

# Uber prompts praise, and scepticism, after granting UK drivers worker status

March 17 2021, by Roland Jackson

---



The company's change of heart, following a protracted legal battle, was "absolutely to be welcomed", Britain's business minister Kwasi Kwarteng told Sky News.

US ride-hailing giant Uber's decision to grant its UK drivers worker

status won praise in Britain on Wednesday and raised hopes it could transform the gig economy, but it was met with scepticism elsewhere in Europe.

Uber revealed late Tuesday it is handing UK drivers workers' entitlements, including a minimum wage, holiday pay and a pension, in a world first for the group that also marked a major U-turn.

The Silicon Valley company's 70,000 drivers across Britain will now earn at least the national living wage when driving for the taxi app, with hopes that more technology platforms will follow suit there and worldwide.

The move came after London's Supreme Court last month ruled that Uber's UK drivers were entitled to the rights, in a landmark decision for the nation's estimated 5.5 million people working in the so-called gig economy.

The company's change of heart, following a protracted legal battle, was "absolutely to be welcomed", business minister Kwasi Kwarteng told Sky News.

"I've always said that the new phase of our economy should be about protecting workers' rights, driving higher standards and driving new technologies."

## **'Real social protection'**

British labour law distinguishes between workers, who can receive the minimum wage and other benefits, and employees who have formal contracts.

Uber UK drivers were previously classified as self-employed, in line

with many other gig economy firms, attracting fierce criticism from trade unions.

"Uber's announcement should mark the end of the road for bogus self-employment," said GMB trade union official Mick Rix.

The decision "opens the door for workers, and their unions, to win the fight for better pay and conditions at companies across the gig economy".

But Ludovic Voet, of the Brussels-based European Trade Union Confederation, warned against creating a similar worker status on the continent, where people are either employees or self-employed.

"It would not be an improvement," Voet said, explaining that it offers fewer protections than an employee status while being less flexible and independent than being self-employed.

Ben Ali Brahim, of France's INV union representing thousands of ride-hailing drivers, echoed the concerns for Europe.

"A real employee benefits from real social protection," he said.

"It's not for Uber to negotiate what to give the worker... there is a labour law, it must be respected."

## **'Decision will reverberate'**

London Uber drivers Yaseen Aslam and James Farrar, who were claimants in the Supreme Court fight, have welcomed Uber's U-turn.

Farrar described the announcement as "a step in the right direction" but argued that it still fell short.

He expressed concern that the Uber benefits would start to accrue when a driver accepts a ride—rather than when they log into the firm's system.

Its strategy shift comes amid increasing global awareness of the plight of workers in the gig economy, in particular as app-based delivery firms experience booming demand during coronavirus lockdowns.

Spain last week became the first European Union member nation to recognise riders working for companies like Deliveroo and Uber Eats as salaried staff, after complaints about working conditions.

The EU is meanwhile conducting a consultation on the rights of gig economy workers in the region, addressing aspects including employment status and access to social protection.

"Uber's decision to reclassify its 70,000 drivers as workers will reverberate through the entire gig economy," Hargreaves Lansdown economist Susannah Streeter told AFP.

"It is likely that other operators will now be forced to reassess the employment status of the drivers they have relied on to develop lucrative businesses," Street said.

"The decision is also likely to be taken into consideration by the European Commission which has begun its consultation on the rights of gig economy workers and could bring in new legislation at the end of this year."

© 2021 AFP

Citation: Uber prompts praise, and scepticism, after granting UK drivers worker status (2021, March 17) retrieved 20 April 2024 from <https://techxplore.com/news/2021-03-uber-granting-uk-drivers-worker.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.