it would be important to also ensure social security coverage for platform workers. The process is engaging with multiple issues, including basic conditions of employment, occupational health, as well as the unemployment insurance fund.

Mr. Sipho Ndlovu (social partner representing organized labour) sought advice on how to deal with conflicts arising from the emergence of digital platforms like Uber and Bolt in South Africa, where public transport like taxis are mainly owned by individuals, unlike the context in EU. The regulations for public transport are not well integrated. For example, an Uber can be taken to a particular location, but it can’t be taken to another location due to restrictions. There is also a conflict among the workers, as they are trying to survive. Furthermore, governments are also hesitant to regulate as it benefits them. Additionally, there are also situations where a driver may be driving the car which is owned by someone else who has the contractual agreement with Uber, while the driver is in the middle, works long hours and is exploited. These are some distinct aspects of South Africa.

Mr. Muellensiefen responded that the business world had a mixed reaction to the proposals, with some sectors being supportive and others sceptical. The temporary agency industry sees platform work as competition and was supportive of the proposals. Some platforms were supportive, while others were sceptical. Regarding point of production, the Spanish Supreme Court saw the digital infrastructure or the app as the main means of production for the platform worker, which was also seen as an additional indicator for an employment relationship. Lastly, conflicts between traditional taxi businesses and Uber have also occurred in Europe. The issue of intermediaries who rent out cars and the resulting dependency of workers on them is under discussion for regulation.

Ms. Rani noted that the question on the point of production needs to be engaged with an added dimension, as one of the attendees commented on the strength of arguments in courts and how it related to defining a market versus a point of production, as some of it had to do with how good a lawyer actually fights for some of these within the courts.

Ms. Castel-Branco regarding the point of production argued that the ability to generate revenue through the platform should be the defining factor rather than ownership of assets, as the revenue can’t be generated by a worker without the app. Also, different types of platforms should not be clubbed together. The importance of clear criteria for determining employment status on platforms was also emphasized. Furthermore, there was a suggestion to conduct research with platform customers and also engage with companies. Lastly, the experience of conducting research with a union in Kenya had highlighted the need to reflect on sectoral regulation and labour law, and despite having definitions for drivers, owners and consumers, issues around labour conditions and workers’ rights have been watered down. There is a need to address such issues within established labour norms. The need to challenge the contestation around employment categories. The EU's presentation was seen as providing a framework to move the debate forward.

Ms. Rani shared two further questions. The first question was about regulating remote work as a displacement of the workplace, and if there was any discussion about it within the EU. The second question was about the choice between reclassification and expanding protections or benefits to independent contractors, and what could be a way moving forward.

Mr. Muellensiefen responded by noting that some developments have been underway in the EU regarding telework. The social partners are currently negotiating an agreement in secrecy, which they plan to put into a directive to make it legally binding. On the second question of whether to reclassify workers or expand protections for self-employed workers, the speaker noted that it is a policy choice and that different Member States have taken different approaches. Some are concerned about creating a third category of employment and are hence reluctant to extend protections to the self-employed. The EU has opted for reclassification but the speaker believes that it's not exclusive and both options can be implemented.

Ms. Rani also addressed some questions posed by the participants. Regarding workers shifting back to traditional work from platform work, she noted that there would probably be a need for another survey, although based on the surveys already conducted, it was clear that platforms were disrupting the local labour market. While some traditional workers stayed in the traditional setting, but when they were not getting sufficient work, they joined platforms. It is a matter of time to see when the race to the bottom would happen. Consumer behaviour is also very important in this regard, as changing consumer mindsets is required to prevent worker exploitation in addition to regulating platforms and creating employment opportunities. The speaker also noted the differences between the Uber context in South Africa and the situation in the EU. The situation in South Africa is similar to that in many developing countries, where there are multiple types of intermediaries. One way to address this issue is to bring these sectors, such as care workers, domestic workers, delivery workers, and taxi drivers, within local sectoral regulations or policies. For instance, a taxi platform should be registered as a transport company, not a tech company, so that clear transport regulations could be applied. The speaker lastly underlined that many workers in developing countries were self-employed, although the entry of platforms has exacerbated precarity and a race to the bottom. Technology should instead be used to formalize and protect these workers while ensuring that they receive fair wages and social protections.

Concluding remarks

Concluding remarks by Dorothea Schmidt-Klau (ILO Employment Policy, Job Creation and Livelihoods Department)

Ms. Schmidt-Klau thanked the speakers and participants for their valuable insights and questions. She underlined that the discussion does not have to end here, and attendees can continue to connect with the speakers directly or through the organizers. The closing event of the project will take place on the 11th and 12th of May, and all attendees are invited to participate.