

## Inquiry into the “Gig Economy”



The Government has launched an inquiry into the future world of work and the ‘gig economy’ following press reports of treatment of employees at brand name employers. Here, we take a look at what that entails.

Following on from the recent inquiry into Sports Direct and its working practices, and recent news stories about several other brand name employers including Asos, Hermes, Uber and Deliveroo, the Government has decided to carry out an analysis of work in the ‘gig economy’. It will look specifically at the status and rights of agency workers, and the self-employed. The inquiry will also look at issues such as low-pay and poor working conditions for people working in these non-traditional employee roles.

### What is the “gig economy”?

It refers to the way of working that has been highlighted recently by companies such as Hermes and Deliveroo, that generally work on an ‘on demand’ basis. When work is available, it is performed; when work is not available, those carrying out the work wait until the next job comes in. It relies on a network of ‘self-employed contractors’ who are paid by the job e.g. by the delivery made. Because the individuals are engaged on a ‘self-employed basis’, they are not afforded any employment rights, such as National Minimum Wage/ National Living Wage or paid annual leave.

### Terms of Reference

Evidence will be gathered in relation to the following questions:

1. Is the term ‘worker’ defined sufficiently clearly in law at present? If not, how should it be defined?
2. For those casual and agency workers working in the ‘gig economy’, is the balance of benefits between worker and employer appropriate?
3. What specific provision should there be for the protection and support of agency workers and those who are not employees? Who should be responsible for such provision – the Government, the beneficiary of the work, a mutual, the individual themselves?

4. What differences should there be between levels of Government support for the self-employed and for employees, for example over statutory sick pay, holiday pay, employee pensions, maternity pay?
5. Is there evidence that businesses are treating agency workers unfairly, compared with employees?
6. Should there be steps taken to constrain the use by businesses of agency workers?
7. What are the issues surrounding terms and conditions of employees, including the use of zero-hour contracts, definitions of flexible contracts, the role of the Low Pay Commission, and minimum wage enforcement?
8. What is the role of trade unions in representing the self-employed and those not working in traditional employee roles?

The content of this briefing is correct at the time of publishing.

### Summary

- If you are currently using staff who do not fit squarely into the ‘employee’ bracket, then the results of this inquiry will be very interesting;
- It may be that definitions of employment status i.e. who is a worker, who is self-employed are altered;
- The availability of employment rights may be extended so that workers and some types of self-employed contractor gain extra protection.

Please contact the 24 Hour Advice Service for advice on your specific situation before acting on the information in this publication.