

## Fairwork UK Ratings 2021: Labour Standards in the Gig Economy



## **Executive Summary**

The platform economy has found a fertile ground for growth in the UK, which has a relatively deregulated labour market, porous employment protections and weak collective representation rights. In recent years, there has been a significant increase in non-standard forms of employment, including zero-hour contracts, agency work and self-employment. Buttressed by rapid digitalisation and high internet connectivity among the general population, platform work has proliferated. Although precise figures are difficult to come by, the ONS estimated that in 2017 at least 4.4% of the UK population, or about 2.8 million people, worked in the platform economy. The COVID-19 crisis is likely to have accelerated this growth trend, with lockdown measures pushing many people into online shopping and remote working.

This report presents the first set of Fairwork ratings for the UK, and establishes a baseline on the country's platform economy that will be updated on a yearly basis. Eleven platforms in the ride-hailing, food delivery, courier and domestic services sectors were evaluated against the five principles of Fairwork and given a score out of ten.

The Fairwork scoring process involves desk research, interviews with platform managers to gather insights into the platforms' operation and business models, and interviews with workers to understand the process of work how it is carried out and managed. Final scores are collectively decided by the Fairwork team based on all three forms of evidence and reviewed by Fairwork researchers from other countries.

By raising awareness of the conditions of gig workers in the UK and across the world, Fairwork aims to assist workers, consumers and regulators in making platforms accountable for their practices, and creating a world of fair platform work.

#### **Key Findings**

- The eleven platforms we evaluated achieved scores ranging from zero to eight out of ten, showing a large variability in the fairness of the work offered by digital platforms in the UK. Despite a few platforms achieving high scores, the majority of the platforms we evaluated failed to evidence that basic standards of fairness are met.
- Fair Pay: Only two platforms,
  Pedal Me and Just Eat, could
  evidence that all workers are
  guaranteed to take home
  earnings equal to or above the UK
  minimum wage. There continue
  to be many workers across the
  country that take home less than
  the hourly minimum wage after
  putting in an hour 's work. No
  platform guarantees that workers
  earn at least the local living wage
  after costs.
- ▲ Fair Conditions: Most platforms mitigate basic task-specific risks,

- though only five provide workers with an effective safety net.
- ▲ Fair Contracts: Five platforms were able to evidence that they provide clear and transparent terms and conditions and that the applicable law is that of the country in which the worker works. Only two platforms, Pedal Me and Just Eat, evidenced that they have contracts which do not exempt the platform from liability.
- ▲ Fair Management: Only four platforms were able to evidence that they provide a fair system of due process for decisions affecting workers. Only two, Pedal Me and Deliveroo, could evidence that they provide equity in the management process.
- ▲ Fair Representation: Only one platform, Pedal Me, assures freedom of association and to guarantee the expression of collective worker voice.

#### Fairwork UK 2021 Scores\*

| Pedal Me    |   |   | 8 |
|-------------|---|---|---|
| Just Eat    |   | 6 |   |
| Deliveroo   |   | 5 |   |
| TaskRabbit  | 2 |   |   |
| Uber        | 2 |   |   |
| Uber Eats   | 2 |   |   |
| Helpling 1  |   |   |   |
| Stuart 1    |   |   |   |
| Amazon Flex | 0 |   |   |
| Bolt 0      |   |   |   |
| Ola 0       |   |   |   |

<sup>\*</sup> Scores are out of 10.

#### **Editorial:**

# The Gig Economy at a Crossroads

With the resurgence of gig work mediated via digital labour platforms in the UK¹, the standard employment relationship that dominated UK employment relations during the 20th century has begun to erode. Indeed, as Frances O'Grady, the general secretary of the Trades Union Congress, has observed, "the world of work is changing fast and working people don't have the protection they need", with workers across the UK being "denied their rights and [...] treated like disposable labour".²

The rapid rise of the gig economy in the UK dates from Uber's 2012 launch in London<sup>3</sup>, with 30,000 Londoners installing the app on their phones every day by 20164 Uber's low prices—a major factor in its popularity-are enabled by the economies of scale afforded by mobile data and the app-based technologies that are central to the platform model of management. This model effectively treats every gig worker as an independent business, which has allowed companies to avoid nearly all the standard employment and social protections that workers and employees are entitled to by law.

While advocates of the platform model of work portray it as a qualitatively new innovation, in reality, many gig work companies are simply recreating old organisational models but with greater digital control.<sup>5</sup> This model actually has a long history.<sup>6</sup> Back in 1914 a Pennsylvania coal company used an independent contractor model to avoid liability for miners' injuries. In *Lehigh Valley Coal Co. v. Yensavage*, the company claimed it was "not in the business of coal mining at all". Rather, the company simply "engaged

in letting out contracts to independent contractors, to whom they owe as little duty as to those firms which set up the pumps in their mines." Judge Learned Hand ruled for the plaintiff, stating it would be "absurd to class such a miner as an independent contractor" given that miners alone "carry on the company's only business."7 Preceding the rise of the gig economy in the UK was the proliferation of so-called "low road" management practices in the 1990s and early 2000s. Such practices based on temporary contracts and agency subcontracting, which allowed employers to avoid their obligations to workers.8 The abandonment of employer obligations is most evident in the self-employment model of sourcing labour; a model that many gig platforms hold as central to their business model.

It is clear that the gig economy has a lineage tied to avoiding obligations to workers. The Fairwork project aims to push platforms in a different direction. To do so, it evaluates working conditions on digital platforms and scores them according to five principles of fair work: Fair Pay, Fair Conditions, Fair Contracts, Fair Management, and Fair Representation. The scores offer an independent perspective on work conditions for policy-makers, platform companies, workers, and ethicallyminded consumers. Fairwork provides platform workers a cross-sectoral view of working conditions, and give new entrants a glimpse of what to expect from platform work. After scoring and ranking platforms in India, South Africa, Germany, and Ecuador, for the first time Fairwork is scoring platforms in the UK. As will be clear from this report, in the UK, platforms differ widely in the

obligations they are willing to undertake, and in the rights and entitlements they provide their workers.

More recently in the UK, the question of labour market classification has been at the centre of litigation around gig work. The classification of "employee" is the standard contractual status in the UK and carries with it a range of social protections including against unfair dismissal. The classification of "worker" carries with it fewer protections, although it includes the right to a national living wage, holiday pay, working time regulations and union representation. A recent Court of Appeal decision involving Uber, CitySprint, and Hermes found that these companies did indeed employ "limb (b) workers" in 2016 rather than self-employed contractors, meaning they were due the entitlements mentioned above.9 More than 100 years after the Lehigh Valley judgement, Judge Snelson fixed on essentially the same point, that "The notion that Uber in London is a mosaic of 30,000 small businesses linked by a common 'platform' is to our minds faintly ridiculous".10

Uber appealed, but was again defeated, this time in the Supreme Court ruling of 2021<sup>11</sup>, which upheld the classification of its drivers as limb (b) workers, and which furthermore said that working time spans from the time they log in to the time they log off. Just as restaurants pay waiters for the time they spend waiting to serve tables, drivers should be paid for the time spent waiting for rides. <sup>12</sup> Uber, however, now claims their present contracts are significantly different to the ones used in 2016, and thus the Court's ruling doesn't apply. While they have announced that they

will be moving their drivers onto worker contracts, they will only count working time from when the trip was accepted until completion.<sup>13</sup>

The measurement of paid working time is a key point of contestation for many gig workers, and indeed workers more generally — an issue we highlight in our "theme in focus" section of the report. As a recent investigation by the Bureau of Investigative Journalism has demonstrated, many workers end up with take-home pay below their local minimum wage.14 Our league table reflects this simple fact. Most platform companies do not guarantee that their workers can take home even £8.91 an hour. And while some platform companies have done relatively well on principles such as Fair Contracts or Fair Management, those metrics mean little if a worker is not making enough to pay their bills.

As platforms face increased legal pressure to recognise their obligations to workers, the UK gig economy could find itself at a crossroads, with a business model that could prove increasingly unviable as institutions and regulators catch up. Indeed, the consensus has shifted to understanding that gig work platforms don't just "generate leads", but that they absolutely control the terms and conditions of the labour process. Given that workers are financially dependent and contractually obligated to fulfil orders, platforms in turn should recognise their obligations to their workers and provide them with the decent jobs they deserve.

The 2021 UK Fairwork scores presented in this report suggest that much remains to be done to ensure minimum standards of fairness for UK-based platform workers. Within a rapidly growing platform economy and evolving regulatory context, we hope this report will draw attention to persistent gaps in worker protections and the need for stronger labour standards in the UK's platform economy. At the same time, we also want to show that a fairer platform economy is possible, and that some platforms have already taken important steps towards providing decent and secure work.

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## 01 The five principles

#### Fair Pay

Workers, irrespective of their employment classification, should earn a decent income in their home jurisdiction after taking account of work-related costs and active hours worked. They should be paid on time, and for all work completed.



#### **Fair Conditions**

Platforms should have policies in place to protect workers from risks arising from the processes of work and should take proactive measures to protect and promote the health and safety of workers.



#### **Fair Contracts**

Terms and conditions should be transparent, concise, and always accessible to workers. The party contracting with the worker must be subject to local law and must be identified in the contract. Workers are notified of proposed changes in a reasonable timeframe before changes come into effect. The contract is free of clauses which unreasonably exclude liability on the part of the platform, and which prevent workers from seeking redress for grievances. Contracts should be consistent with the terms of workers' engagement on the platform.



#### Fair Management

There should be a documented due process for decisions affecting workers. Workers must have the ability to appeal decisions affecting them, such as disciplinary actions and deactivation, and be informed of the reasons behind those decisions. The use of algorithms is transparent and results in equitable outcomes for workers. There should be an identifiable and documented policy that ensures equity in the way workers are managed on a platform (for example, in the hiring, disciplining, or firing of workers).



#### **Fair Representation**

Platforms should provide a documented process through which worker voice can be expressed. Irrespective of their employment classification, workers should have the right to organise in collective bodies, and platforms should be prepared to cooperate and negotiate with them.

## The Fairwork Framework

The Fairwork project evaluates the working conditions of digital platforms and ranks them on how well they do. Ultimately, our goal is to show that better, and fairer jobs are possible in the platform economy.

To do this, we use Fairwork's five principles that digital platforms should comply with in order to be considered to be offering 'fair work'. We score platforms against these principles to show what the platform economy is, and what it could be. The five Fairwork principles were developed in multistakeholder workshops at the International Labour Organisation. To ensure that these global principles were applicable in the UK context, we then revised and fine-tuned the criteria for measuring these in consultation with platforms, trade unions, regulators, academics, and labour lawyers in London.

Further details on each principle's thresholds, and the criteria used to assess the collected evidence to score platforms, can be found in Appendix I.

## **02** Methodology

The Fairwork project uses three approaches to effectively measure fairness at work.

#### **Desk Research**

The process starts with desk research to ascertain which platforms are operating in each city, as well as noting the largest and most influential ones. This research provides the overall range of the platforms that are ranked, as well as identifying points of contact or ways to access workers. Desk research also flags any public information that could be used to score particular platforms, for instance the provision of particular services to workers, or ongoing disputes.

#### **Platform Interviews**

The second method involves approaching platforms for evidence. We interview platform managers and request evidence for each of the Fairwork principles. This provides insights into the operation and business model of the platform, while also opens up a dialogue through which the platform could agree to implement changes based on the principles. In cases where platform managers do not agree to be interviewed, we limit our scoring strategy to evidence obtained through desk research and worker interviews.

#### **Worker Interviews**

The third method is interviewing platform workers directly. We aim

for a sample of 6-10 workers interviews for each platform. Workers are approached either through the platform directly or at known worker meeting points. These interviews do not aim to build a representative sample. They instead seek to understand the process of work and the ways it is carried out and managed. They allow us, for instance, to see contracts and learn about platform policies that pertain to workers. The interviews also allow the team to confirm or refute that policies or practices are really in place on the platform.

#### Putting it all together

This threefold approach provides a way to cross-check the claims made by platforms, while also providing the opportunity to collect evidence from multiple sources. Final scores are collectively decided by the Fairwork team based on all three forms of evidence. The scores are peer-reviewed by the country team, the Oxford team, and two reviewers from other Fairwork country teams. This provides consistency and rigour to the scoring process. Points are only awarded if clear evidence exists for each threshold.

03 How we score

Each Fairwork principle is broken down into two points: a basic point and a more advanced point that can only be awarded if the basic point has been fulfilled. Every platform receives a score out of 10. Platforms are only given a point when they can satisfactorily demonstrate their implementation of the principles.

Failing to achieve a point does not necessarily mean that a platform does not comply with the principle in question; it simply means that we were unable to evidence its compliance.

See Appendix I for further details on the Fairwork scoring system.

# Overview of the UK Platform Economy



The UK platform economy is booming. Traditional workplaces have digitised into virtual spaces, while last-mile logistics and other services have platformised. The restrictions imposed by lockdowns during the COVID-19 pandemic have further catalysed the transition to online shopping and remote working—and with restaurants closed for dining, ordering food delivery has become even more commonplace.

While digitalisation has certainly accelerated with the pandemic, this was actually the plan all along. Since at least 2016, UK industrial strategy has prioritised the development of artificial intelligence and data infrastructure the technological foundations of the platform economy.15 Indeed, the UK leads Europe by some way in terms of the value of the data market (£18 billion) and number of data suppliers (154,000).16 Mobile datafication has facilitated the rapid incorporation of platform-mediated activities into everyday life, with 91% of the geographic landmass of the UK having access to 4G.17

Of course, reliance on the platform economy increased substantially, both

in terms of consumer reliance and as a source of work even before the pandemic. Research by University of Hertfordshire<sup>18</sup> found that about 60.7% of the UK population used platform services at some time during 2019. From 2016 to 2019, the proportion of adults surveyed who used apps or websites to log work rose from 14.2% to 24.6%, and nearly a quarter (24%) reported having their work rated by customers.19 It also found that many users are platform workers themselves. This study uses a broader definition of platform work than we do at Fairwork, incorporating paid tasks found via a website or app, but it is indicative of a broader shift.

A 2018 study by the Office for National

Statistics uses a narrower definition, limiting it to task-based digitallymediated gig work.<sup>20</sup> This is closer to the definition that the Fairwork project uses, although the ONS study does not distinguish between locationbased and online work.21 The study estimated the size of the gig economy workforce in 2017 to be 4.4% of the UK population, or about 2.8 million people. It found that platform workers tend to be young, with 56% aged 18 to 34. Most of the sample lived in the London area, and had a similar educational attainment to the general population. The workers surveyed also had a similar gender balance to the overall population, at 54% men and 46% women (compared with 49% and 51%, respectively, in the total UK

population).22

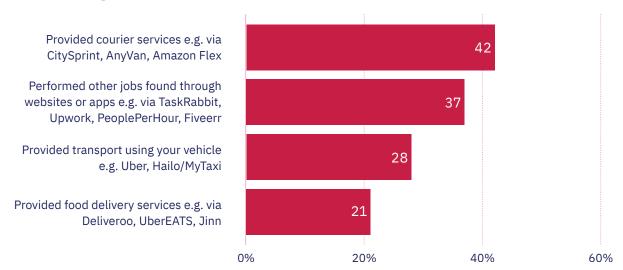
However, a study by the CIPD found that, in contrast to the overall labour market, platform workers in the UK tend to be from migrant or ethnic minority backgrounds, with 68% describing themselves as White British, compared to 85% of the overall labour market.<sup>23</sup> A significantly higher proportion of platform workers describe themselves as either Indian or Black African, compared with the overall labour market. Such a trend follows a longer pattern of black and

minority-ethnic workers (BME) in precarious work. For example, in 2014, 37.4% of BME employees worked in low-paid sectors (as defined by the Low Pay Commission) compared with 29% of white employees.<sup>24</sup> This is consistent with emerging research on the racialised context in which labour platforms have developed.<sup>25</sup> Labour platforms greatly benefit from the intersecting regulatory frameworks of immigration policy and employment law.<sup>26</sup> In the UK, such frameworks limit immigrants' access to welfare services and decent work, since both

are contingent upon residency status and navigating more subtle forms of "bureaucratic discrimination".<sup>27</sup>

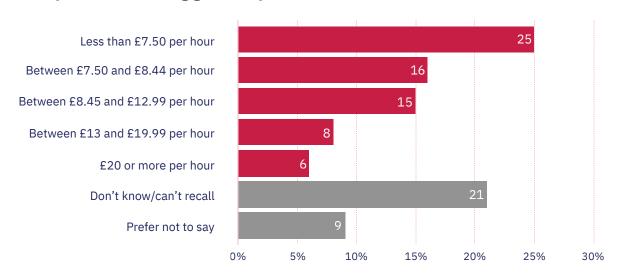
In terms of the types of gig economy work, the ONS study found that providing courier services was most common, with 42% of those surveyed having done so in the previous 12 months (see Figure 1). 28% of gig workers provided transport services and 21% provided food delivery services. 18% of all gig workers said they worked through the Uber app.

Figure 1: Types of Gig Economy Work



Unweighted base (NatCen Panel): All GB adults (aged 18+) involved in gig economy (n=95) Note: Respondents were able to give more than one response to this question and therefore the sum of the percentages may be greater than 100. Figure reproduced from Lepanjuuri et al. (2018).

Figure 2: Hourly income from the gig economy



Unweighted base (YouGov Omnibus): All GB adults (aged 18+) involved in gig economy (n=343). Figure reproduced from Lepanjuuri et al. (2018).

By comparison, 12% mentioned they worked through Deliveroo.<sup>28</sup>

In the ONS study, courier services earned the highest levels of hourly income, with 32% earning £13 per hour and over. Yet, 25% of those surveyed said they earn an hourly income of less than £7.50 per hour, on average.

The income data speaks to a pervasive problem in the gig economy - the lack of a wage floor. Principle 1.1 was established in order to counteract this tendency. However, the self-employment model exempts companies from the normal obligations of employers. Such contracts do not allow workers to access any of the employment protections enshrined in UK labour law. By using this model, gig companies are able to rewrite the terms and conditions of employment relationship to suit their interests. Workers' contracts can be terminated unilaterally by the company at any time. While some companies have antidiscrimination policies, this is at their own discretion.29 Thus is it clear that a key benefit of this model for companies is the transfer of risk to workers, who are responsible for their own insurance, budgeting of expenses and liabilities for issues with customers. This is despite these workers being on the front line in keeping society running during the crisis. Ocmpanies also benefit as they pay far less in tax, particularly with regard to national insurance contributions. The lack of stable income due to the highly variable nature of the demand for gig services and the lack of any formal employment protection means gig companies wield an exceptional amount of power over gig workers, despite their ability to multi-app.

The fragmented nature of the working environment can also make it difficult for gig workers to collectively organise.32 Indeed, self-employed gig workers lack the right to be collectively represented by a union.33 While there have been a lot of attempts to organise UK workers, there have been few successes. However, workers now have a choice to contact the GMB, UVW, IWW, ADCU and the IWGB, among others who can represent them.34 Key challenges and victories have been won by each union over contractual status and the right to organise. While the recent Supreme Court case<sup>35</sup> is evidence of a shift in legal context and political mood in the UK, gig workers have yet to see significant material improvements to their working lives.



"The lack of stable income due to the highly variable nature of the demand for gig services and the lack of any formal employment protection means gig companies wield an exceptional amount of power over gig workers, despite their ability to multiapp."



### The UK Legal Context:

## A Change is Gonna Come

Platform work in the UK is embedded in a deregulated legal framework that provides limited checks and balances on workers' rights. Historically characterised by strong sectoral collective bargaining and union-led industrial relations, since the 1980s the UK labour market has undergone a series of reforms in the direction of liberalisation—limiting employment rights, and making their enforcement more difficult.<sup>36</sup> These reforms have been further buttressed by a rapid fall in collective bargaining coverage, and a gradual reduction in collective representation rights, leaving the UK with one of the weakest industrial relations frameworks among countries in the Global North.<sup>37</sup>

After the liberalising reforms and assault on worker power by successive Conservative governments during the 1980s and early 1990s, Blair's Labour government implemented some policies in the late 1990s to strengthen employment rights. These included the introduction of a national minimum wage (1998), and the creation of a third employment category between employees and self-employed, that of limb (b) workers, or more simply, "workers" (1996). This was particularly relevant in extending some of the rights normally granted only to employees to some (though not all) workers in nonstandard forms of employment, which had become increasingly 'standard' over time.

The growth of non-standard forms of employment gained further impetus following the global financial crisis of 2008, with the UK experiencing a rapid rise in several forms of 'atypical' work, including so-called zero-hour contracts, temporary agency work, and platform work. The Conservative-led coalition government under David Cameron particularly welcomed the spread of platform work, together with other forms of non-standard employment, as a way to reduce unemployment in a period of sluggish growth. Platform work was seen as a way to provide job opportunities for workers facing barriers to standard forms of employment and to increase labour market flexibility.<sup>38</sup>

However, the government's attention was focused on job quantity rather than quality, and many of these new forms of work were characterised by low pay, precarious working conditions, and limited employment rights. Platform work has rapidly come to epitomise these issues, as the vast majority of

platform workers are classified by platforms as self-employed. This classification excludes them from most of the rights that employees and limb-b workers are entitled to, including the right to a minimum wage, health and safety protection, holiday pay, and includes only limited protection against discrimination and less ability to be collectively represented.

Prompted by scandals of labour exploitation and worker misclassification, Theresa May's government commissioned an independent review of the employment regulations framework.<sup>39</sup> Led by Matthew Taylor, this review was published in July 2017.<sup>40</sup> Interestingly, the Taylor Review did not recommend any major overhaul of the UK legal employment framework. While it recognised employment



misclassification as a key issue, it only recommended greater clarity in the legislation defining employees, workers and self-employed, without clearly identifying what such clarification should entail. Despite demonstrating awareness of many of the issues that platform workers face, including unpaid working time and lack of social protection, the Review only recommended minor amendments to the current legislation. Finally, the Review did not make any reference to issues related to algorithmic management and data protection-key concerns for worker management in the platform economy.

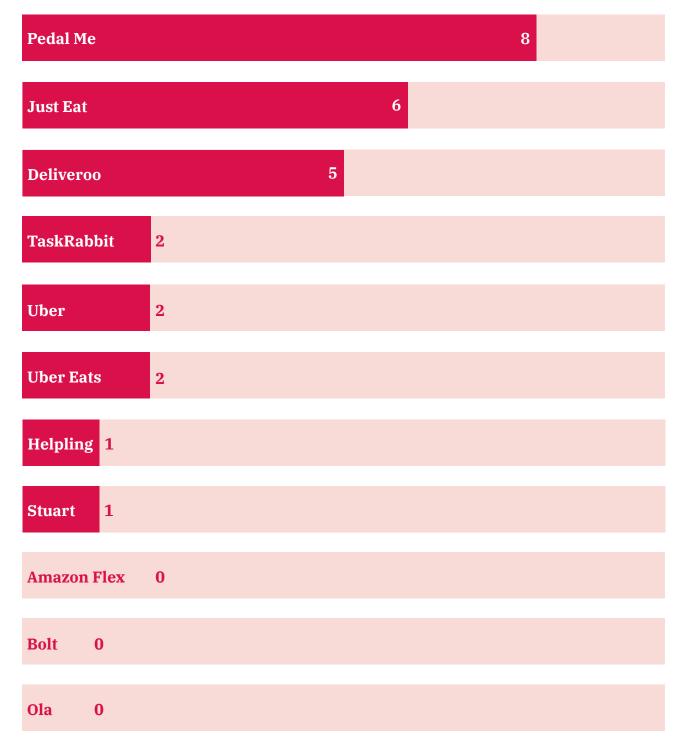
Following publication of the Taylor Review, the government established a number of consultations on some of the specific issues it raised, including the issue of employment status. <sup>41</sup> Nevertheless, in the end, no substantial legislative reform was implemented, with the status and rights of non-standard workers remaining unchanged. <sup>42</sup> More recently, the protracted Brexit negotiations and COVID-19 crisis have meant that employment reform has failed to be prioritised on the government's policy agenda.

That said, a number of court cases involving gig economy companies have brought platform work back into the spotlight. Using a 'purposive'43 approach, the February 2021 UK Supreme Court ruling on Uber, examined the various forms of control, both direct and indirect, that was present in the Uber business model. The Court declared a group of Uber drivers to be limb-b workers rather than self-employed, prompting Uber to reclassify all its drivers across the UK as workers the following month.44 As part of the ruling, the Court upheld an expansive model of working time, to include periods in which drivers wait to be assigned a passenger.45 In two court judgments in March 2021,46 two of the major ride-hailing platform companies in the UK, Uber and Ola, have been obliged to hand over more data to its drivers and to make their automated decision-making systems more transparent.<sup>47</sup> A ruling on appeal over the employment status of Deliveroo riders is expected later in the spring of 2021.

Despite these encouraging signs, the current regulatory framework still allows platform workers to earn below the minimum wage, to not be protected against health and safety risks, to have no appeal process, and to not be entitled to many other basic rights and entitlements described in the Fairwork principles. Nevertheless, these recent court rulings represent an important leap forward in the rights of platform workers in the UK, and might prompt the government to intervene through legislation rather than leaving the regulation of platform work to the judiciary. Although several MPs have already called on the government to intervene in the regulation of platform work, so far no legislative proposal has been advanced.

## **Fairwork Scores**

Score (out of 10)\*



<sup>\*</sup> The breakdown of scores for individual platforms can be seen at: www.fair.work/ratings

The platform scores in this report rely on data gathered using the Fairwork Framework as laid out in the Methodology section. After desk research was conducted, workers from all platforms were interviewed, and evidence was collected from the platform managements of seven. Appendix I provides further details of the evidence used to score each point, and how it was gathered.



#### **Fair Pay**

Despite many platforms claiming their workers make more than the minimum wage, we found that this was not the case for many. Only two platforms -Pedal Me and Just Eat - could evidence their workers are guaranteed to be paid at least the minimum wage after costs. Pedal Me hires workers through an employment contract and pays workers the minimum wage plus a commission. Just Eat is currently rolling out a new working model throughout the UK, hiring workers through a temp agency. As temp workers, Just Eat riders are also entitled to the minimum wage. Nevertheless, no platform achieved the higher threshold of our fair pay principle, meaning no platform could evidence to guarantee workers to be paid at least the living wage after costs. This shows that much more needs to be done in order to ensure platform workers in the UK are guaranteed fair earnings.



#### **Fair Conditions**

This principle was the most easily met by platforms, as we found 6 out of 10 to protect workers from risks arising in the process of work. These platforms could evidence to provide health and safety equipment, including personal protective equipment during

the pandemic, and provide insurance against work-specific risks, all free of charge. Moreover, most of these platforms have introduced policies to protect workers from income loss during the coronavirus pandemic, providing financial support to workers who had to self-isolate.



#### **Fair Contracts**

Roughly half (5) of the platforms analysed could evidence clear and accessible contracts or terms of service, in which the contracting parties are clearly identified, the applicable law is that of the country where the worker is located and workers are notified of proposed changes in a reasonable timeframe. Only the two platforms using worker and employment contracts – Just Eat and Pedal Me – were found not to have contractual clauses excluding platform's liability.



#### Fair Management

All platforms have communication channels allowing workers to interact with a human representative of the platform, either through the app, phone or online chats. Nevertheless, many workers complained that many replies are often automated and that it is often difficult to talk to a representative, especially when the workers are offline. Four platforms have a formalised process where workers can appeal decisions resulting in penalties or disciplinary actions, and that this process is available even when no longer working for the platform. Only two platforms -Deliveroo and Pedal Me - have shown to have a clear anti-discrimination policy in place, and they have taken steps to remove barriers to access by

people from disadvantaged groups.



#### Fair Representation

Of all Fairwork principles, Fair Representation is the one for which platforms in the UK score the lowest. Only one platform - Pedal Me could show to have implemented a mechanism that facilitates the expression of workers' collective voice. Responding to concerns from some of its riders, Pedal Me decided to introduce a worker representative, elected by all riders, and it has a formal policy of willingness to negotiate with a union, should a union be established. Nevertheless, no platform this year achieved our more advanced threshold of the principle, meaning no platform could evidence that workers have a meaningful role in governing the platform, nor they could show they formally recognise or they have implemented meaningful mechanisms to bargain and negotiate with unions or other worker collective bodies. This highlights the relevant representation gap gig workers in the UK platform economy, and the long way the UK has to go in order to ensure fair representation of platform workers.

#### **Platform in Focus:**

## **Pedal Me**

**Total** 



Principle 1: Fair Pay



Pays at least the local minimum wage after costs



Pays at least a local living wage after costs





Principle 2: Fair Conditions



Mitigates task-specific risks



Provides a safety net





Principle 3: Fair Contracts



Provides clear and transparent terms and conditions



Does not impose unfair contract terms





Principle 4: Fair Management



Provides due process for decisions affecting workers



Provides equity in the management process





Principle 5: Fair Representation



Assures freedom of association and the expression of collective worker voice



Supports democratic governance



#### Pedal Me's overall score



Pedal Me is a passenger and cargo service platform based in London. Thanks to its large and creatively-shaped bikes, it provides an innovative way for transporting people and bulky items across the city. In contrast to most platforms in the UK, Pedal Me offers all its workers an employment contract, entitling them to many employment rights from which UK platform workers are typically excluded. The platform has also introduced policies aimed at improving the working conditions of its riders, making it this year's best scoring platform in the UK, with an overall score of 8 out of 10.

All riders are paid a basic hourly rate set at the national minimum wage, and on top of that they earn a 16% commission for every ride they complete. That means workers have a guaranteed pay and a more predictable income than most other platform workers. That said, although workers earn above the London living wage (£10.85/hour in 2021) most of the time, there are instances where they might fall

below . In its efforts to improve the working conditions of its workers, we hope the company will consider introducing a pay guarantee at least equivalent to the London living wage in the coming years.

The company provides the vehicles as well as full health and safety equipment, including lights, reflective equipment, waterproof clothing and, during the COVID-19 pandemic, PPE as well. Partly because it uses special bikes, all prospective riders undergo thorough training before coming onboard. It also makes mechanics available for repairs and maintenance. Moreover, workers are covered by liability insurance and, as employees, they also have access to sick pay when ill.

Workers have to sign an employment contract, where all working particulars are clearly stated. As employees, Pedal Me riders are protected from unfair clauses and from lack of accountability on the platform's side, as the company takes all the obligations that standard employers do.

As employees, workers do not risk arbitrary deactivation and the company has established due process for decisions affecting workers. Workers are in regular radio contact with a dispatcher and they communicate with the platform both through the app and through multiple WhatsApp groups. They know that whenever they experience a problem, they can be in immediate contact with someone at the platform. The company has also implemented a thorough equality and diversity policy and it has made efforts to make its workforce less male-dominated, encouraging more women to join.

Aware of the deficit in workers' collective representation, Pedal Me agreed to the election of a workers' representative who will liaise between the riders and the platform management. The representative will be providing workers' input on company decisions and will provide the management with feedback on any issue or concern workers may experience.

## Platform in Focus: Just Eat

**Total** Principle 1: Pays at least the local Pays at least a local living minimum wage after costs wage after costs Fair Pay Principle 2: Mitigates task-specific risks Provides a safety net **Fair Conditions** Provides clear and **Principle 3:** Does not impose unfair transparent terms and contract terms **Fair Contracts** conditions Principle 4: Fair Provides due process for Provides equity in the decisions affecting workers management process Management Assures freedom of Principle 5: Fair association and the Supports democratic expression of collective governance Representation worker voice

#### Just Eat's overall score



Just Eat Takeaway is a company that was formed when Takeaway.com merged with British food delivery service Just Eat, in February 2020. At the end of 2020, the company saw revenue increases of 54% to €2.4 billion, with adjusted earnings before interest, taxes, depreciation, and amortisation at €256 million. The company processed 588 million orders in 2020, representing a 42% increase compared with 2019. It is leading the delivery market in the UK in terms of orders and its growth rate exceeds competitors.<sup>48</sup>

There is also good news for workers, since with this growth came a change in strategy in their approach to labour. From later 2020, the company announced that it was going to begin shifting away from 'self-employment' contracts to formal employment contracts so workers benefit from the associated rights they afford. According to Andrew Kenny, the UK managing director of Just

Eat, nearly 2000 jobs have been created through this model as the company expands throughout London and Birmingham. They are also rolling out the changes in Liverpool and aim to create 1500 more jobs this year.

At the moment, this new model means that Just Eat riders are contracted via the independent Randstad agency which Just Eat's parent company uses across Europe. Workers earn above the legal minimum hourly wage, receive pension contributions, accident insurance, holiday pay, and sick pay. Just Eat also provide e-bikes, which are maintained by the company at a central hub with restrooms and lockers for riders. There are set shifts and hours that workers can depend on. However, they can no longer multi-app. Many workers find this model preferable to other companies that use the self-employment approach. One rider said, "I've really enjoyed it. Out of all the jobs that I've kind of done in the past, it is probably

the most enjoyable one. It is kind of the easiest one of them as well."49

This shift in strategy is a positive move for one of the largest gig economy companies in Europe and shows that success does not depend on cutting labour costs and obligations to the bare minimum. Indeed, it shows that there are benefits for employers when they hold up their obligations toward workers. However, as evidenced by their score in relation to our other principles, there is still room for improvement. As Alex Marshall, the president of the Independent Workers Union of Great Britain said this shift was "a step in the right direction but still not where it should be to offer a sustainable job that people can build a life around".50

## Workers' Stories



Frankie\* is 28 and from a town near Reading in the UK. After some university, he began working in hospitality, but then left to do a journalism course. He started working for Deliveroo part-time to earn money after his studies. One of the reasons Deliveroo was appealing was because of the flexibility the platform afforded. However, this turned out to not really be the case as he couldn't earn enough money working only part-time, so he had to start working full-time. Frankie was also initially attracted to Deliveroo as the platform promised independence in the job.

In reality, Deliveroo did not deliver on this promise. Frankie explains, "we are clearly not our own boss... we're not in control of getting work." While he can log in and out as he pleases, that doesn't mean he has control over his working time, since there is no guarantee of a shift or enough customer demand to earn a decent wage. The rule of "being your own boss" doesn't apply when riders can't decide what to charge or when to work. He complains, "what flexible means for them is not what flexible means for us".

Frankie also explained that the degree of control varies according to the zone he works in. Free login zones have no quota on orders or login time, but in booking zones, which are higher-demand, "statistics matter – the number of shifts you book, the number of orders you take, rush hour availability – these determine who gets next weeks' shifts". He experiences a high degree of insecurity due to the algorithmic management of the system. He notes, "if you get some orders wrong even when it's not your fault, you get an automated

email deactivating you".

For Frankie, the foundation "rests on being able to earn enough money over the week". The most important thing determining workers' capacity to do so is the ratio of riders to the amount of work available:

The ratio of orders between riders have to be enough for us to work enough and earn enough. When they go on a hiring spree, they just make the new riders undercut existing riders' pay. Deliveroo dominates the media and say "were creating 15k jobs" but actually they're driving wages down.

The continued refusal to institute a wage floor for riders and refusal to provide employment contracts to those who want them, is a persistent source of tension between workers like Frankie and Deliveroo. This tension is increasingly played out in public. In Deliveroo's IPO Registration, the platform states that their "business would be adversely affected if our rider model or approach to rider status and our operating practices were successfully challenged or if changes in law require us to reclassify our riders as employees". <sup>51</sup> And yet, their competitors seem to be moving from strength to strength despite moving away from such a model.

Frankie sees working for Deliveroo as a temporary thing, as he's trying to get into journalism. However, the pandemic has dried out job opportunities, so he will continue working for Deliveroo for the foreseeable future, although he really hopes to find another job soon.

\*Names changed to protect worker identity





Rachel\* joined Pedal Me in the middle of the pandemic as she felt she needed a career change. Having previously worked indoors, she really enjoyed the idea of being able to work outside. She was aware these jobs tend to be very male-dominated, but the fact that she read at the bottom of her job application that they were looking to hire more female riders made her feel wanted and included.

She has an employment contract where she's paid the national minimum wage plus a commission for every ride. Having an employment contract also makes her entitled to sick pay and holiday pay and she's happy that the company is paying contributions towards her pension. She started with very few hours as she wanted to get used to the new job (and she also had caring responsibilities), but now she works on average 30-40 hours a week. In commenting on her working time, she says,

'They want you to be flexible in the mornings and in the evenings. You might have to start an hour earlier and finish an hour later, but you get paid... There's this understanding that you have to be flexible, but every time you have to stay

late, they always ask they don't just assume.'

Her main struggle in the job, especially initially, was dealing with all the technology. "What I find a bit overwhelming is the tech, it is a very techy company, everything is online, it just took a bit of getting used to it." However, she also feels very taken care of, "They really seem to care about you, cause the training is really thorough, they really invest their time in you, they really make you want to perform, they have very high standards!"

The main thing she would like to change about Pedal Me is the ethnic diversity of the workforce. 'It's mainly white, it's a quite hard thing to tackle. But they are always trying, the culture is really open and trusting. It makes you want to help them out.'

\*Names changed to protect worker identity

#### Theme in Focus:

## **Unpaid Working Time**

The measurement of working time is a theme that runs throughout this report, and which has emerged as a contested terrain of struggle in the gig economy itself. This reflects a wider problem in the UK concerning unpaid working time.

According to the TUC, more than five million workers put in a total of two billion unpaid hours in 2019—or 7.6 hours a week per worker. This amounts to £32.7bn of free labour annually, or £6,828 per worker52 on an average salary. This rises to £35.3bn annually if we account for non-payment of holiday entitlements and non-compliance with the minimum wage. The highlevel of violations can in part be attributed to the proliferation of "low road" management strategies in a deregulated labour market catalysed by new technologies.53 For example, research has shown that homecare workers activities are measured minute-by-minute, which squeezes all "unproductive time" out of the working day. However, this "unproductive time" often includes traveling between sites and talking to people in need of care necessary time for workers to carry out their duties. Such strategies led to both an intensification of work as well an increase in unpaid working time, with some working up to 15 hours a day despite only being paid for 5-8 hours.54

A similar situation can be found in the gig economy. However, the estimates by the TUC don't even account for the rapidly rising number of self-employed workers, who are not protected from "unlawful deductions from wages". 55 Such self-employed workers represent the majority of people working in the gig economy. 56 In the UK, the legal definition of working time includes time

spent on standby, waiting to start a job, travelling from one work assignment to another, and training, among other things.<sup>57</sup> However, most gig work is paid on a piece-rate pay system (i.e. workers are paid for outputs, not the time they spend producing them), which makes the true level of unpaid working time in the platform economy difficult to estimate using standard methods for hourly-waged work. Indeed, the time gig workers spend between tasks, and the time is takes to complete them, are highly variable.

Based on our interviews with workers, we can see that unpaid working time on gig-based platforms is extracted through a variety of methods, including unpaid waiting time, unpaid training time and unpaid time traveling between jobs. Another, more subtle way of extracting unpaid working time is through the externalisation of costs of production such as fuel, vehicle insurance, and so on. Such costs would normally be paid for by the company under an employment or worker contract, but instead, gig economy workers pay for such costs directly out of their wages, which effectively transforms paid working time back into unpaid working time. We provide examples of each method below.

Unpaid waiting time was the most common form of unpaid work reported to us by our respondents across all platforms, being most concentrated in delivery and ride-hailing services. As one Deliveroo rider told us: "Unpaid time – this is a massive issue. We get paid on the distance, then we don't get paid for restaurant wait times". Even when working for multiple companies, riders can encounter a substantial amount of unpaid wating time. As another rider noted:

If you work full time there's a lot of down time, about 3 hours for 8 hours of work. You earn above minimum wage only if back-to-back orders happen, which probably occurs no more than 10 hours a week.

An Uber/Bolt/Ola driver told us that during lockdown he was only "earning £30 a day working 10-12 hours".

After lockdown, "from 5:00 am to 9:15 am, jobs come one after another between the three apps", but then he often sat around "for 45 min – 1 hour just waiting" between jobs. The wide variation in unpaid waiting time versus paid working time demonstrates the degree of insecurity workers are subjected to under this model of measuring working time.

Delivery and ride-hailing workers weren't the only respondents to tell us about their experience of unpaid working time. Cleaners on the Helping platform often had clients cancel last minute, with no compensation:

"If clients cancel a job, you don't get anything. I have been in the house



and done most of the cleaning and then when there was one hour left, they cancel. I worked for three hours and then didn't get no money. The platform didn't compensate. It was three hours for free".

Helping workers also weren't paid for transport time between jobs or scheduling / bidding for work on the app, with some respondents telling us that travel time between jobs should be compensated: "I travel 55 minutes between clients and I don't get paid for that ...sometimes for just two hour of cleaning". The Amazon flex workers we spoke to could also spend up to two hours waiting to find a job:

"There's a page that you have to constantly refresh to find a shift, so you need to accept it straight away unless someone has got it already. Before it was based on your distance from the depo, but now they don't do it anymore cause there were a lot of people crowding up outside the depo and it was not fair."

By classifying workers as "selfemployed", platforms externalise the costs of production by making workers' pay for them out of their own income, which is a way of turning paid working into unpaid working time. For example, an Uber driver noted: "I'm renting the car. The congestion charge has increased from 12 to 15 pounds... 130 pounds per rental per week. 96 pounds per week for insurance, 60 pounds for fuel, 40 pounds for cleaning... If you work 10 hours, 7 days a week, this come to 700 pounds per week in costs".

Finally, most platform work also requires workers use their own phone and data plan to work. A Just Eat courier explains how the app "requires the latest phone for their software" and workers "pay for the data" without getting any compensation from the company.

Payment for wait time, training time, travel time in addition to the provision of essential tools and resources are rights afforded to all workers in the UK but the self-employed. Fairwork found that such an exceptional status meant that such workers were neither guaranteed a decent living nor even guaranteed the National Minimum Wage. The purpose of the National Minimum Wage is to establish an absolute minimum floor that protects workers by ensuring their means of survival. Only two companies of the eleven we scored - Pedal Me and Just Eat - met the threshold of the National Minimum Wage. This finding that gig economy workers routinely

earn less than the minimum wage is corroborated by The Bureau of Investigative Journalism. Based on an analysis of thousands of invoices from more than 300 Deliveroo riders, they found that one in three riders averaged less than £8.72 per hour,<sup>58</sup> for their total time logged into the app.<sup>59</sup>

Platforms justify their pay systems and contracts by saying that workers use multiple apps and therefore should not be paid for their login time. However, workers multi-app precisely because of the unpaid time in between jobs, and the highly unreliable income of each individual platform. While flexibility is valuable for workers, its role is overstated. When the availability of shifts and tasks is dictated by the platform—in response to the immediate demand of customers-workers cannot control their pay rate and therefore will need to work during peak hours. If we know that workers spend a significant amount of time waiting for jobs, the logical solution should be to establish stronger legislation requiring platforms pay for all working time including waiting time and other costs as per the Supreme Court ruling mentioned above.

## Impact and Next Steps

This report establishes a baseline on the current situation of the UK's platform economy that will allow us to study its development and update our ratings on an annual basis. The low scores for six of the eleven platforms we scored indicate a strong imperative for regulatory reform and enforcement. However, the range of scores point to the fact that poor working conditions are *not* inevitable. Platform work can also mean fair work.

The Fairwork Project

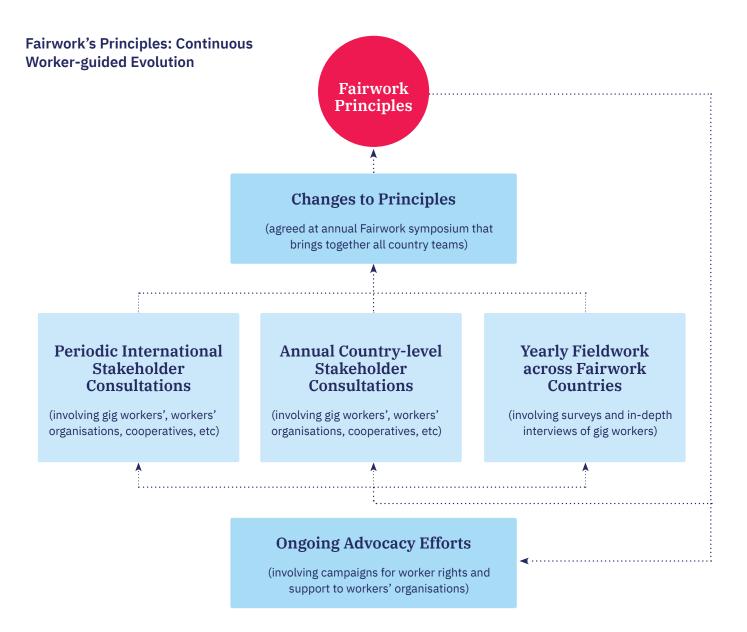
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Fairwork's Pathways to Change

Fairwork's theory of change incorporates four pathways to improving working conditions for platform workers. First we engage with platforms directly to push them to improve working conditions. As Fairwork grows, platforms are increasingly aware of the importance of accountability mechanisms such as the Fairwork framework. By guiding platforms with our principles, we collaborate with them to improve their practices and policies to provide better job and income opportunities for their workers, while building a safer and fairer business.

As a result of our work, some platforms included in this report have introduced a number of changes. For example, Pedal Me has agreed to add an equality and diversity policy to their onboarding process for all new staff. Pedal Me has also introduced measures to improve collective worker representation, including a clear definition of the worker representative's role, and a commitment to negotiate with a union, should one be established. After discussions with our team, Helpling has increased the minimum hourly price cleaners can post on the website from £6 to £12 (above the London Living Wage), thus guaranteeing a higher minimum pay for workers.

Second, we believe that, given the opportunity to make more informed choices, many consumers will choose the most ethical option when faced with a choice between a poor-scoring platform and a better-scoring one. Our yearly ratings give consumers the ability to select the highest scoring platform operating in a sector, thus contributing to pressure on platforms to improve their working conditions and their scores. In this way, we enable consumers to ally with workers to fight for a fairer gig economy.



Thirdly, we have ongoing conversations with policy-makers, and regularly engage with policymakers to advocate for extending appropriate legal protections to all platform workers, irrespective of their legal classification. We will continue our policy advocacy efforts in the coming years to help ensure that workers' needs and platforms' business imperatives are effectively balanced. Consistently low scores in the Fairwork league table illustrates the need for regulatory intervention to ensure that gig workers are no longer falling through the cracks.

Finally, and most importantly, workers and workers' organisations are at the core of Fairwork's model. Our

principles have been developed and are continually refined in close consultation with workers and their representatives. Our fieldwork data, combined with feedback from workshops and consultations involving workers, informs how we systematically evolve the Fairwork principles to remain in line with their needs. Through continual engagement with workers' representatives and advocates, we aim to support workers in asserting their rights and requirements in a collective way.

#### The Fairwork Pledge

As part of this process of change, we have introduced a Fairwork pledge. This pledge leverages the power of organisations' procurement, investment, and partnership policies to support fairer platform work. Organisations like universities, schools, businesses, and charities who make use of platform labour can make a difference by supporting the best labour practices, guided by our five principles of fair work. Organisations who sign the pledge get to display our badge on company materials.

The pledge entails two levels. This first is as an official Fairwork Supporter, which entails publicly demonstrating support for fairer platform work, and making resources available to staff and members to help them in deciding which platforms to engage with. We are proud to announce that the Good Business Charter is our first official Fairwork Supporter. A second level of the pledge entails organisations committing to concrete and meaningful changes in their own practices as official Fairwork Partners, for example by committing to using better-rated platforms where there is a choice. We are proud to announce the New

Economics Foundation as our first official Fairwork Partner.

We would like to close this first UK Fairwork report by stating that there is nothing inevitable about poor working conditions in the gig economy. The range of scores demonstrate that some platforms show greater concern for workers' needs than others, and that we therefore don't need to accept low pay, poor conditions, inequity, and a lack of agency and voice as the norm for this work. Our principles can provide a starting point for envisioning a fairer future of work, and set out a pathway to realise it. Principle five, in particular, on the importance of

fair representation, is a crucial way in which we aim to support workers to assert their collective agency. Workers around the world are starting to organise and push for collective negotiations not just locally but also internationally. Despite claims to the contrary, platforms have substantial control over the nature of the jobs that they mediate. There is no basis for denying workers the key rights and protections that others with standard employment contracts enjoy. We hope that our work highlights today's gig economy's contours and paints a picture of what it could become.



Fairwork Partner Badge

#### **Appendix I:**

## Fairwork Scoring System

The five Principles of Fairwork were developed through an extensive literature review of published research on job quality, stakeholder meetings at UNCTAD and the ILO in Geneva (involving platform operators, policymakers, trade unions, and academics), and in-country stakeholder meetings held in India (Bangalore and Ahmedabad), South Africa (Cape Town and Johannesburg) and Germany (Berlin). This document explains the Fairwork Scoring System Each Fairwork Principle is divided into two thresholds. Accordingly, for

each Principle, the scoring system allows one 'basic point' to be awarded corresponding to the first threshold, and an additional 'advanced point' to be awarded corresponding to the second threshold (see Table 1). The advanced point under each Principle can only be awarded if the basic point for that Principle has been awarded. The thresholds specify the evidence required for a platform to receive a given point. Where no verifiable evidence is available that meets a given threshold, the platform is not awarded that point.

A platform can therefore receive a maximum Fairwork Score of ten points. Fairwork scores are updated on a yearly basis.

Table 1 Fairwork Scoring System

| Princip        | ole                 | Basic point | Advanced point |   | Total |
|----------------|---------------------|-------------|----------------|---|-------|
|                | Fair Pay            | 1           | + 1            | = | 2     |
|                | Fair Conditions     | 1           | + 1            | = | 2     |
|                | Fair Contracts      | 1           | + 1            | = | 2     |
|                | Fair Management     | 1           | + 1            | = | 2     |
| <b>\\ \\ !</b> | Fair Representation | 1           | + 1            | = | 2     |





## Principle 1: Fair Pay

#### Threshold 1.1 – Pays at least the local minimum wage after costs (one point)

Platform workers often have substantial work-related costs to cover, such as transport between jobs, supplies, or fuel, insurance, and maintenance on a vehicle.60 Workers' costs sometimes mean their takehome earnings may fall below the local minimum wage.61 Workers also absorb the costs of extra time commitment, when they spend time waiting or travelling between jobs, or other unpaid activities necessary for their work, which are also considered active hours.62 To achieve this point platforms must demonstrate that work-related costs do not push workers below local minimum wage.

The platform must satisfy the following:

 Workers earn at least the local minimum wage, or the wage set by collective sectoral agreement (whichever is higher) in the place where they work, in their active hours, after costs.

In order to evidence this, the platform must either: (a) have a documented policy that guarantees the workers receive at least the local minimum wage after costs in their active hours; or (b) provide summary statistics of transaction and cost data. In case of (b), the platform must submit:

- An estimate for work-related costs, which are then checked by the Fairwork team through worker interviews; and,
- A weekly earnings table for any three-month period over the previous twelve months, in the format shown in Table 2. This is a two-way relative frequency table, which should contain information on the percentages of workers whose average weekly take-home earnings and active hours are distributed.

## Threshold 1.2 – Pays at least a local living wage after costs (one additional point)

In some places, the minimum wage is not enough to allow workers to afford a basic but decent standard of living. To achieve this point platforms must ensure that workers earn a living wage.

The platform must satisfy the following:

 Workers earn at least a local living wage, or the wage set by collective sectoral agreement (whichever is higher) in the place where they work, in their active hours, after costs.<sup>64,65</sup>



## Principle 2: Fair Conditions

#### Threshold 2.1 – Mitigates taskspecific risks (one point)

Platform workers may encounter a number of risks in the course of their work, including accidents and injuries, harmful materials, and crime and violence. To achieve this point platforms must show that they are aware of these risks, and take steps to mitigate them. In addition, platforms must show that they seek to improve working conditions even when basic risks are addressed.

Platforms must satisfy the following:

- There are policies or practices in place that protect workers' safety from task-specific risks.<sup>66</sup>
- Platforms take adequate, responsible and ethical data

| Table 2 | Weekly  | earnings / | table <sup>63</sup> |
|---------|---------|------------|---------------------|
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|                     |                                    | WORKER EARNINGS AFTER COSTS (E) |              |               |        |
|---------------------|------------------------------------|---------------------------------|--------------|---------------|--------|
|                     |                                    | e < M                           | M ≤ e < 1.5M | 1.5M ≤ e < 2M | 2M ≤ e |
| ACTIVE<br>HOURS (H) | h < 0.9F (part-time)               | %                               | %            | %             | %      |
|                     | 0.9F ≤ h < 1.2F (full-time)        | %                               | %            | %             | %      |
|                     | 1.2F ≤ h (full-time plus overtime) | %                               | %            | %             | %      |

Notes: h = Average active hours worked by worker per week; e = Average weekly earnings of worker; F = the number of hours in a local standard working week; M = the local weekly minimum wage, calculated at F hours per week.

protection and management measures, laid out in a documented policy.

## Threshold 2.2 – Provides a safety net (one additional point)

Platform workers are vulnerable to the possibility of abruptly losing their income as the result of unexpected or external circumstances, such as sickness or injury. Most countries provide a social safety net to ensure workers don't experience sudden poverty due to circumstances outside their control. However, platform workers usually don't qualify for protections such as sick pay, because of their independent contractor status. In recognition of the fact that most workers are dependent on income from the platform for their livelihood, platforms can achieve this point by providing compensation for loss of income due to inability to work.

Platforms must satisfy BOTH of the following:

- Platforms take meaningful steps to compensate workers for income loss due to inability to work commensurate with the worker's average earnings over the past three months.
- Where workers are unable to work for an extended period due to unexpected circumstances, their standing on the platform is not negatively impacted.



## Principle 3: Fair Contracts

## Threshold 3.1 – Provides clear and transparent terms and conditions (one point)

The terms and conditions governing platform work are not always clear and accessible to workers.<sup>67</sup> To achieve this

point the platform must demonstrate that workers are able to understand, agree to, and access the conditions of their work at all times, and that they have legal recourse if the platform breaches those conditions.

The platform must satisfy ALL of the following:

- The party contracting with the worker must be identified in the contract, and subject to the law of the place in which the worker works.
- The contract is communicated in full in clear and comprehensible language that workers could be expected to understand.
- The contract is accessible to workers at all times.
- Every worker is notified of proposed changes in a reasonable timeframe before changes come into effect; and the changes should not reverse existing accrued benefits and reasonable expectations on which workers have relied.

## Threshold 3.2 – Does not impose unfair contract terms (one additional point)

In some cases, especially under 'independent contractor' classifications, workers carry a disproportionate amount of risk for engaging in the contract. They may be liable for any damage arising in the course of their work, and they may be prevented by unfair clauses from seeking legal redress for grievances. To achieve this point, platforms must demonstrate that risks and liability of engaging in the work is shared between parties.

Regardless of how the platform classifies the contractual status of workers, the platform must satisfy BOTH of the following:

 The contract does not include clauses which exclude liability for negligence nor unreasonably exempt the platform from liability for working conditions.

 The contract does not include clauses which prevent workers from effectively seeking redress for grievances which arise from the working relationship.



## Principle 4: Fair Management

## Threshold 4.1 – Provides due process for decisions affecting workers (one point)

Platform workers can experience arbitrary deactivation; being barred from accessing the platform without explanation, and losing their income. Workers may be subject to other penalties or disciplinary decisions without the ability to contact the platform to challenge or appeal them if they believe they are unfair. To achieve this point, platforms must demonstrate an avenue for workers to meaningfully appeal disciplinary actions.

Platforms must satisfy ALL of the following:

- There is a channel for workers to communicate with a human representative of the platform.
   This channel is documented in the contract and available on the platform interface. Platforms should respond to workers within a reasonable timeframe.
- There is a process for workers to meaningfully appeal low ratings, non-payment, payment issues, deactivations, and other penalties and disciplinary actions. This process is documented in the contract and available on the platform interface.<sup>68</sup>
- In the case of deactivations, the appeals process must be available to workers who no longer have access to the platform.

 Workers are not disadvantaged for voicing concerns or appealing disciplinary actions.

## Threshold 4.2 – Provides equity in the management process (one additional point)

The majority of platforms do not actively discriminate against particular groups of workers. However, they may inadvertently exacerbate already existing inequalities in their design and management. For example, there is a lot of gender segregation between different types of platform work. To achieve this point, platforms must show not only that they have policies against discrimination, but also that they seek to remove barriers for disadvantaged groups, and promote inclusion.

Platforms must satisfy ALL of the following:

- There is a policy which ensures
  the platform does not discriminate
  on grounds such as race, social
  origin, caste, ethnicity, nationality,
  gender, sex, gender identity and
  expression, sexual orientation,
  disability, religion or belief, age or
  any other status.
- Where persons from a disadvantaged group (such as women) are significantly underrepresented among its workers, it seeks to identify and remove barriers to access by persons from that group.
- It takes practical measures to promote equality of opportunity for workers from disadvantaged groups, including reasonable accommodation for pregnancy, disability, and religion or belief.
- If algorithms are used to determine access to work or remuneration, these are transparent and do not result in inequitable outcomes for workers from historically or currently disadvantaged groups.
- It has mechanisms to reduce the risk of users discriminating against

workers from disadvantaged groups in accessing and carrying out work.



## Principle 5: Fair Representation

## Threshold 5.1 – Assures freedom of association and the expression of collective worker voice (one point)

Freedom of association is a fundamental right for all workers, and enshrined in the constitution of the International Labour Organisation, and the Universal Declaration of Human Rights. The right for workers to organise, collectively express their wishes – and importantly – be listened to, is an important prerequisite for fair working conditions. However, rates of organisation amongst platform workers remain low. To achieve this point, platforms must ensure that the conditions are in place to encourage the expression of collective worker voice.

Platforms must satisfy ALL of the following:

- There is a documented mechanism for the expression of collective worker voice.
- There is a formal policy of willingness to recognise, or bargain with, a collective body of workers or trade union, that is clearly communicated to all workers.<sup>69</sup>
- Freedom of association is not inhibited, and workers are not disadvantaged in any way for communicating their concerns, wishes and demands to the platform.

Threshold 5.2 – Supports democratic governance (one additional point)

While rates of organisation remain low, platform workers' associations are emerging in many sectors and countries. We are also seeing a growing number of cooperative workerowned platforms. To realise fair representation, workers must have a say in the conditions of their work. This could be through a democratically-governed cooperative model, a formally recognised union, or the ability to undertake collective bargaining with the platform.

Platforms must satisfy at least ONE of the following:

- Workers play a meaningful role in governing it.
- It publicly and formally recognises an independent collective body of workers, an elected works council, or trade union.
- It seeks to implement meaningful mechanisms for collective representation or bargaining.

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- 60. Work-related costs include direct costs the worker may incur in performing the job. This may include, for instance, transport in between jobs, supplies, vehicle repair and maintenance, fuel, road tolls and vehicle insurance. However, it does not include transport to and from the job (unless in-between tasks) nor taxes, social security contributions or health insurance.
- 61. The ILO defines minimum wage as the "minimum amount of remuneration that an employer is required to pay wage earners for the work performed during a given period, which cannot be reduced by collective agreement or an individual contract." Minimum wage laws protect workers from unduly low pay and help them attain a minimum standard of living. The ILO's Minimum Wage Fixing Convention, 1970 C135 sets the conditions and requirements of establishing minimum wages and calls upon all ratifying countries to act in accordance. Minimum wage laws exist in more than 90 per cent of the ILO member states.
- 62. In addition to direct working hours where workers are completing tasks, workers also spend time performing unpaid activities necessary for their work, such as waiting for delivery orders at restaurants and travelling between jobs. These indirect working hours are also considered part of active hours as workers are giving this time to the platform. Thus, 'active hours' are defined as including both direct and indirect working hours.
- 63. The table's header row and column are filled out by the Fairwork team, before giving it to the platform for completion. The rows represent workers who work part-time, full-time, and more than full-time. The percentages in each row should add up to 100%. The table is to be filled with four columns of data: Column [2] with the percentages of part-time, full-time, and full-time with overtime workers

- who earn less than the minimum weekly wage (X), and so on until Column [5].
- 64. Where a living wage does not exist, Fairwork will use the Global Living Wage Coalition's Anker Methodology to estimate one.
- 65. In order to evidence this, the platform must either: (a) have a documented policy that guarantees the workers receive at least the local living wage after costs in their active hours; or (b) provide summary statistics of transaction and cost data. In case of (b), the platform must submit: (1) An estimate for work-related costs, which are then checked by the Fairwork team through worker interviews; and, (2) a weekly earnings table for any three-month period over the previous twelve months, in the format shown in 63.
- 66. The starting point is the ILO's
  Occupational Safety and Health
  Convention, 1981 (C155). This stipulates
  that employers shall be required "so
  far as is reasonably practicable, the
  workplaces, machinery, equipment and
  processes under their control are safe
  and without risk to health", and that
  "where necessary, adequate protective
  clothing and protective equipment
  [should be provided] to prevent, so
  far as is reasonably practicable, risk
  of accidents or of adverse effects on
  health."
- 67. The ILO's Maritime Labour Convention, 2006 (MLC 2006), Reg. 2.1, and the Domestic Workers Convention, 2011 (C189), Articles 7 and 15, serve as helpful guiding examples of adequate provisions in workers' terms and conditions, as well as worker access to those terms and conditions.
- 68. Workers should have the option of escalating grievances that have not been satisfactorily addressed and, in the case of automated decisions, should have the option of escalating it for human mediation.
- 69. For example, "[the platform] will support any effort by its workers to collectively organise or form a trade union. Collective bargaining through trade unions can often bring about more favourable working conditions."
- 70. See the ILO's Freedom of Association and Protection of the Right to Organise Convention, 1948 (C087), which stipulates that "workers and employers, without distinction, shall have the right to establish and join organisations of their own choosing without previous authorisation" (Article 2); "the public authorities shall refrain from any interference which would restrict the right or impede the lawful exercise thereof" (Article 3) and that "workers'

and employers' organisations shall not be liable to be dissolved or suspended by administrative authority" (Article 4). Similarly the ILO's Right to Organise and Collective Bargaining Convention, 1949 (C098) protects the workers against acts of anti-union discrimination in respect of their employment, explaining that not joining a union or relinquishing trade union membership cannot be made a condition of employment or cause for dismissal. Out of the 185 ILO member states, currently 155 ratified C087 and 167 ratified C098.



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