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Gig economy is 'frontline in battle for labour rights', as workers go to court to demand justice

- Outlets like Uber and Deliveroo misclassify workers to cut costs, denying basic rights
- But workers are using litigation to fight back
- Governments should close the gaps in their labour laws to protect workers

London, UK / New York – Gig economy workers are on “the frontline in the battle for future labour rights” and need urgent support from lawmakers, according to new research.

Gig economy platforms like Uber and Deliveroo are misclassifying workers as “independent contractors” rather than employees to keep costs low, denying workers sick pay, paid overtime and a minimum wage.

But analysis in the latest Corporate Legal Accountability Briefing - which tracks lawsuits related to business and human rights – says workers have found that litigation is a key tool to fight for better terms.

Phil Bloomer, Executive Director of Business & Human Rights Resource Centre (BHRRC), which produces the briefing, said: *“The gig economy is the frontline in the battle for the future of labour rights.*

“Companies that classify workers as ‘independent contractors’ might boost their profits, but at the expense of workers’ minimum rights and wages.

“New strategies including legal challenges are emerging to combat this abuse. But workers face companies with deep pockets looking to stop any legal precedent that might threaten their advantage and expanded profits.”

He added: *“These cases have implications for everyone, as ‘casual’ and ‘flexible’ working models spread to a range of industries. Workers, lawyers and the courts have a crucial role to play in making sure the future of work is one of shared prosperity, not greater inequality – and it’s high time lawmakers took their side.”*

The briefing (out today) compiles and analyses recent gig economy lawsuits and legislation from across the world. It finds 2018 was a year of victories and defeats.

Workers face huge legal costs of a lengthy court battle, while profit-making companies are using their “deep pockets” to crush legal challenges by systematically appealing unwelcome rulings and/or settling out of court to avoid worker status classification.

To counter this, workers are increasingly finding strength in numbers through class action lawsuits, which share the cost among several plaintiffs. But some companies have tried to block this tactic by putting 'class action waivers' in workers' contracts.

What needs to happen?

Today's briefing calls on gig economy companies to classify their workers as employees entitled to full labour rights and protections. It says they should drop the 'forced arbitration' clauses in their contracts which curb workers' rights to collective bargaining.

The briefing adds that gig companies should introduce human rights policies with proper remediation to live up to their responsibilities under the United Nations Guiding Principles on Human Rights.

The report also urges lawmakers to close the gaps in their labour laws by adopting a presumption in favour of employee status for gig workers, and passing laws recognising gig workers' rights to a minimum wage, paid overtime, the right to collective bargaining, unemployment insurance, and paid family and medical leave.

Governments should also avoid incentivising the "independent contractor" model and create incentives for business to classify workers as "employees", thereby supporting worker empowerment in this new economy.

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Notes to editor

- The Corporate Legal Accountability Briefing highlights significant lawsuits related to business and human rights across the world. This is the fourth annual briefing.
- Business & Human Rights Resource Centre (BHRRC) works with everyone to end corporate impunity for human rights abuses. business-humanrights.org