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CECOP



POLICY PAPER

NON-STANDARD AND PLATFORM WORKERS
IN THE COVID-19 CRISIS

A WORKER-OWNED COOPERATIVES' PERSPECTIVE



Based on CECOP's Working Group on Platforms and Non-Standard Work, and coordinated by Smart (Belgium), this policy paper addresses the situation of non-standard workers during the COVID-19 pandemic, including platform workers.

The paper stems from a summary of members' testimonies of their experiences during the time of the Spring 2020 lockdown.

The COVID-19 pandemic that unravelled over the world led to tremendous losses of lives across the world. With huge efforts and strict measures taken, it was possible to slow the spread of the coronavirus in Europe, but the constant threat of a new outbreak, as well as the economic implications of the fight against COVID-19, remain challenges for European societies and economies. As for many aspects, the confinement measures and their impact exacerbated underlying challenges societies were already facing before COVID-19 spread. This is particularly the case of non-standard workers, including platform workers, who struggled during this crisis, as many national rescue packages failed to address their needs. Whereas cooperatives showed their resilience in times of turmoil in the past, this crisis is new and the uncertainties for the future are high. We call on the European Union and its Member States to recognise the potential and needs of all non-standard workers [1], including of platform workers, to be recognised in rescue and recovery packages, as well as in labour legislation.



[1] We consider here non-standard workers salaried workers with part-time jobs and/or short term contracts as well as self-employed in non-liberal professions.



Caught between two fires

The impact of COVID-19 and the measures of domestic confinement to stop the spread of the disease has been severe on non-standard workers in the spring of 2020. Whereas some sectors, such as food delivery, ICT and care saw an increase in **demand**, workers in arts, events, as well as tourism sectors lost most of their **incomes**. Workers in these sectors reported an income loss of up to 90 per cent, which according to our member organisation Smart translates to a cross-sector decline of 50 per cent (during confinement) compared to the same months of the previous year in Belgium. Members from Italy reported a decline of income by 85 per cent, despite the efforts taken by the government to support the sectors with lump sum payments of up to €600.



Workers who had access to “classic” unemployment schemes were covered by these benefits, but when it comes to non-standard workers, the level of these schemes often didn’t allow to cover living costs (especially when benefits are calculated on past income). In Italy, these benefits were simply inaccessible to non-standard workers because access criteria were set based on long-term and full-time employment. In combination with a layoff ban that did not allow **filing for unemployment**, no social security or income is available for these workers that generate their own income from their activities.

Other specific **national rescue packages** were set out quickly, but rarely accounted for the situations of non-standard workers, including those working in platforms.



Temporary unemployment benefits linked to the reduction of work time for employees (like *'Kurzarbeit'* in Germany or "*chomage technique*" in France) provided workers with targeted benefits provided by governments to compensate loss of income.

These benefits, usually financially more interesting than classical unemployment, did not totally apply to those with short-term work contracts. For instance, it was difficult for these workers to prove activities that had not started but where agreed upon and cancelled because of confinement measures. Especially for those who work with very short-term contracts as it is the norm in the arts, events and tourism sectors, which were the hardest hit by confinement measures.

Specific measures were also put into place for self-employed workers, in some countries providing these workers with a sort of exceptional unemployment benefit (France, Belgium, Germany), but these were not always accessible. In some countries (like Sweden), freelancers with a decline in demand had to totally close down their businesses to access measures that were or could be considered as unemployment benefit. To address the initial complete lack of support for non-standard workers in arts and live shows, the Italian government finally granted lump sums up to €1000; however, eligibility criteria failed to take into consideration the great diversity of past contracts and related number of working days in the previous year.

The situation was most complex for workers juggling with different working statuses (salaried and self-employed) as it was difficult for them to understand which benefit they could or should opt for, even the more so as the income from both activities is partial.

Member States also put into place business support mechanism (lump sums, reporting of loans and fixed costs...) but these were not accessible to freelancers developing their activity autonomously within cooperatives, as governments do not make a distinction between the activities of the freelancers and the ones of the cooperative (cases in Belgium, Finland, France, Germany, Sweden and Italy). Slashers (or those having more than one job) were also confronted with thresholds to access sector-specific support mechanisms. Many platform workers are slashers. The case of Denmark shows that the governmental efforts to support workers can prove successful, if they are broad in scope and easy to access.

When it comes to platform workers specifically, some, such as drivers, experienced a reduced demand for their services, while others, such as workers in food delivery, recorded an increase in demand. Digital **platforms** missed to take action to ensure the health and safety of their workers. With platforms failing to recognize their responsibility to ensure Occupational Health and Safety Standards, courts in Italy ruled that platforms are forced to provide at least some minimum equipment and instruments to reduce the risk of infections and spreading of the virus. Countries (like Germany) that made these workers mandatorily employees truly secured the situation of these workers, which would have not been the case if they were considered self-employed. Despite these progresses in some countries, undeclared work remains a major challenge connected to platform work in some Member States. The COVID-19 crisis showed that these workers, often already in precarious situations, are particularly vulnerable to fall out of the scope of social protection.

Thus, the COVID-19 crisis made the lack of recognition of non-standard workers, including platform workers, in national labour legislation painfully clear, with many workers being left behind in this time of crisis, both as workers and economic agents.



Cooperatives as means of socio-economic inclusion for non-standard workers

Cooperatives that allow freelancers to operate as salaried workers facilitated access to ‘temporary unemployment **benefits**’ and provided members with information on the different support schemes implemented in Member States.

As many of the support schemes are constantly **changing**, this service is crucial to ensure that non-standard and platform workers are aware of support measures that allow workers to maintain an income. In some cases, the cooperatives tried to set up support schemes on their own. Whereas this brought some relief to the workers affected, the delay in authorities’ decision-making and the patchwork character of these regulations led to an increased vulnerability of informal, intermittent and platform workers. In several Member States, non-standard workers, including those working in platforms, are not taken into account by legal framework, leaving a large gap in the coverage of national labour law.

Cooperatives providing services to non-standard workers, including platform workers, were able to articulate the needs of their affiliated workers in their countries, leading to **amendments** in some national support schemes. Several member organizations have indicated that they tackle the COVID-19 crisis not only **by working on emergency solutions** for their members, but also by **planning recovery efforts for the future**.

The declining incomes of their members also translates into a **decline of resources for the cooperatives**, leaving less means to develop support strategies. Indeed, the main support cooperatives supporting freelancers provide consists in developing self-help and mutualised services. Whereas public hardship **funds for enterprises are available** for cooperatives, the **lack of fixed assets** of many platform cooperatives makes it difficult to obtain loans and other funding opportunities.

These cooperatives were already living a competitive disadvantage compared to classic enterprises as it is difficult for them to raise capital, which leaves little means to invest in technology and marketing (especially for cooperative platforms). Furthermore, the focus on paying their members fairly increases the customer price, making the products and services more expensive than companies that treat labour as asset creating negative social externalities. The pricing issue is especially an issue for cooperatives that thrive to integrate freelancers in more protective social security schemes. Despite these challenges, cooperatives have been acknowledged as solutions to the problematic situation of platform workers and their often precarious access to social security.

Recommendations

The COVID-19 crisis showed that the recognition of non-standard workers and platform workers remains a challenge in national and European labour regulations, leaving workers vulnerable and making fitting policies complicated to obtain. The failure to adapt national and European labour legislation to cover non-standard workers worsened the impact of the current crisis, putting workers incomes and livelihoods at risk. CECOP therefore urges decision makers at the national and EU level to:

1 Ensure access to social security for non-standard workers, including platform workers

- Step up efforts to create reliable and comprehensive legal frameworks that protect all workers, including, platform workers, regardless of the specific work contracts.
- Review ad hoc measures for workers to ensure that non-standard workers, including those working in platforms, are covered by existing schemes or expand current scheme accordingly.
- Guarantee non-standard workers access to adequate social protection regardless of the type and duration of their employment relationship.
- Provide an adequate legal framework in favor of workers in the platform economy.

2 Recognize cooperatives as solutions to challenges arising from all forms of non-standard work, including the platform economy

- Consider the needs of cooperatives in support mechanisms for enterprises and ensure availability and adequacy of funding.
- Provide an adequate legal framework for worker-owned cooperatives and worker-member status based on employment, by default.
- Recognize the economic activities of freelancers within shared enterprises, like cooperatives, as micro-enterprises as defined by the European Commission ([EU recommendation 2003/361](#)) and therefore distinguish these from the overarching cooperative when it comes to economic support (including regarding the [De Minimis Rule](#)).

3 Provide support for cooperatives of non-standard workers facing the COVID-19 crisis

- Consider the needs of cooperatives in support mechanisms for enterprises and ensure availability and adequacy of funding.
- Provide support for cooperative solutions and experiments for self-employed, in particular independent workers.

For more on worker-owned cooperatives' responses to non-standard employment, please read CECOP's latest report: [ALL FOR ONE](#).

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For further information please consult their [website](#).

