Fourth Study Commission, IAJ

The Digital Revolution Impact on the Labor Market: Platform / Gig Economy and Artificial Intelligence

Summary and Conclusions:

Platform / Gig Economy

—The gig economy generally includes short-term, freelance and independent contractor positions. The term "gig" comes from the music world, signifying a job that is short-term or last just a certain time. Most countries have a gig economy, especially in the areas of ride share, food delivery, personal services, and software. Although we view the gig economy as having emerged alongside the development of the internet, in fact the notion of a temporary and freelance job has long existed.

—A key issue with respect to the gig economy is the protection of the worker. Protections are often tied to how the worker is classified. If the classification is as an employee, traditional protections are available. If, on the other hand, a worker is classified as an independent contractor or as self-employed, employee protections are generally not available. Classification can be a complicated matter, with courts often employing multi-factor tests. Many countries have a presumption that the worker is to be treated as an employee. For the future, the question to be considered is whether there should be a third category that falls between employee and independent contractor. This category could offer, at least, minimum employee protections in terms of social security and insurance benefits.

Artificial Intelligence

—The impact of AI on the labor market will vary by country and region and may be affected by factors such as investment in education, job market mobility, social safety nets, strength of trade/labor unions, the proportion of high-skilled workers, and effective enforcement mechanisms.

—Challenges of AI for the labor market include loss of trust in information, unequal access, algorithmic bias, and discrimination. One means to address these

concerns is to increase transparency both in the use of AI and also the underlying algorithms and protocols.

—Of major concern are displacement and disempowerment of workers, including job loss, wage discrimination, data privacy invasion, monitoring and surveillance of employees, reduced autonomy, exacerbated inequality, and the risk of intellectual property infringement.

—Certain workers, such as those in creative fields, are particularly at risk for AI undermining their trade.

—Despite AI being a product of an algorithm, we underscore the importance of the human contribution. The individual worker and the significance of intellectual and creative input should be factored into any AI policies. We recognize that there are emerging international protocols regarding AI and that individual countries are also enacting AI protocols and protections. To date, there are few court decisions, although early decisions focus both on worker protections and intellectual property protection. These gaps and disparities underscore the need for harmonization and collaboration among regulators.

Topic for 2025:

The Impact of Non-Competition and Loyalty/Confidentiality Rules in a Global Economy: How are noncompetition and loyalty/confidentiality rules applied when an employee changes firms? What is the legality of contractual dispositions limiting competition, whether territorial, length of time, or scope of work? What is the practicality of these agreements and restrictions in a global economy?

M. Margaret McKeown, President
Paulo Dornelles, Vice President
Denis Jacques, Vice President
Cynthia Rufe, Vice President
Metta Lyster Knudsen, Vice President