Is There a Gig Economy?

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Job security has never been a feature of capitalism. As competition drives accumulation from one industry or location to another in search of profits via the ups and downs of periodic crises, it necessarily alters employment patterns and the organization of work. Over the long haul, U.S. capitalism moved employment from agricultures to industry to often mislabelled service jobs.

For a brief period following World War Two until the mid-1970s, the system in the developed capitalist economies appeared to grant some security to sections of the working class, above all in manufacturing. This illusion was shattered with the increase in economic turbulence that characterized the neoliberal era, beginning in the early 1980s, as millions of manufacturing jobs were obliterated even as output continued to grow.

Along with deeper crises, lean production methods and new forms of work measurement and surveillance brought not only work intensification through "constant improvement" that destroyed jobs, but also outsourcing of work to lower-paying firms often "out on the Interstate" or abroad. Labor force participation rates fell, and insecurity became the norm for millions displaced by such changes.

In the midst of these often disorienting structural shifts, some commentators and academics have seen what they believe is the rise of new types of employment inherently more unstable and irregular than those of the past half century or more. The rise of digital platforms such as Uber and TaskRabbit seemed to point to a new workforce that some academics labelled the "precariat," presumably a new class of workers lacking permanent employment and traditional social networks according to some academics. [1]

Older forms of irregular work such as independent contractors, the self-employed, multiple-job holders, and temporary agency workers also figure in most accounts of the broader "gig economy." While a "gig" has been jazz musicians' word for a job for a long time, just who coined the term "gig economy" remains a mystery. Nevertheless, institutions from the National Bureau of Economic Research to the JPMorgan Chase Institute published studies of increasing irregular employment, while major newspapers reported and debated the alleged trend. [2]

The Freelancers Union/Upwork claimed that some 54 million Americans worked freelance, a claim that brought a response from the union-backed Economic Policy Institute. [3] National Public Radio's "Fresh Air" program declared "Goodbye Jobs, Hello Gigs" and called "gig" the word of the year for 2016, despite its actual vintage. [4]

As recent statistics show, however, this cluster of irregular jobs has not replaced "traditional" employment relations. It's at best a relatively small aspect of the declining conditions of the working class in the United States, and has not actually grown as a proportion of private sector employment even under the conditions of the post-2008 crisis. What has developed since the early 1980s is not so much a "gig economy" as a capitalist economy with its violent ups and downs and its continuous dislocations, in which working class employment and income are never secure.

Precarious Employment: How Big?

In June 2018, the U.S. Bureau of Labor Statistics (BLS) finally released its long-awaited contingent worker survey (CWS) of precarious, irregular, or "non-traditional" employment. This is the first such survey of "contingent and alternative employment arrangements," as the BLS calls the various forms of irregular work, since 2005. [5]
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Running counter to the many impressionistic projections of growing precarious work, the new BLS survey shows a slight decline in the proportion of these forms of irregular employment, from 10.7% of the workforce in 2005 to 10.1% in 2017. The total number of such jobs in the BLS survey grew from 14,826,000 in 2005 to 15,482,000 in 2017, a relatively small gain of 656,000 jobs or by 4.6% over 12 years.

The total number of employed workers, moreover, grew faster by 14,379,000 or by 10.4%. Thus, according to the BLS figures, almost 90% of those employed hold "traditional" forms of employment whether or not they are actually secure. The New York Times reported the BLS results under the headline, "How the Gig Economy Is Reshaping Work: Not So Much." Left Business Observer editor Doug Henwood, writing for Jacobin online similarly headlined his analysis "No, It's Not a Gig Economy." An Economic Policy Institute comment on the new BLS report agrees that "we are not becoming a nation of freelancers." [6]

Table I presents a modified version of the BLS surveys of 1995, 2005 and 2017. The one difference with the BLS figures is that I have substituted the Current Employment Statistics' (CES) larger results for temporary help service employment for the BLS Current Population Survey (CPS) data on which the CWS is based.

I believe this much larger figure to be more accurate because it is based on answers from about 145,000 businesses with records of whom they employ, while about half the 60,000 or so of the answers to the BLS-CPS survey come from "proxies," household members other than the job holder.

In addition, I have put a broader measure of "part-time for economic reasons" separately and have not used the BLS figures on "contingent" jobs, which is simply a measure of whether the respondent to the survey expects to keep his or her job a year or more. This may tell us something about the individual's feelings of insecurity concerning employment, but doesn't actually tell us how long the respondent has been in this job or describe the nature of the job itself.

I have substituted the BLS's Current Employment Statistics (CES) figures for temporary help services, which is significantly larger than the BLS/Current Population Survey (CPS) figure and more likely to be accurate as it is based on employer answers rather than a combination of proxy and direct answers.

Unfortunately, there are no CES equivalents for the other alternative work categories in the BLS/CPS report. In the case of "independent contractors," however, the BLS figure for "unincorporated self-employed," most of whom are by the BLS definition independent contractors, is quite similar over time so that the BLS figure for independent contractors is probably more or less accurate.

In addition, as the Economic Policy Institute notes, the BLS estimate of independent contractors is similar to estimates that exclude self-employed individuals who employ others. [7] (The number of "on-call" workers and those from "contract firms" are relatively small so that an undercount would not drastically affect the outcome.)

The adjusted version of the BLS figures reproduced for all three BLS surveys in Table I show an increase in irregular jobs of 3.8 million since 1995 a significant gain, but hardly a paradigm-altering increase in an employed workforce of over 150 million. They do not, however, show any great increase in precarious work as a proportion of the employed workforce. Other BLS figures provide more evidence that there is little growth in irregular work, and that the "gig economy" remains a relatively small subset of the total workforce.
Significantly, the BLS/CPS figures in Table II for “Millennials,” who are sometimes said to be the main victims of precarity, don’t show any increase and, at 7.2%, in fact are lower than the average of the overall proportion of workers in all alternative work arrangements.

Of course, job tenure, which this BLS survey does not include, is far shorter than average for those in the 20-34 years "Millennial" cohort, meaning that the experience of precarity is real enough. [8]

Here I have used the BLS's original CPS figure as the CES figure does not include age.

The lack of any significant growth in irregular jobs is further supported by the "other" measures of precariousness in Table III, which do not show any overall increase in "gig economy" work. The relative stability of multiple job holders, a BLS figure that counts all jobs held by individuals surveyed, and its decrease as a proportion of total employment over time, indicates no real increase in those working more than one "gig."

As noted above, unincorporated self-employment closely follows "independent contractors." "Part-time for economic reasons" shows some increase, but is a cyclical phenomenon that rises in recessions and falls in recoveries. These figures cannot be added to the total of Alternative Employment Arrangements because they overlap in ways we cannot count.

Thus, although under- and overcounts in BLS surveys are possible, unless we assume that all BLS figures for the last several decades are crap there is no real evidence of an expanding gig economy.

Table IV shows that both middle and working-class occupations were affected in similar proportions, though the number of working class people in alternative work arrangements was much larger and there was considerable variation between different occupations. In other words, the rise of irregular work impacted all classes except the pinnacles of capital.

The rise of digital platform sources of work such as Uber or Task Rabbit has yet to impact the figures. According to one survey they accounted for .05% of all jobs in 2015. [9] While this has certainly increased since 2015, it is still impacts a small portion of the workforce. The BLS promises to release their count of such jobs in September.

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sex, race, and Hispanic or Latino ethnicity" 2017, available here.

Duelling Surveys

Naturally, the debate on precarity does not end there. The most frequently cited alternative survey of precarious work arrangements is that by Lawrence Katz of Harvard and Alan Krueger of Princeton. [10] Done in 2015, using the same categories and slightly modified questions employed by the BLS in the 1995 and 2005 surveys, its authors claim that those working in "alternative work arrangements" composed 15.8% of the workforce in 2015 showing a nearly 50% leap above the BLS's 10.7% for 2005, and a much higher figure than the BLS's 10.1% for 2017. [11]

What might explain so radical an increase? Although the questions in the Katz and Krueger (K&K) survey were mostly the same as the BLS survey, the sample and the method of data collection were not. As the authors point out their sample was much smaller, 3,850 compared to about 60,000 for the BLS/Current Population Survey (CPS).

Furthermore, their sample was "a bit younger" and had "considerably higher weekly earnings than the CPS respondents." [12] This latter difference would increase the numbers of independent contractors, on-call workers and those provided by a contract firm due to the high proportion of "management, professional, and related occupations" in these categories (43.4%, 35.6%, and 49.1% respectively according to BLS figures). [13]

The younger age of those surveyed would produce shorter than average job duration. In addition, while the BLS surveys were conducted in February and May, K&K's were done in October and November. K&K argue there is no increase in precarious work during those months. Yet, this is a time of year when employment figures in retail and related industries, much of it temporary, as well as the figures for multiple job holders show consistent increases each year due to holiday season consumption. [14] Finally, it was an online survey which was certain to bias it against the growing mass of lower-income workers in "traditional" jobs. [15]

Given these significant differences in the samples, it seems likely that had K&K used a similar sample in 1995 and 2005 they would have had a similarly and consistently larger result than the BLS/CPS surveys for those years. Consequently, the trend over time would not have seen a big increase in 2015. Comparing the 2005 BLS figures with their own 2015 figures seems invalid on the face of it.

The BLS/CPS comparisons are consistent over time, while K&K's are not. It is this dubious comparison that allows K&K to assert that 95% of all new jobs between 2005 and 2015 were in "alternative work arrangements." Again, they use a different and larger employment total for 2005 than the BLS to get a smaller total increase with which to compare their much larger 2015 figure for "alternative work arrangements."

The BLS/CPS figures show an increase of 656,000 alternative jobs from 2005 to 2017, which would amount to 4.6% of the total increase in employment. Even my higher figure of 895,000 would only be 5.5% of the total growth in employment.

A May 2018 Federal Reserve report on "economic well-being" in 2017 argues that almost a third (31%) of adults engage in "gig work." The Fed survey was done by a private firm and does not appear to be truly random.

This firm used a highly demanding recruitment process for the survey sample. As a result, only 12% of those invited agreed to participate and only half of those (about 12,000) actually filled out the survey. Furthermore, the Fed survey is mainly concerned with income and takes "a broad view of the gig economy" that includes activities not usually
seen as jobs, such as selling things directly or on eBay, participating in a flea market, or renting a room through Airbnb, etc.

Most of these income-producing "gig" activities, it notes, are in addition to, not as an alternative to a regular "traditional" job. [16] So, for example, by this method the tiny income I derived from royalties on an earlier book I wrote while working full-time at Labor Notes or later at Brooklyn College would, by this standard, have made me a part of the "gig economy" had anybody used the terms back then. This, it seems to me, is not a real measure of precarious or alternative or even freelance work. [17]

Finally, Table I shows that the biggest increases in irregular work occurred between 1995 and 2005 before anyone talked of a "gig economy." I believe this was a function of the rapid restructuring of capital in the 1990s.

Timing is important in this respect. It is significant that the first flurry of surveys focused on precarious work came in the 1990s, by which time the decline in U.S. manufacturing jobs was clearly permanent and the movement of displaced workers into lower-paid jobs or out of the labor force was well-established. This was also when the largest wave of mergers and acquisitions (M&As) in U.S. history took off reaching its high point in 2000 and levelling off after that. [18]

The merger movement was accompanied, of course, by significant downsizing and work reorganization. As Cappelli and Keller noted not only the BLS surveys, but all of the Census Bureau's National Employer Surveys of irregular work or income sources, were formulated in the 1990s. The third and most complete of these conducted in 2000 was they argue, "motivated by concerns about the corporate restructuring of the 1990s." [19]

The rising tide of M&As, the re-structuring of supply chains, and other organizational changes produced some increases in irregular work, but the impact appears to have dissipated after 2005. Despite all the restructuring and recurrent crises, the vast majority of jobs remain "traditional" within the framework of capitalist employment relations.

**Big Trends in Working-Class Insecurity**

A major aspect of the post-1980 restructuring and recurrent crises of U.S. capitalism was the accelerated decline in the rate of labor force participation of males, from 75.1% in 1994 to 69.0% in 2014, while that of women declined only slightly from 58.8% to 57.0% over that period. The "mystery" of slumping participation rates is, therefore, largely a male phenomenon.

Perhaps most significant has been the decline in the major 25-54 "prime-age" male group, who are least likely to retire, be in school, or take on family care responsibilities, from 91.7% to 88.2% over those years, while that of prime-age women fell only slightly from 75.3% to 73.9% over that period. [20]

Furthermore, the 2016 Obama White House report on falling labor force participation of prime-age men found that 83% of those who dropped out had not worked at all in the previous year, up from 73% in 1988. [21] While unemployment rates tend to rise and fall significantly with the ups and downs of the economy, the numbers of men leaving the workforce have increased over time with only minor fluctuations.

The "flows" out of the labor force and those who gave up looking for work tracked by the BLS give us a good idea of this trend. Tables V and VI show that over the years more and more men have left both employment and unemployment to exit the labor force. By the post-recession years of 2010 to 2017, almost three million males were
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leaving the workforce each year on average to join the reserve army of labor despite this being a period of economic "recovery."

This was not primarily a voluntary act for most. Those who have already left but want employment became discouraged in growing numbers, as did those wanting to work and considering themselves "available for work" but have given up seeking employment.

December of each year


Annual average


This continuous increase in the reserve army of labor is not a consequence of a rise in irregular work, which is a form of employment, but above all of the decline since the early 1980s in manufacturing production jobs, where males composed 70% or more of the workforce, and the weakness of recoveries particularly since 2000.

A study by the San Francisco Federal Reserve found that the biggest drops in the prime age 24-54 year demographic (for both men and women) fell not on those in the lower income quartile (25%), but in the two middle income quartiles. Those in the $21,241 to $41,160 second quartile saw a drop of 2.4 percentage points in their participation rate between 2004 and 2013, while those in the third $41,161 to $71,916 quartile saw a 3.2 percentage point decline. [22]

Both of these, but particularly the latter quartile, point to unionized manufacturing workers as a major element in declining participation. This is further supported by a 2016 Brookings study that shows low participation rate among prime-age males in "many small former industrial centers in states like Michigan, Indiana, and Ohio." [23]

As the Obama White House report put it rather tentatively, "a relative decline in labor demand for occupations that are middle-skilled or middle-paying may have begun contributing to the decline in participation in the 1990s." The report goes on to cite other studies to the effect that "the drop in the labor force participation rate for men over the past several decades may be explained by a decline in job opportunities for middle-skilled workers and their reluctance to take jobs in other industries and skill classes."

Conversely, in states where shares of employment "attributable to construction, mining, and to a lesser extent manufacturing are higher, more prime-age men participate in the labor force." [24]
Membership in the reserve army, however, is not a permanent status for many of those who exit the labor force. Each year between 2005 and 2016, for example, an average of about 7% of those "not in the labor force" re-entered the workforce though that percentage declined from a high of 7.8% in 2011 to 6.8% in 2016. [25]

While most appear to have given up on employment for long periods, some permanently, others may have taken "non-traditional" jobs; but most of those who eventually found employment ended up working for lower-wages and fewer benefits in the nearly 90% of jobs that are considered "traditional."

In other words, the structural decline of manufacturing that saw 5.7 million production and nonsupervisory jobs eliminated between 1979 and 2017 [26] is a disproportionately large source of declining participation among men formerly in middle income jobs and, as a consequence, their growing numbers in the reserve army. Nevertheless, the annual flows of male workers out of the labor force are far greater, in size and social consequence, than the modest growth in "non-traditional" or precarious work over the last two decades.

The most significant trend affecting working class people of all ages and genders, however, is the growth of "traditional" low-wage dead-end jobs, mostly within "service" sector employment, and the accompanying relative stagnation of working-class real wages that began as long ago as the 1970s.

As the Economic Policy Institute has shown for the period from 1979 to 2007 those industries that have expanded, mostly services, have consistently paid less than those that have lost jobs, such as manufacturing. [27] The National Employment Law Project estimated that by the end of 2014 42% of U.S. workers made less than $15 an hour, a proportion that would have been higher if figures had included only production and nonsupervisory workers. [28]

Despite some increases since the early 1990s, the average real weekly earnings of all production and nonsupervisory workers remained at $312.18 in early 2018 compared to $315.44 in 1972. [29]

The growth of the low-wage workforce generally has almost certainly been a major factor in heading off any dramatic increase in "alternative work arrangements," as it has become relatively cheaper to employ a low-wage worker directly and over time. In terms of working class experience, it is more the loss of formerly well-paid industrial employment, time in the reserve army of labor, and subsequent employment in lower-paid work than "gig-type" work that defines this era of recurring crises and slower growth.

One expanding sector in which nearly a million workers barely scrape past $15 an hour is in warehousing. [30] Recently, an organizer for Chicago-based Warehouse Workers for Justice pointed out to me that as unemployment has declined and the wages of low-paid warehouse workers have risen somewhat during the long, slow recovery since 2009, the 40% extra that warehouse employers pay a temp agency for workers has become less attractive. This is particularly the case since the average cost of benefits for all non-union service employees, a figure bloated by the inclusion of managers and professionals, was only 29% in March 2018.

As a result, a trend toward more direct employment in warehouses in Chicago's giant logistics cluster has become evident. [31] This gives us a hint as to one reason why the figures on temp work and other forms of precarious employment have not grown faster than they have.

Unfortunately, the transition from warehouse temp to warehouse employee, for all its advantages and at slightly higher wages, still lands you in a low-paid, hazardous, dead end job along with millions of others at least until they organize.
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If capital has produced an era of turbulence, restructuring, displacement, and declining living and working standards, hasn't this transformation also rendered workers' organization more difficult and the exercise of workers' power more problematic?

Capitalism with its recurring changes and reorganization is nothing if not contradictory. Many of the conditions it has created in the last two or three decades, from work intensification to declining real wages, are reasons to rebel, including work in irregular jobs. They are the consequence of capitalism's inevitable reproduction of the struggle over surplus value, conducted in new ways.

Managerial aggressiveness along with the legal and political challenges to such action, however, particularly strong in the United States, often form barriers to such action. At the same time, the very restructuring of capitalism and the manner in which it produces and moves the material wealth of the nation (and the world) have created new vulnerabilities in the system and new avenues for organization and action.

These vulnerabilities are found in irregular job settings from warehousing to building cleaning as well as in "traditional" employment. The consolidation of capital via mergers, its reorganizations, relocations, and outsourcing of production have brought forth the highly vulnerable Just-In-Time Logistics networks that now underlies the whole U.S. economy.

At the key "nodes" and crossroads of these embedded networks are huge geographic concentration of workers, in the tens and even hundreds of thousands, in metropolitan areas such as New York-New Jersey, Los Angeles, Chicago, Memphis, Louisville, Dayton, Dallas-Fort Worth and others.

These "logistics clusters," as they are called, include union and non-union workers in transportation, warehousing, utilities, IT, etc. where the pressures of work are among the most intense in the whole interconnected web of supply (value) chains, production sites, intermodal transportation, ecommerce, etc.

While capital abandoned the huge concentration of manufacturing workers in places like Detroit, Gary or Cleveland, the need to re-concentrate workers to move the vast amounts of goods and materials still produced domestically as well as the growing volume of imports has created new and stronger forms of leverage against capital for the organization of millions engaged in all types of work. [32]

Labor movements don't grow by marginal gains, but in periods of social and working class upheaval like the 1930s for industrial workers or the 1960s and 1970s for public sector workers. They are the result of growing pressures on the workforce and the perception by activists that there are levers of power to be found in the unfolding situation. These upsurges tend to sweep into their path other workers, including those previously thought "unorganizable" by virtue of their turnover or casual employment patterns.

Such upheavals are usually unpredictable. Who would have thought West Virginia teachers with weak unions would have staged a mass strike that Rosa Luxemburg would have appreciated? Or that teachers in similar circumstances in other "red states" would strike in turn?

No one expected thousands of telecom workers at AT&T in the Midwest to follow the teachers' example and stage a six-day wildcat strike, with one of the rank and file leaders noting "It was amazing how fast it spread." [33] Or a video of non-union contract workers going on strike at an Indianapolis UPS site to pull in millions of viewers, with some...
commenting “Yeah, that's what we need to do.” [34]

It's time to look at capitalism's new terrain of struggle and prepare for bigger things to come.

Against the Current

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[7] Mishel, 2018


[13] BLS, 2018, Contingent, Table 8. The smaller category of temporary help service employment, on the other hand, has its largest impact on "production, transportation, and material moving occupations" at 39.2% of those in alternative work arrangements.
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[23] Alan Berube (2016) "Where are the nonworking prime-age men?" The Avenue, Brookings, June 21, 2016, 4, https://www.brookings.edu/blog/the-


[31] Interview with Warehouse Workers for Justice organizers and activists conducted at the Labor Notes conference in Chicago on April 7, 2018; BLS (2018) Employer Costs for Employee CompensationMarch 2018, USDL 18-0944, June 8, 2018, Table 13.
