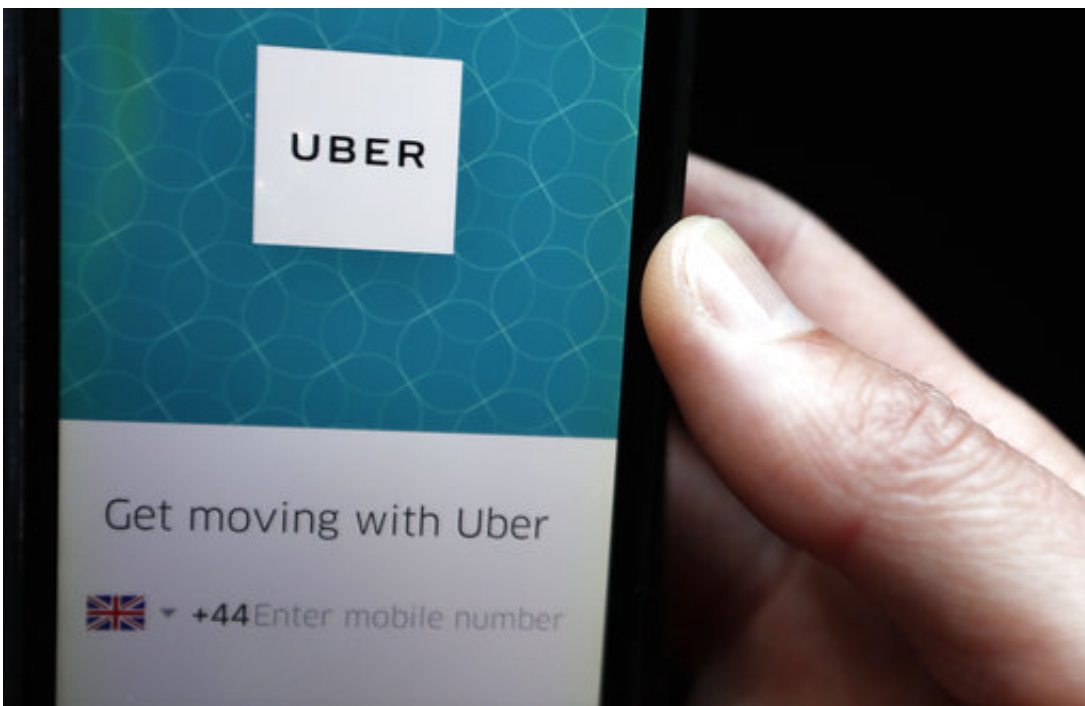


UK panel rules Uber drivers have rights on wages, time off

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In this Friday, Sept. 22, 2017 file photo, an Uber App is displayed on a phone in London. Britain's Employment Appeal Tribunal Friday Nov. 10, 2017 ruled that drivers of the ride-hailing service Uber are entitled to basic protections such as a guaranteed minimum wage and paid time off. Judge Jennifer Eady dismissed an appeal Friday from the company in a closely watched decision that is expected to have broad implications for the so-called gig economy. (AP Photo/Kirsty Wigglesworth, file)

Uber lost the latest round in the battle over its operating model Friday,

when a British panel ruled that the company's drivers are workers, not independent contractors, in a decision with broad implications for the so-called gig economy.

The Employment Appeal Tribunal upheld a lower panel's decision, agreeing that the two drivers in this case were "workers" under British law and therefore should receive the minimum wage and paid holidays. Uber said it would appeal.

Judge Jennifer Eady rejected Uber's argument that the men were independent contractors, because the drivers had no opportunity to make their own agreements with passengers and the company required them to accept 80 percent of trip requests when they were on duty.

The tribunal, Eady wrote in her decision, found "the drivers were integrated into the Uber business of providing transportation services."

The ride-hailing service said it has never required drivers in the U.K. to accept 80 percent of the trips offered to them and that drivers make well above the minimum wage. Employment lawyers expect the case to be heard by higher courts as early as next year.

"Almost all taxi and private hire drivers have been self-employed for decades, long before our app existed," Tom Elvidge, Uber's acting general manager for the U.K., said in a statement. "The main reason why drivers use Uber is because they value the freedom to choose if, when and where they drive and so we intend to appeal."

San Francisco-based Uber has expanded rapidly around the world by offering an alternative to traditional taxis through a smartphone app that links people in need of rides with drivers of private cars. That has drawn protests from taxi drivers who say Uber and similar services are able to undercut them because they don't face the same licensing and regulatory

requirements.

Though the company argued that the case applies to only two drivers, Uber has tens of thousands of drivers in the U.K. who could argue they deserve the same status as the former drivers covered by Friday's decision. The court says some 40,000 drivers use the platform in the U.K., though the company said the number had grown since the submission to 50,000.

"Uber cannot go on flouting U.K. law with impunity and depriving people of their minimum wage rights," said James Farrar, who with Yaseen Aslam brought the case against Uber. "We have done everything we can, now it is time for the mayor of London, Transport for London and the Transport Secretary to step up and use their leverage to defend worker rights rather than turn a blind eye to sweatshop conditions."

The ruling also has implications for more than 100,000 independent contractors in Britain's so-called gig economy, where people work job-to-job with little security and few employment rights. Such employment, often for companies that use mobile phone apps to provide everything from food delivery to health care, has surged as the Internet cuts the link between jobs and the traditional workplace.

The case is just one of many focused on the rights of British workers in both the new and old economies—from Deliveroo food delivery drivers to foster carers and plumbers. So far, the trend in the biggest cases is clear: In eight of eight challenges in U.K. courts, workers have won.

But the case is also likely to be watched beyond Britain as courts internationally grapple with issues spawned by the rise of the gig economy, said Sean Nesbitt an employment law expert at the law firm, Taylor Wessing.

Uber, because of its size, is closely watched around world and across industries as a lead example of how new, disruptive business models can fit into society. Such new business models are fueling the debate about how to balance the wish to encourage economic growth and innovation while protecting individuals' rights, Nesbitt said.

Courts are looking to each other to see how similar issues are being addressed. Nesbitt noted, for example, that Eady referred in her judgment to a case in North Carolina—which is unusual because the U.S. legal system is quite different.

"There will be an echo around the world," Nesbitt said. "At the core of this is a debate about what it means to control people and anxiety about bargaining power."

While the case is separate from London's decision not to renew Uber's license, observers are likely to watch Uber's response to see if a company known for hard-hitting tactics is willing to change. Following the licensing decision, Uber's new CEO, Dara Khosrowshahi, acknowledged that Uber "got things wrong" in the past and said the company would change as it moves forward. Uber is also appealing that decision.

In the meantime, the ripple effects of the case will expand.

"We anticipate that tens of thousands drivers will now seek to make substantial back-dated claims," said Paul Jennings of Bates Wells Braithwaite, who represented the drivers. "Our clients have fought tirelessly to gain the rights that they clearly should have been afforded from the outset."

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