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The Gig Economy: Contract Work and its Consequences in the Digital Age

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Abstract

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With the rise of the digital age, the economy has gone through fundamental changes and altered how we view work and employment. The rise of alternative work arrangements and the gig economy has presented new opportunities and challenges for workers and employers alike. Estimates of the independent workforce suggest upwards of 12 million individuals in the United States have foregone traditional employment. The digital gig economy has grown substantially with companies like Uber, Upwork, and Airbnb all offering independent avenues of income for gig workers. In this paper, I explore the existing research on the gig economy, its benefits, consequences, and its expansive development since the COVID-19 pandemic. I then conduct a thorough content analysis of news articles from the ProQuest newspaper database to explore public sentiment and popular media surrounding the 2020 ballot measure Proposition 22 in California and the arguments surrounding its introduction to its passing. Using MaxQDA software I conduct a qualitative analysis of the arguments for and against Proposition 22 and collect quantitative data on the themes of said arguments. I find that proponents of the bill most commonly use arguments related to the continued flexibility of gig work and the maintaining of gig jobs while detractors typically argue against the bill on the grounds of employee benefits and the manipulative practices deployed by gig platforms to support the bill.

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INTRODUCTION

The rise of the digital age has given way to a variety of new work arrangements across wide swaths of the United States economy. In particular, the development of app-based services and remote work has led to the rise of a new economic sector called the “gig economy”. Though not necessarily limited to Internet or app-based work the gig economy has exploded with the popularity of these technologies. Popular platforms such as Uber, Door Dash, or Fiverr fall into this category by offering contract work to non-employee workers who perform various tasks on behalf of the platform itself or through customer requests on said platform. Though there exist many difficulties in accurately measuring participation in the gig economy estimates suggest that up to 24 percent of Americans earned some income from the “digital platform economy” in 2016 (Smith, 2016). Given the explosive pace at which many of these companies and platforms have grown it is not unreasonable to suspect that that number is growing. In fact, during the COVID-19 pandemic, there was a considerable jump in the number of participants in the gig economy according to payment reported on 1099 tax forms with a 3.1 million person increase from 2019-2021 (Garin, 2023). These measures seem to indicate a substantial increase in gig work over the past few years and indicate that this sector of the economy may be here to stay. As more workers reject traditional employment in favor of remote or temporary positions there needs to be a thorough assessment of the benefits and consequences of such a large economic shift.

This literature review will be divided into five sections addressing the following issues: measuring the gig economy, the benefits of gig work, the downsides of gig work, and COVID-19’s impact on the gig economy. One of the primary issues with studying the gig economy is the lack of any clear definition or reliable method of measuring such work. Given the inconsistent nature of many gig worker's income, it is far less likely to be reported on official tax forms or in large surveys such as the US Census or Current Population Survey (CPS) which makes reliable data collection substantially more difficult. Additionally, many gig workers only use gig work as a supplement to their primary stream of income which makes it less likely to be reported or tracked. Furthermore, no consistent definition exists as to what exactly the gig economy includes. Many researchers exclusively include income from digital platforms while excluding traditional contracts or temporary work. This further complicates data collection as these are often reported similarly in tax filings or major community surveys.

The second section concerns the potential benefits the gig economy has for workers, digital platforms, and the economy more broadly. The flexibility of gig work often appeals to mobile and younger workers who are less inclined to settle in one area as well as those who are looking to supplement a traditional stream of income. The lack of a traditional employer-employee relationship also offers much more flexibility for gig platforms which can dramatically reduce overhead by eliminating the benefits and salary obligations of traditional employment arrangements. This contributed to the explosive growth of companies like Uber which have a massive market capitalization without directly employing their drivers. All these factors contribute to the potential economic benefits of this style of work arrangement.

The third section discusses the consequences of such a loosely regulated market. Many lawmakers, workers, and academics have voiced their concerns that gig work has the potential to be highly exploitative as gig workers are not protected by the same legal framework that binds companies and employees in traditional work arrangements. This can lead to a variety of issues from discrimination or harassment to wage theft. Especially with the slow rollout of effective legislative guidelines many gig work platforms are free to implement policies in direct opposition to the well-being of their contractors. Additionally, gig work itself and the stress of inconsistent employment may have substantial health impacts on gig workers themselves in addition to potential financial exploitation.

The fourth section describes the impact of COVID-19 on the popularity of gig work and the related explosion in gig workers. The closure of many businesses and increased reliance on remote work pushed many traditional workers into gig employment to supplement or replace lost income due to the pandemic. Additionally, public pandemic assistance programs made waves in the gig economy by expanding access to unemployment insurance and government assistance for gig workers. This marks a significant departure from previous policy which largely excluded gig workers from unemployment programs and government assistance.

Lastly, I analyzed a sample of news articles surrounding Proposition 22 (Prop 22) which provided gig platforms like Uber and Lyft exemptions from California law which mandated they treat their workers as employees rather than contract workers. This ballot measure appeared to voters as the following:

"A **YES** vote on this measure means: App-based rideshare and delivery companies could hire drivers as independent contractors. Drivers could decide when, where, and how much to work but would not get standard benefits and protections that businesses must provide employees.

A **NO** vote on this measure means: App-based rideshare and delivery companies would have to hire drivers as employees if the courts say that a recent state law makes drivers employees. Drivers would have less choice about when, where, and how much to work but would get standard benefits and protections that businesses must provide employees." (Legislative Analyst's Office, 2020).

Many gig platforms championed this proposition as they claimed it would help them keep gig workers employed in the type of flexible working arrangements gig workers preferred while opponents claimed this allowed gig platforms to shirk responsibility as employers and deny benefits like healthcare and unemployment insurance (Baker, 2021). The content analysis of these articles provides a barometer for public opinion and reporting on the gig economy and how people view gig workers as part of the broader economy.

LITERATURE REVIEW

1. MEASURING THE GIG ECONOMY

Though it is widely accepted that the gig economy represents an increasing portion of the national economy and has experienced rapid growth over the last decade there are still remarkable differences in various measurements of non-employer work. This makes accurate accounting of the size and scale of the gig economy challenging to measure. Despite this, there are some generally accepted ways of gathering data that seem to yield consistent results despite discrepancies between different measures.

Defining the Gig Economy

One of the major difficulties when trying to define the gig economy is what employment arrangement should be counted as part of this sector. Media commentary on the topic typically focuses on digital platform-based work and the “on-demand” model of work where customers are using a platform to request goods or services from a contractor (Abraham et al, 2018). Though this may in and of itself be an appealing definition it is both incomprehensive and difficult to measure. Most reporting and data collection methods are not necessarily designed to discern between work from digital platforms and traditional freelancing or contracting. Consequently, most researchers take a broader approach which typically includes the following requirements: high levels of autonomy, payment per task/product, and a short-term relationship between contractor and employer (Manyika et al, 2016; Abraham et al, 2019). This definition is not limited to digital work and includes more traditional independent contractors and freelancers but is useful for analyzing sources like the CPS or tax filings as these sources have difficulty distinguishing between digital and non-digital work. However, it is important to note that many studies like Manyika et al explicitly exclude “fissured” work (2016). This refers to a common practice in the last decade in which companies looking to downsize or cut costs, outsource, or subcontract work to independent firms or contractors. Despite this fundamental alteration of the worker-employer relationship, the lack of independence and autonomy excludes this kind of work from the gig economy definition.

When conducting independent studies and surveys a narrower operationalization may be more applicable especially when looking specifically at online platform work. Though many of the same problems exist as different platforms offer dramatically different services to a wide variety of customer bases the US Department of Commerce offers a proposed definition for what it calls “digital matching services” (Smith, 2016). This definition requires the use of online platforms to facilitate customer and service providers, a user-based rating system, scheduling flexibility for workers, and the responsibility of workers to provide their equipment or assets (Smith, 2016). This operationalization of the gig economy captures the common perception of the gig economy such as Uber, Upwork, Fiverr, and other popular online peer-to-peer platforms while excluding more traditional forms of independent work. This definition is not as useful when analyzing data sets from institutional surveys or tax filings as it can be far more difficult to differentiate from traditional freelance or contract income, but it is highly relevant when discussing the bloom of technologically driven gig work in the last two decades.

Though these two definitions cover the most relevant cases some niche areas may not fit evenly into either definition. For example, on-call workers may appear to have a flexible schedule and a degree of autonomy over their working hours, but they do not necessarily have the same lack of regulation and contractual stability as other gig workers (Abrahams et al, 2018).

Some online income may also not fall neatly into the gig work definitions listed above. Individuals who rent out their homes and apartments on sites like Airbnb or VRBO or those who engage in the online selling of goods on sites like eBay or Etsy may technically fill the requirements for a gig worker as they have a flexible schedule, engage in peer to peer transactions via digital platforms and are not bound by traditional employment arrangements, however, these sources of income have meaningful differences when compared to work like Uber where work is mediated through a platform to a greater extent (Manyika et al, 2016). Studies on the gig economy must operationalize and outline which components are included in the study analysis such that the data can be appropriately contextualized.

Tax Filings Analysis

There are a variety of methods through which data is gathered on the gig economy but the most common practices in current literature are some analysis of tax filings or a survey of some kind either through institutions like the Census Bureau or smaller individual studies. Tax analysis is a popular method of analysis for the gig economy as the data is publicly available and provides widespread information over a large period without the need to directly collect information. This makes tax filings a rich source of data for the gig economy. Gig workers or contractors do not earn salaries and thus file no W-2 and instead file some form of 1099 as these encompass non-employee tax filings (Abraham et al, 2018). Gig platform companies typically reported annual payments of $600 or more using the 1099-MISC form which is used to report “miscellaneous” income not from a source that would trigger a different tax filing such as a W-2 or 1099-DIV (Garin et al, 2023). However, in 2011 1099-K was released which only requires reporting when there were more than 200 transactions for an individual and with their total payments surpassing

$20,000 per year. Companies began reporting with 1099-Ks instead of 1099-MISC more commonly in 2017 and continue to largely report in this way presently (Garin et al, 2023). Using this administrative data, researchers can provide a more complete picture of the gig economy and fill in gaps in survey-based data collection and it helps provide consistent estimates of the size of the sector over time. For example, using 1099 fillings Jackson, Looney, and Ramnath estimated that in 2014 at least 24.9 million individuals reported operating a nonfarm sole proprietorship with 16.8 million making a net profit (2017). This represents a 34 and 32 percent increase from 2001 levels indicating a substantial increase in non-employer work even before the popularity of digital gig platforms which have accelerated growth in this sector. Although this example is quite old it demonstrates the utility of administrative data analysis and how it can provide insights into changing economic conditions throughout the United States.

Despite its usefulness tax filing data comes with several flaws that can reduce the effectiveness of this research method. One change that dramatically lessened the effectiveness of analyzing 1099s is the “1099-K gap”. As mentioned earlier many gig platforms stitched from using 1099-MISC forms to the 1099-K which has a higher threshold for reporting income as a gig worker or independent contractor (Garin et al, 2023). This change in income reporting led to a substantial gap in individual's reported income and actual participation in the gig economy. Researchers used state income tax filings from Massachusetts and Vermont which maintain state reporting thresholds of $600 in compassion to neighboring states and estimated that nearly 800,000 individuals were not sent a 1099 due to this gap resulting in $323.4 million in unreported income in 2018 (Garin et al, 2023). This demonstrates how changes in the tax filing landscape can have dramatic changes in how income data and economic participation are interpreted.

Survey Data

The other most common method of analyzing the size of the gig economy is using large-scale survey data to ask respondents about their sources of income and the frequency of engagement in gig or temporary work. These surveys can be conducted by any number of organizations with the largest coming from the US Census Bureau or other agencies like the Bureau of Labor Statistics that collect data on economic participation. Based on published non-employer data from the US Census Bureau Abraham et al found an increase from 13 to 15 percent in self-employment from 2004-2016 (2019). Though this seemingly indicates a higher number of non-traditional workers the vast majority of these are Schedule-C sole proprietorships which may include a variety of small businesses that do not necessarily fall into the gig work category.

However, the Community Population Survey (CPS) has included a Contingent Worker Supplement (CWS) designed to collect supplemental information from workers "who do not expect their jobs to last or who reported that their jobs are temporary" (Jackson, Looney, and Ramnath, 2017). This component of the CPS offered more insight into what may be considered the gig economy and was included in the broader survey in 1995, 2001, and 2005 when it was discontinued. However, it was brought back in 2017 and revealed interesting information. The CWS indicated there was a decline in alternative work arrangements between 2005 and 2017 despite administrative data indicating there was substantial growth in this area (Palagashvili, 2023). This is largely due to the structure of the CWS as it specifically asks about the primary source of income for a given household and since most gig workers are supplementing a primary source of income they are largely excluded from this survey. Though these types of surveys can help generate comprehensive data sets on worker's status and participation in certain sectors of the economy the structure and primary focus of the questions are not in line with the work arrangements of the modern economy and often underestimate the population of alternative workers.

In response, many non-government institutions conduct separate surveys to gather more pointed data, especially for online platform work which is typically not independently captured on the CPS or similar surveys. The greater depth and texture of this data are invaluable for a comprehensive outlook on the quantitative qualities of the gig workforce. For example, Pew Research conducted surveys in 2016 that indicated 15 percent of Americans have used some form of ride-sharing platform and a further 11 percent have used a home-sharing service like Airbnb (Smith, 2016). Data also suggests that these forms of work are highly concentrated in urban areas while rural communities have seen little expansion in alternative work arrangements (Kelly, 2020). More recent data from similar surveys indicated that an estimated 16 percent of Americans have earned income through an online gig platform with demographic breakdowns indicating individuals under 30, Hispanic, and with low incomes are overrepresented in this field (Anderson et al, 2021). Anderson et al also show that 68 percent of participants only use gig work as a side job while maintaining a more regular source of income though 58 percent consider this work to be essential or important for meeting basic needs (2021). This data suggests regular employment for a substantial portion of the American population is not sufficient to meet essential needs and thus many turn towards gig jobs as a supplementary source of income. Survey data of this kind helps determine not just the demographic characteristics of the gig economy but also the motivations and concerns of the gig workforce. Though independent surveys have their issues with sampling and response bias they can ask far more pointed questions than can reasonably be expected in surveys of the broader economy like the CPS or American Community Survey (ACS). Thus, a combination of administrative data, government surveys, and independent studies is necessary to create a comprehensive map of the modern economy.

2. BENEFITS OF THE GIG ECONOMY

There are a variety of potential positive effects in both broad economic effects and personal benefits for gig workers. The advent of the gig economy for many represents a revolution in entrepreneurship and technological advancement. Workers can take advantage of flexible working hours and a wide selection of tasks or services to perform according to their needs and skill sets. Furthermore, companies are further refining algorithmic assignment systems to maximize the efficiency of transportation and delivery services (Michael, 2023). It also provides opportunities for traditional workers to reap the benefits of traditional employment while having the opportunity to earn extra income on the side without the need to work a second job. California 1099 data suggests annual taxi-related income grew by $4.5 billion between 2010 and 2018 with more than $3 billion attributable to Uber and Lyft (Michael, 2023). The services on digital marketplaces like Mechanical Turk or Upwork also provide affordable contracting to small businesses that may otherwise be unable to afford to hire a traditional firm or freelancer. The gig economy is undoubtedly a growing sector of the American economy, and it has the potential to successfully revolutionize working habits in the United States. Given the potential upsides to this kind of work, it is understandable to see how so many people are drawn to this kind of employment.

Flexibility

A major selling point for working in non-traditional work arrangements is the flexibility offered by not being a direct employee of a firm. Online platforms emphasize this quality as individuals can participate in most cases regardless of factors like age, location, availability, or skills while setting their schedule. Recent surveys by Anderson et al indicate that 49 percent of gig platform workers cite control over their schedule as a major reason for them participating in this form of work while 35 percent cited wanting to be their boss as a major reason (2021). This indicates that gig work draws in those through the ability to work around a pre-existing schedule. However, this survey also indicates that these reasons are more common for those who view gig work income as less significant financially whereas those who rely on gig platform income typically cite financial reasons for their participation.

Gig workers also seem to have a relatively positive view of their respective platforms with 72 percent reporting they thought how their jobs were assigned was fair and 64 percent viewed their pay as reasonable (Anderson et al, 2021). This data supports the idea that the flexibility and lack of a direct boss/supervisor is a drivers of gig participation. When contrasted with traditional employment gig workers have vastly more freedom and autonomy over their schedule and tasks which can be appealing especially for the younger segments of the workforce. Though gig platforms offer less freedom and scaling capacity relative to solo-entrepreneurship it offers an easy and flexible side job for those desiring supplemental income (Auguste, Roll, and Despard, 2022).

Furthermore, the non-employer relationship offers opportunities for smaller businesses to contract individual workers on demand at a relatively low cost. This can be an invaluable resource for small or growing firms who would otherwise be unable to hire full-time workers or long-term contractors. A survey of Upwork customers, one of the largest freelance marketplaces on the internet, indicated that 80 percent of hiring firms were 10 people or smaller (Oyer, 2020). This suggests that smaller firms benefit immensely from the flexibility of gig workers along with the gig workers themselves and that an on-demand style of work has its place in the modern economy.

Income

Another common reason for engaging in the gig economy is simply the ability to generate income. As discussed previously most gig workers do not rely exclusively on gig work as their sole source of income however, the ability to supplement a traditional income with flexible work instead of a second traditional job can be a large driver of entry into the gig economy. Gig work may also offer a suitable fallback in the case of financial insecurity or the loss of traditional sources of income. An analysis of JP Morgan banking data suggests that gig worker households are commonly middle class and with similar incomes to those households with no gig platform income (Michael, 2023). Data indicates that in 2019 the median income for transportation gig work households was $48,800 and $58,800 for non-transportation gig workers compared to a median income of $54,800 for non-gig work households (Michael, 2023). Despite gig work accounting for only about 10 percent of income in gig worker households, this data indicates that those participating in the gig economy do not necessarily fare worse than their exclusively traditional employment counterparts, and in some cases, they may out-earn exclusively traditional workers. Researchers have also suggested that the ability to earn income on a flexible timetable could help ease older workers into retirement as they could replace traditional employment with gig work as they transitioned into a less active working role (Oyer, 2020).

Despite older gig workers being generally less productive than younger workers they may find the value proposition of some replaced income on a flexible schedule high enough to participate, though research on this subject is limited and no firm conclusions can yet be drawn.

3. CONSEQUENCES OF GIG WORK

Though there are many positives to gig work and non-traditional employment for employers and workers alike, the rise of the gig economy has not gone without substantial criticism from workers, governments, and watchdog groups. Many consider gig work to have a variety of exploitative elements and recognize the shifted burden of risk from the employer to the employee or in this case contractor. This shift of risk is hugely beneficial for corporations like Uber, who no longer bear the costs of training, benefits, workers comp, retirement programs, or healthcare for their drivers. All these factors are typically the responsibility of the employer who through their outsized market influence and capital generally have a dramatic advantage in negotiating employee contacts. In return, they are obligated to provide these benefits to ensure some baseline of mutual benefit and care for employees outside their salary. Gig platforms avoid these requirements through the re-classification of their workers as contractors instead of employees. Many argue this is a misclassification and should be regulated through legislation. This categorization of the gig workforce as independent contractors strips gig workers of many necessary protections that would otherwise be mandatory. Furthermore, research suggests there may be adverse physical and psychological effects to working regularly in the gig economy that may be directly linked to the lack of worker protections in the industry.

Misclassification and Worker Protections

Though independent contractors and self-employment were not uncommon before 2010 the advent of online gig platforms not only popularized this form of employment but also made it the standard business model for many digital platforms as it precluded them from ensuring most traditional labor standards such as a minimum wage, unemployment insurance, workers compensation, healthcare, paid leave, and discrimination protections (Zipperer et al, 2020). Companies like Uber and Lyft argue this arrangement benefits their drivers with its flexibility and ease of access, but these benefits seem to rarely outweigh the potential negative impacts of the lack of employee classification. For example, gig platforms are exempt from ensuring workers make more than minimum wage and a substantial portion never reaches that threshold. Survey data indicates that 14 percent of gig workers do not earn pay surpassing the federal minimum wage of $7.25 an hour while 29 percent never earn more than their state's respective minimum wage ($9.25 per hour in Georgia for example) (Zipperer et al, 2020). Despite offering relative “freedom” in their pitch to potential contractors many gig platforms fail to inform their workers on the likelihood that their earnings may be substantially lower than minimum wage.

Furthermore, gig workers as independent contractors or freelancers are not protected by anti-discrimination laws designed to provide recourse for employees facing discrimination on a variety of grounds. Independent workers are largely forced to remedy these situations through private tort actions against individual perpetrators or an Equal Opportunity Commission enforcement action against a firm (Provenzano, 2023). These remedies are typically costly and often end without substantial compensation to the victim. This is especially concerning for many gig workers who face harassment and potential discrimination regularly. Survey data indicates that 37 percent of gig workers sometimes or often felt they were treated rudely, 35 percent often or sometimes felt unsafe, and 19 percent often or sometimes experienced unwanted sexual advances (Anderson et al, 2021). This data represents an alarming trend of harassment of gig workers especially in the transport and delivery sectors who have little legal recourse against these activities and are not protected by their respective platforms.

Despite the variety of issues regarding gig worker classification both gig workers and the border public largely agree with their classification as independent contractors with only 35 percent of all adults believing on-demand ride-hailing services should be regulated similarly to traditional taxis (Smith, 2016). More recent data seems to support this idea with 62 percent of adults viewing ride-hailing drivers as appropriately categorized as independent contractors, though only 38 percent believe these workers have adequate protection against mistreatment by their platforms despite most not wanting more government regulation of the sector (Anderson et al, 2021). This data seems to indicate that the American public has conflicting ideas about the fairness and protections owed to gig workers. This is likely due to both the general lack of knowledge on the topic and heavy advertising and lobbying efforts on behalf of digital work platforms to discourage further regulation.

Income and Financial Security

Despite some cases in which gig workers appear to be relatively successful data from a variety of sources suggests gig workers have higher proportions of financial instability relative to the traditional working population. Surveys of gig workers indicate that on a monthly basis, gig workers are more likely than their traditionally employed counterparts to go hungry due to financial difficulty, skip bill payments, and are twice as likely to use the Supplemental Nutrition Assistance Program (SNAP) to afford food (Zipperer et al, 2020). Similarly, Auguste, Roll, and

Despard examined a variety of demographic and economic factors and how they differ between gig workers and the broader population. Their work shows that gig workers do worse in a variety of economic measures such as being 20 percent more likely to experience food insecurity in the last 3 months and more than twice as likely to have skipped bill payments (Auguste, Roll, and Despard, 2022). This data paints a picture of difficult working conditions and low pay for a job with relatively limited benefits for most workers. The flexibility offered by gig work has limited usefulness when a substantial portion of those workers are unable to afford basic needs and medical care.

This is the direct result of the classification of gig workers as contractors. Since most Americans receive healthcare, minimum wage guarantees, and unemployment insurance through traditional employment gig workers are forced to bear these expenses out of pocket. In the case of services like healthcare non-employer insurance is typically far more expensive and may offer less coverage than insurance through traditional employment. This means gig workers are spending an outsized portion of an already undersized income on expenses that traditional workers have included in their compensation raising the net expense of a gig worker far beyond what they would otherwise expect.

Health Implications of Gig Work

As a consequence of the economic insecurity and working arrangements faced by gig workers, there are a variety of negative physical and psychological consequences for workers in this field. I have discussed previously how the status of contract workers frees corporations from the worker protections that they would normally be legally obligated to provide. The business models of gig platforms are designed to take advantage of these legal classifications to reduce the benefits and protections afforded to workers while thrusting them into hazardous work arrangements to maximize profit. On the worker's end this results in a lack of appropriate safety standards, liability protection, and healthcare not often found in traditional employment due to regulations on employee treatment. Consequently, gig workers are often forced to bear the costs of psychological and physical strain for the benefit of their respective platforms and their customers without sufficient benefits or compensation.

Some aspects of gig workforce workers into situations that heighten their risk of physical injury through a direct consequence of their work or a lack of resources resulting from poor pay and working conditions. Ride-hailing services expose their drivers to a heightened risk of car accidents as a product of their work. Traffic modeling studies indicate that the rise in ride-hailing services offers some benefits in that they offer alternatives for inebriated drivers and may reduce alcohol-related crashes, however, this reduction is likely offset by an increase in traffic congestion, air pollution, and passenger-related disputes (Morrison et al, 2022). Traffic accidents are a leading cause of mortality in the United States and as gig transportation workers work long hours to make up for poor pay, they are more likely to be exposed to traffic incidents. Furthermore, as contractors gig workers do not receive liability protections from the platforms they work for. In traditional employment, employers are legally responsible for torts committed by their workers like delivery drivers or taxis, and disputed costs are resolved through legal action against the corporation (Provenzano, 2023). Contactors are not protected by this legal shield of liability and as a result, are solely responsible for any financial or physical injuries sustained by themselves or passengers. This dramatically shifts the risk of transpiration work as gig workers are liable for injuries to others and have no compensation available for on-the-job injuries to themselves. Furthermore, longitudinal studies of traditional salaried workers compared to “piece rate” (a term used to describe performance-based pay systems often used by gig platforms) workers indicated that overall long-term health outcomes were significantly worse for gig workers and disproportionately affected women, minorities, and low-income individuals (Davis and Hoyt, 2019). This study emphasizes the difficult circumstances under which many gig workers find themselves.

In addition to physical health issues, financial instability, and a precarious employment landscape can lead to a variety of negative psychological impacts. The inability to afford necessities and the fear of inconsistent work can have a long-term detrimental effect on gig workers' psychological well-being. Stress is a well-known predictor of poor health outcomes and consistent exposure to high-stress situations like financial instability or customer disputes can contribute to gig worker’s stress. A study by the National Institute of Health (NIH) examined the mental health and life satisfaction of temporary workers compared to full-time, part-time, and unemployed individuals and found substantial mental health advantages for traditionally employed (both part and full-time) over gig workers and unemployed workers (Wang, Li, and Coutts, 2022). They found that gig workers did have significant mental health advantages over unemployed individuals it was still well behind the life satisfaction and mental health ratings of traditionally employed workers. They found that the two primary reasons for this discrepancy were the higher financial instability faced by gig workers and loneliness associated with a lack of workplace social engagement (Wang, Li, and Coutts, 2022). This survey demonstrates the clear negative psychological outcomes associated with non-traditional employment which may require a reassessment of how we deal with public health policy and healthcare providers in the US.

4. COVID-19 AND THE GIG ECONOMY

COVID-19 represented a major disruption to the global economy across virtually every sector of the economy. Much of the US workforce was relegated to working at home or lost their jobs as many brick-and-mortar businesses were forced to shutter. This resulted in a boom in the gig economy's size and significance. Not only did many traditional workers shift towards gig work to supplement or replace lost income throughout the pandemic but the reduction in retail traffic created a much greater demand for online gig services that delivered necessities like groceries to those who were fearful of COVID exposure (Bussewitz and Olson, 2020). Thus, in many instances, the gig worker’s role was transformed from an often-overlooked segment of the economy to essential workers in a matter of weeks. This dramatic reversal in economic significance put a tremendous burden on many already struggling gig workers to support the huge number of people who relied on their services for bare necessities during the pandemic. These changes had widespread impacts on the structure of the gig economy, rates of compensation, and worker safety which may have lasting effects on public perceptions of the gig economy.

Changing Structure of the Gig Economy During COVID-19

The COVID-19 pandemic required a dramatic change in supply chains and employment to minimize the spread of the virus. This led to an especially volatile economic landscape in which many people’s employment was threatened while demand for essential goods and services skyrocketed. As a result, the gig economy experienced changes in both size and structure as demands for particular goods and services fluctuated heavily. Overall estimates of the gig economy during this period using available tax returns suggest a 1.2 million worker increase from 2019 to 2020 with 1 million from the transportation and delivery sectors (Garin et al, 2023). This trend continued a rise in 1.9 million gig workers from 2020 to 2021 with 1.8 million reporting as transportation and delivery workers (Garin et al, 2023). The rise in gig workers was a product of record-breaking unemployment in the traditional workforce which turned many workers to other avenues for replacement income (Bussewitz and Olson, 2020).

However, despite the enormous influx of gig workers, this period was also an era of record exit from the gig economy. According to 1099 reporting 1.2 million workers employed in the gig economy in 2020 left by 2021 highlighting the enormous volatility of the gig economy in the COVID era (Garin et al, 2023). Workers appear to have looked towards gig work as a fallback when traditional sources of income became restricted or unavailable due to pandemic restrictions and the resulting economic difficulties many businesses faced. It should be noted that these figures likely underestimate the real breadth of the gig economy's changes. Studies suggest a substantial number of gig workers do not file Schedule C/SE or 1099 tax returns in the first place with estimates suggesting only 70 percent filed in 2019 with that number dropping to 60 percent in 2020 (Collins et al, 2019). This undercount is largely due to many gig workers not fulfilling the income threshold to report income due to high expenses and little pay.

Along with dramatic changes in the size of the gig economy, there were also sizable changes in the makeup of gig economy output. The disruption of COVID-19 led to many consumer demand changes which are reflected in the demand for certain sectors of the gig economy. For instance, transportation service platforms like Lyft and Uber reported a 75 to 80 percent decrease in demand for their services in April 2020 compared to the same time in 2019 (Bussewitz and Olson, 2020). Other platforms that relied largely on travel like Airbnb suffered similarly with a 70 percent decline in bookings at the outset of the pandemic though they were able to recover towards the end of the pandemic by appealing to traveler's desires to avoid commercial hotels and lodging (Yohn, 2020; Trentmann, 2021). Not all gig platforms saw a decrease in use during the pandemic, in particular, delivery services filled a pivotal position in the pandemic supply chain by delivering food, medication, and essential products exposing them to increased risk of COVID (Friedland and Balkin, 2022). Instacart, a food/grocery delivery service saw a 300,000-person increase in shoppers just between March and July of 2020 demonstrating the rising demand for at-home delivery services (Bussewitz and Olson, 2020).

On the other end, many online gig platforms catering to whiter-collar or professional work saw increases in use. Companies like Upwork who connect employers to remote contractors saw a 50 percent increase in signups from both workers and employers in 2020 (Bussewitz and Olson). This suggests an increasing willingness to employ contingent workers in an office setting, a trend that is likely to continue after the pandemic era. This idea is supported by a survey of HR leaders across various corporations which indicated up to one-third of companies were actively replacing some portion of their workforce with contingent workers (Baker, 2020). The expansion of gig work into the corporate sector is a relatively new phenomenon and the COVID pandemic appears to have accelerated its use by larger firms. Future research is necessary to determine the permeance of these changes, but it appears gig work is becoming more widespread, and alternative work arrangements are becoming more popular for workers and employers alike.

Financial Insecurity During COVID-19

The pandemic created massive upheaval across the global employment market and caused increasing unemployment and financial insecurity. Like traditional employment, gig workers struggled to maintain their financial well-being throughout the pandemic. Gig workers struggled especially due to the influx of millions of new workers into the gig market during the pandemic which heightened competition and lowered earning potential despite becoming essential workers in many cases (Friedland and Balkin, 2022). This effect is particularly felt in major metropolitan areas where gig workers are concentrated, and the strain of the pandemic was most heavily felt. The UCLA Labor Center conducted surveys of gig contractors in the greater Los Angeles (LA) area and found that 76 percent of gig workers used gig platforms as their primary source of income (Herra et al, 2020). They conducted a detailed analysis of workers' income, schedule, and pandemic-related risks and found that pre-existing issues were exacerbated by the pandemic leading to a substantial decline in income and financial stability. Through their research, Herra et al, found that 49 percent of workers were forced to stop working while of those who continued 70 percent reported their hours were significantly reduced (2020). Furthermore, 66 percent reported a decrease in tip amounts and only 5 percent reported receiving any hazard pay from their respective platforms due to COVID-19 exposure risk (Herra et al, 2020). Though this study represents only a localized analysis of contingent work during the pandemic the trend of financial insecurity was widespread in the gig economy.

Despite many struggles with increased competition and lower compensation during COVID-19 gig workers were not left out of all unemployment assistance programs. In the last few decades, the American benefits system has become increasingly outdated and incompatible with modern working arrangements leading to many workers struggling to afford things like health insurance (Reder, Stewards and Foster, 2019). Traditional employees typically receive benefits like health insurance, unemployment insurance, or retirement savings through some agreement with their employer. Contingent workers are unable to receive such benefits due to their status as contractors making their use by corporations appealing. Many gig platforms are built on the idea that their workers are not technically employees and thus receive none of the benefits or protections associated with that status, saving the platforms money but negatively impacting workers (Reder, Stewards, and Foster).

However, COVID-19 forced federal and state governments to reconcile the growing number of non-traditional workers and the lack of assistance they receive. The Pandemic Unemployment Assistance (PUA) program expanded unemployment insurance to workers who were previously ineligible despite gig workers not contributing to state unemployment insurance funds (Garin et al, 2023). This program was modeled after temporary federal programs like the Disaster Unemployment Assistance (DUA) which were designed for unemployment assistance during natural disasters (Garin et al, 2023) It represented a prospective alternative to the traditional unemployment benefits programs and despite more strict requirements, it provided substantial assistance to struggling workers during the pandemic.

Health Implications for Gig Workers During COVID-19

As discussed by Friedland and Balkin the COVID-19 pandemic thrust many gig workers into frontline roles as pivotal actors in the already disrupted supply chain (2020). This new role came with no new benefits and likely led to a decrease in net compensation while exposing gig workers to infection regularly (Herra et al, 2020). This situation raises ethical questions over the morality of using gig platforms during a pandemic where the customer protects themselves from exposure using gig workers who assume the risk in their stead despite their lack of worker protections. This becomes especially problematic when said workers are in desperate need of financial relief and cannot afford basic needs like rent, food, or insurance (Liu, 2020). During the

COVID pandemic, many workers dropped out of the gig economy to prevent exposure, with surveys indicating 83 percent of those who stopped working during the pandemic cited COVID-19 exposure as a major reason and a further 55 percent cited a lack of regular work in their sector (Herra et al, 2020).

Further exacerbating this problem, gig platforms appear to have responded poorly to the heightened risk of infection for their contractors. Ride-sharing and food delivery services such as Uber, Lyft, and DoorDash informed contractors of basic sanitary advice from the Centers for Disease Control (CDC) but generally offered little meaningful support for their workers (Wulfhorst, 2020). Despite many companies announcing emergency assistance programs to provide PPE or some financial assistance in case of infection, many workers reported limited support at best and felt compelled to keep working despite rising infections (Liu, 2020). A plurality of gig transportation drivers reported they received no PPE from their respective platforms and only 5 percent reported that their own PPE purchases were reimbursed despite being used for work-related purposes (Herra et al, 2020). Instacart delivery drivers conducted a platform-wide strike until adequate safety gear and hazard pay were provided (Bapuji et al, 2020). According to Herra et al, 79 percent of respondents felt their gig platforms did nothing or not enough in their response to COVID. The failures of gig platforms to adequately prepare and protect their workers from infection and the consequences of the pandemic indicate there may be systemic issues in worker's treatment in the gig economy. These corporations benefit substantially from offloading the cost of their business onto individual workers and in the case of pandemic assistance programs the public at large but seem to be unwilling to address employee concerns, especially in times of crisis (Bapuji et al, 2020). This indicates substantial failings and perhaps predatory behavior toward workers even in a pandemic.

Literature Review Summary

In the last decade gig work has become an increasingly popular source of income for many in the United States and across the globe. These jobs are typically characterized by a high degree of worker autonomy, a pay-per-service or per-operation payment system, and a short-term or non-employee relationship between worker and business (Manyika et al, 2016; Abraham et al, 2019). In particular, digital work platforms have become mainstream with platforms like Uber and Upwork growing into massive corporations. These companies are frequently app-based, use algorithmic matching software to connect gig workers and customers, often employ rating features, and rely on workers to provide equipment (Smith, 2016). The gig economy is measured through a variety of methods. Many studies analyze tax returns as gig workers do not report using W-2s and instead use either a 1099-MISC or 1099-K (Abraham et al, 2018). These measures provide a holistic view of the independent workforce though gaps exist in this form of reporting. As companies began to more frequently use 1099-K forms for their contractors many gig workers fell short of the reporting threshold and thus reported no income from gig work on their tax returns (Garin et al, 2023). To get around this undercount surveys of the broader economy are used to estimate the size of the gig economy. This helps to gather more specific demographic data on the gig economy like a concentration of low-income and younger workers or its concentration in urban areas (Kelly, 2020; Anderson et al, 2021). Surveys are highly useful in this respect and can provide a more detailed analysis of trends within the gig economy that tax filings cannot supply.

The gig economy provides a variety of economic benefits for workers, consumers, and gig platforms. A major selling point for gig workers is the flexibility offered by temporary work arrangements. Surveys indicate the two most popular reasons for gig work are the ability to set one's schedule and be one's boss (Anderson et al, 2021). Many gig workers do not do gig work as their primary source of income and thus a flexible schedule allows workers to supplement their traditional income without impeding their main source of income (Auguste, Roll, and Despard, 2022). Some researchers argue that gig work can be an easy way to transition from a traditional workplace to retirement without needing to rely exclusively on savings or retirement benefits (Oyer, 2020) type of flexibility is also helpful for employers. Small businesses that may need temporary assistance or specialized work outside of their employee's skillset may turn to contract workers to augment their workforce and flexible scheduling allows them to work around their specific needs and deadlines without onboarding a traditional employee (Oyer, 2020). These factors make gig work an appealing alternative or supplement to traditional employment in the United States and around the world.

However, there are a plethora of negative consequences to gig employment that are often overlooked. The most significant of these downsides is the exclusion of gig workers from most forms of social safety nets and worker protections in the United States. This can be massively beneficial for companies who employ gig workers as they can substantially reduce overhead but often leave workers without unemployment insurance, healthcare, minimum wage guarantees, or discrimination protections (Zipperer et al, 2020). In most cases, contingent workers are forced to bear these costs out of pocket which transfers the risk of business from the platform or employer onto the individual worker who is far less likely to be able to afford it. The lack of discrimination protections also puts a financial and mental burden on gig workers. Without protections via an employer, contingent workers are forced to go through private litigation that is typically prohibitively costly for individuals (Provenzano, 2023). Survey data indicates there is an alarming trend of harassment against gig workers with 35 percent often or sometimes feeling unsafe and 19 percent often or sometimes experiencing unwanted sexual advances (Anderson et al, 2021). This makes gig work a mentally and financially draining avenue of work for many participants even when supplementing traditional work.

The financial and health implications of gig work are well documented and extend past harassment and lack of benefits. According to Zipperer et al, gig workers are more likely than traditional employees to skip bill payments due to financial difficulty (2020). This is corroborated by Auguste, Roll, and Despard, whose research indicates gig workers are 20 percent more likely to experience food insecurity and twice as likely to skip payments on bills (2022). This seems to reveal substantial financial difficulties associated with gig work not found in traditional employment. Along with the significant financial insecurity experienced by many workers, contingent work can lead to substantial health consequences for its participants. Longitudinal studies of gig workers compared to traditional employees show that gig work is associated with poorer long-term health outcomes which disproportionately affect minority groups and low-income groups (Davis and Hoyt, 2019). The stress of gig work also appears to have detrimental psychological effects. A study from the National Institute of Health showed that the heightened financial instability and lack of workplace social engagement experienced by gig workers are predictors of low mental health and life satisfaction ratings (Wang, Li, and Coutts, 2022). The mental and financial risks associated with gig work are exacerbated by the lack of worker protections and social safety net access leading to many negative effects for the gig workforce in exchange for additional job flexibility.

Lastly, the COVID-19 pandemic left a lasting impact on the structure and organization of the gig economy. Like in many other industries, COVID-19 forced many changes for gig workers for better and worse. The pandemic led to massive fluctuations in the size of the gig economy with 3.1 million individuals joining the gig economy from 2019 to 2021 largely driven by the record-breaking unemployment resulting from business closures during the pandemic (Garin et al, 2023; Bussewitz Olson, 2020). Along with the dramatic swell in new gig workers, 1.2 million workers quit gig work in 2020 according to 1099 tax filings (Garin et al, 2023). The COVID pandemic also changed consumer demands and led to changes in the structure of the gig economy. Transportation services like Uber and Lyft, which traditionally dominated the gig market saw up to 80 percent decreases in demand while delivery services like Instacart added hundreds of thousands of shoppers (Bussewitz and Olson, 2020). This demand change reflected the situation many found themselves in during the pandemic, with homebound customers avoiding COVID-19 exposure and discouraged from traveling.

With gig workers delivering essential supplies to many households, they became essential workers in many ways (Friedland and Balkin, 2022). Despite their increased importance in the pandemic supply chain, many face exacerbated financial and health-related hardships. Nearly half of the gig workers reported leaving the gig workforce due to COVID-related concerns and those who stayed faced a dramatic reduction in hours and tips (Herra et al, 2020). Additionally, the lack of benefits leads gig workers to be unable to properly afford things like healthcare during an era of a health crisis (Reder, Stewards, and Foster, 2019). Gig workers faced heightened exposure to COVID-19, yet many felt their respective platforms did little to assist them. Instacart drivers went on strike due to a lack of hazard pay and safety equipment (Bapuji et al, 2020). A survey by Herra et al revealed that nearly 80 percent of gig workers felt their platforms responded inadequately to COVID-19. The pandemic led to a tremendous re-arrangement of the gig economy and saw a mass expression of discontent within the gig economy as workers felt undervalued and unprotected during a time when they provided essential services at great personal cost.

Data and Methods

To select an appropriate sample of articles I employed the ProQuest newspaper database to collect content. I used the search terms Prop 22 or Proposition 22 and California to narrow my search to articles discussing the Prop 22 ballot initiative in California. I limited my search from January 2019 to November 2020 to only include the period from which the bill was introduced to the time the bill passed successfully in the California legislature. This allowed me to sample articles that would have expressed arguments for or against the bill in question leading up to its passing thus gauging public opinion and popular sentiment at the time. The query resulted in 181 results after excluding duplicates. I then took a randomly selected sample of 50 articles using a random number generator as my starting point and a sampling interval equal to the total number of articles divided by 50 and rounded to the nearest whole number resulting in a sampling interval of 4. After sampling, I excluded any irrelevant or erroneously included articles and was left with a sample size of 40 articles discussing Prop 22. I then employed a qualitative analysis software, MaxQDA, to code the arguments made in these articles and identify the portions of the text that reflected those arguments. This allowed for quantitative and qualitative data extracted from each article which was then categorized according to argument.

Coding Arguments in Support of Proposition 22

These arguments were coded as supporting Prop 22 according to the number of times articles mentioned reasons for supporting the bill or positive outcomes associated with the bill's passage. Repeated arguments or multiple arguments from a single article were included as these lent more weight to the author's argument and demonstrated the significance of concerns in the writer’s eye. These are further coded into types of argument such that they can be analyzed with respect to their quantity.

Coding Arguments Against Proposition 22

These arguments were coded according to the author's mention of reasons to oppose Prop 22 or the associated negative outcomes of the bill's passing. Repeated arguments are again included as individual arguments as they lend heavier importance to those arguments in the perception of the author. These are then coded further into the category of argument against Prop 22 such that the weight can be assessed quantitatively.

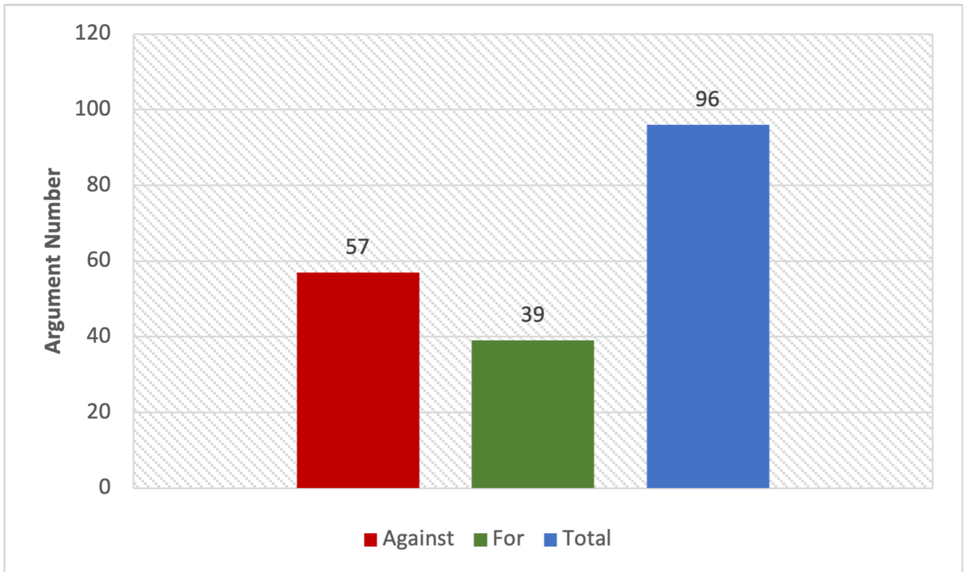
FINDINGS

Prior research into the concerns of gig workers and their respective platforms found a variety of pressing issues and interests. Corporations and the gig workers who provide services on their behalf can have conflicting or oppositional goals which is born out in my findings. For example, many gig workers cite their desire for flexibility as a major reason for their entrance into gig work however this comes at the cost of regular worker protections that traditional employment offers (Abraham et al, 2021; Zipperer et al, 2020). Proposition 22 would provide those protections yet may force gig platforms to eliminate the flexible contractor arrangement gig workers prefer. This give-and-take dynamic is represented across a variety of arguments both for and against Prop 22. My findings suggest that despite the passage of Prop 22 in California there was more substantial opposition to its passing represented in public media than arguments in support of its passing.

Overall Support and Opposition

Through the analysis of 40 articles, I identified 96 distinct arguments that reasoned for or against Prop 22. These did not include simple statements of fact or neutral observations about the bill and only included statements that made some argument or value statement about the benefits or consequences of the bill.

Fig. 1 Overall Arguments on Proposition 22

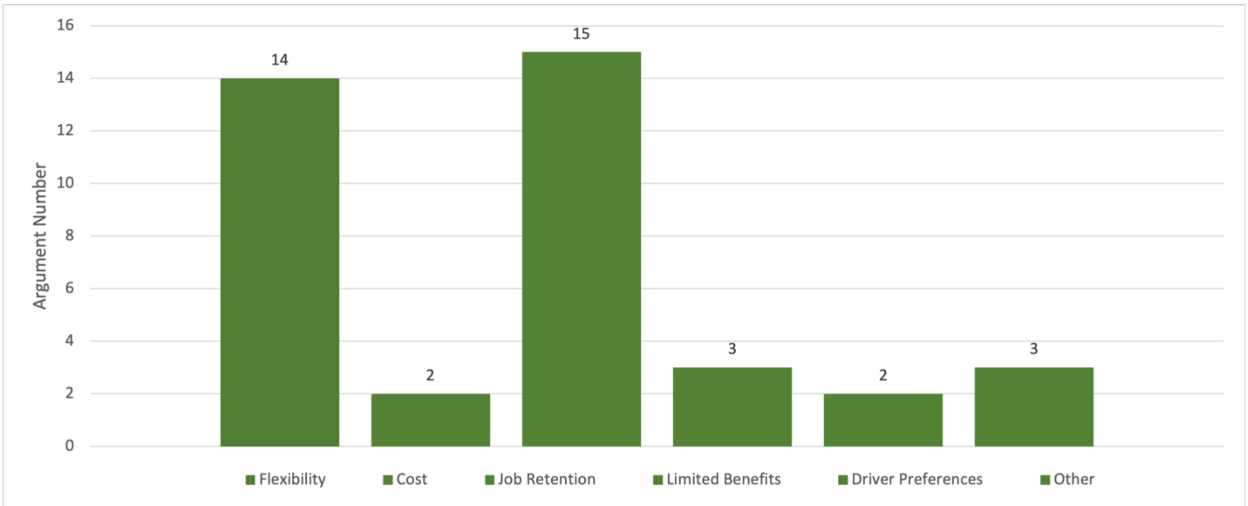


As seen above the data indicates there are more arguments made opposing Prop 22 in the sample than those opposing the bill. This may reflect a preference in the public eye opposing Prop 22 although there is still sizeable opposition represented in the sample suggesting a relatively close split in the presentation of the bill in news media.

Arguments Supporting Proposition 22

As shown in Figure 2 there is a relatively even split between the two most common arguments supporting Prop 22 with flexibility and job retention cited as the two major reasons to support the bill.

Fig. 2 Arguments in Support



The argument of flexibility suggests the status of gig workers should remain as contractors instead of employees as this would maintain the flexible working relationship which is the primary draw of gig work. Should Prop 22 not be passed, gig platforms may be forced to enforce a stricter scheduling arrangement minimizing the primary benefit of gig work. Below are listed some examples of arguments following this premise:

> "Drivers and delivery people will get what so many of you have been asking for access to benefits and protections, while maintaining the flexibility and independence you want and deserve," Uber chief executive Dara Khosrowshahi wrote in a message to the state's drivers. [1]

> "Tonight's victory indicates this solution was preferred by a majority of drivers, customers, and voters, and a model for preserving the flexibility app-based rideshare and

[1] Lee, Dave. (2020). *Gig green light Uber and Lyft buoyant after ballot win on treating drivers as contractors.* Financial Times.

> delivery drivers need and want while providing historic new benefits the rest of the country should follow," the Yes on 22 campaign said.[2]

The argument for job retention follows a similar line of thinking where if Prop 22 is not passed and gig workers are re-classified as employees there would be a major upheaval in the types of benefits and obligations gig platforms would need to provide. Even gig workers who do not use digital platforms like freelance journalists may be threatened if the bill is not passed. Proponents of Prop 22 say that passing the bill would allow gig workers to remain in the workforce thus maintaining hundreds of thousands of jobs.

> Uber, Lyft, and others insisted the requirements of AB 5 would take away the ability of their drivers to create their own schedules and raise business operating costs so much that they'd be forced to lay off current drivers and pass higher costs along to customers. Prop. 22, they asserted, would protect their business model while still providing more protections to workers.[3]

> The timing could not have been worse, coinciding as it did with the economic impact of COVID-19. Freelance journalists and writers found their livelihoods imperiled as the law restricted them to writing no more than 35 pieces of work a year for a single client, at which point the client was meant to offer them work as employees.[4]

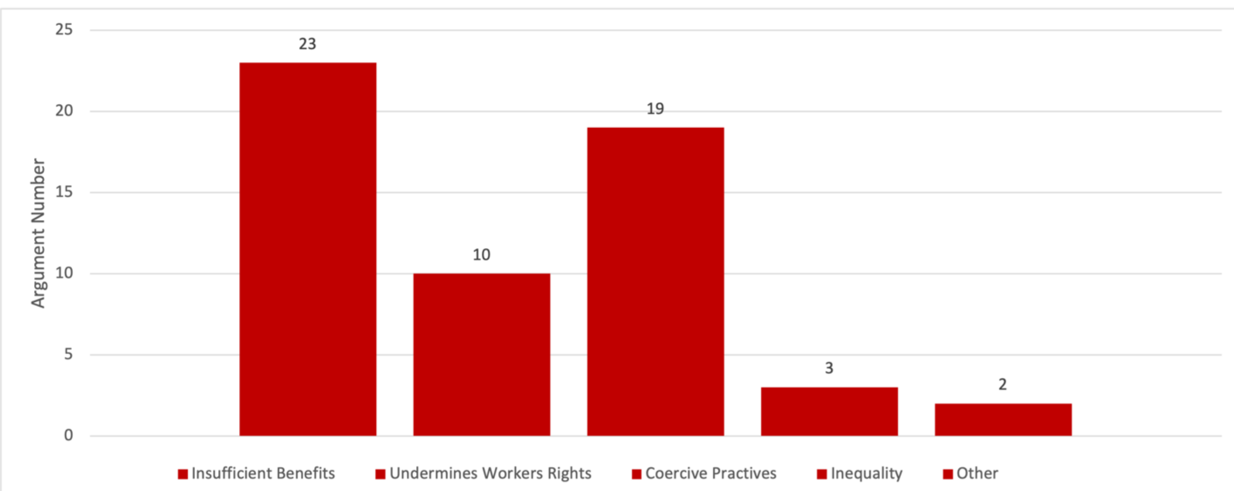
[2,3] Graf, Carly. (2020). *S.F. defies state trend, with 58 percent of voters opposing Prop. 22*. San Francisco Examiner
[4] Sloan, Judith. (2020). *GOLDEN STATE MIGHT BE BLUE AND GREEN, BUT IT HAS A CONSERVATIVE SHEEN.* The Australian.

Other than these two primary arguments proponents of the bill also suggest factors like the cost of providing benefits would be great enough to prevent gig platforms from operating all together as the costs of providing benefits would be too great. Furthermore, Prop 22 does offer some limited access to benefits for gig workers such as healthcare, though they are administered through a state apparatus and not directly through the company. Proponents argue that this would satisfy the demands for greater protections while letting gig workers remain as independent contractors as they prefer.

Arguments Against Prop 22

As with the arguments in support of Prop 22, the detractor's arguments fall mostly into two categories as shown in Figure 3.

Figure 3



The primary argument against Prop 22 is the elimination of basic worker protections that California law was intended to protect. This includes discrimination protection, healthcare, unemployment insurance, and minimum wage obligations. This argument echoes some of the most common complaints from gig workers as discussed throughout the literature review and suggests there is discontent with the working conditions faced by those in the gig economy, especially during the COVID-19 pandemic during which this bill was introduced. Some examples of these arguments are as follows:

> Prop 22 permits companies to continue treating app-based rideshare and delivery drivers as independent contractors rather than employees, effectively stripping them of a range of employee protections and benefits.[5]

> “Prop 22 is great for employers, but it’s a huge loss for workers,” said Robert Reich, a University of California, Berkeley, professor of public policy and former U.S. secretary of labor. “This will encourage other companies to reclassify their workforce as independent contractors, and once they do, over a century of labor protections vanishes overnight.” [6]

The second most common argument against the implementation of Prop 22 comes because of perceived coercive and manipulative practices employed by gig platforms to encourage voters to support Prop 22. After the introduction of the bill, gig platforms spent more than $200 million on campaigning for its passage, and companies like Uber leveraged their platform to propagandize

[5] Human Rights Watch. (2020). *World: Joint statement: Passage of California's Prop 22 is a devastating blow to the rights of app-based Workers.* Asia News Monitor.
[6] Besinger, Greg. (2020). *Other States Should Worry About What Happened in California.* New York Times.

their workers by sending mass push notifications and prompts to drivers and users occasionally using misleading statistics to support Prop 22. This resulted in substantial backlash leading to many arguments against the bill because its support is not genuine.

> "My heart is heavy," said Cherri Murphy, a rideshare driver from Gig Workers Rising, in a video response posted on Twitter. "These corporations spent over $200m on corporate misinformation, deceptive campaign to rig our democratic process and to continue their exploitation of working people. It is a blasphemy and a sin." [7]

> Labor organizations that had opposed Prop 22 reiterated their view that Uber, Lyft, and others were exploiting workers. "Gig workers did not lose today, democracy did," a spokesman for campaign group Gig Workers Rising said. "When corporations spend hundreds of millions of dollars to write their own labor laws ... that is a loss for our system of government and working people." [8]

Other arguments against Prop 22 include the general erosion of worker rights. As the economy becomes more influenced by gig work many fear that worker protections such as the right to unionize and minimum wage guarantees may be gradually reduced due to the gig economy's influence. Detractors of the bill also argue it increased income and racial inequality by preventing a field of low-income and disproportionately minority workers from accessing the

[7] Lee, Dave. (2020). *California puts gig groups in driver's seat on labour law: Technology. Freelance economy Vote to allow continued denial of employee status paves way for similar moves across US.* Financial Times

[8] Lee, Dave. (2020). *Gig green light Uber and Lyft buoyant after ballot win on treating drivers as contractors.* Financial Times.

benefits and rights other workers are afforded thus exacerbating existing inequity in the economy.

One intriguing aspect of the arguments against Prop 22 was the arguments included in the “other” category. Though only 3 fall arguments fall into this category they offer an interesting perspective into a corporation’s influence on legislative processes. They argue Prop 22 should be opposed because the bill mandates that the state provides legal defense for challenges or lawsuits related to the bill and that it cannot be changed without more than ¾ of the state legislature. These arguments suggest this is fundamentally undemocratic and thus should be opposed on principle rather than the bill's efficacy or effects.

> In a role reversal, Proposition 22 requires state officials to defend the measure against any legal challenges. If they don't, the state must pay independent lawyers to fight for it. Some legal experts are concerned the initiative may serve as a model for other companies looking for a way out of paying for employee benefits, which in turn threatens to starve the public treasury of payroll and income tax revenue.[9]

> One especially odious aspect of Proposition 22 is the language that makes it virtually impossible for lawmakers to make changes down the road. The measure provides that 87.5% of both the state Senate and Assembly must agree to proposed changes, and they can only be approved if they are consistent with Proposition 22 and its purpose.[10]

[9] Wilkens, Joel., Mulvaney, Erin. (2020). *Uber, Lyft win contractor status for drivers; Labour; Ballot measure approved by California voters.* National Post

[10] Desert Sun Editorial Board. (2020). *Vote 'yes' on Prop 22 to aid drivers, signal strong rebuke of chaotic AB 5.* The Desert Sun

DISCUSSION AND CONCLUSION

Existing research supports the idea of the explosive rise in gig work in the United States as flexibility and the decoupling of work and geographic location becomes more valuable to workers however, this often comes at a hefty price with gig workers unable to afford basic needs and lacking the substantial worker's protections offered by traditional employment (Abraham et al, 2019; Anderson et al, 2021; Manyika et al, 2016; Zipperer et al, 2020). Prior work supports the failure of many gig platforms or employers to adequately support their workforce leading to a plethora of health and financial issues. The gig economy also lacks adequate discrimination protections as contractors are not afforded the same legal protections against their company and are forced into costly private legal battles should they pursue compensation (Provenzano, 2023). These factors make gig work a difficult past, especially for those working in this sector full time. Despite public opinion largely agreeing with gig workers' classification as contractors the rise in gig work represents an alarming trend (Anderson et al, 2021). As more jobs shift away from traditional employment the system of benefits and protections associated with traditional employment will cover fewer and fewer workers forcing many to rely on public social safety nets just to maintain a stable living. Without a legislative solution decoupling things like healthcare and unemployment insurance from traditional employment we may see the rise of a type of on-demand serfdom supported to some degree by public funds. On the other hand, many argue that the reclassification of gig workers as employees would decimate the gig economy leading to massive job loss and a reduction in available income especially for low-income households who may rely on gig work to supplement traditional employment (Auguste, Roll, and Despard, 2022).

My research largely supports existing literature suggesting the major complaints against gig platforms are the lack of benefits and support of basic workers' rights. However, in the case of California's Prop 22 these complaints, though numerous appear to have insufficient impact on voting behavior allowing the bill to pass as a ballot measure. Interestingly, the next largest form of opposition came as a response to the lobbying practices of gig employers in the state. Major companies like Uber and Lyft invested hundreds of millions of dollars into the pro-Prop 22 campaign and appear to have reaped the benefit of their investment. Not only did they spend heavily on advertising and lobbying the legislature, but they leveraged their power as platforms to propagandize their drivers into supporting the bill. This raises ethical questions over the appropriate use of corporate influence and paints a disturbing picture of the future of digital work. If the gig economy grows to encompass more and more traditional work roles, we may see an era of mass propagandization against worker's rights coming from the platforms many rely on for work. With the lax anti-monopoly attitude often taken by state and federal governments, this has the potential to become a terrifying reality for the modern workforce.

Even more stunning is the influence major platforms had over the legislation itself. Though uncommonly cited, my research showed that advocates against Prop 22 were concerned with the language of the bill itself. The proposition required California's state government to defend any legal challenges to the bill with public funds while requiring 87 percent of the state legislature to repeal or amend the law. This ensures the law's practical permeance and restricts any future efforts to help gig workers in the state. Should this process be repeated in other states or on the federal level it would ensure a near-permanent class of on-demand service workers with little protection from exploitation or abuse. This corporate influence may be the reason for the bill's passing despite a majority of popular media arguing against the bill.

Future research is needed in a variety of areas for the gig economy as there are many difficulties in gathering usable data for this sector of the economy. Studies on the undercounting of gig workers due to the 1099-K reporting gap would be helpful in adequately assessing the size of the gig economy and adjustments to the CPS and Census would be massively helpful in addressing how often people engage in contingent work outside of their main source of income. This would be especially helpful in studying the gig economy and its growth after the COVID-19 pandemic which, like in many industries, led to major changes in the composition and popularity of the gig economy. However, I believe the most interesting avenue of new research would address the influence of gig platforms in the legislative process and the use of their platforms to sway their contactor's opinions. Prop 22 demonstrated the unique power of gig platforms to influence the behavior of their workers and I believe this presents intriguing ethical and legal questions on how we allow corporations to influence our behavior, especially given the propensity for digital news and social media as avenues for information gathering.

This topic represents an interesting evolution of the modern workforce and may set the stage for the next few decades of work. As people move towards remote work and desire more flexible work arrangements it becomes more important that we address the lack of financial security these types of jobs offer. I hope to see some form of comprehensive legislation on a federal level to provide some guarantees and security for this growing sector of the economy. Additionally, I would like to see some limits or consequences for corporations that misuse their financial power and digital networks to misinform or maliciously influence the public. Accountability and security are necessary for the well-being of workers, especially in this era of economic upheaval.

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