



Platform Labour in London: Employment status, Welfare and the Challenges of Universal Basic Income, Platform Cooperatives and Welfare Platforms.

SUMMARY:

The rapid growth of the platform economy in London has created new job opportunities but also new forms of precarity. Workers' struggles and legal challenges have brought to the forefront of public debate the issue of the employment status of platform workers. Despite efforts by workers and labour unions towards gaining fair and decent working conditions, bogus self-employment is widespread in many platforms. At the national level, new legislation and regulations are needed to challenge misleading and harmful practices by platforms and safeguard platform workers' labour rights, providing them with access to social protections irrespective of their employment status. Platforms should ensure that their workers have access to decent working conditions and access to adequate social protection.

Although the Mayor of London has fewer powers and resources to change working conditions in the platform economy, measures should be taken to put pressure on platforms that operate in the city to apply the London Living Wage and the Good Work Standard. In addition, more proactive policies are needed at the local level, such as Minimum Basic Income pilots and Digital Welfare Platforms. Moreover,

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local councils have limited powers to develop innovative programmes and mobilise resources to improve access to welfare for all platform users (workers and customers alike), by providing support for platform cooperatives, and organise local digital welfare platform initiatives.

INTRODUCTION:

In recent years the platform economy has spread widely, promoting growth and new jobs in London. Employment opportunities in platforms, however, have developed in the broader context of zero-hours contracts, insecurity, precariousness, and the erosion of labour rights. Our research in the PLUS project shows that platform workers struggle in insecure jobs without guaranteed working hours, wages, or fixed employment and paid leave. Working lives in platforms are characterised by the absence of health and safety provisions and training opportunities. In most platforms, labour union representation and collective sectoral bargaining and agreements are still non-existent. Although platform workers have won several legal battles against specific platforms, their employment status and ensuing welfare entitlements are by no means guaranteed across platforms in different sectors.

The precarious working conditions in platforms have a negative impact on platform workers' access to welfare. There are two distinct categories of platform workers in London: (a) those whose main source of income comes from platforms and have, in most cases, limited access to social protections and (b) those who have access to social protections through sources other than platform work, using platforms only as an additional source of income, such as students, pensioners, or employees. Although the platform business model uses the rhetoric of the sharing economy and assumes that platform workers only belong to the latter category, the reality is much different. As the PLUS research shows it is mainly workers who use platforms as an additional source of income that have guaranteed and stable access to welfare, while those whose main source of income comes from self-employment in platforms are unable to cover the basic costs of social protections on their own. Because of their precarity and unstable working conditions, many of these workers continue to be deprived of access to paid leave, pension schemes, jobseekers' allowance, statutory maternity pay and leave, and insurance against accidents. During the pandemic they were also often excluded from the Coronavirus Job Retention Scheme (CJRS) and the Statutory Sick Pay Rebate Scheme (SSP).

For most platform workers, the self-employed status is one of the main motivations for joining the platforms in the first place, as they believe that it will give them flexibility, independence from managers and the ability to combine professional, private and family lives. The advantages that they identify in self-employment, however, are based mostly on an entrepreneurial identity, independence, and pride, rather than on tangible improvements in working and living conditions. In most cases, after a while, they end up working full-time and often overtime for a single platform, which limits their autonomy and flexibility. Platforms effectively act as employers through the use of algorithms that prescribe where and when to work. In turn, platform workers struggle with the lack of transparency and frequent changes in algorithmic labour control. Even though platforms treat workers as employees, they have no obligation to respect their labour rights and provide access to welfare because they deliberately misclassify them as self-employed. As a result, many platform workers experience a combination of overwork and insecurity of payments, which are major obstacles to attaining work-life balance, good health, and wellbeing. In response to the challenges of welfare, platforms have introduced a series of Workertech solutions, that seemingly allow workers to make contributions to private social protection schemes. PLUS research shows, however, that platform workers do not contribute to these schemes because they experience



intense insecurity about their employment future, as abrupt terminations and frequent changes in payments by platforms are common

During recent years, demonstrations, protests, strikes, and legal challenges in ride-hailing and delivery in London have raised awareness of the issue of bogus self-employment, i.e. employment under the authority and subordination of another company, which circumvents social welfare and labour legislation and erroneously treats workers as self-employed. Nevertheless, for many platform workers, the question of employment status and its impact on welfare remains a grey area obscured by entrepreneurial aspirations, platform misinformation and legislative ambiguity. As PLUS interviews show, many platform workers in London are unaware that their working conditions could be characterised as “bogus self-employment”. Platforms contribute to this obscurity by promoting confusing messages about the employment status of platform workers and making misleading promises about independent entrepreneurship and flexibility in their recruitment campaigns. Especially in sectors in which labour union representation is absent, such as in cleaning and domestic work platforms or in short-term rental platforms, there is complete lack of information on employment rights and welfare. An additional factor that contributes to the lack of awareness of bogus self-employment in platform work is the complexity and ambiguity that characterises legislation and policies covering the three different categories of workers under UK law: employees, self-employed and workers. Navigating complex labour laws and definitions of employment status may be difficult, especially for platform workers of migrant background who are not familiar with the UK employment system. It is, thus, crucial to devise strategies to disseminate clear and easy to understand information on employment status and its impact on the everyday life and access to welfare of platform workers. This should be promoted across sectors of the platform economy especially in sectors in which labour rights violations and precarity preceded platformisation, such as cleaning and domestic work.



POLICY IMPLICATIONS:

National level: In the UK, policies on employment status and welfare entitlement broadly fall within the powers of the national government. National government should develop targeted policies on platform work guaranteeing fair access to social protection, which will ensure that:

- Bogus self-employment is prohibited by penalising platforms that encourage it and recognising as employees all platform workers that are under the authority and subordination of the platform.
- Platform workers have access to social protection irrespective of their employment status.
- Algorithmic management is transparent by forcing platforms to disclose algorithmic operations and providing workers with the right to access data collected about them and their work.
- Social dialogue is enriched ensuring that labour rights and decent working conditions are safeguarded through labour union representation and bargaining in all platforms.
- Campaigns are promoted that raise awareness of “bogus self-employment” across sectors of platform work are developed.
- Monitoring mechanisms are in place to prevent platforms from spreading misleading information about self-employment, including in the terms and conditions that workers sign to join them.

At the national level, it is also important to consider innovative welfare alternatives that will have a deep and broader impact on the widespread precarisation of the labour market.

- **Develop Universal Basic Income.**

To ensure that all precarious workers have access to social protection irrespective of their employment status, national governments should consider introducing Universal Basic Income (UBI). UBI may reduce welfare bureaucracies and poverty, but also provide workers with the necessary resources to negotiate and bargain with platforms and other companies for fair and decent work and pay. Platform workers would benefit from such developments not only in terms of access to welfare and wellbeing, but also in terms of labour rights. In order to be fair, UBI programmes should be based on careful considerations of tax, which require time and careful planning. Thus, in many cases it might be necessary to adopt a gradual transition during which UBI or even Minimum Basic Income programmes can be piloted locally including in London.

Local level: Although most of policies on the labour and social rights of platform workers concern the national level, there are also initiatives that can be taken at the local level. The Mayor of London has powers to implement measures that impact on platforms, such as the congestion charge, passenger safety regulations, or maximum days for short-term rentals. In the case of Uber, the Mayor of London has threatened to revoke its license, to force the platform abide with passenger safety rules. However, there have been no initiatives regarding the labour and social rights of platform workers. Although employment issues and access to social protection are dealt with at the national level, the Mayor of London can take initiatives to support platform workers.

Furthermore, local councils in London implement environmental, security and community regulations that impact on platforms, such as the prohibition of activities because of noise levels however, but they



have very little power to intervene in labour and welfare issues. More broadly, local authorities together with local communities can make a difference in the platform economy by showing that precarious work and poor working conditions are not tolerated.

- **Apply the London Living Wage and the Good Work Standard to platforms**

The Mayor of London has taken the initiative to introduce a London Living Wage and a Good Work Standard, but these are currently implemented only for employees. If these initiatives are extended to also include platforms, they may provide incentives to promote decent payment and safer working conditions, but also give platform workers backing for their labour struggles.

- **Integrate platform workers' labour social rights, in local regulations in different platform sectors.**

Platforms have long claimed that they are simple digital intermediaries between providers of services (independent contractors) and customers. As the recently won court battles against Uber in London demonstrate, however, platforms should take the responsibility to provide decent working conditions and adequate social protections to people who work for them. This principle should guide local regulations and platforms should be allowed to operate locally only if they respect it. The Mayor of London can play a pivotal role in this direction, by ensuring that only platforms that respect labour and social rights are given permit to operate in the city.

- **Enhance dialogue and cooperation with social partners, especially platform workers' labour unions and precarious workers grassroots organisations.**

At the local level, the dialogue with social partners is still very poor. The Mayor of London and local councils should develop synergies with labour unions to promote fairness in platforms. Through these synergies, they can put pressure on platforms to conform with labour legislation. Moreover, these synergies can promote public awareness that would sensitise the public to provide support for the struggles of platform workers.

Furthermore, local government should take a more proactive stand towards the platform economy supporting financially and institutionally, innovative approaches to labour and welfare:

- **Support platform cooperatives**

Platform cooperatives provide a viable alternative to corporate platforms, giving workers, who have the right also to be the owners of the company and participate in decision making, the means to ensure decent working conditions and access to social protections. However, platform cooperatives cannot compete with global platforms that attract large investment capital. National and local government can support financially and by other means the development of platform cooperatives that operate according to ethical and environmentally sound standards. Whilst ensuring better working conditions and appropriate health and safety for both workers and clients, such platform cooperatives may provide valuable resources to promote community-building and environmentally friendly projects. Moreover, platform cooperatives supported by local government may also provide a means to promote employment, especially amongst social groups that are excluded from the labour market.

- **Organise digital welfare platforms run by local governments.**

Digital welfare platforms integrate different services available in the city into a single platform that engages a variety of actors including municipal governments, Nongovernmental Organizations (NGOs), grassroots users (consumers and producers), as well as local communities and private companies. Examples include local transport platforms developed by municipalities that integrate different services, provide tickets and bookings, information on transport options, passenger and driver safety, and the protection of the environment against air and noise



pollution. Such platforms bring together consumers and workers like corporate platforms do but also integrate public transport services into a unified system with multiple options. It is, thus, a policy alternative that provides customers with different options in terms of costs, time and environmental impact (from buses and taxis to car-pooling and bicycle riding). Another example is that of municipal care platforms, which bring together paid and unpaid carers living and working in the same area. Through the creation of such platforms, care can be organised locally, minimising the costs of commuting for carers and promoting community building. By matching the care needs of local households with available paid carers, but also through sharing time and resources with other unpaid carers, local welfare platforms can provide better solutions to the work-life balance and time squeeze dilemmas.

CONCLUSIONS: POLICY RECOMMENDATIONS BOX:

National Government:

1. Fight against bogus self-employment, penalising platforms that encourage it
2. Introduce legislation on platform workers' employment status.
3. Allow access for all platform workers to social protection irrespective of their employment status.
4. Make algorithmic management transparent by forcing platforms to disclose algorithmic operations and providing workers with the right to access data collected about them and their work.
5. Safeguard labour rights, decent working conditions through labour union representation and bargaining in all platforms.
6. Promote campaigns raising awareness of "bogus self-employment" across sectors of platform work.
7. Introduce monitoring schemes to prevent platforms from spreading misleading information about self-employment, including in the terms and conditions that workers sign to join them.
8. Fund pilots at local level and develop Universal Basic Income

Local Government:

9. Apply the London Living Wage and the Good Work Standard to platforms.
10. Integrate platform workers' labour social rights, in local regulations on different platform sectors.
11. Enhance dialogue and cooperation between local authorities and platform workers' labour unions and grassroots organisations.
12. Support platform cooperatives.
13. Organise digital welfare platforms run by local government.

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