

Lessons from the Gig Economy for Transforming Public Services

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September 18, 2020

Economy • September 18, 2020 • Ursula Huws

Even before the arrival of the coronavirus pandemic, major upheavals were taking place in the UK labour market. Between 2016 and 2019, the number of people working for online platforms such as Deliveroo and TaskRabbit doubled from 4.7% of the adult population to 9.6% – the equivalent of 5.5 million people. Lockdown caused these trends to escalate still more sharply as a housebound population switched en masse to ordering goods online.

For many, the growth of the platform economy is cause for concern. But I believe the principles of platform technology could be used by governments to transform the way public services are delivered, taking advantage of the way that they efficiently connect users with the services that they want. Under municipal control, or through public-private partnerships, platforms could transform service delivery to citizens.

Colleagues and I surveyed 28,000 people across Europe in our research on the platform economy. In the UK, we measured changes between 2016 and 2019 not just among those working for platforms but also their customers. During that period those using online apps for taxi services rose from 15.6% to 30.6%, while those using online platforms for household services (such as cleaning, gardening or household repairs) went up from 23.8% to 31.4%.



One big surprise was the profile of these customers. Expecting to find a picture of the better-off having their needs supplied by poorer people, we actually found a much more universal distribution across income brackets. Although 44% of the richest quarter of the population used platforms, so did 30% of people with middling incomes and even 22% of the poorest quarter.

Furthermore, people working for online platforms were also very likely to be customers for them too. In 2019, while 31% of the population used app-based taxi services and 5.2% worked to provide these taxi services, no less than 4.8% of the population were both taxi users and drivers. Similarly, while 31% bought online household services and 5.5% worked to provide them, 4.9% were doing both.

Vicious Cycle

What seems to be happening is that people are turning to apps to obtain services they have no time to carry out for themselves: ordering a meal from Deliveroo or Uber Eats because they are too tired to cook, or paying for household chores they have no time to do for themselves.

But that leaves them even more short of cash, giving them an incentive to look for extra work, which they may well find with an online platform – work that is generally both precarious and poorly paid, leaving them with even less free time. Online platforms are part of a vicious cycle in which time poverty chases money poverty. This has been exacerbated by the effects of austerity, which has deprived people of many services they relied on in the past, ranging from respite care to meals-on-wheels, creating even more demands for housework.

Online platforms are often seen as villains: depriving workers of basic employment rights and security while giving little back to local communities. Expert tax avoiders, they leave it to others to pay for infrastructure, training and health. Very little of the 20-25% cut of the value of each transaction they typically take ends up in the local economy. Instead, complex international tax avoidance schemes result in most of the profits disappearing overseas.

Reinventing the Welfare State

But what if platform technologies could be used to reverse this vicious cycle? Might they help to build new kinds of digitally-managed services in a 21st century version of the welfare state that has become so battered in recent years? Could they be the key to developing new models that promote better work-life balance and improve working conditions for gig workers while also contributing to the reduction of waste and addressing the climate emergency?

I discuss ways that locally-controlled online platforms might be able to do just that in my new book, *Reinventing the Welfare State*. For example, the kinds of algorithms that connect workers with customers at short notice could be used to supply social care in

response to the real needs of clients rather than the existing rushed and rigid predetermined 15-minute care slots. Or they could be used to provide transport to get patients to hospital appointments or children to school and give people fresh nutritious meals at home, combining free services to those who are eligible with paid-for ones, using voucher systems.

Platform technology could also help make a reality of sustainable food strategies, like [this one in Bristol](#). Local producers could use the platform to supply food to hospitals and schools, leftover perishable food could be delivered to food banks and new food businesses could be encouraged. You could even use them to share surplus produce from your allotment.

Democratically controlled and responsive to local residents, platforms could provide a way to give workers decent jobs and citizens the services they actually want, when they want them. •

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Ursula Huws is Professor of Labour and Globalisation at the University of Hertfordshire, UK, and the director of the social and economic research consultancy Analytica. She is the author of *[Labour in Contemporary Capitalism: What Next?](#)*, and maintains a blog at ursulahuws.wordpress.com.

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