

Pay and conditions in gig work

ReWAGE Policy Brief

1 Introduction

Gig work, sometimes called platform work, is ‘work where an individual uses a digital ‘platform’ provided by a company, accessed via an ‘app’ or a website, to find and perform short-term jobs’.¹

Despite much interest there remain considerable gaps in knowledge about the numbers employed in gig work, and the outcomes associated with it in terms of pay and working conditions.

This policy briefing summarises current evidence on pay and conditions in gig work in the UK and outlines current policy and regulatory issues around gig work. It finds that gig work is growing in importance in the UK and is characterised by high levels of precarity and disadvantage compared to other forms of work.

The policy briefing then summarises current evidence on pay and conditions in other precarious forms of work in the UK, notably temporary agency employment, temporary work, zero hours contracts and self-employment, with which gig work shares many features. In the final part of the briefing, 12 policy recommendations around gig work and other precarious forms of employment in the UK are set out.

This Policy Briefing is accompanied by a more detailed ReWAGE Evidence Paper on pay and conditions in gig work.

2 Gig work

2.1 Pay and conditions in gig work

- Just under half a million people (464,000) in a labour force of over 32.5 million worked in platform-based gig work in 2022. By this measure, derived from the Labour Force Survey, gig workers constituted 1.4% of total employment.² Gig workers are concentrated in taxi driving, food delivery and courier services, although significant numbers are in desk-based services.
- Low pay and insecure income are widespread in gig work in the UK. The task-based nature of work allocation and payment means that gig workers have unpredictable earnings. In location-based gig work, such as taxi-driving, couriers and food delivery, time between deliveries is generally unpaid.
- Annual earnings from gig work in the UK are relatively low, and up to ¼ of gig workers are paid below the minimum wage.
- Few gig workers in the UK (between 10-30% depending on estimates) see gig work as their main source of income.
- Gig workers have more limited access to social protections This is due in part to the contract status of many gig workers (being classed as self-employed rather than workers or employees). However, for some rights and protections, this more

¹Houses of Parliament (2017) Library Briefing: Gig Economy, An Introduction, <https://researchbriefings.files.parliament.uk/documents/LLN-2017-0086/LLN-2017-0086.pdf>.

² Cockett, J. and Willmott, B. (2023) The gig economy: What does it really look like? London: Chartered Institute of Personnel and Development.

limited access is due to the relatively small numbers of weekly of hours worked and low income earned by gig workers, and the variability of their income.

2.2 The legal context of gig work

- There is considerable ambiguity over the contract status of gig workers.
- A number of legal judgements have ruled that gig workers in the UK are ‘workers’, whereas others have determined that that gig workers are self-employed contractors.
- Employment rights in the UK and access to social protections vary markedly dependent upon whether someone is on a contract as an employee, a worker or self-employed.
- ‘Theoretical’ access to employment rights for gig workers – as employees, workers or self-employed – does not necessarily mean access in practice. Income uncertainly, gaps between jobs, and low pay may limit access of gig workers to particular employment rights and protection that are based on particular income levels.

2.3 Pay and conditions in other precarious forms of work

- In 2023, 1.6 million workers were employed in the UK on temporary contracts, equating to 4.1% of the employed workforce, including 250,000 workers on temporary agency contracts. Migrant workers, BAME workers, and young workers are all over-represented in temporary and agency working.
- 1.2 million workers were employed on zero-hours contracts in the UK in 2023, a figure which equates to 4% of the workforce. ZHCs have become more widespread in the UK over the last 15 years, particularly in social care, hospitality, retail and education.
- 4.1 million workers were self-employed in 2023 (14% of the workforce).
- Pay levels, are on average, lower for each of these forms of precarious work, compared to directly employed contracts. As with gig/platform work, workers in these forms of work face a pay penalty compared to direct employed contracts.
- Overlap between these precarious forms of work, and gig work is widespread, with, for example, many platform jobs being undertaken on a self-employed basis or on a temporary basis.
- **We estimate that between 20-25% of the UK workforce in total are employed in gig/platform work, self-employment, temporary work, agency work and zero-hours contracts.**

3 Recommendations

3.1 Recommendations to improve pay and conditions in gig work

Rights for gig workers currently vary according to their employment status. Greater clarity around the contractual and legal status of those in gig work would help strengthen worker rights. Below are 6 recommendations for policymakers to improve pay and conditions in gig work:



1. Introduce a presumption of 'worker' status for those undertaking gig work in the UK.
 - One key element of the EU Directive on Platform Work is that it will introduce a presumption of worker status for those in gig work (rather than self-employment) across EU Member States. Having left the EU, the UK is not obliged to implement this Directive. However, the UK should adopt a similar presumption of worker status for all gig workers.
 - This adoption would increase protection and access to rights for the estimated 1.4 million gig workers in the UK, giving access to key employment rights and protections available to workers, including Working Time Regulations, the National Minimum Wage, paid annual leave, employer pension enrolment, maternity/paternity leave and rights to request flexible working.
2. There should be a strengthening of arrangements to ensure that gig workers have *effective* access to any forms of social protection available to workers that are dependent upon income and hours
 - State-accrued benefits that come from National Insurance contributions need to be able to be accumulated and built up by workers across platforms.
 - Access to social protections that are dependent upon minimum numbers of hours worked or income within a particular period (Universal Credit) might be adapted to reflect the realities of irregular work with multiple employers in the gig economy.
 - Mechanisms should be put in place to ensure that key social protections and benefits accrued by gig workers (e.g. pensions) can be portably transferred across jobs and platforms.
3. Trade unions should be legislated to have a 'digital right of access' to communicate with gig workers.
4. All gig workers should be provided with details of recognised trade unions that they can access and join at the start of their gig work.
5. There should be stronger systems of state provided training provision for gig workers so they can update skills and have portable qualifications that help them to transfer and progress to more secure and higher paid work.
6. Platforms should be required to provide information to any appropriate labour inspectorate or enforcement body on the numbers working on their platforms, the contractual status of these workers and average pay levels for gig workers (see also recommendation 12 below).



3.2 Recommendations to improve conditions in other precarious forms of work in the UK

There is much overlap between the pay and conditions of gig workers and workers in other forms of precarious work. Wider change is needed.

7. A single contractual status covering both employees and workers should be created to equalise employment rights for both these groups and to ensure that both groups have uniform and consistent access to employment protection.
 - This action would increase rights for those currently classified as workers. In the case of agency workers and zero hours contract workers, it would help remove current ambiguities over their rights and would increase employment protection for nearly 1.5 million workers engaged in these two forms of work.
 - Alongside recommendation 1 above, which would ensure a presumption of worker status for gig workers, these two recommendations would increase access to employment rights for nearly 3 million workers.
8. Exploitative zero hours contracts should be abolished and regulations put in place to avoid the proliferation of similar arrangements such as 'one-hour'/'two-hour' contracts.
 - Workers on zero-hours contracts should be entitled to a contract which reflects their regular/usual hours of work,
 - Monitoring of arrangements in zero-hours contracts should be enforced by a suitable inspectorate of labour standards (see 12 below).
9. For workers on temporary agency contracts, there should be clarity in employment contracts over the specific responsibilities of user firms.
10. Training for line managers, senior managers and HR managers should recognise the complexities of precarious forms of work (including gig work). Existing training and guidance in organisations should be assessed to ensure it is fit for purpose in terms of the management of gig and other precarious workers.

3.3 Recommendations on gathering evidence and data on gig work and precarious work in the UK

11. Robust and consistent data on gig work, agency, temporary work, zero hours contracting and self-employment should be gathered and reported in regular ONS data series, and in national periodic surveys undertaken in the UK, including Understanding Society, and the Employment and Skills Survey.
12. Robust monitoring and inspection are needed to ensure that rights – current and future - for gig workers and those in other forms of precarious work are enforced.

- A labour market inspectorate should be created, with part of its remit to monitor and enforce employment rights in gig and other forms of precarious work, and with powers to take action against non-compliant employers.
- The inspectorate should have resources to be able to effectively monitor and visit employers. Current under-resourcing of labour market enforcement is a major issue which needs addressing.
- The inspectorate should monitor minimum wage levels, contractual rights, non-payment, rights to organise and form unions and other aspects of gig work.

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The policy brief represents the views of the authors based on the available research. It is not intended to represent the views of all [ReWAGE members](#).

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About ReWAGE

ReWAGE is an independent expert advisory group modelled on SAGE that is co-chaired by the Universities of Warwick and Leeds. It analyses the latest work and employment research to advise the government on addressing the challenges facing the UK's productivity and prosperity.

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