Deliveroo workers demand better pay and conditions as company floats on London stock exchange

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8 April 2021

Hundreds of Deliveroo riders struck in Britain Wednesday. The union organising the strike, the Independent Workers Union of Great Britain (IWGB), said its members were demanding “fair pay, safety protections and basic workers’ rights.”

Around 200 of the gig economy workers protested outside Deliveroo’s London HQ, with socially distanced protests also held in Reading, Newcastle, York and Leicester. During the day, riders, many with their Deliveroo insulated backpacks on, drove their bicycles and mopeds through the centre of London beeping their horns to publicise their grievances.

The day of action was organised to coincide with the first day of unconditional share trading for Deliveroo, which was floated in a multibillion-pound operation last week.

The floatation saw chief executive Will Shu sell £26.2 million worth of shares at the final price of 390p, retaining 115.2 million shares worth just under £450 million. Shu also took more control over the firm, ensuring his shares could not be subject to a hostile takeover until they expire in three years. The firm was valued at around £8.8 billion on floatation but its share price fell by more than 30 percent on open trading. Despite having more than 100,000 riders globally and the company working with more than 115,000 restaurants in 12 countries, Deliveroo has yet to turn a profit.

Protests against working conditions at Deliveroo have been escalating. The latest took place just after the Bureau of Investigative Journalism (BIJ) found that Deliveroo’s riders are receiving less than the minimum wage in Britain.

According to a BIJ analysis of riders’ invoices, one in three riders earned on average less than £8.72 per hour, the national minimum wage, per shift. Many earned much less. One rider in Yorkshire logged in for 180 hours was paid the equivalent of £2 per hour. The BIJ gathered pay data from more than 300 invoices covering 1,812 rider sessions since March 2020—a research sample large enough to make inferences about wider wages. The investigation spoke to riders in London, Cardiff, Reading, Newcastle, York and Leicester.

Deliveroo riders are paid according to a complex formula based on factors such as the time of day and the distance to a delivery. Deliveroo riders do not fully understand how their pay is calculated because the system is designed in a deliberately esoteric manner. The BIJ described its research as the first reliable dataset on wages in the British gig economy.

Other media organisations also reported on the conditions of the riders. “Deliveroo has relentlessly cut rider fees and even boasts about it to investors. They send us emails telling us how valuable we are while all the time reducing our pay quietly in the background,” a Kent Deliveroo rider told the *Guardian* .

York cycle courier Djamila told *Yorkshirelive* she often works 14-hour days to get by: “Right now it’s wake up, shower, eat, go to work, get home, eat, shower, bed”. She explained the working day of a rider: “We pay for our own repairs, we do our own taxes. You used to be able to make £100 from 5pm until 11pm. But now, forget it. It’s not happening. On a typical day I start about 12pm and I’ll be out until about 10pm or 11pm, I’ll make about £80. To make £100 in a day, it can take about 14 hours. I feel like I’m stuck in a loop, it’s just work, work, work. I don’t want to do this for 70 years.”

UK Deliveroo riders also held protests and a strike to mark Deliveroo’s floatation on March 26. Fellow Deliveroo workers in Sydney, Australia also participated. IWGB members were encouraged to log off from the Deliveroo app through which deliveries are organised.

The superexploitation of Deliveroo riders and other workers at food delivery companies, together with drivers for conglomerates like Amazon, is considered entirely legal because delivery riders and drivers are classed as self-employed. This status removes any legal obligations upon employers to provide benefits or even pay the paltry minimum wage.

In February, the UK’s Supreme Court ruled against Uber, which operates a similar business model to Deliveroo, totally dependent upon grossly overworking and underpaying workers.

The Supreme Court confirmed that Uber drivers should be treated as employees, not self-employed. As such, drivers are entitled to minimum national wage rates and the whole time drivers are logged on and available for work should be counted when calculating gross wages. The decision is not directly applicable in law to workers other than Uber drivers, but employment law experts believe it will have implications for other gig economy firms also reliant upon wafer thin profit margins generated solely by sweating the workforce.

While Uber formally accepted the Court’s ruling, in practice it is flouting it and seeking to eke out even more profit from its workforce. The firm said it would calculate working time from the point a trip commences, rather than when drivers log on to the app. Its drivers would receive the minimum wage after accepting a trip request and after any expenses, Uber said in a statement.

The IWGB lost a similar legal challenge against Deliveroo in 2018. The case sought to secure rights such as the UK minimum wage for riders, but the court ruled riders were self-employed. In their floatation prospectus, Deliveroo said, “our 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.” The company have set aside £112 million to cover potential legal costs.

Deliveroo believes a judicial review finding against them is unlikely in the UK and that only changes in legislation would fundamentally impact on their business model. Legislation on workers rights under consideration by the Johnson government—whose post-Brexit agenda is driven by deregulating as much of the economy as possible—makes no mention of changes to gig-economy contracts.

Some of the UK's biggest investment fund managers, including Aberdeen Standard, Aviva Investors, BMO Global, charity fund manager CCLA, Legal and General Investment Management and M&G, said they would not buy shares in Deliveroo, citing a lack of opportunity for investors to make decisions about the direction of the company and, cynically, concerns over some working conditions.

IWGB president Alex Marshall made clear that the union is basing its campaign on appealing to the social conscience of these investors. Marshall told the *New York Times* that his union was “simply asking” for better pay rates and terms for Deliveroo workers. He urged investors to avoid buying shares in the company, saying, “Investing in Deliveroo means associating yourself with the exploitative and unstable business model that it champions and has set aside millions to defend... it means standing on the wrong side of history with nothing but bad press, litigation and industrial action to look forward to.”

In the same vein, TUC general secretary Frances O’Grady said, “It’s a damning indictment of the company’s exploitative business model that so many major funds have publicly shunned this float. Instead of setting aside hundreds of millions of pounds to fight legal battles on workers’ rights, Deliveroo should just treat its riders fairly and pay them properly... It needs to get started by treating its workers decently.”

Labour leader Sir Keir Starmer offered a few empty platitudes while declaring that he personally also would not buy shares in the firm at this stage.

The IWGB was founded in August as a breakaway from the two largest union, Unite and UNISON, and has around 4,600 members, with many of these employed in the gig economy. It presents itself as more radical than the long-established trade unions but it shares the same bankrupt nationalist and pro-capitalist perspective.

Speaking to the Medium website last August, IWGB General Secretary Henry Chango Lopez claimed, contrary to all reality, that the pro-capitalist unions have worked to protect working people during the pandemic. He said of organisations that worked hand in glove with the ruling Conservatives to enforce a mass, unsafe return to work: “Unions have put on a lot of pressure in order to improve these conditions that the government have put in place to help workers. Such as furlough, and protective PPE.” The unions, including the IWGB, said Lopez, “have a big role to play in ensuring that business do the right thing and they don’t take advantage of the situation that is happening now, getting rid of workers and just benefitting themselves.”

The expansion and unification of the struggles of the working class requires the formation of rank-and-file workplace committees that operate independently of the corporatist unions. A network of rank-and-file committees across the delivery industry, in the UK and internationally, coordinating their actions with committees in other sectors is the only way to defeat the endless driving down of wages, terms and conditions by the multinationals.

On Saturday April 10, the Socialist Equality Party is holding an online public meeting at 2pm (GMT) aimed at establishing a Network of Rank-and-File Action Committees. We urge Deliveroo workers and all others employed in the gig economy to register here to attend this vital event.