

Look beyond gig work for greater security

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A report by researchers from the Institute of Policy Studies (IPS) that was published on Monday has found that food-delivery and private-hire vehicle platforms allow people from low-income backgrounds to earn a quick income and much more than what they normally would - but that these workers also run the risk of becoming trapped in poverty and precarity. The IPS researchers said in their working paper that these individuals may also become entrenched in such platform work, even as they see such jobs as a way out of unemployment and helplessness. Given a lack of savings and voluntary Central Provident Fund (CPF) contributions, being stuck in platform work poses additional challenges to future aspirations, such as home ownership.

The IPS report draws attention to the wider implications of the gig economy. Some workers enter it because they cannot find jobs in the mainstream economy. Others do so because of a lifestyle choice that allows them to pick the kind of work they wish to do - often projects that may or may not lead to long-term jobs - and set a price on that work. Some workers engage in gig work in between jobs or larger economic cycles. The coronavirus pandemic, with its work-from-home protocols for example, accelerated demand for food-delivery workers for a considerable time.

The gig economy is a diversified one. What holds true for one set of workers might not apply to another set. However, workers who take on gig jobs out of necessity face a different kind of vulnerability. While they have access to jobs, such work might not pay well enough for them to finance their medical or long-term social security needs through savings or voluntary CPF contributions. Yet some workers are content to earn just enough to see their families through from month to month. It is precisely this short-termism, captured in the term "gig", that is disturbing. All workers, except those for whom gig acts provide dispensable supplementary income, should consider the gig economy as a temporary measure, not a substitute for opportunities that do exist in the mainstream economy.

The authorities are looking at enhancing protection enjoyed by gig workers. Legislative changes have not been ruled out in working towards a fairer and more balanced relationship between such workers and the firms they work for. The objective is to improve the retirement and housing adequacy of such workers, ensure they have enough financial protection such as for work injury, and close the gap in bargaining power between such workers and the platforms they work for. This is welcome. But the gig economy will still be subject to the exigencies of supply and demand. So long as workers gravitate towards it, they will be largely outside the protective ambit of the mainstream one.