

**Written Evidence by Dr Pedro Mendonça**

**Proposed amendments to Employment Rights Bill 11 59/1**

**Summary**

The evidence call cites four areas of inquiry; I focus the submission on the second of these: "Whether the Employment Rights Bill will adequately protect workers, improve security at work, and raise living standards in every part of the country." Promoting Fair Work in Platform Economy is an area where the Centre for the Transformation of Work (CTW) holds world-leading expertise. As a centre, we are a recognised authority on platform work and have developed extensive research and policy engagement within this rapidly evolving field. I believe that there are key shortcomings in the Bill as introduced which must be addressed if the Government is to achieve Fair Work for all workers, particularly those engaged with Platform Economy who have been overlooked in the past years. I trust that you will welcome the overview of evidence including key recommendations to amend the Bill below, and I would be delighted to meet with you to discuss these amendments.

This submission provides key insights and evidence on:

- The legal and policy frameworks needed to combat bogus self-employment and emerging informal labour markets in Platform Economy and Gig Economy,
- The effectiveness of existing measures to protect workers of harassment and abuse in Platform Economy,
- Recommendations to start regulating algorithmic management within the economic segment of Platform Work and to address gaps and challenges resulting from algorithmic management, and
- Evidence identifying groups disproportionately affected by exploitation in the Platform Economy.

For the area Fair Work in Platform Economy, we suggest that the inquiry recommends for amendments to the bill:

- Presumption of employment for platform workers: establish a rebuttable presumption of employment status for individuals engaged in platform work. Shift the burden of proof to platform companies, ensuring workers are not unfairly classified as self-employed without substantive evidence.
- Algorithmic management and data rights: create clear and enforceable rules around the use of algorithmic management tools, such as worker ratings, automated scheduling, and task

assignment systems. Grant workers the right to access and contest algorithmic decisions impacting their working conditions and remuneration.

- Extend protections from sexual harassment and workplace abuse for platform workers (link to Crime and Policing Bill): mandate that platform companies create explicit anti-sexual harassment policies tailored to digital and physical workplace environments. Require companies to provide accessible reporting mechanisms for harassment, with a focus on protecting workers' anonymity and preventing retaliation. Introduce obligations for platform companies to proactively monitor for and address harassment incidents, including via algorithmic management and user platforms.

### **Response to the Committee's Call for Evidence on the Employment Rights Bill:**

The current and prospective Employment Rights Bill does not address platform work and platform workers, particularly neglecting this group of workers from Clauses on self-employed workers and zero-hour workers (Chapter 2 – 27BA). This omission leaves a rapidly growing and vital segment of the economy unregulated, enabling platform companies to exploit workers under the guise of self-employment.

Platform work encompasses both locally delivered tasks requiring physical presence (e.g., food delivery, courier services, transport, and manual labour) and remotely delivered digital services (e.g., data entry, software programming). Examples of such platforms include, Deliveroo, Uber and Uber Eats, Just Eat, Amazon Mechanical Turk (MTurk), Fiverr, Freelancer.com, and Upwork. Our research shows that platform companies exert significant control over workers by unilaterally setting pay rates, enforcing work hours through dynamic pricing mechanisms, and dictating job locations with geographical restrictions. Workers are also subjected to close monitoring through algorithmic performance evaluations that prioritise efficiency and faster delivery times, often at the expense of safety and compliance with statutory working terms and conditions, including fair pay. Moreover, our research shows that ad-hoc algorithmic changes are often related to making intra-workforce competition fiercer and increase how fast deliveries are made (see <https://doi.org/10.1111/ntwe.12251>).

Our research (see Fair Gig Work – A Review of Employment Practices in Scottish Food Delivery Work - [https://researchportal.hw.ac.uk/files/126542477/1301309218\\_Fair\\_work\\_in\\_Scottish\\_Gig\\_economy\\_review\\_Proof5.pdf](https://researchportal.hw.ac.uk/files/126542477/1301309218_Fair_work_in_Scottish_Gig_economy_review_Proof5.pdf)) highlights that platform workers are highly dependent on platform companies, with a significant majority (72%) reporting being fully or partially reliant on gig work. Among these, 40% of respondents indicated working 40 or more hours per week, while 26% reported exceeding 50

hours per week. Despite this high level of dependency and the extended working hours, there is an endemic failure to ensure payment of the legal minimum wage across the platform economy. Furthermore, our findings reveal that over 90% of platform workers have experienced verbal or psychological abuse. Particularly distressing is that 100% of female respondents reported incidents of sexual harassment during their working hours, while over 60% faced racial or ethnic abuse. Additionally, 55% reported being subjected to physical abuse. Our data suggest that current legislation and the proposed Bill will not provide adequate protections from sexual harassment, racism at work for worker safety.

Our publications also highlight that platform companies facilitate informal labour markets, thereby exacerbating hyper-precarious working conditions (see <https://doi.org/10.1111/irel.12320> and <https://doi.org/10.1177/0950017024125743>). Under the guise of bogus self-employment, platform workers are permitted to "name" substitutes, effectively renting out their accounts to other individuals who often lack the necessary documentation to work legally in the UK. This informal subcontracting arrangement leaves an already vulnerable workforce even more exposed to exploitation.

First, individuals working under rented accounts <sup>1</sup>often do so without formal recognition or protections, making them particularly susceptible to financial exploitation. For example, they may be coerced into paying significant portions of their earnings as "fees" to account holders or intermediaries, leaving them with earnings far below minimum wage standards. In some cases, these workers must pay upfront costs or face withholding of pay altogether, creating conditions akin to debt bondage. Second, the lack of proper documentation for these substitute workers places them at heightened health and safety vulnerability to them and those around them. Without formal recognition by the platforms, these workers cannot report harassment, abuse, or unsafe conditions, as doing so risks exposing their unofficial employment status. This invisibility further entrenches their vulnerability and excludes them from critical support systems. Finally, informal subcontracting also undermines accountability mechanisms for platform companies. By distancing themselves from substitute workers, companies evade their responsibility to ensure fair treatment, safe working conditions, and compliance with labour laws. Instead, they perpetuate a system in which exploitation is not only overlooked but normalized under the guise of flexibility and self-employment.

This situation clearly indicates that platform companies are failing to adequately protect their workers. They frequently dismiss responsibility by claiming that platform workers fall outside their purview due to their classification as self-employed.

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<sup>1</sup> Renting accounts in Platform Work, such as food delivery or ride-hailing services, involves individuals using accounts registered under someone else's name, often paying fees to account holders or intermediaries, which leaves them without formal recognition, protections, or fair compensation.

### **Proposed improvements to address exploitative labour practices in Platform Work**

To address the growing exploitation in platform work, the proposed Employment Rights Bill must include the fast growing platform workforce through a new Platform Work Clause. The adoption of the Platform Work Clause in the revised Employment Rights Bill enhances the national labour law systems by introducing three concrete advancements. They include a presumption of employment for platform workers, clearer rules on algorithmic management and data rights, and robust enforcement safeguards:

- The adoption of a new Platform Work Clause to regulate bogus self-employment which is prolific within platform economy. The inclusion of a rebuttable presumption of employment status for individuals engaged in platform work could shift the burden of proof to platform companies, ensuring workers are not unfairly classified as self-employed without substantive evidence. The adoption of a new Platform Work Clause with a rebuttable presumption of employment status would prevent the emerging issue of informalised labour markets with undocumented workers by regulating against the need to name substitutes. The proposed **Fair Work Agency** could play a pivotal role in enforcing this clause. As a central body, it could monitor compliance, investigate claims of bogus self-employment, and ensure platform companies adhere to the employment presumption where appropriate. Importantly, the **Fair Work Agency** could serve as a designated platform for workers to report instances of abuse, including exploitative practices related to account renting or misclassification.
- The Bill mentions the need to establish a new Single Enforcement Body, the Fair Work Agency. A critical component of the Fair Work agenda is empowering workers to shape their own working conditions. Providing workers access to data allows them to identify patterns of inequity, such as unfair pay disparities or discriminatory task assignments. This knowledge empowers workers to advocate for improvements in their working conditions and negotiate more equitable treatment. To achieve this, the Bill should explicitly grant workers the right to access and contest algorithmic decisions that impact their working conditions, pay, and overall well-being. As a result, granting workers the right to contest algorithmic decisions is vital for redressing errors or unfair practices.
- For Clause 40 - Enforcement of matters relating to pay: establishing a comprehensive framework to regulate algorithmic management would ensure fairness and accountability, addressing data-driven biases and promoting equitable treatment. As a result of a new clause, platform companies should programme algorithms to prioritise working conditions and safety over speed. As a result, algorithms should ensure pay above the national minimum wage (Clause 40 - Enforcement of matters relating to pay).

- The UK Government should embed a Clause to regulate working hours and enforcing mandatory break periods in Platform Work (particularly for those occupations that are locally based such as food delivery and ride-hailing). By capping excessive hours and ensuring rest periods, the Clause can protect gig workers from burnout, particularly in high-demand roles such as food delivery and ride-hailing. This is crucial to control the increasing road accidents due tiredness or the need to “cut corners” to comply with strict timings set by the platforms and their algorithms (Section 98(5)).
- Protect workers from harassment during their working time (Clauses 15, 16, 17,18 - Protection from harassment) by extending protections from sexual harassment for platform workers (link to Crime and Policing Bill): mandate that platform companies create explicit anti-sexual harassment policies tailored to digital and physical workplace environments. Require platform companies to provide accessible reporting mechanisms for harassment, with a focus on protecting workers’ anonymity and preventing retaliation. Introduce obligations for platform companies to proactively monitor for and address harassment incidents, including via algorithmic management and user platforms.

By adopting a new Platform Work Clause in the Employment Rights Bill, it can transform the platform economy into a fairer, more just labour market. It will not only safeguard the rights and dignity of platform workers but also set a precedent for addressing labour challenges in other emerging sectors.

I hope that the latest evidence will be of interest to you and that you will be able to consider ways to address these shortcomings as the Bill progresses. Please do not hesitate to contact me if you have any questions and I would be delighted to supply additional information to the committee if required.

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