

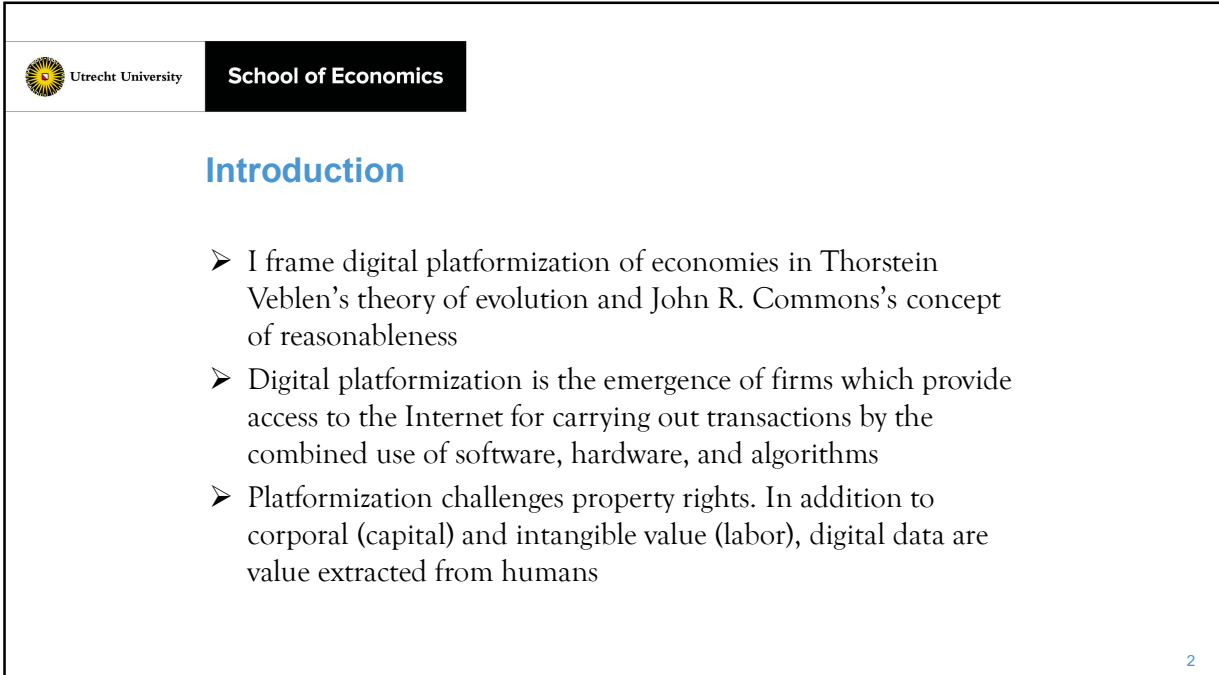


Utrecht University School of Economics

Gig Workers and Policies of Minimal Social Dislocation

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Introduction

- I frame digital platformization of economies in Thorstein Veblen's theory of evolution and John R. Commons's concept of reasonableness
- Digital platformization is the emergence of firms which provide access to the Internet for carrying out transactions by the combined use of software, hardware, and algorithms
- Platformization challenges property rights. In addition to corporal (capital) and intangible value (labor), digital data are value extracted from humans

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Structure of presentation

- Interaction between technology and institutions
- Political and social presence of libertarian economics
- Social dislocation
- Minimizing social dislocation
- Conclusion and discussion notes

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Interaction between technology and institutions: Veblen

- According to Veblen, persons are institutionally and culturally embedded, while institutional, personal and technological evolution endogenously evolve
- Veblen argues that “institutions embody the goals and aims of action.” It is the inclusion of the future in one’s action that Veblen does not allocate a major role to deliberate decision-making “in determining or shaping the institutional structure”

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Interaction between technology and institutions: Commons

- Contrary to Veblen, Commons allocates a major role to (collective) deliberate decision-making on institutions to shape present and future transactions.
- Commons qualifies the teleological character of institutions as matching a Darwinian evolutionary artificial selection of species
- Decision-makers are formed by institutions. Deliberate decisions are steered by protocols and mission statements of social concerns and framed by cultures.

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Political presence of libertarianism

- Since the early 1970s neo-liberalism resurged laissez-faire politics
- Thatcher and Reagan are two main characters who enforced a breakthrough to a liberalization of markets.
- It is not only neo-liberalism that influenced Thatcher and Reagan.
- Some catchy libertarian ideas of Rand are embraced by Thatcher respectively Reagan.
- Small-government and free-trade policies paved the way for the emergence of the digital platformization of the economy and changes the playing field between capital and labor in favor of capital

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Solitical presence of libertarianism: 1

- Rand's approach is especially pronounced on Wall Street and in Silicon Valley
- On Wall Street, Rand's ideology is represented in the Goldman Rule
- In Silicon Valley, Internet platform operators and entrepreneurs are inspired by Rand

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Societal presence of libertarianism: 2

- Silicon Valley is hailed as a place where people enjoy the American dream
- Examples of upward financial mobility realized through the Internet may suggest to be one of the promises of the American dream.
- However, there are caveats. For example, not everybody make it to millionaire or billionaire through the pathway of hard work and education.
- Worsening of labor conditions started along with neo-liberal and libertarian inspired policies to change the institutional framework for temporary employing workers.

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Minimizing social dislocation

- The substitution of regular jobs by gig jobs implies creation of jobs with poor social security provisions.
- An update of Common's reasonableness approach is required.
- New institutional tri-partite or multi-partite bodies might be required to effectuate collaboration on the new socio-economic challenges
- Gig workers may become protected through legislation.
- Additionally, platform operators and platform owners should be held accountable and responsible for exploiting gig workers

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CONCLUSION

- Jobs with poor social security provisions and bigger income differentials are influenced by technological development.
- Technology did not determine them.
- Bad jobs and bigger income differentials are preceded and accompanied by a deliberate change in institutions that favor free markets.
- Representatives of stakeholders should have the power to control the economy.
- Regulation of digital properties concerns a simultaneously transition in economics, in psychology, in law, in politics.

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Thank you

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