

to coordinate with Marty according to the peaks and troughs in pizza demand. This firm becomes an intermediary between all three parties. In fact, Bob no longer employs Marty, and instead the tech firm “hires” him as part of a float of delivery people, leasing workers to restaurants all over town. New employment and economic activity is created as both Bob’s and Jimmy’s can now deliver using the float. Labour productivity increases as well: Marty is only paid when he is making deliveries, and he no longer has any idle time. But because of this, Marty’s working hours and income are less certain.

So far, the gig economy, a.k.a, Marty’s story, has mostly affected low-skilled jobs in the services sectors, but its influence is likely to spread (Maxim & Muro 2018). But this is no new phenomenon. Travelling even further back in time, for example, Marty’s story mirrors the changes that took place in the docks of East London in the late 19th century:

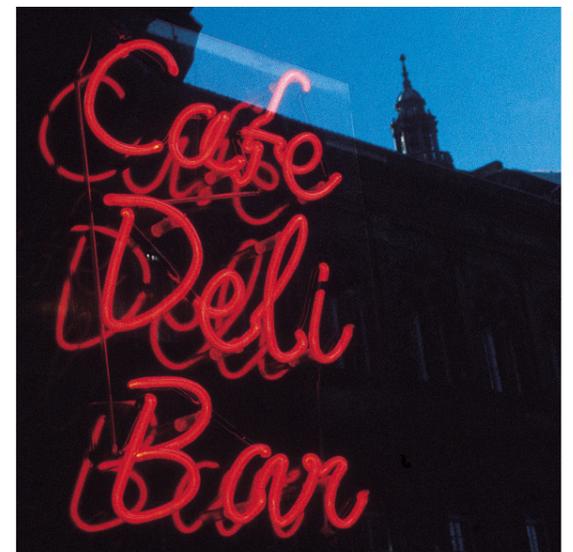
It’s 1898, new transport technologies (steam boats) decrease trade costs across the British empire, creating surging demand for casual dock labourers. These labourers work only when a ship docks, and as a result many live in poverty, unable to save for sickness or times with no work. As hourly casual wages are high, rural labourers begin to migrate to cities, increasing competition for work and exacerbating these problems.

However, we know this much earlier story had a happy ending. During the 20th century, employment protection laws and social security mechanisms, such as unemployment insurance and the old-age pension, were introduced to make these low-skilled workers’ lives much less uncertain, with unionisation playing an important role. As a result, the situation of casual workers like Marty in 2018 is nothing like as bad as it was in 1898.

Nonetheless, regulation is still playing catch-up to how new technologies are affecting the world of work. The challenge facing policy makers today is similar to that they faced in 1898: how to protect workers in casual employment? Governments today face pressing gaps in current labour legislation. For example, is Marty employed by the tech firm, the restaurants, or is he self-employed? Should he have paid holidays and sick leave? What if he is injured during a delivery? These were some of the questions which stopped Bob and Jimmy making a deal in 1985. In 2019 they have simply been brushed aside by technology, and many of them are currently the subject of litigation around the world (Jackson 2018).

In the long term, governments may look to a more ‘radical’ approach. They could ban casual work altogether, but at the cost of the welcome productivity and employment gains the gig economy generates. Others

have suggested (and trialled) a radical change in social security, a universal basic income, whereby all adults receive the same no-strings attached amount from the state to cover the basic cost of living (Chapman 2018; Peter 2018). But is this policy so radical? The idea of a basic state pension would have seemed radical and impossible to those living in 19th century Britain. If underemployment continues to rise, perhaps those living in 22nd century Britain will see the universal income in much the same way as we now see the state pension: a necessary feature of modern society.



Policy is playing catch-up with new ways of working.

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