

Written evidence submitted by the FlipGig project (COV0123)

On behalf of the FlipGig project, written evidence submitted by:

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Summary:

1 in 10 workers work for gig economy platforms in the UK, with an estimated 1.7 million working in low-paid self-employment contracts.¹ Due to COVID-19, gig working couriers have come to be defined as essential workers in the UK's pandemic response to food and parcel supply. Yet:

- The demand for consumer goods and food (hot meals, takeaways and groceries) has shifted in unpredictable ways, meaning that gig working couriers are both struggling to be allocated shifts, and to make adequate earnings per shift.
- Businesses are adapting to the pandemic, but some models in which traditional employees who were treated more fairly are now making use of (low-paid) gig working couriers to adapt to the pandemic quickly and cheaply.
- Gig working is riskier now not only due to the increased risks of being in public spaces, but also because couriers are being asked to move riskier goods (e.g. blood or COVID-19 samples) and to deliver to riskier settings (e.g. hospitals).
- Gig workers have little governmental support due to their categorisation as '(in)dependent contractors' with the SEISS offered actively discriminating against the types of work that couriers do.
- Platform-specific support has also been limited, inadequate, and at times, inaccessible.

Recommendation: Policymakers must either work with platforms and businesses more closely to close gaps in support for gig economy couriers, or create specific policies with these workers in mind. In so doing, Government can ensure fair, safe and just work is at the centre of any future business adaptation plans. This is crucial, not just for the individuals' safety, but for the wider safety of the UK population with whom such workers come into contact.

These findings are reported from FlipGig (www.flipgig.org), an academic research project which has received funding from the Engineering and Physical Sciences Research Council (EPSRC). With partners including couriers, freight transport companies, data science companies, and city transport authorities (including Transport for London); we aim to explore the forms of unfairness that intentionally or unintentionally result from algorithmically controlled work offered to gig economy parcel and/or food couriers, but also how these software design decisions interact with employment rights for the 'self-employed'.

Detailed Response:

About the Gig Working Courier Workforce

1 in 10 workers work for gig economy platforms in the UK, with an estimated 1.7 million working in low-paid self-employment contracts.¹ But the gig economy is a large category, that covers many types of roles (including but not specific to couriership). The number of gig economy couriers delivering food, goods, and medical items in the UK is currently unknown. What is known, however, is that these workers are primarily concentrated in more densely populated and urban (including suburban and peri urban areas) across the UK, using their own bicycles, mopeds and cars to deliver food and goods for digital platforms such as Deliveroo, UberEats, JustEat and Stuart. This workforce is made up of a mixture of part- and full-time workers, and attracts a broad range of people, including students and migrant workers.² Workers are paid a piece rate on a job-by-job basis, where paid work involves picking up an order and delivering it to a customer. Workers are not paid for the time they are waiting for work to be offered by the platforms that algorithmically manage this work, nor the time in which they travel between jobs. Gig economy workers are normally paid on a weekly basis. The financial overheads, as well as the risks of this work prior to COVID-19, are well documented.^{3 & 4}

Experiences during COVID-19

Couriers have more limited possibilities around self-isolation and may find themselves working when they are unwell. There are likely dangers in making use of a casualised workforce to transport food and supplies to the UK's consumers and businesses. Yet, as businesses move to make adaptations to our new normality, there is evidence to suggest that gig working couriers are one significant adaptation that businesses are making use of.

1. Defining Gig Working Couriers as Essential Workers

On the 23rd March 2020 the UK Prime Minister advocated that people stay at home during lockdown, and that they make use of food deliveries where possible, as a means of limiting time spent outdoors.⁵ A built-in assumption to this request was that delivery workers, including gig working couriers like Deliveroo riders, should continue to work during an international health pandemic – as an ipso facto essential service, and thus, a crucial resource in lockdown Britain.

What differs in the case of couriers and other sorts of essential workers (e.g. NHS staff, supermarket workers) however, is that couriers (and specifically, gig working couriers) have fewer guarantees around sickness and statutory payments should they fall sick.⁶ This is because gig working couriers are perceived as 'independent suppliers' by the platforms they work for, meaning that their official categorisation is 'self-employed' – a classification that has been widely debated and criticised by academics,⁷ and in the media.^{8 & 9} For instance, in a review of modern work practices,¹⁰ gig economy workers were dubbed 'dependent contractors' due to their dependence on the platforms for work, and they were identified as the "group most likely to suffer from unfair one-sided flexibility" despite this being a work quality often promoted by platforms.^{11 & 12 & 13} It has been three years since Taylor and

colleagues called for “additional protections for this group and stronger incentives for firms to treat them fairly” in the UK.

2. Government Support for Casualised Gig Economy Workers

There have been concerns that the forms in which self-employment support are offered actively discriminate against gig working couriers, which specifically relates to their ‘fuzzy’ status as ‘(in)dependent contractors’.

For instance, the Self Employment Income Support Scheme (SEISS) allows workers “to claim a taxable grant of 80% of [their] average monthly trading profits, paid out in a single instalment covering 3 months, and capped at £7,500 altogether”.¹⁴ It is worth highlighting, however, that the SEISS is calculated using three years of self-employment tax returns, with the tax year always running one year behind – meaning that four years of self-employment are actually required for this support to be near equitable to their monthly earnings in the past year. According to the Government’s own white paper, 38% of those working in the gig economy had first got involved less than 6 months earlier, nearly a quarter (24%) had been working between 6–24 months, and only 14% had been involved for over two years.¹⁵

This means that, for the most part, gig working couriers are ineligible for SEISS, and even in those cases where workers are eligible, their support will be significantly impacted should they have not been working the full four years required to equitably calculate SEISS (with the most recent year not being included). For example, a gig working courier who has worked for two years with average yearly earnings of £17,209¹⁶ will receive £383.42 a month under the SEISS. Meanwhile, a courier who began working for a carrier on the 19th March of this year (in a more traditional employer-employee model) for the same yearly earning (£17,209) and is furloughed, would receive £1147.20 a month (i.e. nearly 3x the amount of support). It is also important to note that access to governmental support is likely further impacted for those with fewer English-comprehension skills. With many migrant and immigrant workers working as gig economy couriers, it is possible that some of these may find themselves further impacted in their attempts to access support.

The Independent Workers Great Britain (IWGB) union is bringing a Judicial Review to the UK government for failing to protect couriers, arguing that the adequate health and safety protections that are required by European Law (including PPE) are being denied to millions of workers who should be entitled to them.¹⁷

3. Support from Platforms

In 2018, the Department for Business, Energy and Industrial Strategy (BEIS) noted that gig workers were fairly “philosophical” about their concerns around a lack of sickness pay given that for most – in being young and healthy – this was not an immediate concern for them.¹⁸ But these concerns are now practical, and due to the definition of these now-essential workers as ‘independent contractors’, gig working couriers are not eligible for Statutory Sickness Payment (SSP) as this is provided by ‘formal’ employers.¹⁹ Some support has, however, been offered by these companies.

Company specific support has been announced in the form of safety policies, and hardship funds for contractors who may fall sick. Yet, anecdotal reports in the media suggest that what is being offered is not the same as what is required.

Taking Deliveroo's Rider Support Fund specifically as our example:¹⁸ this support will only be made accessible to riders who are able to prove that they have contracted the virus, or those that have been placed in medical quarantine by a medical authority. These conditions were, until recently, unlikely to be met unless workers were admitted to hospital for COVID-19: a fact which only occurs in cases where the disease is most severe, and potentially deadly.²⁰ Accounts suggested that the lack of generalised testing and formal diagnosis in the UK, particularly in the earlier stages of the pandemic, had meant that hardship funds had not been accessible to workers who had fallen sick.²¹ Accounts also suggest that some riders, having been suspected of having COVID-19, have simply been deleted by the app; leaving those who most require access to the hardship funds, without.²²

Though food delivery workers are now eligible for testing, this has only been the case since the 24th of April (i.e. over a month into lockdown),²³ and accessibility to this testing has not been guaranteed.²³ Where workers are or were asymptomatic, though still very much contagious, the financial pressures of daily life – combined with the inaccessibility of support – may have left them with difficult decisions about whether to work when ill, or not.²⁴

4. Unpredictability of Food and Parcel Demand: Unemployment and Lowered Earnings

Initial insights from survey data collected from consumers points to shifting demands for food and parcel delivery. Our survey conducted around the impact of COVID-19 (with 603 respondents) on home deliveries in the UK found that 15.8% of respondents were using apps and platforms (e.g. Deliveroo, UberEats, JustEat) less frequently than before the outbreak of COVID-19. 29.4% of respondents who previously ordered via this method had stopped doing so entirely during this time period.

41.8% of respondents indicated that their use of home delivery for consumer goods (e.g. Amazon) had decreased, with 11.8% of respondents stopping their ordering of consumer goods online all together. By contrast, 44.3% (growing by 28.9% pre COVID-19) of respondents indicated that they were ordering one or more times a week.

This complements other work which has demonstrates how demand has shifted, for instance, the rocketing in demand of specialised categories of products such as Do-It-Yourself (DIY), large toys, garden and home furniture and cleaning products.²⁵

These initial results suggest that the predictability of food and parcel demand has shifted, no doubt impacting on the earnings that a worker is likely to make in one shift, and their ability to access shifts (i.e. less demand leads to less of a need for individual workers per shift). However, alongside this shift in demand, there has also been a need to instigate forms of contactless delivery (i.e. limiting end user and courier interactions) to ensure that customers feel safer in making orders.²⁶ & ²⁷ Contactless delivery does not just limit the

spread of COVID-19, however, but also limits possible tipping.²⁸ This, again, has the potential to impact upon the take home returns of individual workers.

So whilst the risks of working have increased, the predictability of food and parcel demand as well as the earnings a worker may make, has decreased. This has meant that companies like Deliveroo have had to make cuts to their workforces with planned redundancies of over 300 alongside the furloughing of 50 others.²⁹ It is not entirely clear what sections of the Deliveroo workforce have been reduced, however, evidence suggests that the on-the-ground experience of couriers also emulates this unpredictability of demand: with some having very little access to shifts, and others finding that they are unable to make adequate earnings during the shifts to which they do have access.³⁰

5. Adaptation to this Shifting Demand

It is clear that the UK's supply chain will need to adapt in relation to the pandemic, to ensure that consumers and businesses are able to receive the supplies needed for survival, both economic and otherwise. There is evidence to suggest that gig economy workers may be considered as resources in such adaptations, as businesses learn to evolve their models in relation to social distancing measures, and according to the evolving needs of the UK population.

It is crucial to ensure that, as businesses move to make such adaptations, the inequalities of the gig economy do not become entrenched into other types of business models where other workers (i.e. not couriers) have been historically better paid and treated.

For instance, Aldi (one of the UK's largest supermarkets) increased its national pay rates in early 2020, with staff members now earning over the recommended real living wage.³¹ It could be argued that this suggests that fair payment of its employees is a part of Aldi's business values. Yet one adaptation that Aldi is making to COVID-19 is the availability of home delivery from limited stores, now offered through Deliveroo.³² PayPoint stores also now offer delivery through Deliveroo.³³ This suggests that there are likely to be discrepancies between what the in-store staff make, when compared to making deliveries (i.e. gig economy couriers) for that same store.

Relatedly, Morrisons (another leading UK supermarket) has signed a new deal with Ocado who, until now, have handled all the supermarket's online store deliveries. This new deal will allow for Morrisons to sell directly through other platforms like Amazon marketplace and Deliveroo, allowing Ocado to take back 30% of its distribution centre space for its own orders.³⁴

Other forms of adaptations (e.g. inter-organisational) however, may be limited by the extent to which stakeholders across the supply chain are comfortable in, and/or open to, collaborating with one another.³⁵ Evidence suggests however, that as a competitive sector, collaboration across the supply chain, and specifically at the organisation level, has been – at least in the past – in short supply.³⁶

This lack of inter-organisational collaboration across the sector will likely lead to impacts in the current pandemic. This is because, it can be argued that deliveries of this kind have long

been unprofitable, with competitors like Deliveroo, UberEats and JustEat operating at a loss in an attempt to grow their market share as a means of luring customers away from their competitors.³⁷ These businesses have, historically, been held up by low-paid workers, rather than app technologies alone – as is often assumed. In the current situation, however, this basic consumer theory fails to withstand – as certain (popular and profitable) restaurants have closed,³⁸ and customers have become unpredictable in their demand for parcels and food. Without significant private investment, it is likely that these businesses may fail – but conversely, those that *are* able to attract significant investment (e.g. Deliveroo’s merger with Amazon)³⁹ are likely to emerge with a market dominance not earned through a growth in consumer demand alone.

6. Increased Risk: Public Spaces and Other Risky Settings, and PPE

One particularly significant adaptation in the logistics sector, as described above, is the use of gig economy couriers for more risky deliveries. This is especially significant given the lack of support in case of sickness, both at the governmental and company level, and this is despite the increased risks of working in public spaces during this time. Couriers do not just work in public spaces though, but in working on-the-go they are also likely to engage with a diverse cross-section of the population (e.g. consumers and staff from businesses); meeting with many different people, across dispersed areas, during any one shift. But deliveries are not only riskier now due to the current situation, but because certain adaptations have required that these workers also deliver to especially risky settings (e.g. hospitals) and/or riskier goods (e.g. COVID-19 samples).

For instance, local cycle cooperative The York Collective took part in the movement to supply vulnerable local people and frontline workers with hot meals.⁴⁰ Relatedly, Deliveroo raised over £1.5 million to feed NHS workers, with deliveries being taken to hospitals nationally.⁴¹ Whilst these charitable efforts are no doubt appreciated, they must be understood in relation to the lack of PPE that has been made available to many couriers during this time. For example, a group of ‘self-employed’ blood couriers contracted by the Doctors Laboratory (TDL) have launched legal action against the testing lab after being asked to transport poorly packaged COVID-19 samples without access to full sick pay, and/or no PPE, or regular testing.⁴²

In response to the increased risks of working, some couriers have had to source their own PPE, striving to find sources from readily available establishments, where there have been issues with the availability of PPE.⁴³ Deliveroo, in this case, have offered an opt-in PPE system, whereby riders can claim up to £20 reimbursement for hygiene related products (e.g. hand sanitiser, masks, disposable gloves, disinfecting wipes or spray), or request supplies should they require them.⁴⁴ Despite the launch of this system (estimated 26th March) occurring *after* the onset of the pandemic the only proof of purchase accepted for reimbursement claims is itemised tax receipts dated within seven days of the claim submission (i.e. from the 19th March, seventeen days after the first UK COVID-19 death). This suggests that not all PPE purchases made by Deliveroo riders during the time period affected are reimbursable. Further to this, riders who had made requests for PPE on the 26th of March were yet to receive their provisions by the 14th of April. Those that had received

PPE said that they had only been sent four small bottles of hand sanitiser, and four masks – enough to last them only a week of work.

The nature of this system has led to 44 MPs and the IWGB accusing Deliveroo of putting drivers at risk, arguing that the system is “inadequate and ineffective”⁴⁵ but this condemnation can perhaps apply more broadly.

7. The Impact on an Already Casual Workforce

The shifting nature of demand and supply during these times has meant that what was previously a precarious job has become even more so, and a portion of the UK’s food and parcel delivery is being carried out by workers who have more limited possibilities around self-isolation in case of illness than others.

These workers are left having to make difficult decisions around their personal or familial safety, or financial security (e.g. rent, food) each and every day. In addition to this, their ongoing safety depends on others (i.e. customers, staff in restaurants) not known to them, but who likely have better sickness protections, also taking their safety seriously (e.g. socially distancing when giving/ receiving food/ parcels).

The costs and risks already known to gig working couriers are further compounded by the additional risks that working as a courier during COVID-19 pose. It is crucial that the costs and risks to individual and independent workers are not entrenched into other and more traditional business models, as more businesses move to adapt to COVID-19.

Given these workers have more limited possibilities around self-isolation, due to a lack of support at the government and organisational level, there are likely impacts to the spread of the disease should this not be taken seriously.

Recommendation for Policymakers:

The above points suggest that gig economy couriers are falling through the interstices of government and platform support. This is not just because of their status as ‘independent contractors’ whereby they exist outside of the remit of either the platforms or government, but also given the way that forms of support offered are – in fact – incompatible with one another, in that they are based on assumptions which cannot be satisfied by the worker (e.g. four years of employment, or official diagnoses of COVID-19). There is then, a need to think specifically and particularly about these kinds of couriers, as they become an increasingly important source of flexibility in different business types as they look for sources of economic recovery from COVID-19.

Policymakers must either work with platforms and businesses more closely to close these gaps in support, or create specific policies for these workers in mind. It is in doing this that they can ensure that fair, safe and just work is at the centre of any future plans, not just for the individual safety of the worker, but for the safety of the UK population more broadly.

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Endnotes

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