Gigs and robots, oh my!

Lawrence Mishel
President, Economic Policy Institute

October 29, 2015

Technology is not the correct frame

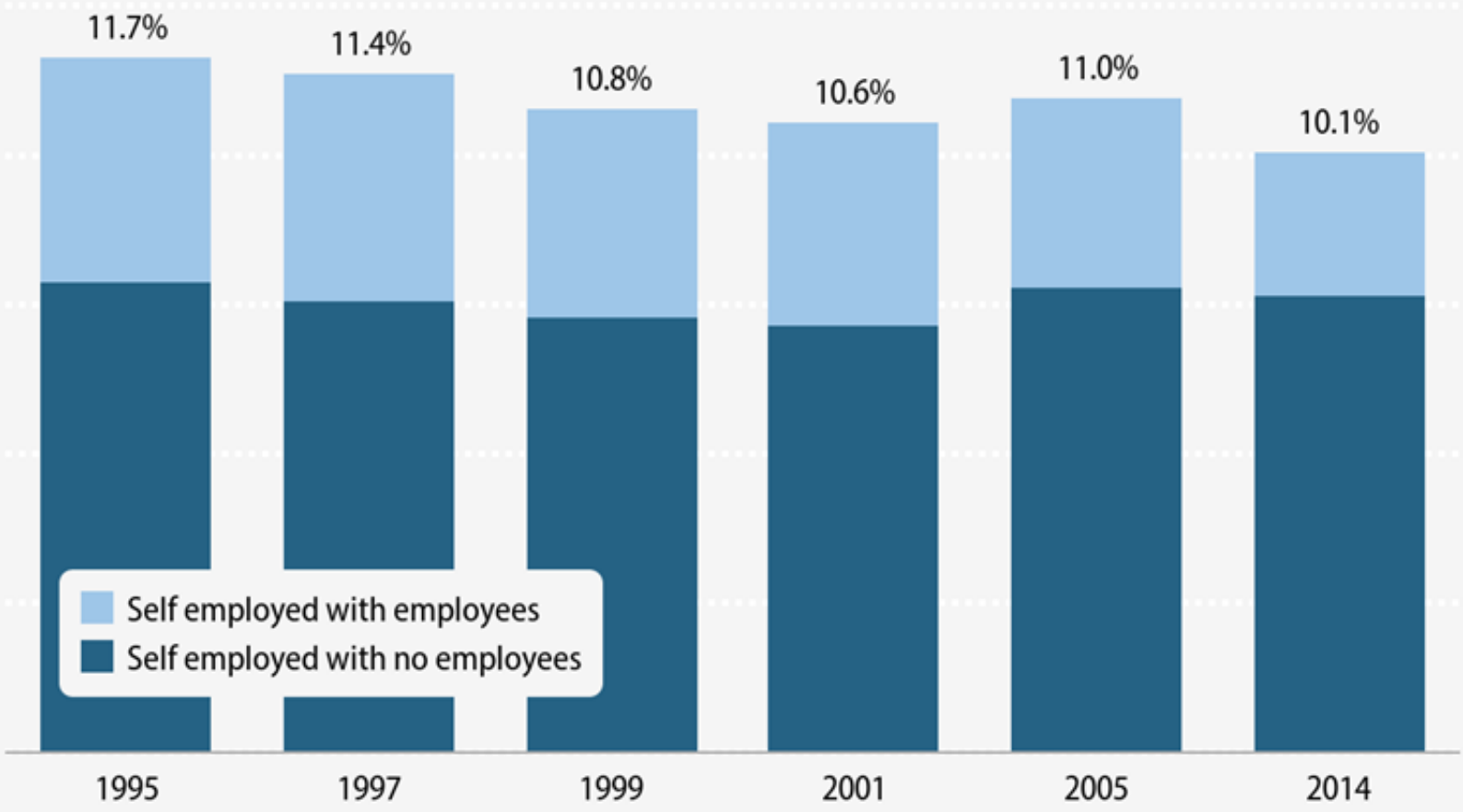
- Rather than technologically driven 'gig' jobs and automation, even subcontracting & temporary work?
- Outcomes of eroded job quality and wage stagnation reflect disempowered workers and limited options for good jobs as a result of policy choices made on behalf of those with most income, wealth and power.

  & 'Gig' work is an additional reflection of this dynamic.

Are ‘gig’ jobs, large & exploding?

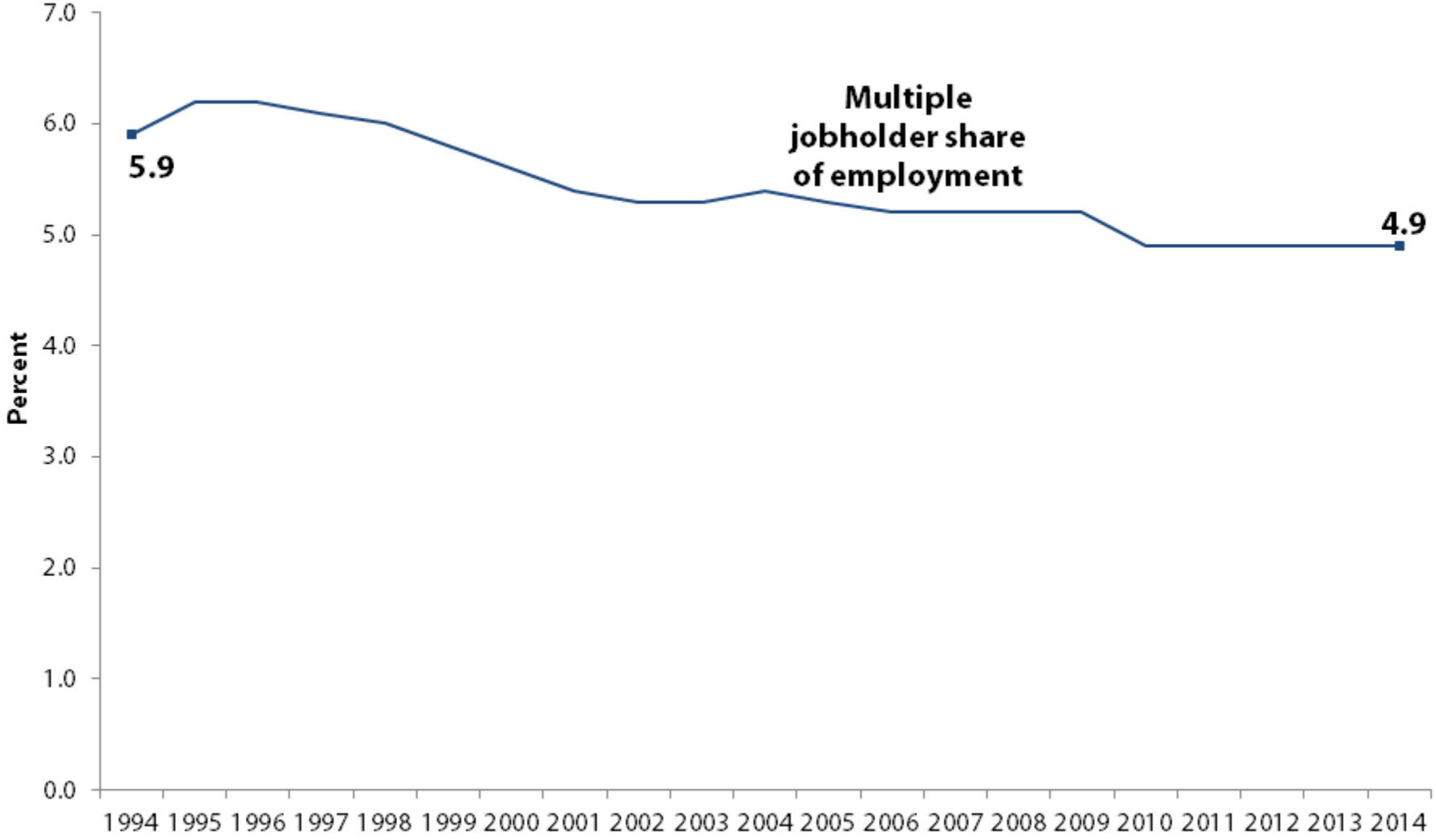
Nah.

Self employed workers (with and without employees) as a share of the total workforce, 1995–2014



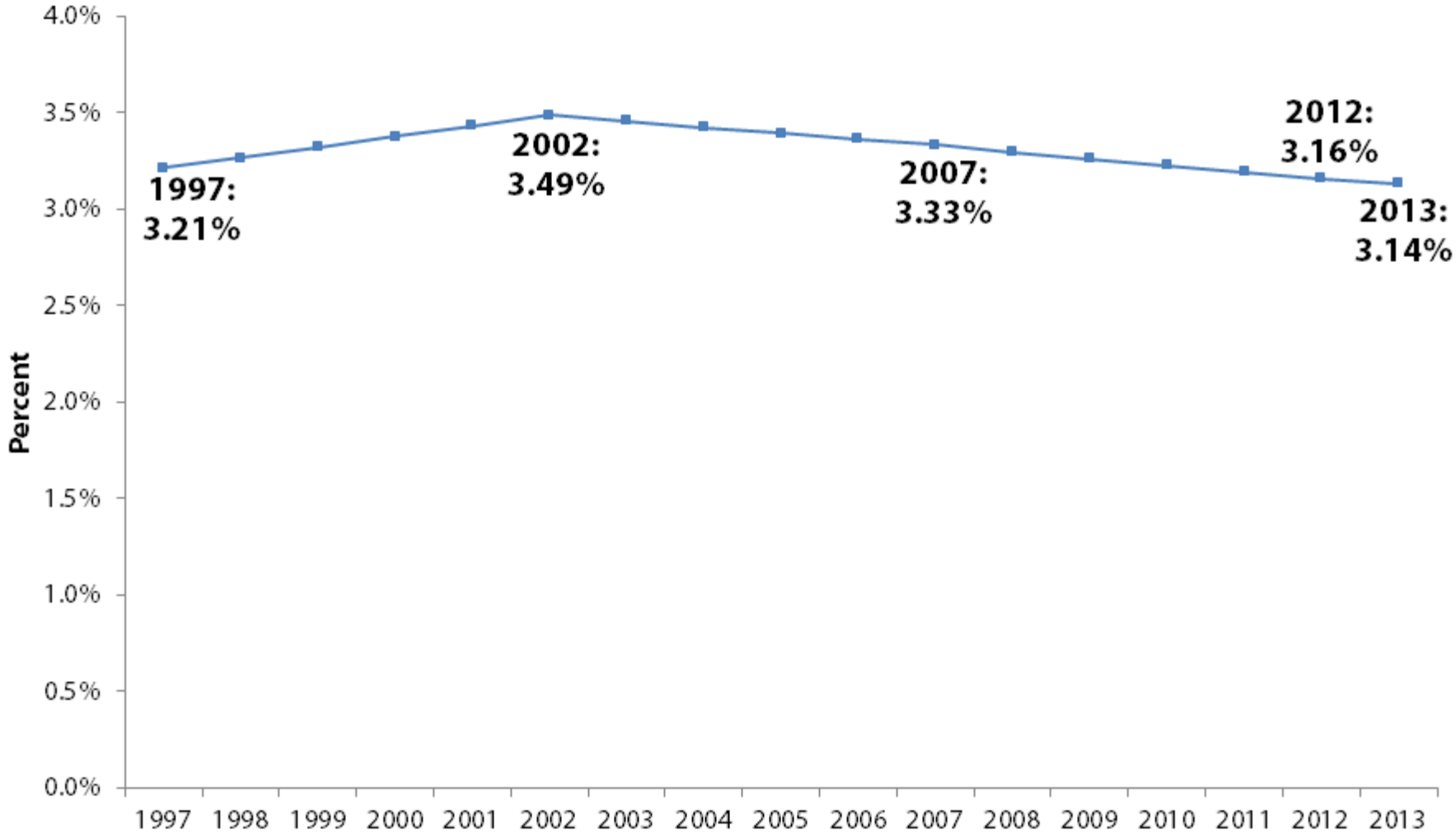
ECONOMIC POLICY INSTITUTE

Multiple job holders as a percent of total employed, 16 years and over , 1994–2014



Source: EPI analysis of Bureau of Labor Statistics Current Population Survey (CPS)

Non-employer establishment receipts as a share of total receipts, 1997–2013



Note: Estimated 2013 as increasing by 90% of nominal GDP, same as relationship between receipts and nominal GDP from 1997–2012.
Source: EPI analysis of U.S. Census Bureau, EWD, Nonemployer Statistics and Statistics of U.S. Businesses (SUSB)

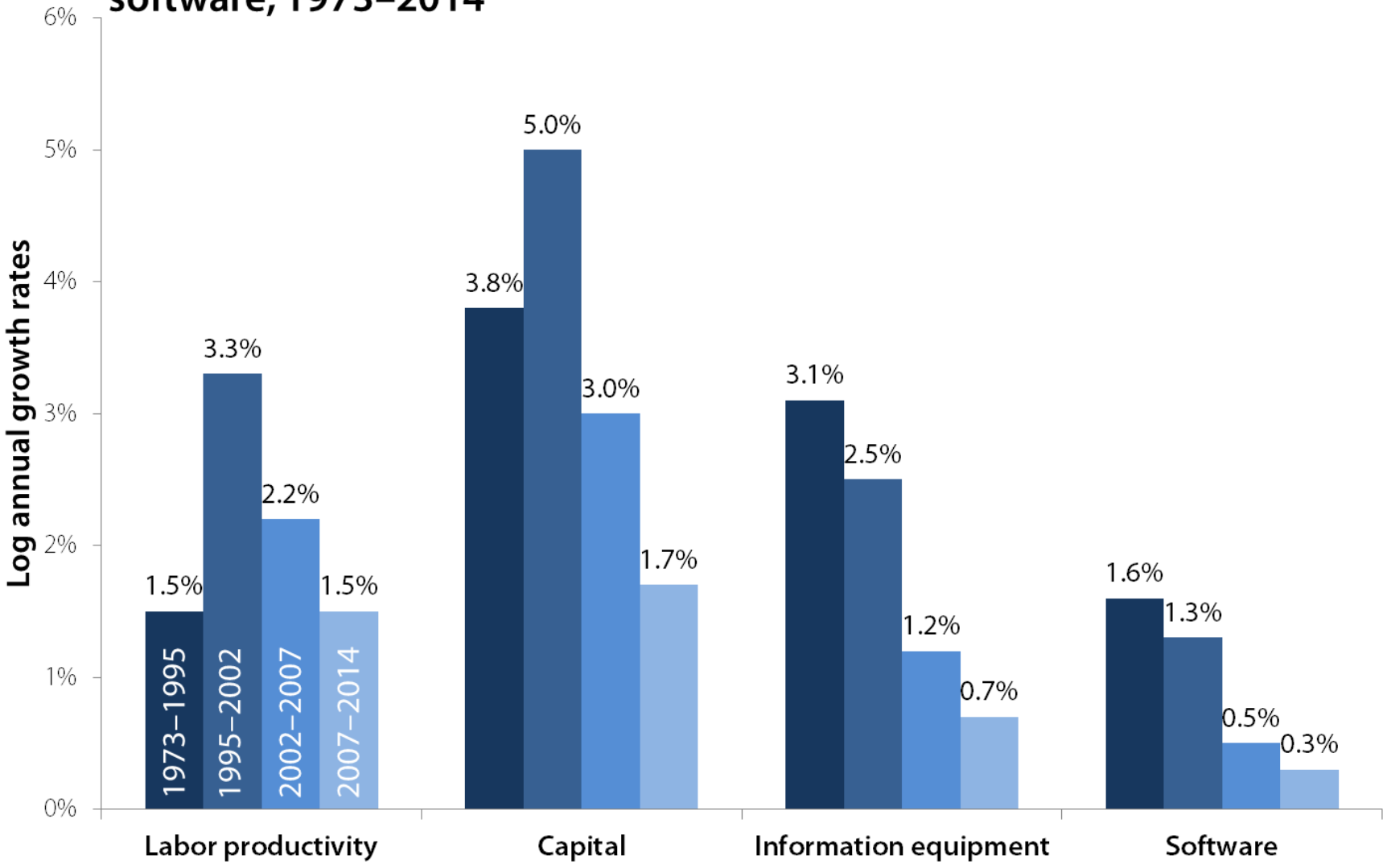
Gig Jobs or Second Jobs

"That report [Krueger]claimed that Uber had over 163,000 drivers (as of December 2014),.. an Uber job juggernaut, to be sure. But in fact 80 percent of the drivers were part time, with over half of them driving fewer than 15 hours per week; indeed, only half the drivers remained active a year later. With Uber's own report showing that most of the "jobs" were temporary and extremely part time…"(Page 85)

Don’t Fear the Robots

- Where’s the footprint?
- Aggregate number of jobs not at stake
- It’s clear that technology has not created inequality in recent years. Far from clear that it will do so in future.

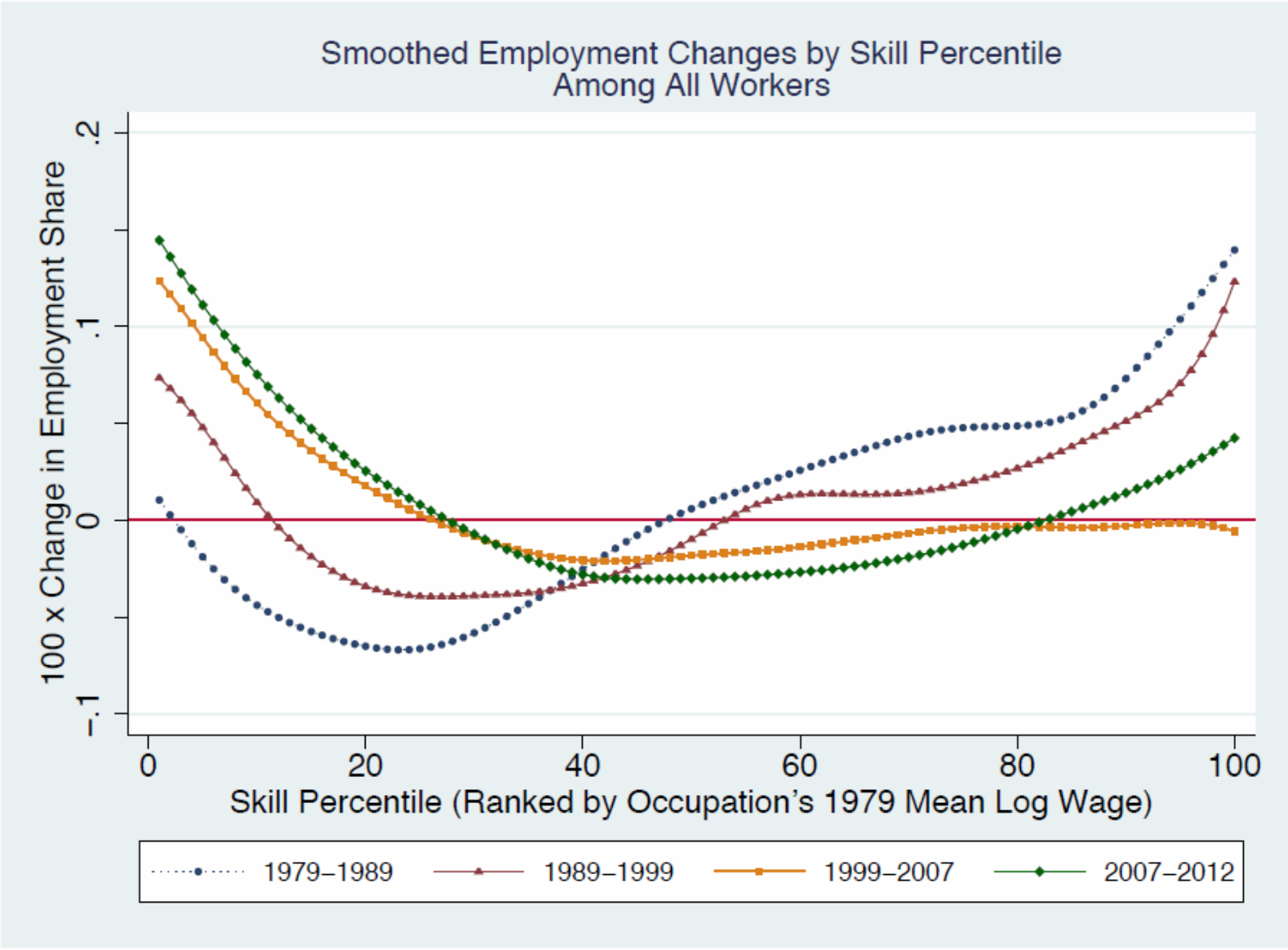
Growth of labor productivity, capital, information equipment, and software, 1973–2014

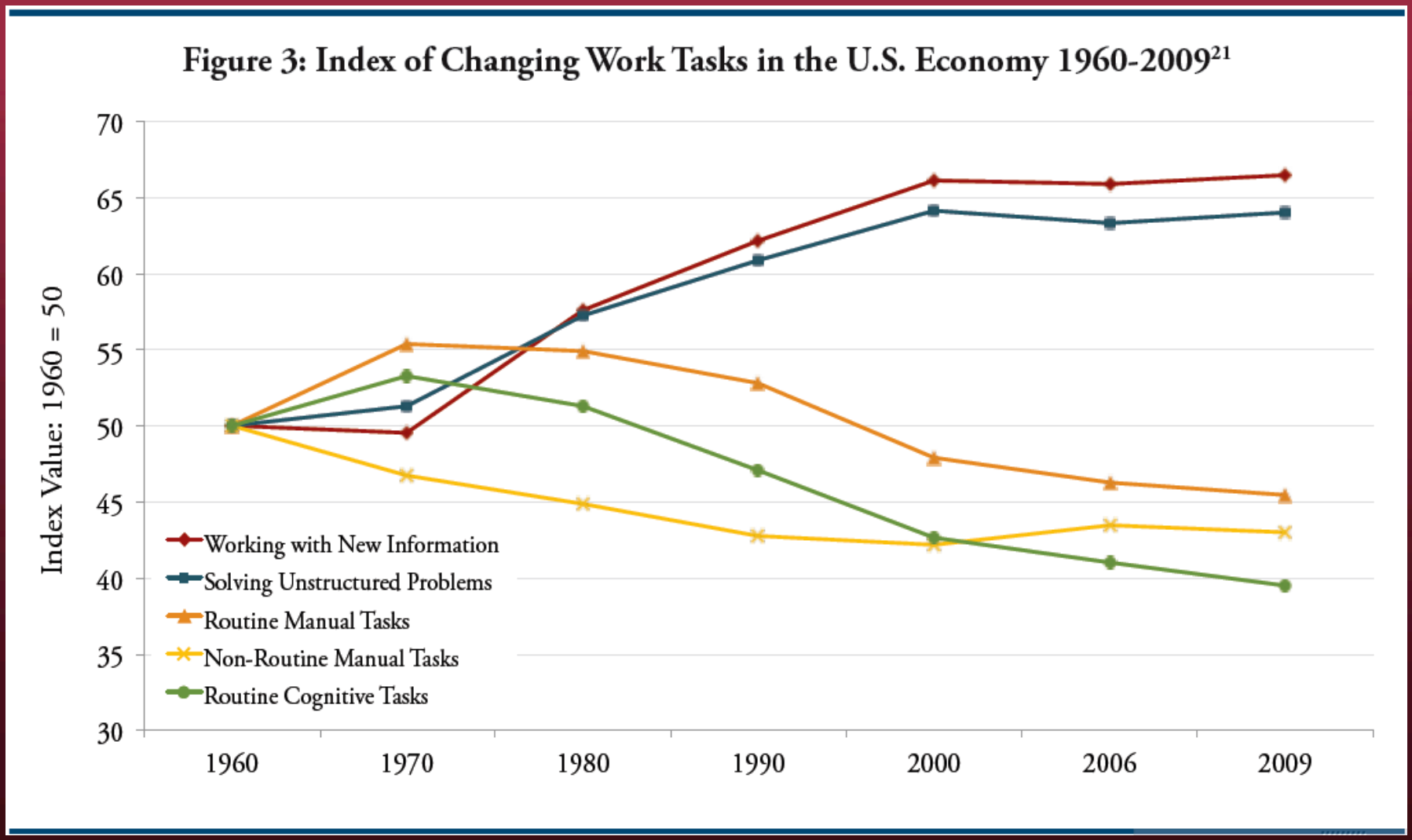


Source: EPI analysis of Fernald (2014) data, San Francisco Federal Reserve Board

Figure 7.

Smoothed Employment Changes by Occupational Skill Percentile, 1979 – 2012





Source: Reproduced from Levy and Murnane (2013)

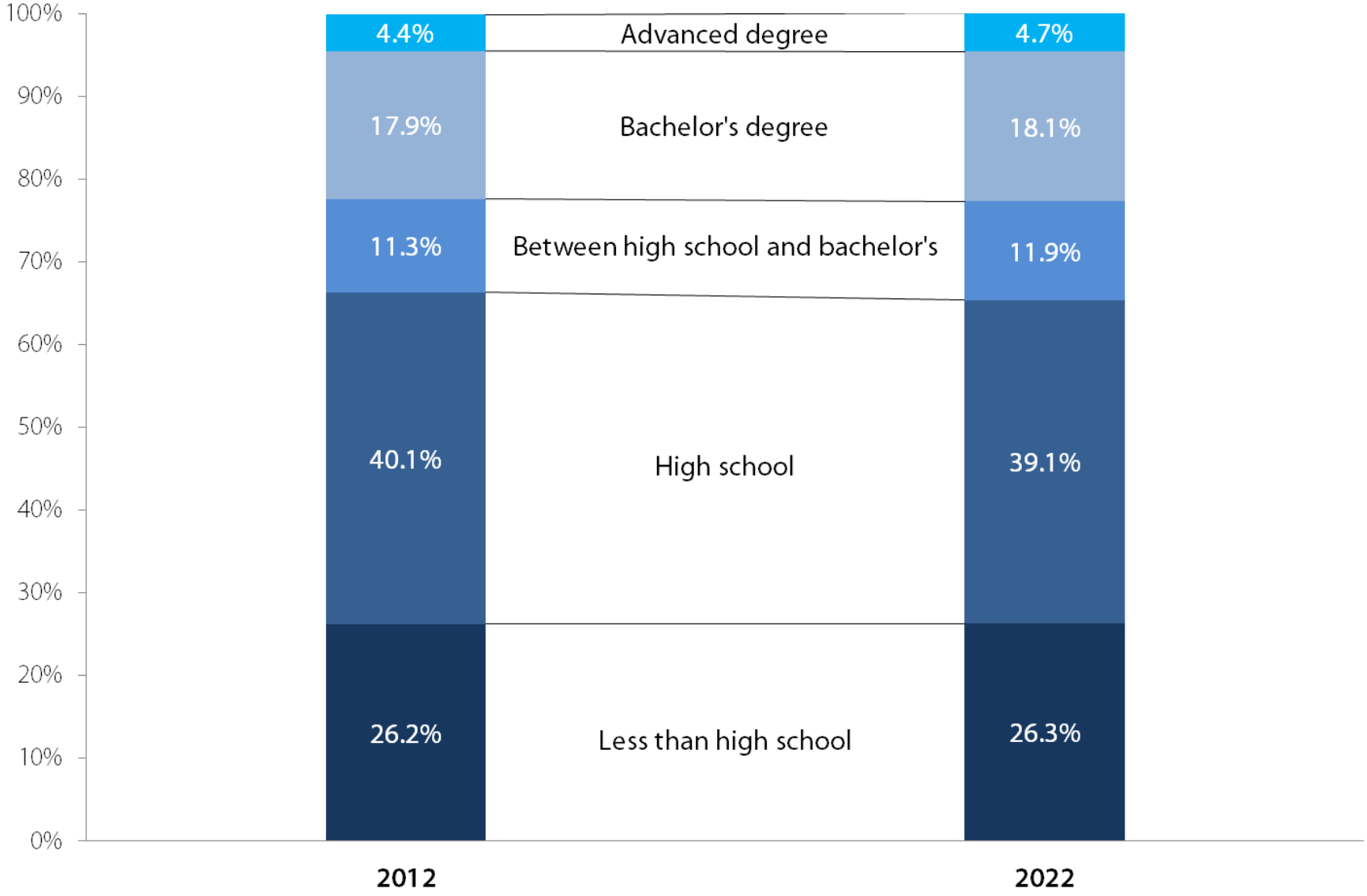
The Problems are Far Larger and Longstanding than Gig Economy

"[W]e do know is this: over the last several decades, the economy has been restructured so that the wealth gains from higher productivity and the new technology have flowed into the pockets of a small minority of one-percenters. We also know that wages have stagnated despite sizable increases in corporate profits." (Page 17)

Problems, continued

- "Over the last two decades the workforce has become increasingly more vulnerable, with declining expectations." (Page 37)
- "Adding to the looming sense of crisis, a recent study found that three-fourths of Americans are living paycheck to paycheck, with little to no emergency savings to tide them over if they lose their source of income."(Page 38)

Education requirements of jobs, 2012 and 2022



Source: EPI analysis of Bureau of Labor Statistics' Occupational Employment Projections

Policies for ‘gig’ economy

Gain the value, shed the exploitation and rent seeking:

- Full Employment
- Enforce consumer laws
- Enforce tax laws
- Enforce labor laws

What else is to be done?

- Full Employment
- Restrain top 1% incomes (Finance. Executive pay)
- Restore labor standards (min wage, OT, wage theft, misclassification, forced arbitration, undocumented workers)
- Modernize labor standards (earned sick leave, family leave, fair work week/scheduling)
- Rebuild collective bargaining