

ON THE PROPOSITION THAT

*“THE GIG ECONOMY IS A GREAT OPPORTUNITY TO
INCREASE WOMEN’S PARTICIPATION IN THE LABOUR
MARKET BY ALLOWING MORE FLEXIBILITY”*

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ABSTRACT

In 1984, John Atkinson of the Institute of Manpower Studies suggested that organisational structures in a competitive and unpredictable business environment required increased plasticity. His proposed answer was the creation of the Flexible-Firm Model (Appendix 1)¹, with a core group of full-time, integral workers – and a peripheral group made up of outsourced and sub-contracted workers.

Atkinson's model was principally designed with the hospitality and entertainment industries in mind. However, the growth of the gig economy has enabled every firm to create a peripheral group – whether that be chauffeurs, accountants, or graphic designers.

Gig work has been applauded for its spatial flexibility, allowing individuals to work from home, and temporal flexibility, allowing workers who have domestic responsibilities to manage both unpaid and paid labour demands². This had led to exponential growth in traditionally female-dominated sectors³, including on-demand household services such as cooking, cleaning, and care work - as well as professional areas.

However, this essay will argue that gig economy is not a “great opportunity” to increase women's participation in the labour market going forward. This conclusion shall be supported from 3 perspectives – a societal, a legal, and a psychological. Ultimately, this research has concluded that the gig economy has considerable barriers to entry, discriminatory remuneration practices, and encroaches upon private life.

¹ Pollert, Anna. “THE 'FLEXIBLE FIRM': FIXATION OR FACT?” *Work, Employment & Society*, vol. 2, no. 3, 1988, pp. 281–316. *JSTOR*, www.jstor.org/stable/23746445. Accessed 27 July 2020.

² Kalleberg, Arne L., and Michael Dunn. “Good Jobs, Bad Jobs in the Gig Economy.” *Perspectives on Work*, vol. 20, 2016, pp. 10–75. *JSTOR*, www.jstor.org/stable/26621129. Accessed 27 July 2020.

³ Rubery, Jill. “A GENDER LENS ON THE FUTURE OF WORK.” *Journal of International Affairs*, vol. 72, no. 1, 2018, pp. 91–106. *JSTOR*, www.jstor.org/stable/26588345. Accessed 27 July 2020.

1 INTRODUCTION

1.1 Definition

The idea of a “gig” is not a new one, and has been a standard practice since the 18th century⁴. Musicians, construction workers, and screen actors all typically work short gigs – but technology has enabled for the creation of a new type of gig, some only a few seconds in length.

The predominant characteristic of the gig economy is the use of an intermediary (a platform or app) to decrease the transaction costs of labour outsourcing by connecting a buyer with a pool of suppliers using an algorithm. The platform business model disaggregates work into discrete tasks⁵, and therefore does not rely on regular employment relationships – but rather short-term contracting arrangements. Specifically, the U.S. Commerce Department defines these “digital matching firms” as those that:

- a) Use IT, typically available via web-based platforms, to facilitate peer-to-peer transactions
- b) Rely on a user-based rating system for quality control between consumers and providers who have not previously met
- c) Offer workers who provide services on the platform flexibility in deciding working hours
- d) To the extent that tools and assets are needed to provide a service, expect workers to use their own

⁴ KENNEY, MARTIN, and JOHN ZYSMAN. “The Rise of the Platform Economy.” *Issues in Science and Technology*, vol. 32, no. 3, 2016, pp. 61–69. *JSTOR*, www.jstor.org/stable/24727063. Accessed 27 July 2020.

⁵ Renan Barzilay, Arianne and Ben-David, Anat, Platform Inequality: Gender in the Gig-Economy (February 16, 2017). *Seton Hall Law Review*, Vol. 47, No. 393, 2017, Available at SSRN: <https://ssrn.com/abstract=2995906> or <http://dx.doi.org/10.2139/ssrn.2995906>

In reality, the gig economy represents an amalgamation of hundreds of different markets⁶. Some facilitate access to low and medium skilled labour, and others focus on highly skilled activities. Some operate in local labour markets, whereas others operate on a global scale (typically crowdwork platforms, which allow their clients to access a global crowd of workers. This leads to workers in higher wage countries directly competing against those in lower wage countries)⁷.

The sheer range of platforms complicates both government regulation⁸ (principally in the form of labour rights) and economic analysis (as a CIPD⁹ study concluded, “The lack of definition and measurement has led to wildly different claims about its size and rate of expansion.”).

⁶ Liebman, Wilma B. “Debating the Gig Economy, Crowdwork and New Forms of Work.” *Soziales Recht*, vol. 7, no. 6, 2017, pp. 221–238. *JSTOR*, www.jstor.org/stable/26626281. Accessed 27 July 2020.

⁷ Liebman, Wilma B. “Debating the Gig Economy, Crowdwork and New Forms of Work.” *Soziales Recht*, vol. 7, no. 6, 2017, pp. 221–238. *JSTOR*, www.jstor.org/stable/26626281. Accessed 27 July 2020.

⁸ Harris, Seth D., and Alan B. Krueger. “Is Your Uber Driver an Employee or an Independent Contractor?” *Perspectives on Work*, vol. 20, 2016, pp. 30–80. *JSTOR*, www.jstor.org/stable/26621134. Accessed 27 July 2020.

⁹ “To Gig or Not to Gig? Stories from the Modern Economy.” CIPD, Mar. 2017, www.cipd.co.uk/Images/to-gig-or-not-to-gig_2017-stories-from-the-modern-economy_tcm18-18955.pdf.

2 BARRIERS

2.1 Societal

Labour flexibility in the gig economy is limited in practice for both genders. However, it is exacerbated for women - who are often made to bear the greatest burden of childcare responsibility, and consequently have the least availability.

Finding a gig during non-peak hours is an unpredictable ordeal. Whilst workers may be ready to go out and work, they may end up waiting for a booking to arrive if they are not selected (for suburban Uber drivers, this is often around 15 minutes – which can quickly accumulate over successive gigs). It is for this reason that 60% of gig economy workers report that they do not receive enough work¹⁰. Such great degrees of uncertainty can complicate how one decides to schedule their gig work around their other responsibilities.

Moreover, as aforementioned, the matchmaking algorithm typically relies on a “user-based rating system.” This mechanism is favourable for gig workers with an extensive track record of successfully completed jobs, but proves to be a barrier for those with less availability – or those looking to enter the market. As women typically have less availability than their male counterparts, this has led to the gender pay gap for freelance workers to extend beyond the national average.

New workers also face a considerable delay between indicating their willingness to work, and actually being given any work (for instance, Uber licenses are often instated after 3-6 months following registration) – implying that it cannot serve as a form of income insurance in the immediate term when faced with unexpected redundancy.

Most significantly, not all gigs are offered at convenient times. For instance, clients may only want to hire a cleaner when they are in the house – predominantly during weekends or early mornings. However, this may conflict with the burden of childcare. In certain markets, working

¹⁰ McCrate, Elaine. “Gender and Working Time in the Gig Economy.” *Perspectives on Work*, vol. 20, 2016, pp. 18–75. *JSTOR*, www.jstor.org/stable/26621131. Accessed 27 July 2020.

during non-standard gig timings poses an increased security risk of robbery or assault (as a South African study has shown¹¹).

Lastly, as briefly alluded to, the sociocultural norms differ between different geographical markets. The role of women as homemakers is still prevalent in much of the Eastern world, and thus women are often unwilling (due to familial coercion) or unable (in Islamic Shari'a law) to undertake gig opportunities. For instance, in India, the Female Labour Force Participation Rate (FLPR) has declined from 30% in the early 2000s to just 26% in 2018¹² – in spite of India having become the 2nd largest freelance market in the world.

A significant factor contributing to the stagnation of female participation in the gig economy is unequal access to digital technologies. The GSMA Mobile Gender Gap Report 2019 states that only 16% of Indian women are mobile internet users – principally due to sociocultural restrictions. Whilst some platforms have attempted to launch their own devices, this cannot be overcome in the long run without skills training, digital education, and the removal of accessibility barriers.

2.2 Legal

The imprecise definition of the gig economy has lent itself to regulatory inefficiencies and legal loopholes. Competition between workers bidding to supply services is intense – often taking place in a global labour market, with workers based in India, Africa, and Eastern Europe. This often pushes down wages below the legal minimum wage of the jurisdiction (and indeed, is often so low – that they are dwarfed by unemployment-related benefits. Consequently, the incentives created are often so weak that few workers in the West would join certain sectors of the gig economy¹³). Even if the work is done, it is not always paid for – principally due to the

¹¹ Kim, Yejoo, and Janis Van der Westhuizen. "Why Corporatism Collapsed in South Africa: The Significance of NEDLAC." *Africa Spectrum*, vol. 50, no. 2, 2015, pp. 87–100., www.jstor.org/stable/24589149. Accessed 27 July 2020.

¹² Motkuri, Venkatanarayana. (2019). Levels of Development and Female Labour Participation Rates in Rural India. 10.13140/RG.2.2.26660.37763.

¹³ Lazear, Edward P. "Compensation and Incentives in the Workplace." *The Journal of Economic Perspectives*, vol. 32, no. 3, 2018, pp. 195–214. *JSTOR*, www.jstor.org/stable/26473070. Accessed 27 July 2020.

anonymised nature of internet services¹⁴. Whilst in the formal economy workers may call upon colleagues, managers, or their union – such resources cannot be expended in the gig economy, as there is a stark absence of dispute resolution systems.

The employment rights of gig economy workers are prohibitive to flexibility. Benefits including maternity, disability coverage, and pensions payments are left largely ambiguous in most labour codes around the world. Even in the UK, gig economy workers are not entitled to a mandatory minimum wage, and are only given the maternity allowance as opposed to the statutory maternity pay. Formal workers, on the other hand, are entitled to the aforementioned alongside employment protection, unionization and collective bargaining, paid annual leave, protection from firing, and sickness pay. This offers considerable flexibility as opposed to workers in the gig economy¹⁵.

Research has also suggested that the gig economy could exacerbate gender discrimination¹⁶. Due to the hypercompetitive nature of online labour, hiring is determined on the basis of little verifiable information about each worker – and consequently, these conditions favour the activation of stereotypes concerning which jobs or tasks are “appropriate” for a woman. The application of anti-discrimination labour laws in a peer-to-peer market is almost impossible.

2.3 Psychological

Workers in the gig economy are under constant pressure to take whatever work is available, whenever it is available. Work begins to encroach into one’s personal life, whether that be in outdoor public spaces, cultural spaces, public transport, during sleep, or during school. It can intrude into one’s private time as workers are compelled to crowd extra income-earning tasks into the tiny gaps between other activities, or when they work through the night to supply

¹⁴ Matthews, Jacob, and Vincent Rouzé. “Participatory Cultural Platforms and Labour.” *Cultural Crowdfunding: Platform Capitalism, Labour and Globalization*, edited by Vincent Rouzé, vol. 11, University of Westminster Press, London, 2019, pp. 59–78. JSTOR, www.jstor.org/stable/j.ctv11cvx9d.6. Accessed 27 July 2020.

¹⁵ Webster, Juliet. “Microworkers of the Gig Economy: Separate and Precarious.” *New Labor Forum*, vol. 25, no. 3, 2016, pp. 56–64. JSTOR, www.jstor.org/stable/26420011. Accessed 27 July 2020.

¹⁶ Renan Barzilay, Arianne & Ben-David, Anat. (2017). Platform Inequality: Gender in the Gig-Economy. *Seton Hall Law Review*. 47. 393 - 431. 10.2139/ssrn.2995906.

markets in other time zones. The distinction between labour and leisure is blurred, as workers are often using the same devices for paid work and other activities alike.

From the perspective of economic theory, this represents greater labour flexibility. However, this hardly represents a “great opportunity” – rather an Orwellian dystopia where private life is crowded out¹⁷. Sociable activities, such as domestic work, family pastimes, hobbies, and voluntary activities, are all sacrificed to the demands of the microwork machine.

This is a particularly acute problem for women, as the encroachment of paid labour into the home makes it a fraught area – involving a trade-off between the demands of unpaid and paid work.

¹⁷ “WHAT’S THE ISSUE?” *Well-Being and Mental Health in the Gig Economy: Policy Perspectives on Precarity*, by Sally-Anne Gross et al., vol. 4, University of Westminster Press, London, 2018, pp. 7–11. JSTOR, www.jstor.org/stable/j.ctv5vdf26.4. Accessed 27 July 2020.

3 CONCLUSION

The barriers around the gig economy remain considerable, the remuneration and hours remain unpredictable and discriminatory, and the encroachment upon private life is a trade-off that few would be willing to give up. Consequently, the gig economy does not represent a “great opportunity” for improving the labour flexibility of women.

However, as sociocultural norms are eroded and labour rights are modernized – we may certainly see a permanent shift towards gig work. Such a feat would take many decades.

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APPENDIX 1

Atkinson's (1984) Flexible Firm

