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NAVIGATING UNCHARTERED WATERS

Legal and regulatory challenges of the gig
economy

Betina Fleming

The University of the Witwatersrand, Johannesburg

Paper co-authored by Prof Marthinus van Staden

WHAT IS THE GIG ECONOMY?

- Recent advancements in technology have shaped the Gig Economy
- Defined by digital labour platforms, this work structure has become mainstream, especially post-COVID-19.
- The Gig Economy offers diverse services with a global scope, challenging traditional employment models.

LEGAL AND REGULATORY CHALLENGES

- Chief challenge: **Classification of platform workers**
- Critics argue that misclassification exploits workers, undermines the ILO's Decent Work Agenda.
- Proper classification crucial for fair remuneration, labour practices, and access to benefits and social protection

OPPORTUNITIES AND CONCERNS

- Gig Economy has potential for growth in constrained labour markets
- There are causes for concern: lack of job security, exploitation, algorithmic management, 'bogus' self-employment
- There must be a balance between economic growth and worker well-being.

PRECARITY – THE ILLUSION OF JOB FREEDOM

- Lack of job security: Often worker are classified as independent contractors.
- Workers are exposed to financial vulnerability due to unpredictable gig availability
- Illusion of flexibility and autonomy: the reality of gig work is prolonged hours, algorithmic control, lack of recourse, no collective voice

WORKING CONDITIONS CHALLENGE

- Extended and unregulated working hours impact health and well-being
- The earning potential of gig workers is overstated: platforms benefit from low operating costs which workers carry
- Employment classification issues lead to exploitation and lack of protections

WORKING CONDITIONS CHALLENGE

- Algorithmic Management: Platform workers are exposed to arbitrary management decisions
 - Not transparent
 - No recourse
- Customers become managers: Poor ratings result in deactivation of platform worker

COLLECTIVE BARGAINING CHALLENGES

- The Gig Economy model disperses workers geographically, hindering traditional union models
- The misclassification of workers limits rights to unionise
 - Legislation is inconsistent globally, sometimes exclusionary
 - Platforms use this to exploit unclear boundaries
 - Active compliance avoidance
- Lack of bargaining power; "take it or leave it" approach by platforms

COLLECTIVE BARGAINING SOLUTIONS

- Unions must be innovative and agile
 - Digital mechanisms (social media, online forums) to connect dispersed workers
- Policymakers need to create avenues for union recognition in the Gig Economy
 - Organised labour plays a critical role in the development of frameworks

REGULATORY RECOMMENDATIONS – WHAT IS NEEDED?

- Clear and unambiguous regulation for proper classification of platform workers.
- Universal classification which enables bespoke regulations within jurisdictions.
- Access to essential rights and benefits through appropriate classification, fostering dialogue between stakeholders.

CONCLUSION

- The Gig Economy's complex challenges demand creative and dynamic regulatory approaches.
- Policymakers are at a crossroads: balancing innovation and worker rights
- Misclassification is the core concern requiring urgent intervention

KEY TAKE-AWAYS

- The Gig Economy's growth brings opportunities but raises concerns
- Legal and regulatory challenges centre on worker classification
- Collective bargaining is crucial for fair conditions. This is hindered by the misclassification of workers
- Policymakers must prioritize clear regulations and universal worker classification for sustainable solutions



Thank you

For more, please see our paper entitled '*Navigating Uncharted Waters: Legal and Regulatory Challenges of the Gig Economy*'