

Uber UK verdict highlights super-exploitation through “self-employment”

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A UK employment tribunal has ruled that Uber—the £50 billion [\$US62 billion] app-based taxi service company—can no longer treat its drivers as self-employed and should pay them the national living wage of £7.20. This opens Uber to claims from its drivers for holiday pay, pensions and other workers’ rights. The company has appealed the ruling.

Since its founding seven years ago, Uber has extended its reach to 66 countries and 507 cities worldwide, with over 1 million drivers—40,000 of those in the UK. The company’s business model classifies its UK drivers as self-employed workers, merely put in touch with customers via the Uber app. The company then takes a commission of the fares earned by the drivers. Under this setup, Uber are not required to provide the employment rights associated with full or part-time work or to pay government-set wage rates.

In their decision the tribunal ruled “that working hours began the moment most drivers logged into the app.” The ruling went on, “The Uber driver’s working time starts as soon as he is within his territory, has the App switched on and is ready and willing to accept trips and ends as soon as one or more of those conditions ceases to apply.”

If the recent ruling is upheld, Uber’s drivers will be entitled to back-payment equal to the amount they have been underpaid while working for the company.

It could be years before the courts reach a final decision—one which Uber will work hard to delay—and before drivers see any money at all. Uber’s regional general manager for the UK, Jo Bertram, stated the company’s position: “The overwhelming majority of drivers who use the Uber app want to keep the freedom and flexibility of being able to drive when and where they want.”

It remains to be seen how Uber will respond long-term if it is forced to classify its drivers as employees and compensate them correspondingly. After the state of California ruled in June of last year that an Uber driver was an employee and not a contractor, American delivery company Instacart—which runs on a similar model—began shifting some of its contractors over to part-time status. The company ensured these part-timers were only allowed to work 30 hours a week and therefore not entitled to company-provided health insurance. One can imagine similar, legal, tricks being pulled in this case.

The UK Uber ruling comes on the heels of a series of protests and legal actions carried out this year by workers facing similar conditions at various companies. In March, drivers in Leeds and Manchester protested against Uber’s plans to cut fares by 13-14 percent, forcing them to work longer hours for the same money. In April, four bike couriers took Excel, City Sprint, Addison Lee and eCourier to an employment tribunal. The couriers were all classified as self-employed contractors, despite working in the case of one firm for some 50 hours a week.

In August, workers for the restaurant food delivery company Deliveroo staged a protest outside the company’s London office. The couriers were campaigning against plans to pay workers £3.75 per delivery instead of an hourly rate of £7 plus £1 per delivery. Deliveroo currently has 3,000 couriers working in the UK and is set to earn £130 million in 2016. In the same month, drivers for UberEats, Uber’s food delivery service, demonstrated outside an Uber office in Bermondsey demanding the company pay the London living wage of a guaranteed £9.40 per hour, plus costs. According to drivers, some were at risk of earning less than the minimum wage.

A large portion of the general workforce, including many young people, are working under such super-exploited conditions in the so-called “gig economy.” Uber and courier firms, including Hermes and Yodel, are among those relying on 4.7 million workers classed as “self-employed.” A *Guardian* investigation in July found that Hermes—the UK’s second largest parcel delivery company—was paying many of its 10,500 delivery drivers, also classified as self-employed, below the national living wage. Employees were working through illness due to the lack of sick pay and a fear of having delivery rounds withdrawn. Hermes, a subsidiary of the £12 billion Otto Group, made £36 million in 2015, three times its profits five years ago.

In recent years, companies have moved towards this style of employment as a means of slashing labour costs. This has resulted in a drastic lowering of living standards for self-employed workers, 80 percent of whom in the UK were living in poverty in the year 2012-13. Following the court case against Uber, taken forward by the GMB trade union, another union, Unite, declared it was setting up a new unit to investigate cases of false self-employment. The Trades Union Congress has launched a review of the scale and nature of such employment in the UK.

Meanwhile, the government has announced a six-month review of working practices and Her Majesty’s Revenue and Customs is setting up its own department to investigate firms over this issue.

For their part, Labour Party politicians have criticised Deliveroo’s pay deals as “Victorian,” with MP Frank Field declaring the “clock is ticking” against companies exploiting the gig economy.

There is more than a little cynicism here. Both parties of the British bourgeoisie and their industrial police in the trade unions are wholly complicit in allowing such abuses to be normalised. The *World Socialist Web Site* recently reported on the scandalous treatment of workers at Sport Direct warehouses, who were paid below minimum wage, harangued from a public address system, submitted to regular searches and subject to a “six strikes” rule, over a six-month period, after which they faced instant dismissal. The “strikes” included “errors,” “excessive/long toilet breaks” and a “period of reported sickness.”

Businesses are only able to force hundreds of thousands of people into such hyper-exploitation

because Labour and Conservative governments alike have given them a free hand according to the mantra of creating a “globally competitive economy.” Conservative Prime Minister Theresa May said this week, “The government I lead is unequivocally and unashamedly pro-business.” Despite the occasional criticism of the practices of firms such as Uber, nothing of any fundamental character will be done to infringe on the profitability of big business.

In regard to the likes of the GMB and Unite, workers at Uber, Deliveroo and across the self-employed sector should beware. Over the last three decades, the trade unions have carried out one betrayal after another. To the extent that the unions now wish to intervene in this growing section of the labour market, it is in order to slot themselves into the potentially lucrative role of managing formerly self-employed workers on behalf of multi-million and billion pound companies. In their struggle against appalling wages, terms and conditions, couriers and drivers at Uber Deliveroo, and other such firms must wage their struggle independently of the labour and trade union bureaucracy.



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