

A large, abstract orange graphic composed of several overlapping, rounded shapes, resembling a stylized flower or a cluster of petals, set against a dark blue background.

CIPD

Policy report
September 2023

The gig economy:

What does it really look like?

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Policy report

The gig economy: What does it really look like?

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1 Introduction

Since the onset of the financial crisis in 2008, the 'gig economy' has been a hot labour market topic. It can be defined "as a way of working based on people having temporary jobs or doing separate pieces of work, each paid separately, rather than working for an employer".

Increasingly it refers to people who trade their time and skills through online platforms (websites or apps), providing a service to a third party as a form of paid employment.

This report uses unpublished data from the Office for National Statistics (ONS) Labour Force Survey to provide new insights on the scale and nature of the UK's gig economy.

Our key findings are:



Just under half a million people in the UK work in the gig economy, and only a fifth of those see it as their main source of income.



Men working in the gig economy are more likely to see it as their main source of income than women.



Ethnic minorities working in the gig economy are more likely to see it as their main source of income than those from a white background.



People with disabilities working in the gig economy are more likely to see it as their main source of income than those without disabilities.



The non-transportation gig economy far exceeds the size of the transportation gig economy. It includes manual personal and desk-based services in a plethora of occupations. A large proportion of this group have the gig economy as their side hustle.



Those in the transportation gig economy are more likely to be reliant on it as their main source of income and be self-employed in their main job. We describe this as the 'visible' gig economy.

The report highlights implications for public policy in our recommendations. We begin by reflecting on key insights from previous research.

2

Evolution of the gig economy since 2017

The concept of people trading their time and skills through online platforms and providing a service to a third party was a focus for the UK Government's 2017 commissioned independent [review of modern working practices](#), led by Matthew Taylor. The review considered a range of issues regarding whether atypical workers, including those working in the gig economy, were affected by one-sided flexibility. This is where flexibility in contractual terms or working arrangements benefits the employer but at the expense of the individual worker's job security or employment rights. The review also considered the issue of employment status and rights for workers in the gig economy and explored emerging case law in this area.

Prior research on the gig economy has highlighted concerns about working conditions and poor pay. For example, [in 2017](#) a quarter of gig economy workers reported earning an hourly income below the National Minimum Wage (NMW) (for those aged 25+). More recently, half (52%) were earning below the NMW, although this was not a representative sample ([Wood et al, 2023](#)). The median respondent in that study earned only £8.97 per hour – lower than the NMW rate of £9.50. However, the nature of gig work can mean that the pay rates of gig workers may be misleading in some instances. Low pay rates are often attributed to people spending significant amounts of time waiting or looking for work while logged on to a platform. The potential fluctuation in demand for services also means gig workers are unlikely to receive a stable income.

The Fairwork project, coordinated by the Oxford Internet Institute, highlights that many platform workers continue to face unfair working conditions and lack social protections. They rate the UK's digital labour platforms against five principles – fair pay, fair conditions, fair contracts, fair management and fair representation. The [2023 report](#) found that five of 12 platforms reviewed did not meet fair conditions by failing to mitigate task-specific risks.

However, research on the experiences of gig economy workers says there can also be significant benefits from this type of work. Many individuals value gig economy work because of the flexibility associated with it. [Recent survey work](#) found that gig workers experienced greater autonomy compared with workers utilising similar skills, both local (in-person) and remote. It showed gig work enables those doing this work to easily take time off to deal with personal or family matters and decide the time they start and finish work. Survey respondents also reported experiencing discretion over what tasks they do and having influence over how they do them. [Other research](#) finds that gig work suits people who need to balance work and caring responsibilities, students, and individuals who prefer greater control over how their time was spent. For example, [80% of Uber Eats drivers](#) have another significant responsibility, such as studying, working another job or looking after family.

Using Uber administrative data, [Berger et al \(2019\)](#) find private hire drivers report higher levels of life satisfaction than other workers, which reflects their preferences for flexibility and the autonomy that the platform offers. Drivers who emphasised flexibility as an important motivation to join Uber reported higher levels of subjective wellbeing. However, some drivers, who would prefer to work as an employee, reported lower levels of life satisfaction and higher levels of anxiety, suggesting choice over working preferences is important to wellbeing.

People with disabilities ([Harpur and Black, 2020](#)) can also value gig work as it gives greater control of when and how tasks are performed. The ability to manage work hours and pace can lessen the negative impact that fatigue and stress may also have upon health conditions.

Migrants also benefit from lower barriers to entry to gig economy work, such as simplified online onboarding processes, lack of interview questions and being able to use apps in a native language ([van Doorn et al, 2022](#)).

Taken together, the evidence suggests there are significant benefits for many people working in the gig economy but there are legitimate concerns over poor pay and insecurity for some workers.

3

Self-employment, employment status and the gig economy

Another significant issue regarding the gig economy is around employment status and rights. There are three main types of employment status: 'employee', 'worker' and 'self-employed'.

- **Employee:** employees benefit from the greatest level of employment protection and rights, including the right not to be unfairly dismissed, the right to statutory redundancy pay, and statutory maternity, paternity and adoption leave.
- **Worker:** workers qualify for none of these but do have the right to be paid the National Living/Minimum Wage, protection from discrimination, paid annual leave and the right to daily and weekly rest breaks.
- **Self-employed:** in contrast, the self-employed have few employment rights apart from the right to a safe and healthy working environment and, with some caveats, against discrimination in the workplace and from whistleblowing discrimination in some circumstances.

How people are categorised depends on the nature of their employment relationship with the business they work for. It rests on a range of factors, such as how much control a business has, whether the individual can be

substituted and the degree to which the person is judged to be integrated in the business.

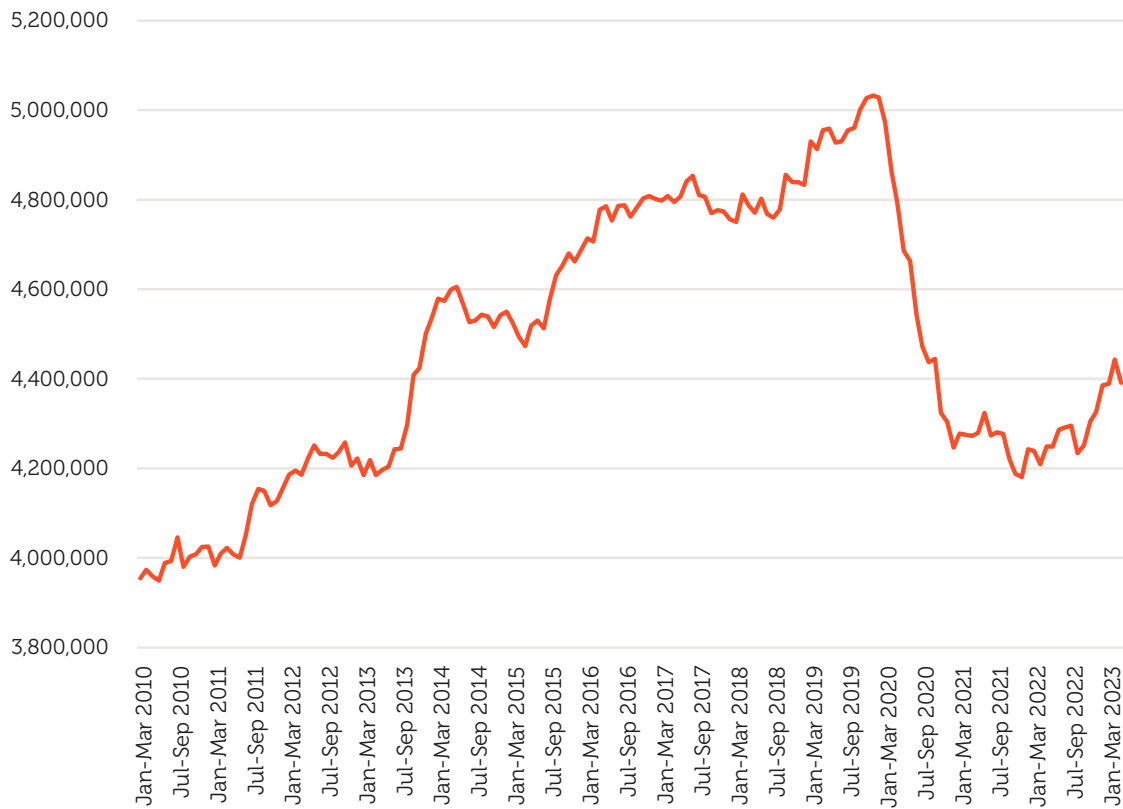
Those working in the gig economy have traditionally been more likely categorised as self-employed. However, case law that has evolved over the last few years has shown that some gig economy workers have been misclassified as self-employed and are actually workers. For example, in 2021 the Supreme Court rejected an appeal by Uber and ruled that its drivers were workers, not self-employed as the company claimed, and should have access to the National Minimum Wage and paid holidays. The decision was a reminder to businesses that they need to consider carefully how they classify the people that provide work for them.

Given the importance of employment status and the question of whether gig economy workers are classified as self-employed or workers – or indeed employees – it is useful to understand the wider trends around self-employment.

Trends in self-employment in the UK

There was a significant rise in self-employment following the 2008 financial crisis. The increase in self-employment between 2008 and 2015 was seen by the ONS to be “one of the defining characteristics of the UK’s economic recovery”, though the rise was believed to be an extension of the trend started in the early 2000s. Pre-COVID, the number in self-employment peaked at 5 million before falling to 4 million in winter 2021. It has risen slightly to 4.2 million in the first quarter of 2023.

Figure 1: Trends in self-employment in the UK (2010–23)



Source: Labour Force Survey, 2010–23.

Why has there been a reduction in self-employment?

During the onset of the COVID-19 pandemic in 2020, there were large increases in the number of workers moving from self-employment to employee status but remaining in the same job (reclassifying). This was attributed to changes in people’s view of whether they were self-employed. As some paid themselves through PAYE after the furlough scheme was created, they realised they were able to claim, so thus described themselves as employees. This was also a time of great uncertainty, so some may have preferred the security of being an employee over self-employed.

Another contributor to the reduction in self-employment could have been the introduction of reforms designed to tackle non-compliance with off-payroll working rules (sometimes known as ‘IR35’). The off-payroll working rules are designed to stop self-employed contractors working as ‘disguised employees’, by taxing them at a rate similar to employment, and it affects all contractors who do not meet HMRC’s definition of self-employed. The Uber Supreme Court ruling may also have prompted some organisations that operate in the gig economy to categorise those working for them as workers rather than self-employed. We return to the issue of the employment status of gig workers later in the report.

4 How many people work in the gig economy?

The gig economy can be defined in many ways, which has, in part, resulted in wide-ranging estimates on how many people work in it to date. Many previous estimates have been based on small ad hoc surveys.

Previous UK gig economy estimates

CIPD research on the topic in 2017, based on a survey of 2,000 employees, found 4% (equating to about 1.3 million people) reported they had done gig work of some kind in the last year.

Research conducted in 2017 for the Department for Business, Energy and Industrial Strategy (BEIS), based on a survey of 2,184 people, found that 4.4% of the population in Great Britain (about 2.8 million people) had worked in the gig economy in the last 12 months.

TUC research in 2021 found 14.7% of working people, estimated at 4.4 million people, were working for gig economy platforms at least once a week in England and Wales. This was based on a survey of 2,201 participants. This has since been extrapolated by StandOut CV, who estimate the size of the gig economy in 2023 as 7.25 million, rising to 14.86 million by 2026.

Charlton-Czaplicki and Hukal (2022) used the Understanding Society Survey to estimate that 1.4% of adults in the UK make a living from the gig economy, approximately 750,000 adults.

New estimates for the UK gig economy

Our new estimates regarding the gig economy are based on experimental questions in the January–March 2022 Labour Force Survey (LFS). The LFS is the largest representative household study in the UK.

The primary question was: thinking about the past three months, what have you done to earn money using third-party websites, apps or online platforms? This was followed by a series of descriptions of the types of roles in the gig economy (defined in Table 1).

The phrasing of the question is similar to that used in our 2017 YouGov survey, and therefore gives comparable estimates with those in that report. However, there are some key differences:

- **Timeframe used:** Respondents were only asked if they did gig work in the past three months. Given the survey was January–March 2022, this means it is estimating the level of gig work in the period October–December 2021. Some forms of gig work may have seasonality, that is, are more popular in the summer months than in the winter months, or vice versa. We assume that these even themselves out.
- **Lowest levels of self-employment:** The data collection period coincided with the lowest recorded rates of self-employment since 2011. However, this may

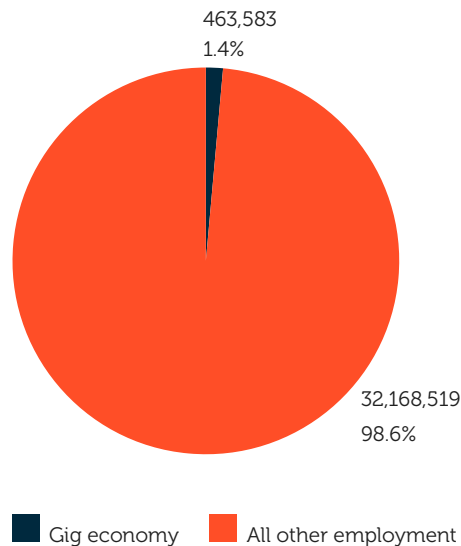
have been a truer reflection of the historical rate due to the reclassification that occurred during the pandemic.

- Self-reported: As with all surveys, the data is self-reported. Our [previous report](#) highlighted that even gig economy workers were not aware of the gig economy.¹

Despite these factors, the estimates below are likely to be the most accurate to date of the size of the gig economy in the UK because of the size and robustness of the sample. The sample size for the [LFS during January–March 2022](#) was 79,561 individuals from 36,236 households.

The gig economy in the UK is estimated as just under half a million people (463,583). In a labour force of over 32.5 million, workers in the gig economy make up just 1.4% of the total in employment.

Figure 2: UK gig economy workers compared with the rest of the workforce



Source: Estimates from the Labour Force Survey, January–March 2022.

Drivers and riders are only a small part of the gig economy

A common perception is that most people working in the gig economy are private hire drivers or food delivery drivers. This is because of the visible presence on our streets of drivers working for Uber, Deliveroo or Just Eat. The estimates below show these groups make up a small proportion of all gig economy workers.

There are 52,898 private hire drivers² working through apps in the UK. This represents only one in 10 working in the gig economy. Despite more undertaking food delivery (82,649), this still makes up only a fifth of the

¹ 35% of gig economy workers surveyed in 2017 were not aware of the term gig economy.

² We define private hire vehicles as drivers of family-sized vehicles and minibuses that carry up to eight passengers which cannot be hailed in the street, cannot use taxi ranks and must be pre-booked through a licensed operator.

gig economy. A further 56,649 people provide courier services through online platforms, although there is likely a degree of overlap among the aforementioned transportation drivers.

A quarter of a million (246,417) people undertake desk-based services, such as web development, translation and legal services, through apps and websites. These people make up over half of the UK gig economy. Nearly 100,000 (92,663) undertake cleaning, decorating, plumbing, electrical work, dog walking or other manual tasks in the gig economy. In the remainder of this report, we refer to this group as delivering manual personal services.

A deeper dive into the worker profile in each form of gig work is included in later sections of this report.

Table 1: Size of employment in UK, in each type of gig work

Type of gig work (people can be in multiple categories)	Definition	Count	% of gig workers*
Private hire drivers	carried paying passengers in your vehicle (eg taxi rides)	52,898	11%
Food delivery drivers	delivered food and drink from food outlets and restaurants to customers	82,649	18%
Couriers	provided courier services (eg package and postal deliveries)	56,433	12%
Manual personal services	cleaning, decorating, plumbing, electrical work, dog walking or other manual tasks	92,663	20%
Desk-based services	web and software development, writing and translation, accounting, legal and admin services, arts, media and communication services, or similar non-manual tasks	246,417	53%

* People can partake in multiple forms of gig work, therefore the percentages do not sum to 100%.
Source: Estimates from the Labour Force Survey, January–March 2022.

Excluded from our definition of the gig economy are two groups that can sometimes be said to be undertaking ‘gig work’, whereby they make money through the assets they hold. These are people who have sold things online or those who have rented out property, space, personal items or a vehicle. The LFS estimates nearly 2.2 million people have sold things online and 650,000 people have rented out spaces.

5

Who sees the gig economy as their main source of income?

The gig economy can be experienced in many ways by those who work in it. Some do gig work as their main job and are reliant on the income it provides them. Others do gig work on the side, either to supplement their income or to make money from a hobby.

To determine reliance on income from the gig economy, the following question was asked in the LFS:

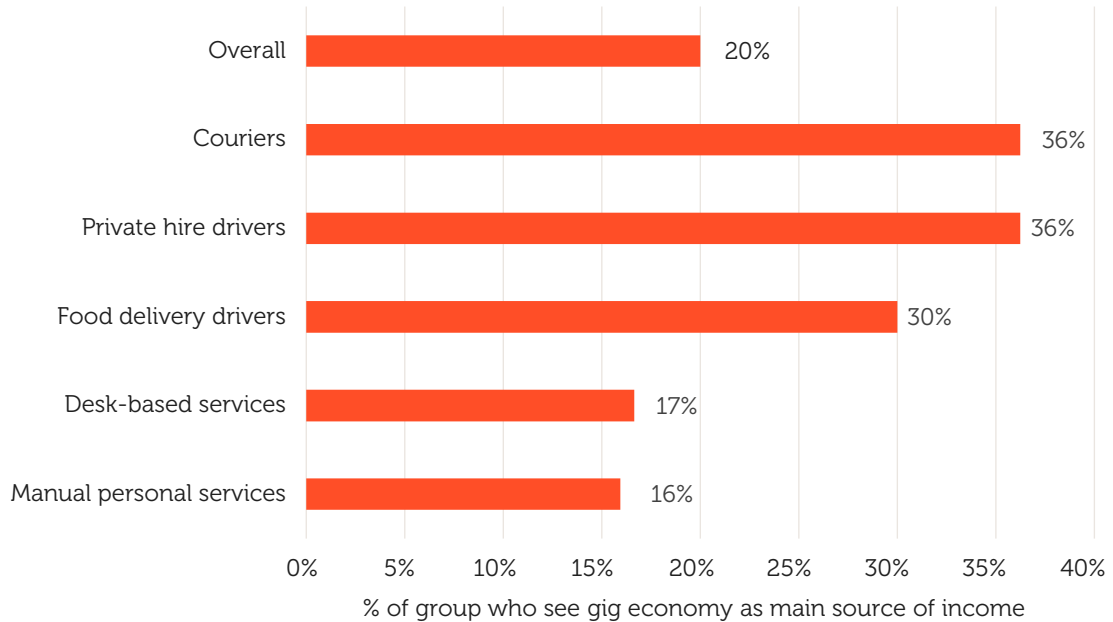
“Thinking about the past three months, has the money you earned using third-party websites, apps, or online platforms been your main source of income?”

The estimates show that 93,898 people in the UK are using the gig economy as their main source of income. This represents one in five (20.3%) of those who do gig economy work of any kind.

Over a third (36%) of private hire drivers and couriers see the gig economy as their main source of income. This is slightly above the level who deliver food and drink (30%). A much lower proportion who undertake manual personal services (16%) or desk-based services (17%) see the gig economy as their main source of income. This is clear evidence that those in the transportation gig economy are likely to have the gig economy as their main source of income.

These findings are supported by research for Uber Eats by [Public First](#). This found only 36% of drivers surveyed said that earnings generated from their use of the Uber Eats app was their only personal source of income.

Figure 3: UK gig economy workers who see it as their main source of income, by type of gig work (%)



Source: Estimates from the Labour Force Survey, January–March 2022.

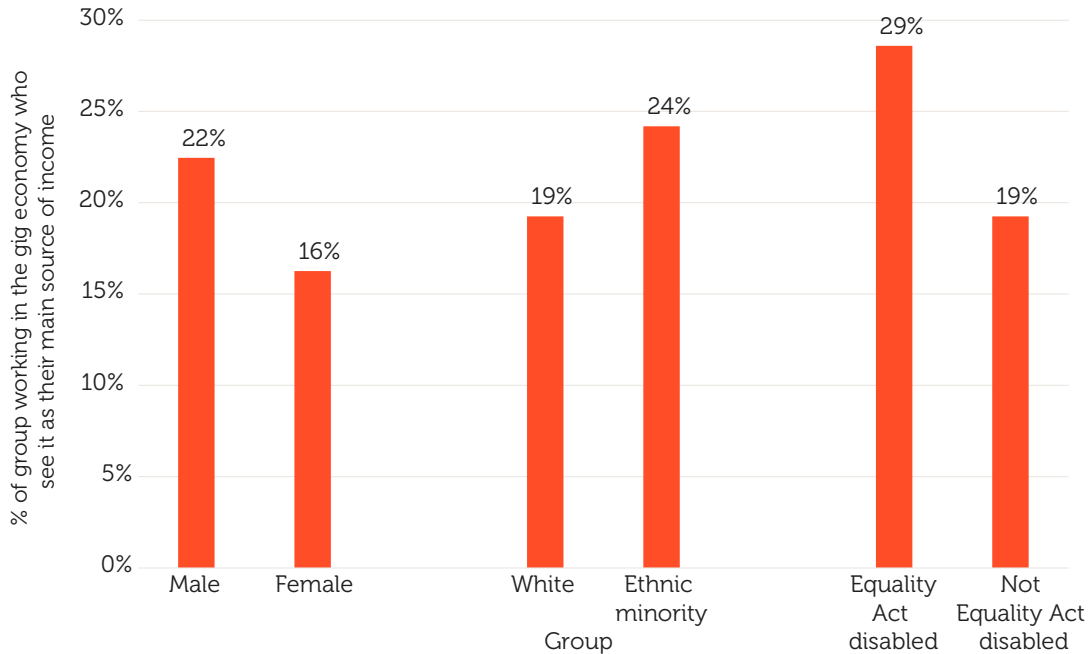
Does this then mean that certain demographic groups are more dependent on the gig economy than others? We find that:

- Men working in the gig economy are more likely to say it is their main source of income (22%) than women (16%).
- Ethnic minorities working in the gig economy are more likely to say it is their main source of income (24%) than those with a white ethnic background (19%).
- Those with a disability working in the gig economy are more likely to say it is their main source of income (29%) than those without a disability (19%).

As discussed later in the report, those who undertake gig economy work involving transportation are mostly male. Ethnic minorities are also overrepresented in these three forms of gig work.

Those with disabilities are more likely to see the gig economy as their main source of income. This suggests that these people are utilising the lower barriers to entry available in many forms of gig work. Given the autonomy gig work allows, it could be that those with disabilities are doing a small amount of gig work, as this is all they are able/choose to do. As with other groups, however, there are risks should the individual become sick or unable to work for any reason, including their disability. Considerations should be made around the interaction between the gig economy and the benefit system for those with disabilities.

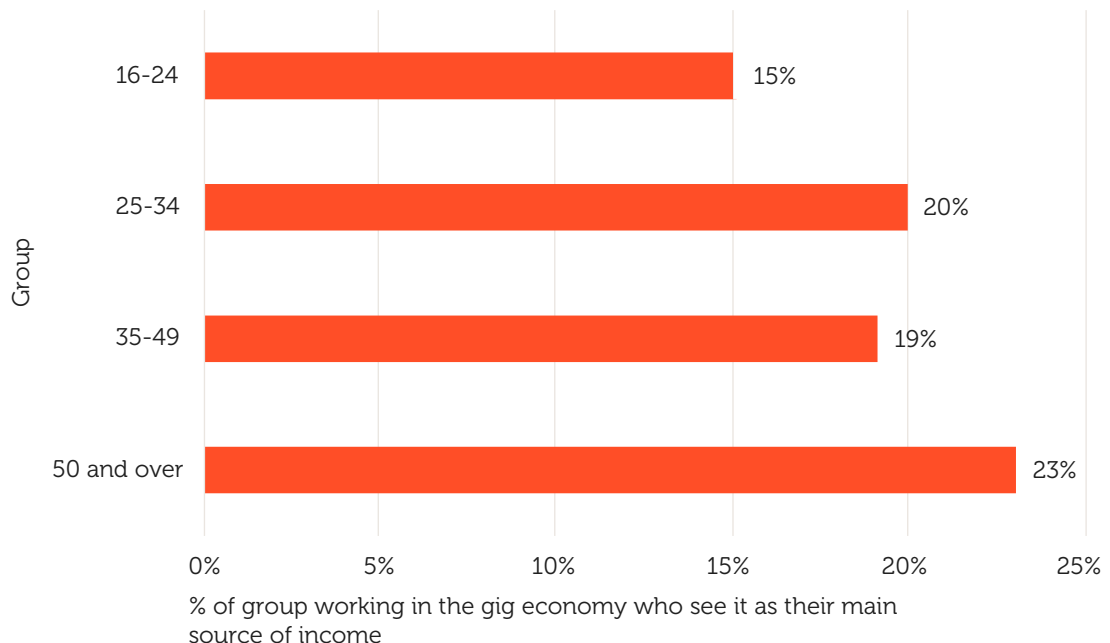
Figure 4: UK gig economy workers who see gig work as their main source of income, by gender, ethnicity and disability status (%)



Source: Estimates from the Labour Force Survey, January–March 2022.

A higher rate of older people (those aged 50 and above) than younger people see the gig economy as their main source of income. Almost a quarter (23%) of gig economy workers over 50 see it as their main source of income. The surge in older workers moving towards this form of work is evidenced through Deliveroo, which has recorded a 62% increase in riders aged over 50 since 2021.

Figure 5: UK gig economy workers who see gig work as their main source of income, by age (%)



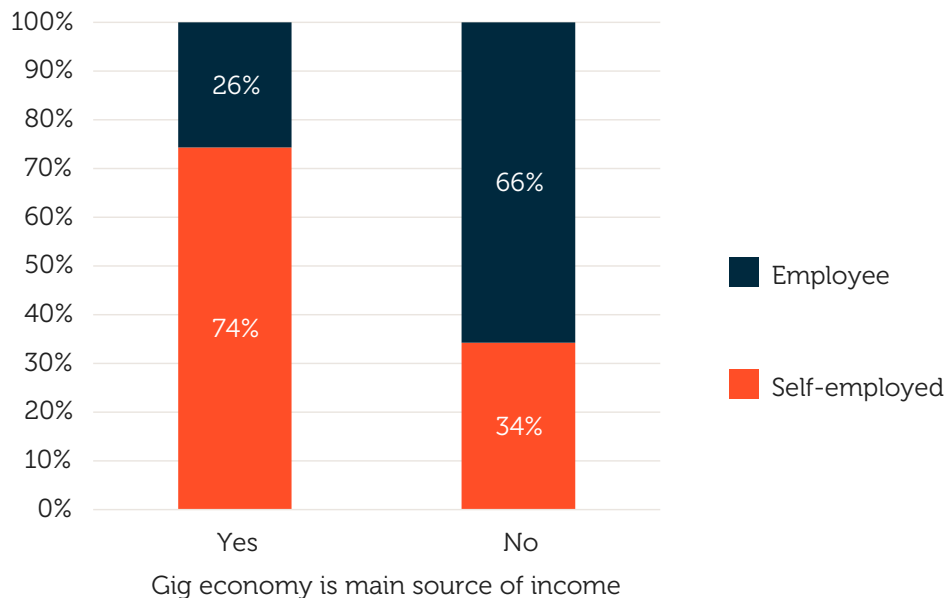
Source: Estimates from the Labour Force Survey, January–March 2022.

6

Are gig workers self-employed?

Three-quarters (74%) of people who have the gig economy as their main source of income define themselves as self-employed in their main job, compared with 34% of all other gig economy workers. This is coherent, in that those who do gig work as a main source of income treat it as their main job, not a side hustle. We conclude that most people who rely on the gig economy to make a living would define themselves as self-employed.

Figure 6: Employee vs self-employed: Gig work as a main source of income (%)



Source: Estimates from the Labour Force Survey, January–March 2022.

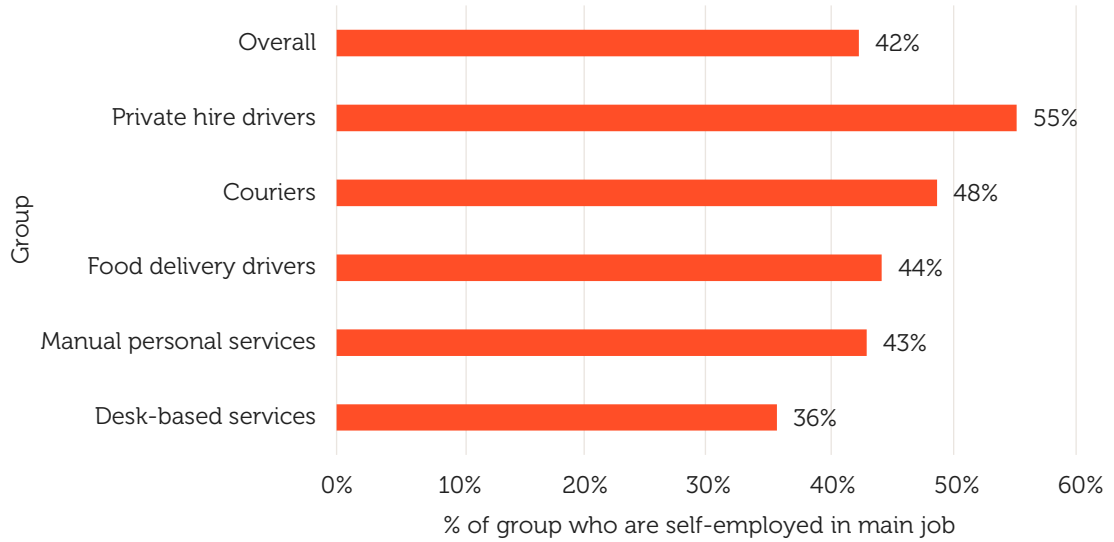
However, the reality of people’s employment status is only tested where these issues come before an employment tribunal. Consequently, some people in the gig economy who would identify as self-employed may actually be classified as workers if their status was ever scrutinised in a court.

We are unable to ascertain the occupation of an individual in their main job. Nonetheless we can compare types of gig work to see if certain groups have lower or higher levels of self-employed in their main job. What this shows is that those working in the gig economy are far more likely to see themselves as self-employed compared with other workers.

Overall, 42% of those who are in the gig economy are self-employed in their main job, which is far higher than the average across the UK workforce of 13%. Figure 7 gives a breakdown of this share by gig work type. Private hire drivers

are most likely to be self-employed in their main job (55%), with those doing desk-based services least likely (36%).

Figure 7: Gig economy workers who are self-employed in their main job (%)



Source: Estimates from the Labour Force Survey, January–March 2022.

7

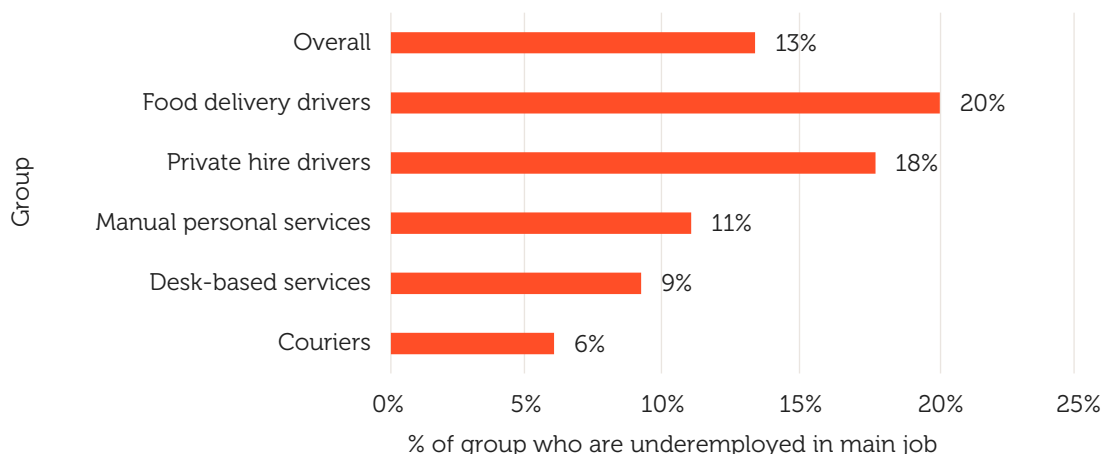
Are gig workers underemployed?

We explore whether those working in the gig economy believe they are underemployed. This is based on a question that asks: in your main job, would you like to work longer hours at your basic rate of pay? Again, with the caveat that this asks about the individual’s main job, we find the following.

In all, 16% of people who have the gig economy as their main source of income would like to work longer hours at their basic rate of pay in their main job, compared with 12% of all other gig economy workers. If using main income as a proxy for main job, this indicates those who are more dependent on the gig economy are underemployed at a higher rate than all others working in the gig economy. Just 8% of all employed would like to work longer hours.

Figure 8 shows 13% of all gig economy workers would like to work longer hours at their basic rate of pay in their main job. This is highest among those who ‘deliver food and drink’ (20%) and ‘carry paying passengers’ (18%). Approximately one in 10 providing manual services (11%) or desk-based services (9%) would like to work more hours in their main job. Surprisingly, just 6% of those who provide courier services would like to work longer hours at their basic rate of pay in their main job. This may be due to already high working hours in this role or the age structure of this workforce – discussed later.

Figure 8: UK gig economy workers who want to work more hours in their main job, by type of gig work (%)



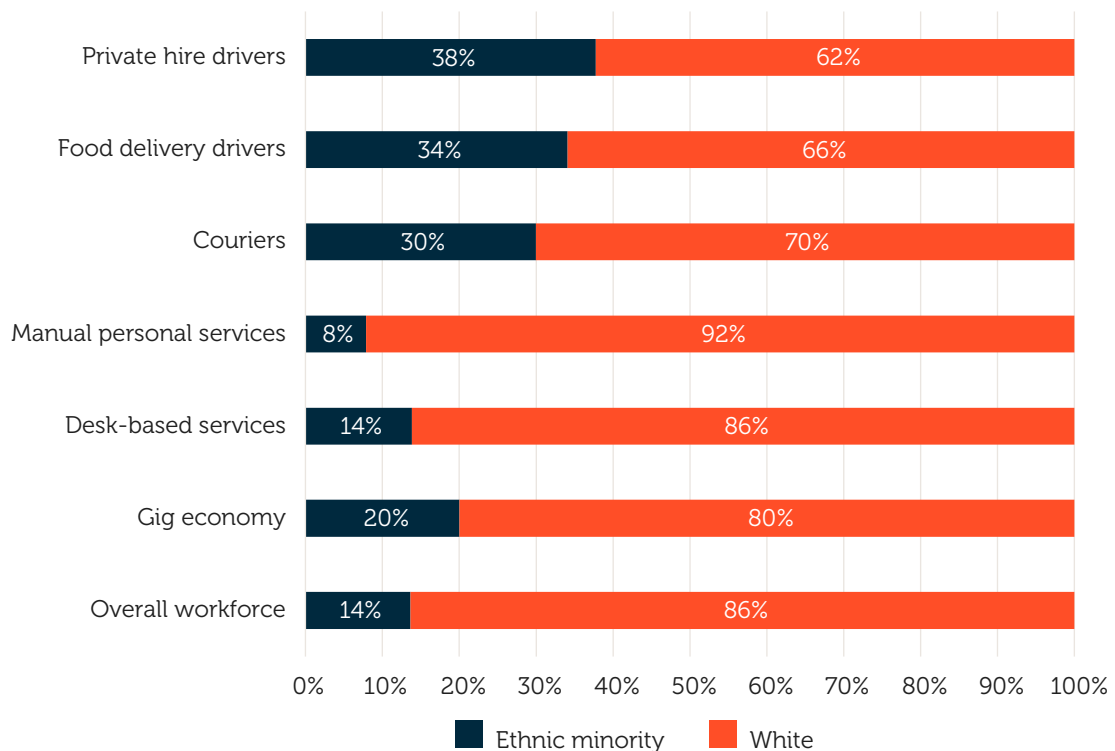
Source: Estimates from the Labour Force Survey, January–March 2022.

Research by [Public First](#) found only a very small minority (8%) of UK couriers working for Uber choose to work more than 40 hours in the weeks where they work. In fact, drivers using Uber’s ride-sharing platform were nearly three times as likely (55%) to choose flexibility of hours as an important factor when looking for a job, as compared with the general public (20%).

8 Ethnicity

Private hire drivers are the most ethnically diverse group in the UK gig economy, with 38% having an ethnic minority background. Other transportation workers are also the most ethnically diverse. Two-thirds (34%) of food delivery drivers and 30% of couriers have an ethnic minority background. Comparatively, fewer than one in 10 (8%) providing manual personal services are an ethnic minority.

Figure 9: Ethnicity breakdown, by type of UK gig work (%)



Source: Estimates from the Labour Force Survey, January–March 2022.

This in itself is not a negative. Urban areas in the UK, where the transportation gig economy is more prevalent, have a higher rate of ethnic minorities. In London almost half of the population (46%) have an ethnic minority background. Twenty-nine per cent of the population in major urban conurbations in England are ethnic minorities. As of 2020, Uber covered approximately 60% of the UK population based within 40 towns and cities. For food delivery options, around 65% of the UK’s population is covered by Uber Eats and Deliveroo.

Gig economy work is also common among those who are new migrants to a country. Van Doorn et al (2022) highlight several reasons for this:

- Often the ‘onboarding’ process has a low threshold and speed is lauded when compared with the hiring process at other firms or temporary work agencies. The online onboarding process can often feel less demanding to many migrant gig workers, with fewer (if any) interview questions.

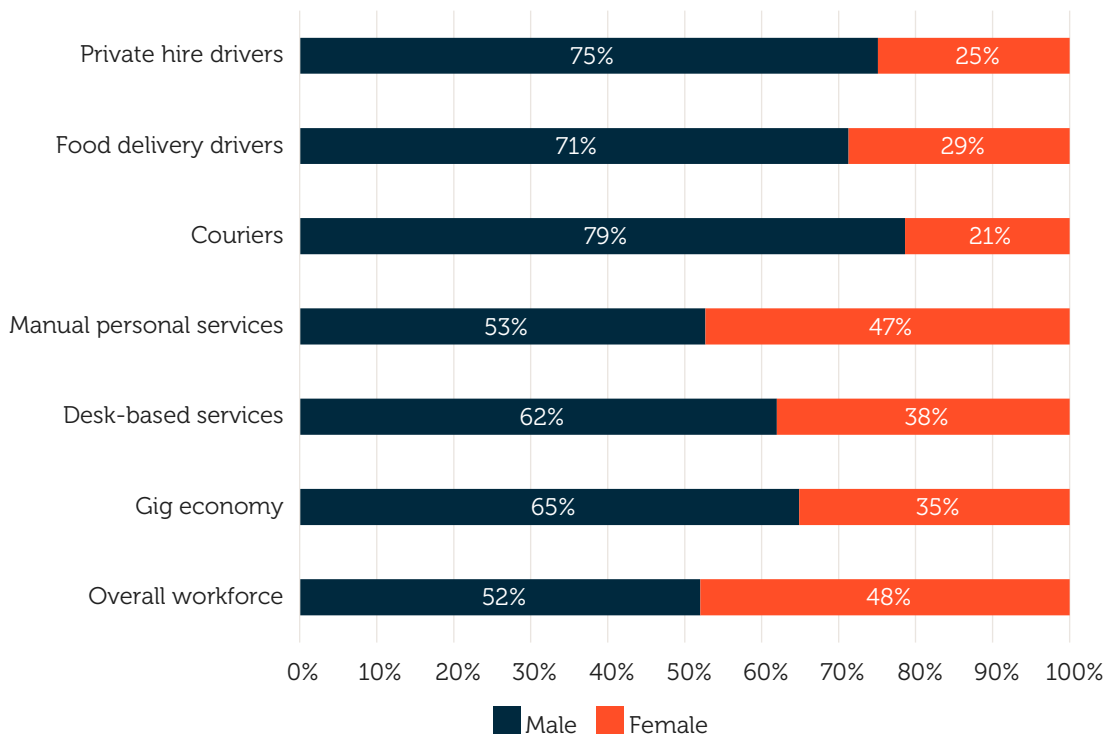
- Language barriers also form a major hurdle for migrants looking for work in a foreign country. Gig platforms offer apps in a variety of languages and, especially in the case of food delivery, allow workers to do their job and keep track of their earnings without much verbal communication.
- Gig platforms are appealing to migrant workers due to the bonus incentives during times of high demand. Tax benefits and exemptions for the self-employed further contribute to this perceived income advantage. Moreover, many gig platforms – especially in food delivery and ride-hailing markets – give their workers the opportunity to ‘cash out’ whenever they want, instead of having to wait at least two weeks for their pay cheque.
- Finally, migrant workers generally find that gig platforms grant them relatively more autonomy with respect to decisions about when (not) to work, compared with other jobs available to them (Anwar and Graham, 2022). Not only can they schedule their work hours and make last-minute adjustments when necessary, but they can also reject incoming offers when it is inconvenient.

Despite the above, the higher dependency on the gig economy for ethnic minorities may indicate they are unable to access secure permanent employment. This group may face barriers to equal opportunity in the labour market.

9 Gender

All transportation gig economy roles are overrepresented by men. More than seven in 10 private hire drivers (75%), food delivery drivers (71%) and couriers (79%) are male. Those working in the desk-based services in the gig economy are also predominantly male (62%). The gender breakdown of those working in manual personal services is similar to the total workforce composition.

Figure 10: Gender breakdown, by type of UK gig work (%)

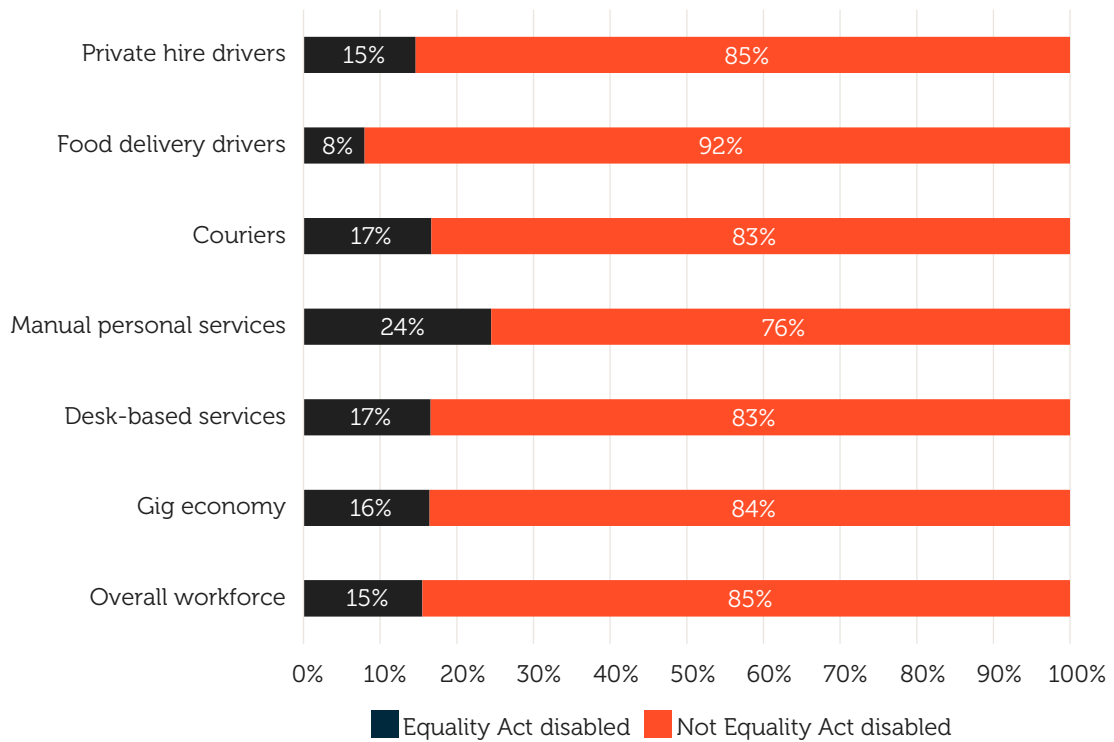


Source: Estimates from the Labour Force Survey, January–March 2022.

10 Disability

A quarter (24%) of those working in the UK gig economy in manual personal services are Equality Act disabled, well above the average for the workforce at 15%. The proportion of people with disabilities among those in desk-based services is also slightly higher than the average for the workforce. Due to smaller samples, the estimates on the rates of those who are Equality Act disabled among transportation drivers is considered less reliable. Despite this, it appears food delivery drivers have the lowest rates of people with disabilities among their workforce in the gig economy.

Figure 11: Disability breakdown, by type of UK gig work (%)



Source: Estimates from the Labour Force Survey, January–March 2022.

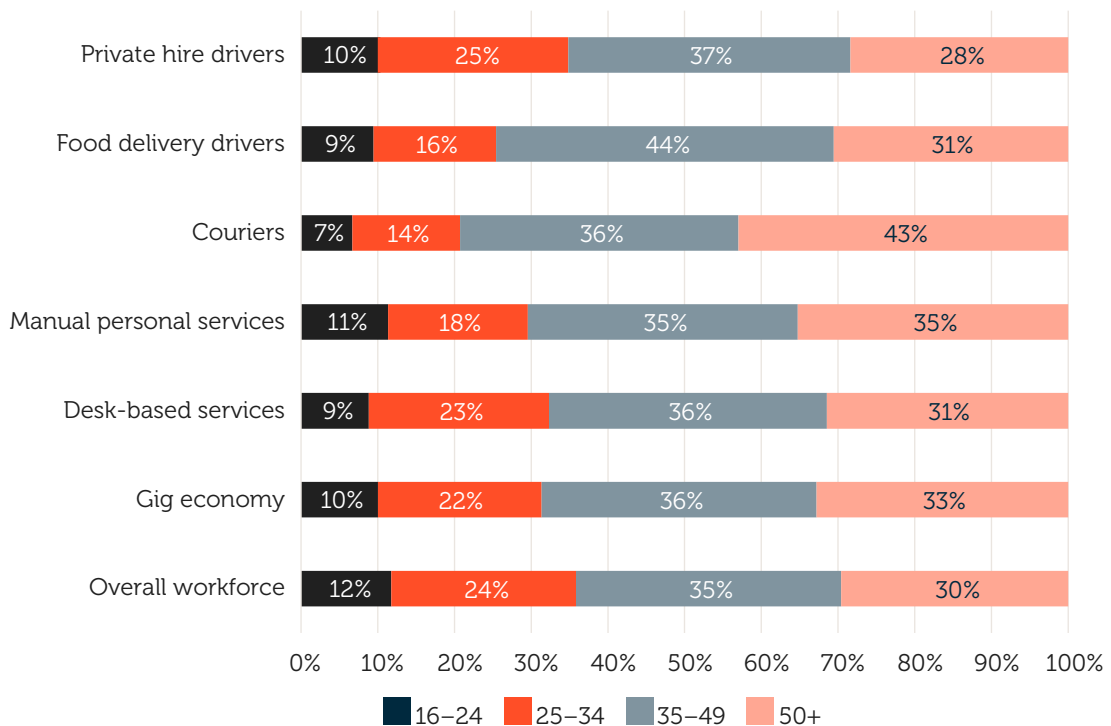
Those with disabilities, as with other marginalised groups, can view the UK gig economy positively as they often face structural difficulties accessing secure, well-paid and properly protected jobs. Those with disabilities value the control over the type and number of tasks they undertake (Harpur and Blanck, 2020). For example, a gig worker might distribute work into micro or focused tasks that allow for regular breaks. Being able to control work hours can benefit people with these disabilities by reducing or avoiding the need to disclose them to an employer, thereby reducing potential stigma and bias. The ability to manage work hours and pace can also lessen the detrimental impact that fatigue and stress may have upon health conditions.

However, the higher rate of people with a disability in areas of the UK gig economy might also reflect the fact that there is too often lack of flexibility in permanent employment or that there is bias among some organisations against employing people with a disability (Derbyshire et al, 2023).

11 Age

The age profile of the UK gig economy is largely representative of the UK workforce as a whole. Manual personal services and desk-based services have a slightly younger age profile compared with the transportation forms of gig economy work, apart from private hire drivers. Couriers stand out as having the oldest workforce, with 43% of UK gig economy workers in this role aged 50 or above.

Figure 12: Age breakdown, by type of UK gig work (%)



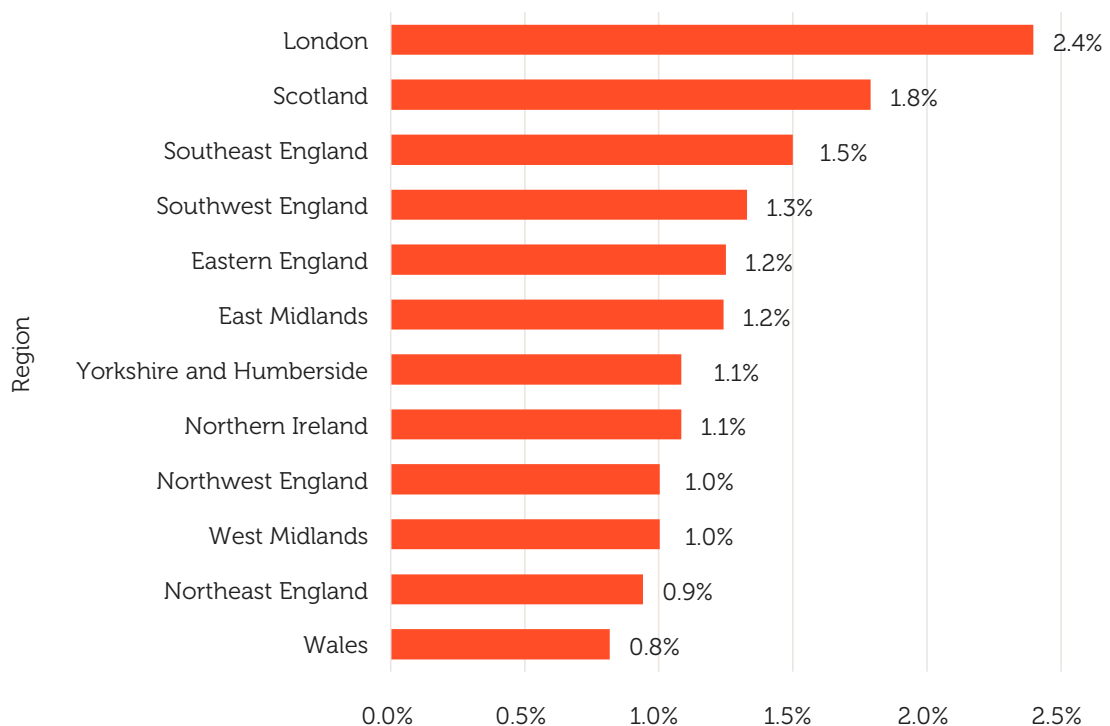
Source: Estimates from the Labour Force Survey, January–March 2022.

12 Region

There are an estimated 115,043 gig economy workers in London. This represents 2.4% of all employment in the capital. Except for Scotland and the southeast of England, where gig economy workers represent 1.8% and 1.5% of all employment respectively, roughly one in 100 people in all other regions in employment work in the gig economy in some form.

A quarter (24.8%) of all UK gig economy workers are based in London; this is directly comparable with the estimate of 24% in the [BEIS-commissioned NatCen report](#) on the characteristics of those in the gig economy in 2018. The remaining 75.2% of gig workers are split across the UK. The gig economy makes up between 0.8% and 1.8% of employment in the remaining UK nations and regions.

Figure 13: Gig economy as a proportion of total employment (%)



Source: Estimates from the Labour Force Survey, January–March 2022.

13

Conclusions and recommendations

The most striking finding from our analysis of ONS data is that the gig economy is much smaller than most previous estimates, with less than half a million people working in it, or about 1.4% of the UK workforce.

Our research also shows that only a minority of those working in the gig economy rely on it as their main source of income. This suggests that only a minority of gig economy workers are financially dependent on the gig economy, reflecting evidence from [our previous research on the gig economy](#). Our previous evidence found people mostly want to work in the gig economy because it allows them to boost their overall income and achieve a short-term goal, like saving for a holiday or a new car.

However, our analysis for this report suggests that there are higher levels of people from an ethnic minority background and with disabilities who say the gig economy is their main source of income. Previous research cited earlier in this report suggests the ease of accessing gig economy work and the flexibility it provides can help explain this. However, it might also reflect that there remain significant barriers to equal opportunity and inclusion in more mainstream employment for people from these groups.

These barriers to equal opportunity and inclusion mean policy-makers should focus on creating good-quality and flexible employment opportunities across the economy as part of a revitalised [industrial strategy](#). This focus would help ensure people who work in the gig economy are mainly doing so out of choice and not because they are unable to find suitable permanent employment.

Our research also finds that roughly three-quarters of people in the gig economy who say it is their main source of income regard themselves as self-employed. However, the sometimes narrow margins between self-employed, worker and employee status mean that individuals will not always know for sure what their employment status and rights are. Clarifying and simplifying employment status is one of the changes to public policy that could improve the protections available to some of those working in the gig economy.

The UK Government decided in 2022 not to change the [current employment status framework](#). But employment status remains an [ongoing source of confusion for both employers and individuals](#) operating in the gig economy, which has not been resolved despite recent court rulings. The [2021 Uber Supreme Court ruling](#) was a useful and important addition to case law on employment status, but it failed to resolve the ongoing ambiguity over the issue faced by both [organisations and individuals](#). The courts make decisions on employment status on a case-by-case basis and consider carefully how the tests that decide status are applied considering the specific circumstances and context in front of them. Consequently, it often remains fiendishly difficult

for the courts to decide legal arguments over employment status under the current system.

We believe the simplest and most effective way of reforming employment status would be to abolish 'worker' status, which our research shows most employers don't use and often don't understand or recognise. This would help clarify and strengthen employment status and rights for some vulnerable groups in the gig economy and across the wider UK labour force. This reform would also align status for both tax and employment purposes at the same time.


The other area of public policy where reform is most needed to address concerns about exploitation and unfair treatment in the gig economy and across the workforce is labour market enforcement.

The state-based enforcement system is significantly under-resourced and unable to provide the sort of proactive inspection of workplaces required. The individual route of enforcement of employment rights via the employment tribunal system is similarly compromised, with claimants facing long waiting times of nearly 12 months in many cases.

Fixing the labour market enforcement system would require action on several fronts, including taking forward shelved plans for the creation of a single enforcement body (SEB). An effective SEB would need sufficient resources to significantly boost the number of inspectors and proactive enforcement activity, particularly in higher-risk areas of the labour market. Besides more inspectors and powers to penalise employers where necessary, an effective labour market enforcement system would also need to have a much stronger focus on improving employer compliance and raising overall employment standards across the economy.

Recommendations

- Strengthen employment rights for some gig economy and other vulnerable workers and provide more certainty over employment status by abolishing 'worker' status. This would also align status for both tax and employment purposes at the same time.
- Improve the protection of gig economy and other vulnerable workers' rights through the creation of a well-resourced single enforcement body – one with a strong focus on supporting and improving employer compliance with the law and raising overall employment standards.
- Prioritise the development of Good Work and more inclusive and flexible working practices in regular, permanent employment as part of a revitalised and broader industrial strategy.



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