

The effects of the COVID-19 crisis on the gig economy and zero hour contracts

Benjamin Duke (13th April 2020)

Abstract

In most Western liberal democracies, state economic responses to COVID-19 have done little to protect the incomes of self-employed individuals. The COVID-19 global pandemic has helped provide renewed focus upon the social need, for a minimum income guarantee indemnified by the state. The UK Government's response highlights how large corporations and the financial institutions were prioritised first, followed by established profitable businesses with three years accounts. Self-employed people working in the gig economy, alongside others managing zero hour contracts, finding themselves at the back of the queue. Such people have been largely abandoned by the state, being left to their own devices, having to fend for themselves. Employed people who qualified for 'furlough' schemes found they had little bargaining power, having to take what they were given. Employment Tribunals were largely unable to sit. COVID-19 has provided an impetus for changing solidarity and collective action, providing a foothold for multidisciplinary worker cooperatives movements. COVID-19 will herald fundamental changes in the employment and welfare landscape of many countries globally. Large employers will no longer accept responsibility to provide for as many salaried workers as present. The state's pivotal role of being the guarantor of last resort has become ever more critical.

Keywords:

COVID-19; gig economy; collective action; zero hour contracts; social movements;

Introduction

The COVID-19 global pandemic has had a profound effect upon the social and economic wellbeing of millions of people the world over (International Crisis Group, 24 March 2020, p8; OECD, 2020). The paper discusses the United Kingdom's (UK) government's response to the COVID-19 crisis, through a critical lens of UK social movement and collective action. The paper focusses upon various responses by social movements, to protect employment and welfare rights in the UK (Unison, 2019, p28). The COVID-19 crisis has underscored the societal danger of zero hour contracts, highlighting why a minimum income guarantee is required (HRW, 2020; IMF, 2020). The paper also discusses the rebirth of the mutual aid social movement, delivered by local volunteers at the micro level (Blagburn, Change Incorporated, 26 March 2020). It is clear that COVID-19 will present overhanging societal challenges after the

crisis has receded. The effects of COVID-19 on the UK's social welfare and economic landscape can be described as a contemporary form of interregnum. The societal challenges are manifest as '...morbid phenomena of the most varied kind coming to pass' (Gramsci, 'Prison Notebook 3', 2011, [orig. 1930], p33).

COVID-19: mutual aid social movement reborn

Draconian measures have been introduced by the UK government's lockdown response to the COVID-19 pandemic, closing many work opportunities. As a result people who were working in the gig economy and/or on zero hour contracts, have seen their incomes dramatically reduced (ILO(a), 2020, p14). People in such insecure precarious work, often didn't qualify for any of the state's choice of economic tools, e.g. the 'furlough' scheme¹ (Bogg and Ford, UK Labour Law, 23 March 2020). Many of these people fell through the social protection cracks, finding themselves unable to pay for essentials e.g. accommodation, heating and food (National Code, 6 April 2020; Citizens Advice, June 2018). Bogg and Ford (March 2020) alert us to another concern which may affect furloughed workers. They argue that recent changes in employment legislation in response to the COVID-19 crisis, may enable employers to reduce the rights of salaried workers. The strain on people's social welfare and economic wellbeing has been reinforced by the UK Judiciary. By Presidential Direction we have been informed that in-person Employment Tribunals were suspended from 23 March 2020 (Brodies Law Practice, 7 April 2020). In addition Employment Appeal Tribunal Hearings were not scheduled to recommence until 16 April 2020 (The Honorary Mr Justice Choudhury, 9 April 2020).

The COVID-19 crisis lengthened from a few weeks to several in the UK, providing a hotbed from where the mutual aid social movement was reborn (Ashford, The Week, 24 March 2020). There were many vulnerable people under the age of 70 not living in a care or nursing home, who found themselves really struggling to live. The state COVID-19 lockdown, necessitated the need for local community support groups at the micro level, to perform basic tasks for people (Volunteer Edinburgh, 10 April 2020). Mutual aid groups were vital in collecting people's medical prescriptions, their shopping and keeping claimant's welfare benefit entitlements in payment. The hitherto small incidence of period poverty became more prolific, when advice was given leading to an increase in welfare claims for this purpose (Macartney, The Combination, 17 March 2020). COVID-19 saw an escalation in telephone befriending by mutual aid volunteer groups, required as more people became socially isolated due to the lockdown. Here collective action delivered a sense of wellbeing in pragmatic terms, providing a social glue acting to cement community bonds. Peter Kropotkin (1842-1921) was a decentralising community activist, with a vision of a social

¹ This UK Labour Law article is a blog which critically analyses various benefits and limitations of the UK Government's 'furlough' scheme announced 20 March 2020.

landscape of worker cooperatives and self-governing voluntary associations. Kropotkin's (1902) work *Mutual Aid – A Factor of Evolution*, describes how mutual aid can metamorphose into a social movement taking collective action to protect communities. The COVID-19 crisis can be described as an exogenous shock requiring a societal response at the macro and micro community level. The quote from *Mutual Aid* below encapsulates the social movement, which embodies collective action in the face of adversity when responding to a crisis. The presence of social glue, is indicated by the implied reference to the necessity of bonds being reconnected. The emphasis on collective action, in shaping both the purpose and direction of mutual aid in building for the future, is perhaps more nuanced. Kropotkin (1902) clearly indicates there must be mutual aid for communities afterwards, from the state's response to an exogenous shock. For our purposes, shock is contemporised as the COVID-19 crisis.

...these bonds are at once reconstituted notwithstanding the difficulties, political, economic and social, which are many, and in such forms as to best answer to the requirements of production. They indicate in which direction and in which form further progress must be expected (Kropotkin, 1902, p135).

COVID-19: societal rejection of zero hour contracts

COVID-19 has delivered a new normal. Previously united workers found themselves on opposite sides of the food supply divide. On the one hand, people who worked in pub, clubs and restaurants, were unable to work. Whilst on the other hand, agricultural workers fruit and vegetable pickers, or piece workers in food production factories remained in situ.

It is clearly essential for workers in the health and social care sector to keep working. (The sporadic availability of PPE (personal protective equipment) clothing in some regions, providing an ongoing acute concern) (Hugh Pym, BBC News, 11 April 2020). There has been widespread political recognition that all such staff are underpaid. Zero hour contracts in areas of societal importance e.g. the health and social care sector are seen to be unsafe. The COVID-19 crisis helped increase recognition that support workers and cleaners, are equally as valuable in our society as other workers.

There have been changing solidarities as new stakeholders have developed. Unusual alliances have formed e.g. food suppliers for conferences and one off events, found themselves in the same boat as make-up artists and hairdressers. Piece workers in the textile industry or wedding sector were similarly aligned, being self-employed individuals working in the gig economy. COVID-19 reignited the formation of multidisciplinary worker alliances and cooperatives² (ILO(b), 30 March 2020, p2).

² This is an ILO template for Employer and Business Membership Organisations (EBMO). EBMOs fill this template in to demonstrate support of the ILO's statement and response to the COVID-19 crisis.

Self-employed people in media and marketing sector, formed action groups with piece workers from the carpentry and metalworker sectors. These multidisciplinary action groups have been able to lobby governments for unemployment support, manifest as disbursement of non-returnable grants and cheap loans during COVID-19. Worker action groups, cooperatives and alliances which pre-COVID-19 didn't exist, have coordinated collective action digitally on social network platforms, promoting campaign messages.

Conclusions

An unintended consequence of COVID-19 crisis, is that it paved the way to help forge various multidisciplinary worker cooperatives in the UK. Collective action from social movement alliances, which would have been considered virtually unthinkable during the pre-COVID-19 crisis period took place. Another possible outcome of COVID-19, is that a national unity government, agreeing to work together collaboratively on some key issues could be formed. Given how the vast majority of UK population pulled together during the COVID-19 crisis; another outcome could be, UK Brexit proceeds as intended, but with the same employment and welfare rights which apply at present, being retained by people after the UK leaves the EU.

These realistic possibilities demonstrate; social movements, people coming together for a common cause then taking agreed collective action will continue apace, after the COVID-19 global pandemic has faded.

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About the author

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