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What counts as work?

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Will the Gig Economy Prevail? by [Colin Crouch](#)

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Employment contracts are by their nature asymmetrical. Although in principle contracts are made between two free and equal parties, when an employee signs one they enter into an unequal relationship. Work can be a source of identity, a prerequisite for social inclusion, and a marker of status and independence; historically, the employment contract has been contrasted with slavery, bondage and other forms of servitude. But workers' movements have long argued that waged labour in general implies a kind of wage-slavery: it dominates as well as exploits. At the very least, it sets up a hierarchical relationship: having a job means being under the authority of an employer. Struggles for better working conditions – for proper remuneration, trade union representation, protection against discrimination, the right to time off for leisure, parenting or sickness – aim to mitigate the essential inequity of the employment contract and limit the power of the boss.

According to the sociologist Colin Crouch, the gig economy provides a new way of concealing employers' authority. People who work for such online platforms as Uber, Lyft and Deliveroo are classed not as employees but as self-employed. They are supposedly flexible entrepreneurs, free to choose when they work, how they work and who they work for. In practice, this isn't the case. Unlike performers in the entertainment industry (which gives the 'gig' economy its name), most gig workers don't work for an array of organisations but depend for their pay on just one or two huge companies. The gig worker doesn't really have much in common with the ideal of the entrepreneur – there is little room in their jobs for creativity, change or innovation – except that gig workers also take a lot of risks: they have no benefits, holiday or sick pay, and they are vulnerable to the whims of their customers. In many countries, gig workers (or 'independent contractors') have none of the rights that make the asymmetry of the employment contract bearable: no overtime, no breaks, no protection from sexual harassment or redundancy pay. They don't have the right to belong to a union, or to organise one, and they aren't entitled to the minimum wage. Most aren't autonomous, independent free agents, or students, part-timers or retirees supplementing their income; rather, they are people who need to do gig work simply to get by.

What is new about the gig economy isn't that it gives workers flexibility and independence, but that it gives employers something they have otherwise found difficult to attain: workers who are not, technically, their employees but who are nonetheless subject to their discipline and subordinate to their authority. The dystopian promise of the gig economy is that it will create an army of precarious workers for whose welfare employers take no responsibility. Its emergence has been welcomed by neoliberal thinkers, policymakers and firms who see it as progress in their efforts to transform the way work is organised.

'Standard employment' is the formal name given to a non-temporary, full-time job secured by a contract. Today, the share of 'non-standard employment' in the labour market is growing. There are many kinds of non-standard and informal work, from self-employment to the unstable, unregulated and illegal work of the shadow economy. It takes different forms in different countries. In the UK, on-call contracts (whereby workers are on standby and can be called in to work at any time, even for short stints) and zero-hours contracts (whereby employers aren't obliged to guarantee even a minimum number of working hours) are popular: an estimated 900,000 people worked under such arrangements in 2017. Across Europe, too, there has been an increase in 'marginal jobs' and in the use of contracts that expire before workers acquire full rights, like Germany's 'minijobs' and 'midijobs' (which provide short hours and low pay, but are enough to disqualify workers from claiming unemployment benefits). At the same time, in advanced economies, the rights of 'standard employees' have been steadily eroded. Insecurity is the general condition of modern work.

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Historically speaking, standard employment has been the norm only briefly, and only in certain places. Until the 'industrious revolution' of the 18th century, work was piecemeal. People worked where they lived, on the farm or at home: in the 'putting-out system' – which still exists in cloth production in parts of the global South – manufacturers delivered work to workers, mostly women, who had machinery at home and organised their work alongside their family life. Then work moved out of the home. Over the next two centuries, the workforce was consolidated into factories, then into offices. Waged work was standardised, then became salaried. When large numbers of people were brought together so that labour could be divided and supervised, unions gained bargaining power. New aspects of the employment relationship were subject to government scrutiny: pay, living standards, the responsibility of employers to contribute directly to the support of their employees through a system that came to be known as social insurance. As workers gained more rights, standard employment was 'enriched' with benefits.

At its postwar peak, enriched employment was a model of social democracy, providing generous benefits, union recognition, worker representation and consultation, and in some countries (such as Belgium and France) job protection. After the Second World War, Attlee's Labour government embarked on a campaign to decasualise work through a social insurance system that would include all employees. But the most generous benefits were always limited in scope: unlike government-funded social assistance – which can be universal or means-tested but goes to the population at large – social insurance schemes provide benefits only to

those who have made contributions, usually through waged work. In Britain, social insurance excluded non-workers and those in casual employment (since the point was to eliminate it). The paradigmatic wage-earner was taken to be a man with a family. In the US, key labour settlements excluded agricultural and domestic workers (groups that included many African-Americans and immigrants), and later limited the power of unions, which accepted no-strike clauses in return for a minimal safeguarding of job security.

Since then, standard employment has been eroded. In the 1960s and 1970s, unions gathered strength before being significantly weakened by commodity price inflation crises and the move towards the free market, which threatened the aspiration to full employment. The world of the steady job, it turned out, contained the seeds of its own decline. Today, standard employment is no longer enriched to the same degree, even when it is available. Union membership has declined, particularly in Anglophone countries. Labour markets have been deregulated, the protections offered by collective bargaining agreements weakened, and employers have fewer obligations to workers. A quarter of all employment in the OECD countries for which data is available is precarious (the figure would be higher if the shadow economy could be measured accurately). Novel forms of precarity are multiplying. Agriculture accounts for a smaller proportion of precarious labour than it once did (though much agricultural work is performed by migrants, who are often the most precarious workers of all), but involuntary part-time and temporary work is rising, especially in countries affected by the Eurozone crisis. In Italy, 12 per cent of total employment is involuntarily part-time and temporary; the figure is more than 5 per cent in at least ten OECD states.

Even if standard employment turns out to be the historical exception, the erosion of workers' security doesn't mark a return to the capitalism of the Gilded Age. Modern precarity takes a distinctive form, which is a result of the major political and economic changes of the 1970s. As Crouch sees it, three of these changes are especially significant. First, the shift from a manufacturing to a service economy, characterised as deindustrialisation or as the transition from Fordism to post-Fordism. As manufacturing declined, the enriched standard employment associated with it began to disappear. Second, the rise of digital and data technologies, which has made possible the intensification of workplace discipline and surveillance as well as new ways of working from home – a modern 'putting-out' system. The internet has enabled monopolies, but it has also decentralised work as well as deindustrialised it. Third, workers' loss of power after the deregulation of finance. Under Thatcher and Reagan, corporations were reorganised to benefit shareholders, and finance was given the freedom to move to more advantageous regimes. Workers had no such freedom, and neither did conventional firms, whose buildings, equipment and working populations were settled in a particular place. All this changed the distribution of risk, to the detriment of workers.

So workers' rights have declined over the last decades – but unevenly. Anti-discrimination law has been strengthened, making the workplace rights of women and minorities more robust. The amount of paid parental leave has increased in many countries, though it varies wildly: Slovakia offers the most generous paid maternity leave in the OECD, at 164 weeks, but doesn't provide for fathers; Japan and Korea offer more than 50 weeks' paid leave to both

parents; the US offers nothing to either. In EU member states overall, there have been improvements in minimum wage regulation and in the representation of employees on workers' councils (though changes of this sort are often made in exchange for a ceding of union power; in Austria and the Nordic countries, where collective bargaining is strong, there is no minimum wage). Crouch argues that the rights that have been strengthened tend to be 'market-enhancing rights': those that encourage participation in the labour market, increasing productivity; they are often supported by neoliberal policymakers and businesses. The rights that have consistently declined are those that reduce the asymmetry of the employment contract.

While women and minorities have more rights than they used to, those in precarious work don't benefit from them, and women are more likely than men to be involuntarily in part-time and temporary work. Differences between categories of work are easily politicised. Neoliberal critics of labour rights see the enriched model of standard employment as the problem: on their view, the segregation between a largely white, male, secure workforce and a precarious workforce of women, minorities, immigrants and the young has come about because of the improvement in employment rights and trade union protections – and so the way to end the segregation is to get rid of those rights and protections. Others see it as having come about through the efforts of social democratic parties to protect the privileges of their core constituency (those white, male workers), so that 'modernisers' wanting to transform their party's base and reputation have sought to repeal job protection laws.

The very existence of a precarious workforce makes it possible for steady jobs to be undercut, work contracted out and workers set against one another. Crouch believes that the gig economy has a wider significance too. He picks out two contradictory models of capitalism. Market fundamentalists believe that the aim of capitalism is to achieve perfect markets; they reject oligopoly and propagate the the myth of the equal contract. Corporate capitalists, by contrast, are in favour of oligopoly and don't care so much about ideal markets; they see the relation between employer and employee as closer to a master-servant dynamic (much modern labour law legally enshrines obedience to managerial authority). What the gig does, in Crouch's view, is to ease the tension between the two models. It promises to fulfil the fantasy that we are all free in the marketplace, even in the labour market. When workers are no longer defined as employees, their interests are pushed outside the corporation altogether. They are also removed from union jurisdiction. Unions have, as one would expect, campaigned against the encroachments of the gig economy and the erosion of workers' rights it entails. But they have sometimes been reluctant to organise the precarious workforce, even though precarious workers are among those most in need of union representation. It's no surprise that, as a consequence, many precarious workers see ordinary workers – however poorly paid – as privileged; in some countries, Italy for example, they even support further labour market deregulation. Unions are starting to address this – by looking for ways to organise workers outside workplaces, by supporting new organisations led by precarious workers, by bringing legal cases to win rights for those workers – but progress is slow.

Recently, there have been challenges to Uber, first on grounds of customer safety (the app was banned in India), and then, in cases brought by drivers, unions and regulators in

Brussels, Paris, London, Montreal and elsewhere, on grounds of its denial of workers' rights. Opponents of the gig economy have more generally made efforts to have 'independent contractors' awarded the status of employees, with all the associated benefits. The new online platforms have resisted these changes by exploiting legal nuances. In English law, 'no employment relationship exists if a worker can substitute another person to perform the work.' By this definition, gig workers are self-employed, and so forfeit the benefits of the Employment Rights Act of 1996, which stipulated the right of workers to the minimum wage, sick pay and parental leave, and to be protected against discrimination and unlawful deductions from their pay. Of the legal challenges to definitions of this sort, the most successful resulted in a ruling made by California's Supreme Court in September, defining workers as employees of a company if that company exercised control over their work or if the workers were integral to its business. This would mean that Uber and Lyft's 'independent contractors' would be reclassified as employees. Economists, lawyers and sociologists, meanwhile, are trying to establish the definition of employer as a controller of workplace behaviour or, more capaciously, as a work provider.

If online platforms, as work providers, can be classed as employers – after all, they control the work relationship, provide work and pay, and profit from workers' labours – then the privileges they currently enjoy would disappear. Such technical discussions of employment law join up with the politics of work. To call an activity 'work' still confers legitimacy on the person performing it, no matter how far workers' rights have been eroded. As manufacturing continues to decline, disputes over what counts as work (care work? sex work?) and who can be included as a member of the working class (health and education workers? tech workers? the precariat? the wageless?) will persist.

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Will the gig economy last? Crouch thinks the current situation – in which unregulated firms exploit a rapidly increasing employment asymmetry – may well be unsustainable. Most workers are reluctant to give up job security for the 'independence' afforded by gig work unless they have to – in a slack labour market, for example, where there is a surplus of labour. When there is a labour shortage, the balance of power shifts to workers; firms start having to guarantee job security. This may be happening already. Uber and Lyft workers have recently shown a willingness to strike. Both companies are publicly listed, and Crouch believes that in order to address investors' anxieties they may be forced to offer workers a better deal.

But things could just as easily move in the other direction: in the scramble to maintain stock value, platforms may try to exert downward pressure on wages. Even if the 'independent contractor' is legislated out of existence, firms will continue to try to find ways to use precarious labour, not least by continuing to dismantle standard employment. In a bleak moment, Crouch predicts that digitalisation will cause disturbances at least as severe as in the depression of the 1920s and 1930s. Old jobs will be destroyed by technology and new ones created, and there will be prolonged surpluses of labour, tilting the balance of power even further towards employers. The greater the proportion of work and business conducted digitally, the easier it will be for firms continually to move their operations wherever they will

get tax breaks. Rent-seeking, cash-hoarding, tax-evading employers will contribute as little as possible to pensions and social insurance, and governments will have to pick up the slack, increasing the state's vulnerability to fiscal crisis.

Crouch thinks a major overhaul of policy will be required if we are to cope with these transformations. He doesn't share the enthusiasm for a Universal Basic Income or other form of 'citizens' wage' that has gained ground both on the left (as a route to autonomy or a rejection of work) and on the right (as a way to shrink the state or to secure a modicum of stability for people in a world where work no longer pays). As Crouch sees it, UBI hollows out the social democratic notion of citizenship as a system of rights, responsibilities and duties. He doesn't want to abandon the notion of enriched standard employment but to find ways of extending it to the precarious workforce. His main proposal is a reform of social insurance, to make it a tax on the 'use of labour'. Currently, only firms that choose to accept their responsibility as employers pay towards social insurance. Instead, Crouch proposes, all organisations that use labour would have to pay. Firms would no longer be able to shrug off their obligations by changing their status as employers, relocating, or defining their precarious workers as 'self-employed'. They would have to pay their fair share.

Individual workers would pay their fair share too. Their contribution to social insurance would be calculated according to their income rather than their employment or citizenship status, and they would receive benefits including pensions, disability and sick pay, leave for parenting and other care work, as well as job retraining. These benefits would be tied to contributions made to the insurance fund, rather than being delivered as a form of social assistance drawn from general taxation. In lieu of the patchwork of insurance and assistance that characterises the British welfare state today, this version of social insurance would encourage the belief that you get back from society what you put in. Everyone would have an incentive to work, since the benefits would be tied to payment of tax on work done (unpaid care work and parenting would qualify). If firms treated their workers well – with secure contracts, training, union representation – their tax bill would be reduced. To make all this stick, unions would have to work not just to secure higher wages for their members, but to handle grievances, create family-friendly working environments and lead campaigns against challenges like the rise of workplace surveillance.

Crouch's book is a love letter to the postwar welfare state. It is not a critique of capitalism, just of its neoliberal variant. Indeed, he makes clear that he believes eliminating the gig economy is necessary if capitalism is to be saved. The gig economy is a threat to social stability, and if it were to prevail, he writes, 'capitalism's own need for social reproduction would be severely compromised'; capitalism will not sustain itself, he argues, unless it can sustain 'normal, secure family life'. He wants to preserve the social democratic institutions of family, home and property, along with the separation between home and workplace, work and leisure (a traditional, even nostalgic, but also perhaps compelling offer at a time when many millennials find it inconceivable they might ever own a home). He also values the work ethic, the entrepreneurial imperative, the capitalist emphasis on flexibility. His ideal society is one in which everybody works and the refusal of work is off-limits (revealingly, the only exception he makes is sex work; there are surely other forms of work involving at least as

much exploitation and drudgery). By insisting that work can pay for the family rather than imagining a reduction of work for all, Crouch misses the chance to imagine a way of living beyond the one we know. He rejects the idea that in the future we may need to break the connection between work and income – let alone the connection between profit and income. What he is striving for is a path to stability. Will this suffice? The real question, perhaps, isn't whether stability is enough, but whether the stabilisation of capitalism is all we want.

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