

Uber warns of threat to drivers in ‘hundreds’ of cities under EU gig work plan

Prices paid by consumers would also rise if Brussels enacts Platform Work Directive, says Uber’s European chief

A top Uber executive has warned that Brussels’ proposals to designate gig workers as de facto employees will force its ride-hailing service to shut down in hundreds of cities across the bloc and raise prices by as much as 40 per cent if enacted.

5 **Anabel Díaz, head of Uber’s mobility division in Europe, urged lawmakers debating the EU’s Platform Work Directive this week to approve rules that preserve what she described as self-employed workers’ desire for flexibility.**

10 “If Brussels forces Uber to reclassify drivers and couriers across the EU, we could expect to see a 50-70 per cent reduction in the number of work opportunities,” Díaz said. This would cause Uber to cease operating in “hundreds” of the 3,000 cities across the EU that it serves today, she added.

A new law giving drivers full working rights would also force Uber to raise the prices paid by consumers, Díaz added. “It could drive up prices by as much as 40 per cent for consumers in major cities — according to the European Commission’s own estimates — and with fewer drivers, riders could expect to experience significantly longer wait times.”

15 Her comments come in the week that the EU’s main institutions — the European Commission, the parliament and the Council of Ministers — have kick-started negotiations over the final text of the new law, which is aimed at improving economic conditions for gig workers in the bloc.

20 The law is likely to represent a significant change from the status quo in Europe, where the majority of platform workers are presumed to be self-employed, meaning they lack access to labour rights and benefits, such as paternity leave and a minimum salary.

Speaking to the Financial Times, Díaz warned of the consequences of the proposed EU legislation, which would give people who work for digital platforms — including drivers for ride-hailing services and food delivery drivers — the rights of full-time workers by default.

25 She said Uber is “sincerely committed to the European social model” but warned that similar rulings classifying drivers as employees in Spain and Geneva have led to “devastating” job losses.

“In order to manage the costs of employment, Uber would be forced to consolidate hours across fewer workers,” she said. “Drivers and couriers would need to apply for an open role, if one is available; show up for shifts at specific times and places; accept every trip they receive; and agree not to work on other apps.”

30 Díaz denied, however, that changes in the law would hit Uber’s profitability in Europe. “This isn’t about Uber’s profits,” she said. “We have already proven our ability to grow in places like Germany and Spain using a third-party employment model.”

In Germany, Uber contracts fleet management companies, who employ their drivers, in order to operate under local rules. Uber says its prices are higher in Germany as a result and its ride-hailing service is only available in major cities where it can expect a steady stream of demand.

35 At the launch of the EU’s proposal, Nicolas Schmit, EU commissioner for jobs and social rights, said: “This is about establishing clear criteria and looking at the facts. If the platform is in fact an employer, then the people working for it are entitled to the same rights and protection as workers in the ‘offline’ world.”