



POLICY BRIEF

An Employment Bill for Workers in the Digital Economy

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Who we are

Fairwork is an international action-research project based at the Oxford Internet Institute, University of Oxford, and at the Berlin Social Science Centre (WZB), evaluating working conditions and promoting fairer labour standards in the platform economy and along the AI supply chain. Fairwork evaluates companies against five principles of decent work: fair pay, fair conditions, fair contracts, fair management, and fair representation. So far, Fairwork has assessed labour conditions in 712 digital platforms in 38 countries, interviewed almost 7,400 workers and contributed to over 321 pro-worker changes to platforms' policies and processes.

To date, Fairwork has published three reports¹ assessing fairness in the platform economy in the United Kingdom, and one² on the deployment of AI technologies in the workplace. Among the findings we outline below are low pay, health and safety risks, insecure contracts and bogus self-employment, discriminatory and unfair management practices, and barriers to representation. They indicate a highly concerning picture of precarious conditions and insecurity experienced by many thousands of workers across the UK.

In addition to our UK platform ratings and reports, the Fairwork Project team has published two policy briefs³, specifically highlighting these challenges and listing recommendations to tackle these problems in platform work as well as along the AI supply chain. In the 2024 UK general election, the team also published an article⁴ outlining necessary measures for the new administration to ensure fairness in the UK platform economy.

Based on our team's expertise and the findings of Fairwork research collected since 2018 in the UK and worldwide, we are making evidence-based policy recommendations on the Employment Bill.

The Employment Bill

On 10 October 2024, as part of the Mark Work Pay Plan, the UK Government announced what it called “reforms to employment rights” including the *Employment Rights Bill*. The proposals are responses to critical problems with the UK labour market identified by the UK government team. Among them are low pay, poor working conditions, job insecurity, weak worker protections, worsening living standards, anti-union legal frameworks, and insufficient structures and efforts to enforce regulations. The government's press release stressed that the reform's aim is to “end unscrupulous employment practices”, adapt the national labour framework to the “modern economy”, and turn “[the page on an economy driven with insecurity](#)”.⁵

The Government is proposing multiple measures within the new legislation⁶, including removing the current two-year qualifying period for protection against unfair dismissals, ensuring workers are protected against unjustified dismissal from day one. Sick pay and parental leave would be improved, and the conditions for making use of these benefits would be lowered. The plan aims to end “one-sided flexibility, ensuring that jobs

¹ Fairwork (2023) *Fairwork UK Ratings 2023: A Call for Transparency*; UK. <https://fair.work/wp-content/uploads/sites/17/2023/05/Fairwork-UK-report-2023-EN-red.pdf>; Fairwork (2022) *Fairwork UK Ratings 2022: Collective Worker Power*; UK. <https://fair.work/en/fw/publications/fairwork-uk-ratings-2022-collective-worker-power/>; Fairwork (2021) *Fairwork UK Ratings 2021: Labour Standards in the Gig Economy*; UK. <https://fair.work/en/fw/publications/fairwork-uk-ratings-2021/>

² Fairwork (2024) *Fairwork Amazon Report 2024: Transformation of the Warehouse Sector through AI*. Global Partnership on AI. Oxford: United Kingdom. <https://fair.work/en/fw/publications/amazon-report-2024/>

³ Fairwork (2022) *Fairwork Policy Brief: Work, Regulation, and AI Governance in the UK*; UK. <https://fair.work/en/fw/publications/fairwork-policy-brief-work-regulation-and-ai-governance-in-the-uk/>

Fairwork (2021) *Fairwork Policy Brief: Protecting Workers in the UK Platform Economy*; UK. <https://fair.work/en/fw/publications/13335/>

⁴ Brittain, L., Ustek Spilda, F., Bertolini, A., Alyanak, O., Valente, J. C. L., and Graham, M. (2024) ‘*Platform Workers Still Require Regulatory Protection*’, *Oxford Internet Institute*, 2 July. <https://www.oii.ox.ac.uk/news-events/platform-workers-still-require-regulatory-protection/>

⁵ UK Government. Press release: Government unveils significant reforms to employment rights. Available: <https://www.gov.uk/government/news/government-unveils-most-significant-reforms-to-employment-rights>. Retrieved 5 December 2024.

⁶ UK Government. Policy paper: Next Steps to Make Work Pay . Available: <https://www.gov.uk/government/publications/next-steps-to-make-work-pay/next-steps-to-make-work-pay-web-accessible-version>. Retrieved 5 December 2024.

provide a baseline of security and predictability so workers [can better plan their lives and finances](#)⁷, although it does not do away with flexible work, which will remain the default employment model for all jobs.

The new law would create a new institution called the Fair Work Agency, amalgamating the various regulatory bodies currently responsible for labour issues. This institution would be empowered to enforce laws and ensure companies' compliance with labour-related legal obligations.

Alongside the draft of the new *Employment Rights Bill*, the government also made public a “[Next Steps Document](#)”⁸ outlining future reform initiatives, which include passing a right to “switch off” (establishing limits on employers’ right to contact workers outside of working hours), a parental leave review, and new rules on how surveillance technologies adoption can be negotiated between employers and workers’ representatives. The government also promised to ensure equal pay rights for subcontractors, putting in place measures that ensure that outsourcing of services can no longer be used by [employers as a means of](#) paying less for the same work.

The government will furthermore carry out consultations to end zero-hour contracts and restore a single worker status model, to end differential access to rights and protections of different employment categories. However, the arrangement will preserve the possibility of keeping zero-hour models under certain conditions (for instance, if a minimum number of hours is guaranteed). For self-employed workers, the plan also lists protection measures including “a [right to a written contract; extended blacklisting protections and extended health and safety protections](#).”

While this long list of labour reforms spans a wide range of relevant improvements addressing many key structural problems faced by workers in the UK, a number of crucial topics remain absent from the draft Bill and related documentation released by the Government. Most notably, there is no mention of digitally mediated work, including platform workers and workers on Artificial Intelligence production networks (e.g., working on tasks such as data annotation and content moderation on online remote work platforms or in Business Process Outsourcing companies), despite the workers in these sectors being among the most vulnerable in our economy.

The UK digital economy and its challenges

In 2022, [it was estimated](#) by the TUC⁹ that there were over 4.4 million platform workers in the UK, although this is likely now an underestimate given the sector has experienced continued and impressive growth over the last few years. Platform workers work in various sectors, including transport, translation, logistics, data annotation, care services and content moderation. Many of them perform activities essential to the functioning of our society, as the recent pandemic made [clear](#).¹⁰ At the same time, as [Fairwork’s research](#)¹¹ has shown, many of these workers are among the most precarious and insecure in the country: they’re subject to low and unpredictable pay, unsafe working conditions, lack of social safety nets, unclear and inaccessible contracts, lack of due process, discrimination, and lack of collective voice. Similar conditions can be found in other growing areas of the digital economy, including those related to the development of AI systems and workplaces where AI technologies are deployed.

Fairwork’s research in the UK has revealed seven common and important challenges these diverse workers face

⁷ UK Government. Press release: Government unveils significant reforms to employment rights. Available: <https://www.gov.uk/government/news/government-unveils-most-significant-reforms-to-employment-rights>. Retrieved 5 December 2024.

⁸ UK Government. Policy paper: Next Steps to Make Work Pay . Available: <https://www.gov.uk/government/publications/next-steps-to-make-work-pay/next-steps-to-make-work-pay-web-accessible-version>. Retrieved 5 December 2024.

⁹ TUC (2022). Seven ways platform workers are fighting back. London, UK. <https://www.tuc.org.uk/sites/default/files/2021-11/Platform%20essays%20with%20polling%20data.pdf>

¹⁰ Fairwork (2020) The Gig Economy and Covid-19: Looking Ahead; Global. <https://fair.work/en/fw/publications/the-gig-economy-and-covid-19-looking-ahead/>

¹¹ Fairwork (2023) Fairwork UK Ratings 2023: A Call for Transparency; UK. <https://fair.work/wp-content/uploads/sites/17/2023/05/Fairwork-UK-report-2023-EN-red.pdf>; Fairwork (2022) Fairwork UK Ratings 2022: Collective Worker Power; UK. <https://fair.work/en/fw/publications/fairwork-uk-ratings-2022-collective-worker-power/>; Fairwork (2021) Fairwork UK Ratings 2021: Labour Standards in the Gig Economy; UK. <https://fair.work/en/fw/publications/fairwork-uk-ratings-2021/>

within the country's existing regulatory framework, which should be considered in any future legislation:

- 1) The misclassification of platform workers as “self-employed” deprives many workers of basic employment rights and protections. As the UK Supreme Court ruling on Uber¹², and the more recent court case against Bolt¹³ have demonstrated, this issue is rife in the UK platform economy. The current regulatory framework, together with the power of platform companies to unilaterally change the terms and conditions imposed on their workforce, has made it very difficult for workers to prove their employment status vis-à-vis platforms.
- 2) Algorithmic management is a key source of harm and injustice. Though not confined to platform work – AI is increasingly being deployed in many other workplaces – algorithms have been shown¹⁴ to embed discrimination against disadvantaged groups. Because algorithms are not transparent, they often produce what are perceived to be arbitrary and unfair decisions¹⁵, which workers usually have little power to have redressed.
- 3) Digital companies harvest vast amounts of data from workers, often for commercial purposes, with limited transparency and accountability. The UK GDPR, which follows the EU GDPR, is not adequately suited to protect workers from the improper collection and use of their data, as the recent EU Directive on Improving Working Conditions in Platform Work has highlighted¹⁶.
- 4) Workers have very limited individual and collective voice. Many platform companies implement disciplinary decisions, including de-activations, without due process or a clear system of communication with workers. At the same time, UK legislation forbids self-employed workers from collectively bargaining, hampering the collective representation of most platform workers.
- 5) Platform companies operate in the UK with limited scrutiny and accountability. These companies are not bound to provide information on how many workers they use, where or when, making it difficult for unions and public authorities to produce even basic monitoring and reporting on their activities on the ground.
- 6) Many companies in the UK rely on services from cloudwork platforms and business processing outsourcing (BPO) companies from abroad, with no obligation or responsibility to ensure that they are respecting basic labour standards. The UK currently lacks any regulatory framework for the monitoring and enforcement of labour standards across the AI supply chain.
- 7) The lack of resources given to enforcement agencies (an employer can expect an inspection from the HMRC once every 250 years¹⁷) and the lack of power given to unions in monitoring law abidance has shifted the burden of enforcement to the courts, which few gig workers can afford.

Recommendations

We praise the UK Government's initiative to improve working conditions in the UK labour market. We would, however, also like to highlight a few important weaknesses in the current plan, in particularly, related to the specific challenges faced by platform workers and workers in the AI supply chain. Below we offer seven recommendations for the Government to take into account when translating their plan into legislation.

- 1) **The “unique worker status” should clarify the employment status of platform workers** to correct the widespread misclassification of these workers as self-employed. Definitions in the new bill related to workers' employment status as well as any eventual regulations regarding legal tests on the topic must take into consideration the specific characteristics of work in the platform economy.

¹² The UK Supreme Court [2021] UKSC 5. <https://www.bailii.org/uk/cases/UKSC/2021/5.html>

¹³ **Bandi and others -v- Bolt**. <https://www.judiciary.uk/judgments/bandi-and-others-v-bolt/>

¹⁴ Barzilay, A. R. (2019) The Technologies of Discrimination: How Platforms Cultivate Gender Inequality. *The Law & Ethics of Human Rights* vol. 13, no. 2, pp. 179-202. <https://doi.org/10.1515/lehr-2019-2006>

¹⁵ Stark, D., & Pais, I. (2020). Algorithmic Management in the Platform Economy. *Sociologica*, 14(3), 47–72. <https://doi.org/10.6092/issn.1971-8853/12221>

¹⁶ Council of the European Union. (2024, March 8). Proposal for a directive of the European Parliament and of the Council on improving working conditions in platform work - Analysis of the final compromise text with a view to agreement. <https://data.consilium.europa.eu/doc/document/ST-7212-2024-INIT/en/pdf>

¹⁷ Clark, N. and Herman, E. 2017. Unpaid Britain: Wage default in the British labour market. Middlesex University. https://www.mdx.ac.uk/_data/assets/pdf_file/0017/440531/Final-Unpaid-Britain-report.pdf?bustCache=35242825

- 2) **Algorithmic management should be made more transparent and accountable.** The Government's current plan does not include measures to regulate algorithmic management but as this practice becomes more widespread, there is an increasing need to subject it to adequate scrutiny. Other countries, in the EU and beyond, have already implemented relevant regulations to protect workers from the potential harms and injustice of algorithmic management. These include: introducing an accessible explanation of how the algorithm works and what factors are taken into account in making a decision; subjecting algorithms to public scrutiny, including through monitoring by workers' representatives; instituting human oversight for important algorithmic decisions, including hiring and firing; and introducing a right to appeal algorithmic decisions.
- 3) **Data protection legislation should be updated.** Data protection legislation should consider data practices in the platform economy and along the AI supply chain. As AI and digital devices are increasingly deployed in the workplace, more and more workers will be subjected to invasive surveillance and to the risks and harms of excessive data extraction.
- 4) **Rules around the need for platforms to make human representatives available to workers when they are needed, should be instituted.** Platforms should be mandated to ensure communication channels with human representatives for their workers are accessible and effective and that important decisions affecting workers are subject to human scrutiny.
- 5) **Unions and workers' representatives should be given more power to monitor and enforce labour standards in the platform economy.** Although the repeal of anti-union legislation outlined in the draft Bill is an important first step in strengthening organized labour in the UK, unions and workers' representatives should play a more important role in monitoring labour standards to ensure they are respected across the labour market—and even more so in the platform economy. Legislation is needed to empower workers' representatives to step into this role. In addition, collective bargaining should be allowed for self-employed workers who work in dependent conditions, like the vast majority of workers in the platform economy. The UK Government should look to the many European countries that have legislation allowing this, as has been recently highlighted by an [EU Commission's declaration](#)¹⁸.
- 6) **Due diligence with specific reference to labour standards should be introduced in all supply chains.** Although the UK was at the forefront of regulation of working conditions along corporate supply chains, through the *Modern Slavery Act*, this legislation only covers the most severe cases of labour rights abuses. Currently, several countries around the world, as well as across the EU¹⁹, are introducing legislation on due diligence along supply chains to ensure basic labour standards are respected across international supply chains. UK companies that do business in the EU will already be subjected to these regulations, but the UK regulatory framework should make sure that these rules apply to all companies in the UK. The Government should work to restore the UK's status as a forerunner in safeguarding labour standards in global production networks.
- 7) **More resources and power should be given to enforcement bodies.** The establishment of a Fair Work Agency is an important step forward in making sure labour standards are respected in the UK, but for it to be successful, the Government must ensure the Agency is adequately resourced and inspections are carried out in adequate numbers and depth to remove all incentives for companies to evade regulations. The Agency should also be equipped with adequate expertise when it comes to the digital economy, including the ability to evaluate algorithms and AI systems in relation to working conditions.

¹⁸ European Commission (2022). Antitrust: Commission adopts Guidelines on collective agreements by solo self-employed people. https://ec.europa.eu/commission/presscorner/detail/en/ip_22_5796

¹⁹ EU-OSHA (2024). Securing safer, fairer conditions for platform workers: key regulatory and policy developments and challenges. https://osha.europa.eu/sites/default/files/documents/Securing-safer-fairer-conditions-for-platform-workers_EN.pdf

Fairwork is an action-research project coordinated by the Oxford Internet Institute and the WZB Berlin Social Science Center. Through a global network of researchers, Fairwork evaluates the working conditions on digital platforms and ranks them based on five principles of fair work. Fairwork collaborates closely with workers, platforms, advocates, and policymakers to envision and build a fairer future of work.

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