

INQUIRY INTO THE VICTORIAN ON-DEMAND WORKFORCE

Submission by

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We (de Ruyter et al, 2019) recently wrote an article for the Columbia Journal of International Affairs on the gig economy. The reference is cited in the reference list. In terms of the inquiry terms of reference we will make the following observations.

1. *Definition.* There is a range of terms used to describe “gig” work; essentially it is employment that is facilitated by and supported by a digital platform. The digital platform owner is able to mediate between the suppliers of labour services and consumers of these services. The platform is able to simultaneously assign work and services; acting as an agent in both the product market and the labour market. Through intermediation the platform allocates and controls both the work and product flow. Gig work is not homogeneous and encompasses a range of jobs and occupations, and arrange of conditions.
2. *Labour market status.* The status of gig workers is ambiguous; ranging from self-employed, through to independent contractors and employees. Status in turn confirms rights and protections, and obligations for employers. In terms of State Government regulations linked to employment there are clearly issues around occupational health and safety; payroll tax liability; and other legislation such as traffic regulations and third party property insurance. Untangling the status of gig workers has a range of implications beyond those linked to employment regulations. There is some similarity here with earlier debates and public inquiries around Temporary Agency Workers. The agencies intermediated between workers and end users, and as a result the status of workers and the obligations of employers were unclear.
3. *The newness or novelty of gig work.* Intermediation through digital platforms is less than a decade old, but intermediation is not new. The position of gig workers is that they are generally available for on demand work across a full range of professions and industries. The work can range from the high skilled to design/engineering services through to cleaning and delivery services. In one sense the gig platforms bring together those who were either casual or contract workers, and already had an element of insecurity and volatility around their employment. See the discussion by Stanton (2017) on the evolution and development of insecure work – this places gig work in its historical context and identifies it as another form of precarious/insecure employment.

4. *Who is the employer of gig workers?* As with intermediated processes such as agency work it is problematic as to whether gig workers are employees, and hence have an employer, or whether they are self-employed or independent contractors. If they identify as an employee, in a dependent relationship with a single organisation, it is often difficult to identify the employer. Is it the person/organization who pays for the service, or is it the platform who intermediates the service? With online platforms there is potentially no physical presence, so it is difficult to identify a “workplace” and a business premise. The platform may be domiciled in another country.
5. *The special position of gig platforms and their owners.* Without a physical manifestation attached to the platform, regulation and assigning employer responsibilities becomes problematic. The process of intermediation is conducted via the platform and the final consumer and the worker could be located in different physical locations across the globe. Professional services such as design, transcription, editing, journalism and translation do not require physical presence within the same location and jurisdiction. In the case of the platform provider it is often not clear where the ownership of the platform is located.
6. *Gig work and globalisation.* Through gig work certain services and workers can be connected throughout the world. Labour no longer has limited mobility, professional service workers located in Melbourne can service clients anywhere across the globe. Workers in Melbourne effectively work for clients in Milan or London; similarly, workers in Milan or London may be working for clients in Melbourne. The owner of the platform may be located in Singapore or the USA. However, Graham et al. (2017: 145) noted the “fierce” competition between digital platform workers to secure work, which often resulted in workers underbidding one another; and a sense of general powerlessness in contemplating asking for a pay rise with “employers” that could impose arbitrary changes in contract across national boundaries. As such, they noted that “many employers can easily practice ‘labour arbitrage’, that is, buy labour from where it is cheapest.
7. *The problems of measuring gig work.* There are a number of difficulties with measuring the extent of gig work. First, the work may be contractual and short term. Between labour force surveys, gig workers may have several assignments. Second, gig workers may be attached to more than one platform. Third, gig work may be second jobs and gig workers may be multiple job holders. Fourth, as above, the work may be offshore. The traditional labour force framework assumed some permanence (or “fixity”) around work, workplaces and employers. Gig work undermines those assumptions. In addition occasional surveys miss the multiple assignments that occur between assignments.
8. *Gig work, flexibility, and autonomy.* There is a narrative around the flexibility and freedom afforded by gig work, and for some gig workers this is the case (AIGroup, 2017). In contrast, Stanford (2017) suggests that gig work is another form of work with eroded employment conditions and ambiguity around its status. Many gig workers are on call, have low incomes, few employment protections, few non-wage benefits, an absence of set hours and income security and limited career prospects. Many forms of low paying and insecure gig work have few

barriers to entry, but offsetting this is the insecurity and poor employment conditions. Bridges (2017) discusses challenges of gig work for professional publishing; flexibility yes, but at a cost.

9. *Gig work and transitional labour markets.* With few barriers to entry and in many cases short hours, gig work appeals to students – this can be seen with transport and delivery services. To this extent gig work offers work experience and the opportunity to augment incomes. However, for these gig workers the jobs are not linked to their primary areas of study nor to their career aspirations. Gig work is a short-term transitional arrangement where eroded employment conditions are accepted since the engagement will not be ongoing.
10. *Gig work and careers.* Evidence on the career trajectory of gig workers is somewhat lacking. However, evidence on non-standard work in general (ILO, 2016: 188) suggests that in respect to such forms of work being a “bridge” to standard employment, in the “vast majority” of countries examined, this was only the case for less than 55% of such workers – and in some cases, less than 10% (ibid.). For graduates, migrant workers and those “initially disadvantaged” with low education or earnings, these effects were particularly pronounced (ibid.). What this suggests is that the “Gig Economy”, rather than being the manifestation of some choice-theoretic freelancer ideal, is more typified by workers caught in cycles of precarious employment, alternating with spells of unemployment. Indeed, such workers were more likely to transition into unemployment or economic inactivity than those in permanent full-time work (ibid. 189).
11. *Gig work, age, ethnicity and gender.* Much gig work does not involve extensive job screening or major entry requirements. Entry requirements may include a driver’s license, a bicycle, a car, or a mobile phone. Given the low entry requirements gig work is available to those groups that may face barriers to employment entry due to gender, age and ethnicity. The low entry barriers mean that groups that find it difficult to access regular paid employment can access irregular and low paid employment. At issue here is whether gig work perpetuates existing labour market exclusion and segmentation, or provides an opportunity to access employment (see the above bridges versus traps debate over non-standard employment).
12. *Gig work and digital disruption.* Automation and Artificial Intelligence (AI) are having a disruptive effect on production and work organization. Gig Economy companies such as Uber are at the vanguard of developments here; for example, testing prototypes of driverless taxi cabs (Goodall et al., 2017). Whilst this technology is still in its infancy, it is developing, and Deloitte estimate that by 2040, “up to 80% of passenger miles travelled in urban areas could be in shared autonomous vehicles” (ibid. 122). As such, AI has the potential to render many of today’s jobs redundant, with some predicting that in 10 to 20 years, half of current jobs will be “threatened by algorithms” and that “40% of today’s top 500 companies will have vanished in a decade” (Helbing et al., 2017: 3). Similarly, Frey and Osborne (2013) suggested that algorithms “could substitute for approximately 140 million full-time knowledge workers world-wide” (ibid. 19). Of course, such predictions should be treated with a modicum of caution, as technology can create new jobs as well as destroy current ones (Nübler, 2016), so estimating the size of any job displacement is problematic.

13. Gig work and service/professional licenses. One issue that is in the domain of State regulation is linked to licensing and professional requirements. Through gig work it is possible that a range of professional services that require licensing and accreditation can be provided through the gig platform but by non-accredited workers – consider building, care, security and trades. At issue is the responsibility for the quality of services and the veracity of the credentials of the workers. This has implications for consumer protection laws, service quality, occupational health and safety and licensing regulations.

14. Small business and digital disruption. There is publicity reporting riots, protests and the banning of some gig work – especially around taxi services such as Uber (ABC News, 2017, 2018; BBC News, 2018). Existing and established small business have seen assets and income destroyed. In the case of disruptions to activity such as drought and floods the State offers assistance to the rural sector, despite these being regular occurrences. In the case of digital disruptions, many small business have been destroyed – booksellers; newsagents; taxi owners. If the state is to act as an agent for support in the case of unexpected events, then there is a case for considering how digital disruption may be accommodated through business assistance measures.

15. No regulatory options? Stewart and Stanford (2017) offer a number of options around regulating the employment conditions for gig workers. Minter (2017) outlines a case of Aitasker in NSW reaching a collective agreement with Unions NSW. There are cases where certain gig arrangements, such as Uber, have either be prohibited or required to meet the same state and city regulations that taxis must comply with. The point is that there are regulatory options. Potentially through regulating the platform provider the State can bring some consistency and introduce standards around employment conditions that may have been absent prior to the presence of the platform provider – consider food delivery services and service/repair work in the home.

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