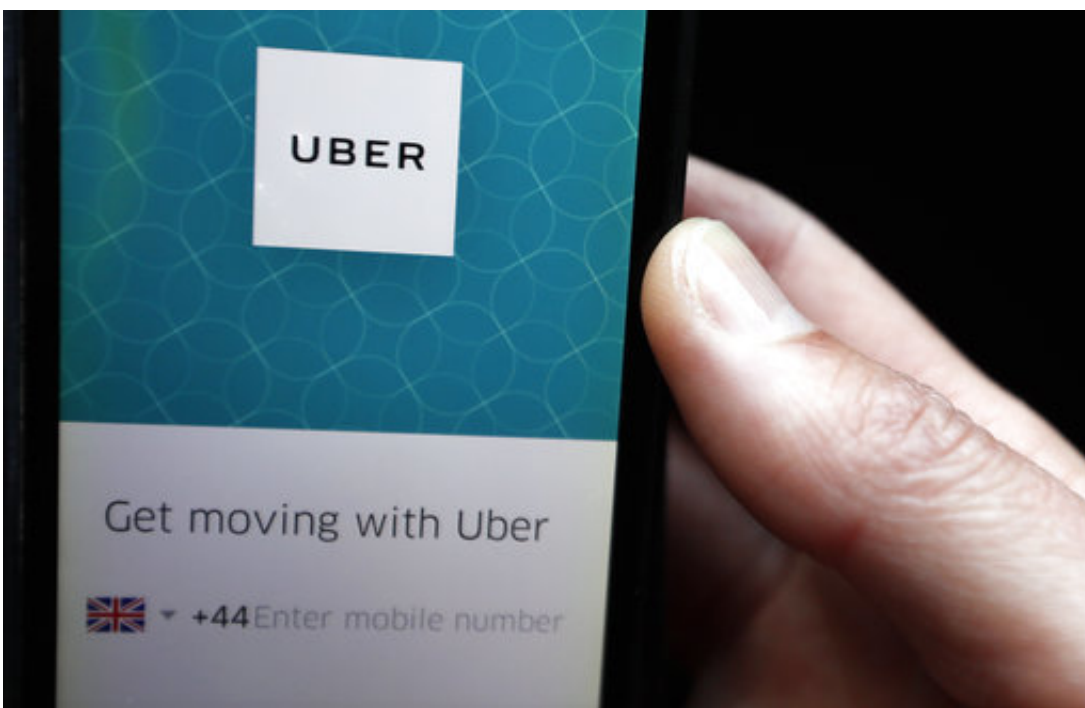


Uber loses UK case on worker rights, expected to appeal

December 19 2018, by Danica Kirka



In this Friday, Sept. 22, 2017 file photo, an Uber App is displayed on a phone in London. Uber has pledged Wednesday, Dec. 19, 2018 to challenge a U.K. Court of Appeal decision that drivers should be classed as workers rather than self-employed employees, a verdict that has potentially wide-ranging implications for the rapidly growing gig economy and the rules that govern it. (AP Photo/Kirsty Wigglesworth, file)

Uber pledged Wednesday to challenge a U.K. Court of Appeal decision that drivers should be classed as workers rather than self-employed

employees, a verdict that has potentially wide-ranging implications for the rapidly growing gig economy and the rules that govern it.

The challenge sets up a showdown in Britain's Supreme Court that will determine whether the drivers will be able to claim the rights open to workers such as the minimum wage and paid holidays.

Unions rejoiced at Uber's third loss in the courts on the issue, and said it was an early Christmas present for those working in the gig economy, where people work job-to-job with little security and few employment rights.

"We're now at a hat trick of judgments against Uber, they keep appealing and keep losing," said Tim Roache, the general-secretary of the GMB union. "Uber should just accept the verdict and stop trying to find loopholes that deprive people of their hard-won rights and hard-earned pay."

The San Francisco-based company, which has sought under its new CEO Dara Khosrowshahi to improve its image, pointed out that the decision was not unanimous "and does not reflect the reasons why the vast majority of drivers choose to use the Uber app."

It added that were drivers to be classified as workers, then it would be inevitable that they would lose freedom and flexibility.

"Over the last two years we've made many changes to give drivers even more control over how they use the app, alongside more security through sickness, maternity and paternity protections," the company said. "We'll keep listening to drivers and introduce further improvements."

Though the U.K. ruling will not apply to employees outside the country, it is part of a trend in which regulators are more closely scrutinizing a

quickly evolving workplace and challenging traditional employment models. Only this week, Britain published its Good Work Plan, promising to clarify the tests around employment status as suggested by the landmark Taylor Review last year.

Though the suit was brought by two employees, the case has implications for the 50,000 drivers who use the platform. Lawyers are also watching—not just because of Uber's massive global footprint, but because some 1.1 million people in the U.K. are estimated to work in the gig economy.

The numbers involved mean that any future decision could have an impact on the viability of Uber's business model and pricing, according to Rachel Farr, a senior employment lawyer at the international law firm Taylor Wessing, which is not involved in the case.

"Uber's competitors and businesses in the gig economy will also be considering what this means for them, while the decision will have given hope to those who believe they are workers who deserve a better deal," she said.

"But just because Uber lost, it doesn't mean that others will: each case will be considered on its specific facts, including the contractual terms between the parties and what actually happens in practice."

Uber has expanded rapidly around the world by positioning itself as the 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.

Some companies have argued that the gig system provides lifestyle benefits for people who want flexibility, but the arrangements also allow

companies to avoid many expenses associated with hiring full-time employees.

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Citation: Uber loses UK case on worker rights, expected to appeal (2018, December 19)
retrieved 1 May 2024 from <https://phys.org/news/2018-12-uber-appeal-workers-rights-uk.html>

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