

## **Book Reviews**

**PLATFORM ECONOMY PUZZLES. A MULTIDISCIPLINARY PERSPECTIVE ON GIG WORK. EDITED BY JEROE MEIJERINK, GIEDO JANSEN AND VICTORIA DASKALOVA, 244+XI PAGES, EDWARD ELGAR PUBLISHING, CHELTENHAM UK, 2021, ISBN 9781839100277.**

This book analyses different aspects of platform-enabled gig work defined as fixed-term activities outsourced to independent contractors by organizations or consumers with the help of online labour platforms. The book fills a gap in fundamental questions concerning gig work using a multidisciplinary approach and analysing its implications for societies, labour markets, public policies and individuals. Each chapter revolves around a specific problem (puzzle) that reflects either an urgent societal issue or an academic question. Moreover, each chapter discusses the causes and consequences of the problem at hand, as well as potential solutions to either filling the knowledge gap in the literature and/or offering practical policy recommendations.

Throughout the book the gig activities are classified according to their performance on location or virtually and to the existence of structured tasks controlled by online labour platforms or unstructured tasks with no clearly defined outcome and significant levels of job autonomy (for example, graphic design, consultancy and health-care services). Looking at the actors involved (workers, clients and online platforms), consumers (clients) are viewed to benefit from increased choice, better matches, higher quality and possibly lower prices. However, several problems are stressed with respect to workers, companies and society as a whole. As regards workers, online labour platforms solve problems of coordination and task allocation and lower the barriers to entry into labour markets for “outsiders”. However, platform work normalizes a second-class workforce that works under more precarious conditions and for less income than “insiders.” Moreover, it weakens trade unions and is characterised by the ubiquitous presence of an invisible algorithm that reproduces societal hierarchies and biases. In this context, workers seem independent but have greater responsibilities for their own financial and legal liabilities and are embedded in a specific technological and business ecosystem that uses software algorithms for dispatching orders and providing automated deactivations and online review

and surveillance schemes. Regardless of the technological novelties, the conditions of gig workers and their payment per gig performed resemble on-demand and casual work which had a relevant role in the labour markets in the nineteenth-century.

The volume has three parts. Part I sets the stage by placing platform-mediated gig work in a broader context. In Chapter 2, the conceptual and methodological problems of measuring platform-enabled gig work are discussed and the size and nature of platform work in Europe are calculated based on data taken from the COLLEEM survey by the European Commission's Joint Research Centre. In Chapter 3, Stanford provides a historical perspective on platform labour and argues that the core features of digitally mediated gig work are hundreds of years old, having been applied in pre-digital modes of capitalism. With gig work, there is a return to previous practices instead of a new model of employment and it is part of a wider increase in insecure and non-standard work under neoliberalism. Chapter 4 focuses on legal aspects arguing that platform-mediated gig work revives some old problems regarding regulating labour markets while simultaneously challenging existing legal solutions to those problems. The main issue treated is whether platform workers are independent contractors or employees in disguise. It also analyses the tension between labour law and collective bargaining on the one hand, and commercial law on the other, because the latter raises barriers to collective bargaining by self-employed workers and impairs the possibility of an improvement in their conditions.

Part II addresses puzzles in economic and social exchanges in the platform-enabled gig economy. Chapter 5 addresses the question of why urban areas are an attractive source of economic value for online platform firms that freely utilize the accessibility and collective utility of urban infrastructures. Chapter 6 focuses on value extraction and addresses how gig economy companies can continue to grow despite regularly suffering substantial losses. Online platforms capture two types of value from gig work: the monetary value associated with the service transaction and the more speculative value associated with the asset provided by the data generated during service provision by gig workers. Chapter 7 discusses how gig work mainly takes place outside the confines of an employment relationship although most gig workers are subject to a range of human resource management activities that are traditionally seen to uphold employment relationships. Chapter 8 stresses that in platform labour the traditional concept of a legal employment relationship between an employer and an employee is increasingly less applicable and that the parties involved

(workers, platform firms, and consumers) found their relationship on a “psychological contract” based on mutual promises.

Part III analyses the wider social and political implications of platform-mediated gig work. Specifically this part of the book looks into collective organisation and interest representation. Chapter 9 focuses on how gig workers themselves might strive for better work, as observed in practice. As an extreme case of collective action, this chapter discusses worker-owned platform cooperatives. Chapter 10 shifts the focus from self-organisation to interest representation of platform workers by political parties, trade unions and other interested organisations. Finally, Chapter 11 is a synthesis of the book which integrates insights into the causes, consequences and policy solutions to the various economy puzzles (problems).

Summing up there are three overarching puzzles concerning platform work which are treated in the book. The first refers to non-standard multiparty working relationships and precarious working conditions. As mentioned above, gig work repurposes older forms of “freelance” work that existed prior to World War II. It entails increased precarity, a lack of social security benefits and reduced social contact with peers. In this respect, improvement in the conditions of platform workers can be achieved by their reclassification as employees as promoted by labour unions through court cases, by an extension to gig work of the same protection and benefits traditionally associated with the standard employment relationship, and by promoting new forms of collective action by means of quasi unions and platform cooperatives.

The second puzzle/problem concerns the use of algorithmic management practices that can change from one day to another expectations regarding future pay and task allocation and give platform firms the opportunity to exploit platform workers through automated wage theft, discriminating between workers and monetizing the data generated by workers. Measures to tackle this problem include the creation of algorithmic accountability schemes and platform cooperatives.

Finally, the third problem concerns the excessive capture of surplus value by platform firms due to the oversupply of platform workers which creates a power imbalance between platform workers vis-a-vis platform firms, non-payment to freelancers of secondary benefits and social security, and exploitation by the firms of algorithmically processing worker-generated data. The belief that data-rich platform firms are able to create data-driven cost efficiencies and new markets allows early investors to cash out when

filling for an initial public offering, thereby capturing value from the speculative data generated by platform workers. In order to reduce the surplus value captured by platform firms, the first solution (Daskalova et al., Chapter 4) is to allow freelance platform workers to collectively set prices charged to platforms, changing competition law which currently prevents freelance workers from bargaining collectively. Another solution is to tax revenues generated from worker-generated data and/or develop platform cooperatives so that worker members capture the profits they generate and the speculative value of worker-generated data.

To conclude, only one critical remark can be advanced and regards the use throughout the book of insider-outsider categorization. The fact that platform workers have low levels of protection and social security does not arise from “barriers” set by other workers (the “insiders”) due to some advantage in wage bargaining, as usually assumed in insider-outsider models, but from technological and social circumstances that are exploited by platform firms. It is no coincidence that trade unions, as stated in the book, try to help platform workers overcome the lack of a definite employment relationship that makes it hard for platform workers to escape precarity. In actual fact, the segmentation of the labour market is exploited by firms to increase profits, with “middle-class” workers (the ones with stable employment contracts) who tend to oppose the extension of social security to precarious platform workers by means of general taxation when tax rates on profits are low and the tax system is not sufficiently progressive, meaning that the cost of that extension will be mainly paid for by wages rather than by the other incomes.

**Enrico Sergio Levrero**  
*Roma Tre University*



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