



## **Opening Statement to the Joint Committee on Enterprise, Trade and Employment**

### **Platform Work**

**Wednesday 6<sup>th</sup> March 2024**

## **Chairperson and Members of the Committee**

- 1.** SIPTU welcomes the opportunity to appear before the Committee this morning to comment on Platform Work. SIPTU is the largest trade union in Ireland and the SIPTU Services Division represents thousands of workers in various Services Sectors across the island of Ireland.
- 2.** Platform Work, or ‘Gig Work’, is a relatively new phenomenon regarding the technological solutions it uses, but it is in fact, part of a general increase in non-standard forms of employment. All these forms share similar issues: casualisation of work, externalisation of social costs and a general rise of precarious work.
- 3.** The standard operating model of platform companies assumes that their workers are mere ‘independent contractors’. This allows the platforms to externalise social costs: they avoid paying for social contributions, other employee-related fees and certain taxes. At the same time, it means that such workers do not benefit from any rights such as sick leave or unemployment benefits while bearing the financial risk associated with the job (e.g. car maintenance costs).
- 4.** Platform work is not a distinct sector of economy. The workers usually perform tasks that have existed for decades, such as on-demand transport, deliveries, content creators, programmers, click-workers, engineers and carers, where the only real difference between platform and ‘traditional’ workers is how they are hired and controlled through positive and negative incentives based on data.
- 5.** On the one hand it means that platform workers should not be treated differently from the rest of the workforce in their sector. On the other hand,

it also implies that the platform work model can spread to many more sectors – with other transport sub-sectors being prime candidates. The platform model already impacts ‘traditional’ companies through unfair competition, as platform companies avoid paying due taxes and social contributions.

6. A 2021 survey by the European Trade Union Institute, (ETUI), on internet and platform work<sup>1</sup> gathered information from 14 EU countries, one of which was Ireland, about the number of people who use the internet and digital labour platforms as a source of income. Ireland had the second highest percentage of respondents who were platform workers and had a higher than average intensity. <sup>1</sup><https://www.etui.org/publications/platform-economy-europe>
7. The ETUI report also found that lower skilled tasks were more common in Ireland with transport and delivery the most reported with these workers engaged in this form of work on at least a monthly basis. On-location platform work was the most commonly found in Ireland.
8. The report further found that Platform work was found to be an add on to offline work and not a replacement for it. Platform workers reported working about 10 hours a week, regardless of any other form of employment. Wages varied between 8 euro an hour for delivery work and 15 euro for professional remote work. For most of the platform workers (85 per cent), this form of work provided half or less of their annual income.
9. The Report shows though that these types of jobs resulted in high staff turnover, short hour jobs and delivered low-income levels and that many workers were not optimistic that the platform economy could offer a solution to people who do not have or are unable to get jobs in the

traditional economy. Many platform workers moved in and out of this type of work very quickly.

**10.** Every day in SIPTU we are experiencing first-hand the difficulties our members are facing working in platform work. There have been multiple reports that have exposed the precariousness of platform work. The following issues have been identified by our members in relation to platform companies.

- Low earnings
- Denying workers their rights to organise
- Occupational Health and Safety breaches
- Bogus self-employment
- Lack of social protection including sick leave
- Arbitrary deactivations and lack of grievance mechanisms
- Non-transparent organisation of work based on algorithms and monitoring.
- Algorithmic biases leading to discrimination.
- Competitive pressure among workers
- Avoidance of liability by the platforms
- Lack of access to sanitary facilities

**11.** SIPTU has been involved with the European Trade Union Confederation and its federations: European Transport Workers' Federation, Uni Europa, IndustriALL and the European Federation of Food, Agriculture and Tourism Trade Unions on a campaign for all Platform Workers to have access to fair pay, decent working conditions and social protection.

**12. Platform workers are entitled to correct employment classification.**

Multiple court cases in Europe and beyond have proven that the model used by platform companies has nothing to do with ‘independence’ and ‘flexibility’ for the workers. Correct classification will give the workers social protection, a fair hourly wage and other labour rights while still allowing for flexibility concerning working hours. The workers should be treated as their colleagues in similar jobs that work for a ‘traditional’ employer.

**13. Bogus self-employment in Platform Work must be contested. It is time that**

platforms take the responsibilities that they have avoided for so long. The reversal of burden of proof must accompany the presumption of employment status, i.e., it will be up to the platform company to prove that the worker is not an employee. Such an approach strengthens the position of the weaker party, which in this case is the worker.

**14. Platform workers have the right to fair pay and decent working conditions.**

Platform workers must be paid in line with the minimum wage regulations/bargaining agreements, including holiday pay and extra pay for unsocial hours. The calculation of wages for on-location workers must be based on an hourly rate, not by task. Workers spent a substantial share of their working time waiting for orders or tasks and they cannot use this time for any other activity.

**15. Similarly, platform companies must be responsible for the occupational**

health and safety of their workers. On-location platform workers in the transport sector must be given proper safety instructions when they take the job and have access to adequate protective gear, free of charge. The platform companies must cover the maintenance costs of their vehicles

(bikes, mopeds, cars). The workers must have access to sanitary facilities. Unfortunately, we still come across cases where they are not allowed to use restaurant toilets. At the same time, the platform companies do not provide any alternative option, which clearly violates workers' right to dignity.

**16.** Platform companies must take responsibility. Where companies do not cover their share of social contributions, it allows them to continue to avoid taking responsibility and have society cover the risks. Like any other employer, they must respect employment legislation and regulations and should make social insurance contributions into the social insurance fund. They should also have to comply with fiscal laws, e.g., concerning VAT. Otherwise, they benefit from an unfair competitive advantage in comparison with employers that are in line with existing regulations.

**17.** The recent failure to bring about a European Directive to protect Platform Workers is extremely disappointing. Millions of workers will continue to be forced into bogus self-employment after a small number of countries torpedoed the chance to find a deal on the Platform Work Directive.

**18.** We must not ignore these workers just because the Directive has been prevented from moving forward. Our government has a responsibility to ensure all workers, including platform workers, are protected. It should work with trade unions and take action to protect these vulnerable workers and end the scandal of bogus self-employment.

**19.** The Platform economy model is spreading quickly, generating exciting opportunities for our economy, however, this cannot be an excuse to step back and undermine a solid set of workers' rights that Irish workers enjoy.

- 20.** Could I thank you and the members of the committee for their attention, and I would be happy to answer any follow up questions they may have.