

Forum: Economic and Social Council

Issue: Addressing the Viability of Extending Labor Protections and Social Security to Gig Workers and Informal Workers

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Position: President, Deputy President

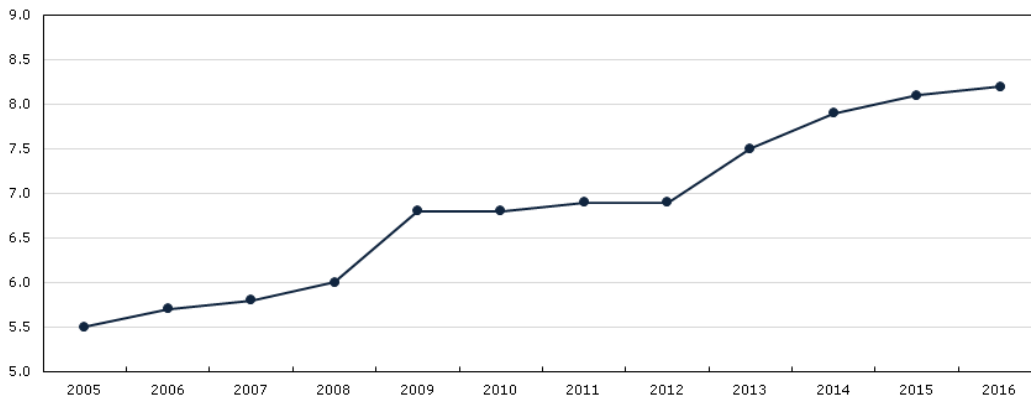
Introduction

With the introduction and popularization of the internet and mobile phones, a modern food delivery industry was introduced in the early 2000s, bringing countless job opportunities to the gig economy, and had laid the foundation to what we know the gig economy as today. Trends show that major growth in the gig economy often happens when the world falls into an economic crisis, for example the 2008 great recession or the struck of COVID-19, according to sociologist Micheal Burawoy, as recession happens and workers lose their stable jobs, people tend to be forced to live off of either enough savings, or side jobs or what would be known as side gigs. This of course routes back to explaining why the trends show that the gig economy usually grows drastically when there would be a financial crisis. However, the gig economy and many gig industries were a fairly new idea to society, often forgotten by governments. In the book 'Manufacturing Consent: Changes in the Labor Process under Monopoly Capitalism', it stated that governments often fail to protect the rights of gig workers.

In recent years, the number of gig workers in the economy has been steadily rising. In 2024, around 1.6 billion people can be considered gig workers, accounting for nearly half the world's work force. A result of economic and job insecurity, gig workers often accept work that don't offer labor protections and social security, making them liable for many hazards covered by traditional jobs. The gig worker population has recently expanded to 435 million workers globally, representing around 4.4% to 12.5% of the total global workforce.

Chart 2
Share of gig workers among all workers

percent



Note: Based on Chart 2 in Jeon et al. (2019).

Source: Statistics Canada.

Definition of Key Terms

Gig Worker

A person who does temporary or freelance work, especially an independent contractor engaged on an informal or on-demand basis

Gig Economy

A labor market characterized by the prevalence of short-term contracts or freelance work as opposed to permanent jobs

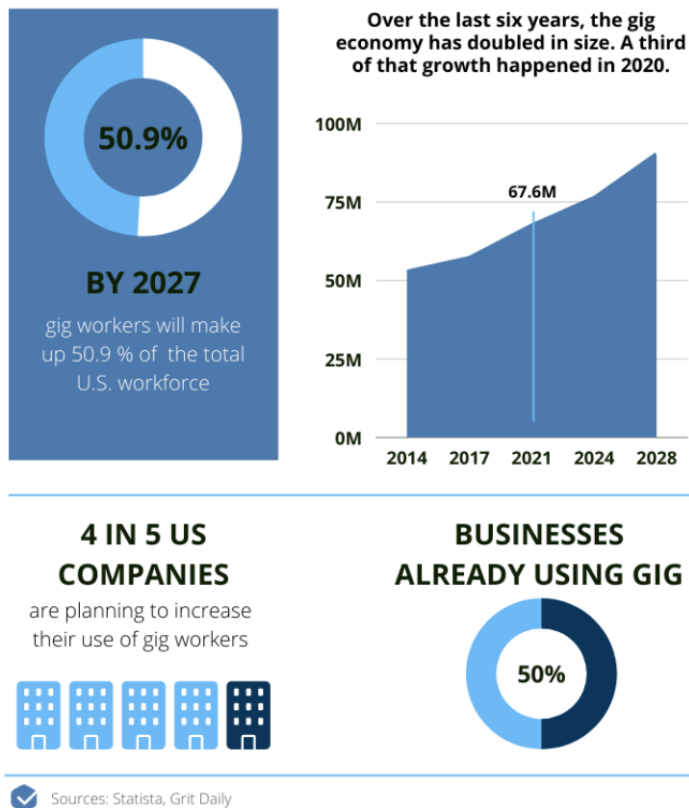
Shared Economy

The sharing economy is a growing model where individuals can share goods and services, often facilitated by technology platforms like Uber and Airbnb. Key features include access over ownership, flexibility, and peer-to-peer interaction.

Background

The idea of gig workers originated in the early 20th century, which initially defined freelance artists and musicians who took “side gigs.” During times of the great depression, many farmers had to seek jobs in more urban areas as their farms failed to develop. This wave of short-term workers created the first instance of mass seasonal employment, successfully lighting the candle for the gig economy. Another example of similar growth in the gig economy would be job recessions during and after COVID-19, as the economy started to fall weaker, large companies had to lay workers off to prevent losses. As a result, former employees of such corporations had to find side gigs to make a living, hence showing the relation between the growth of the gig economy and global recessions. View the picture below for more information about this relationship.

GIG ECONOMY GROWTH



Past Development of Worker's Rights

During the late 1830s, the UK government came to realization that though the industrial revolution had brought huge societal advancements, it had also led to the rise of factories that often provided poor working conditions for workers. This caused many workers to form labor unions to stand up against such oppression. To ensure the rights of workers and ease such problems, the UK government decided to legislate the Factory acts of 1833 and 1844, these acts were the first milestones towards the establishment of the idea towards protecting worker's rights and included regulations like a limit of working time per day and days per week, it also ensured that factories were to clean their workplaces every now and then, and guaranteed that work accidents that caused death to be investigated and reported.

Advancements on Gig Worker Rights

With the rise of the takeout and delivery industry as of recent years, more and more governments have noticed and acted against the oppression towards gig workers and their rights. As Covid-19 struck, more workers have turned to the gig economy as many larger companies downsized. The freedom of choice for when to work also attracted many, as the British Journal of Administrative Management states:

“The gig economy can be characterized as an ecosystem that, due to technological advancements, allows all persons who work as freelancers, contract employees, or specialist talent providers to

work whenever and wherever they want. Individuals, both skilled and semi-skilled, have a lot of flexibility in this setting, which allows for more creativity and entrepreneurial activity. While it allows established enterprises to negotiate for the finest talent or expertise at the lowest possible price, it also provides possibilities for hardworking people who want to learn new talents.”

EMPLOYEE RIGHTS UNDER GUAM'S FAIR LABOR STANDARDS ACT

MINIMUM WAGE

\$8.75 PER HOUR
Effective March 01, 2020
PURSUANT TO PUBLIC LAW 35-38

\$9.25 PER HOUR
Effective September 01, 2021
PURSUANT TO PUBLIC LAW 36-1

EMPLOYMENT RECORDS
The law requires employers to keep accurate records of "time worked" and wages paid for all employees. Such records must include the employee's full name, address, and social security number.

WAGES TO BE PAID
Wages for time worked, is due 7 (seven) days after the pay period ending.
What if I... Wages are...
♦ ...was fired/terminated by my employer → ♦ ...due immediately upon termination
♦ ...voluntarily quit/resigned, walked out, abandoned work → ♦ ...due on the next regular pay day

MEAL PERIODS
An employee who is scheduled to work a period of 5 (five) hours or more, **must** be provided an unpaid and uninterrupted meal period of not less than 30 (thirty) minutes. If an employee is scheduled to complete a day's work of not more than 6 (six) hours, the meal period may be waived by mutual consent of the employee and the employer.

OTHER RULES YOU SHOULD KNOW

OVERTIME	DEDUCTIONS
Employees must be paid one and one-half (1.5) times their regular rate of pay for all hours worked over 40 (forty) in a workweek. The Fair Labor Standards Act does not permit an employer to give "compensatory time off" in lieu of cash wages when employees work more than 40 (forty) hours during the standard 7-day workweek.	Other than deductions required by law (taxes, court ordered payments, etc.) the only permissible deductions from pay are: 1. Agreed costs, or fair value of board, lodging, and other facilities 2. Deductions authorized in writing by an employee for saving plans, cash advances, loans, benefit plan contributions, etc. The law requires that employers must show, on a check stub or pay statement, all deductions taken from an employee's pay, and a copy of it must be given to the employee.
TIPS AND GRATUITIES	CHILD LABOR
<ul style="list-style-type: none"> • "Tip credits" may not be used to meet the minimum wage • Employers may not retain any portion of an employee's tip • "Tip pooling/sharing" is an allowable practice, and an employer may not retain any of the tips for any other purpose • A "service charge" or any other "compulsory charge for service", is not a tip. Such charges are a part of an employers gross receipts. 	<ul style="list-style-type: none"> • Youths aged 14-15 years old, may work in various non-hazard jobs, but must obtain a Minor's Certificate for Employment. • Youths aged 16-17 years old, may work in various non-hazard jobs, and do not need to obtain a Minor's Certificate for Employment <p>Visit our website to view the full conditions for Child Labor.</p>

Guam Department of Labor
Wage and Hour Division
GCIC Building, Hagåtña
Phone: (671) 300-4601/2 or 475-7024
Email: wage.questions@dol.guam.gov
Website: dol.guam.gov/compliance/whd

Scan QR code for DOL's website.

STOP THE EVIL
MRFC 24/7 HOTLINE 671-475-0400
HUMAN TRAFFICKING HOTLINE 888-373-7888

LABOR TRAFFICKING VICTIMS ARE FORCED TO WORK FOR LITTLE TO NO PAY

WAGE AND HOUR RULES AND REGULATIONS REQUIRES EMPLOYERS TO DISPLAY THIS NOTICE WHERE EMPLOYEES CAN READILY SEE IT. FAILURE TO POST THIS NOTICE MAY RESULT IN PENALTIES. REV 03.01.2021

Figure 1: A poster that stated Guam's FLSA (Traciyshanda)

Major Parties Involved

International Labor Organization (ILO)

On June 13, a majority of ILO member states voted to introduce a global standard on gig work, also known as the platform economy. Switzerland, India and the US, amongst other treaty member states, dissented.

Human Rights Watch (HRW)

On June 3, the HRW urged the ILO to adopt a commitment to develop such binding global standards. Lena Simet wrote in the joint statement that “platform companies profit enormously from a business model that strips workers of their rights,” and a convention on the rights of gig workers “would send a powerful signal that technological change should not come at the cost of human rights.”

Timeline of Events

Date	Description of event
March 2009	Launch of Uber, facilitating the entrance of the gig workers into the labor force populations
June 2015	“Dynamex” Decision, a case held between the worker and their delivery company for misclassification, which led to a new paradigm of labor for gig workers
October 2016	Uber v. Aslam, the case that stated that gigs are part of the workers in law
February 2021	UK Supreme Court Ruling against Uber, gave the gig workers’ rights to be protected under the laws of minimum wage and paid leave
February 2023	EU Rules on Platform Work, aimed the imitative to improve working conditions for gig workers
November 2023	New York’s Minimum Wage for Rideshare drivers, provided a guaranteed minimum wage
December 2023	Spain “Rider Law”, classified the delivery workers in the food delivery platforms as the employees
February 2024	EU Directive, approved rules to protect the self-employed workers
Present	Ongoing Global Debates

Previous Attempts to Resolve the Issue

Employee Reclassification

One solution to combat the issue of the continuous discrimination against these gig workers, or the underemployed labor force, is the reclassification of these employees and unifying them with the “normal” employees into a single group of workers. In other words, the underemployed gig workers can be treated equally as the normal employees if they are classified in the same category in the law that covers the basic rights, such as the minimum wage and working hours. For instance, there have been numerous case laws written by the US and the UK supreme courts in order to redefine these gig workers, providing them with the rights to receive minimum wage and working hours. However, this solution would indirectly lead to harmful events: the reclassification of these underemployed workers will increase their wages as they will now be paid equally to the normal workers. Due to

the rise in overall income, the firms will be more selective with employment, leading to a rise in the unemployment rate.

Establishment of Category

Another solution that has been continuously proposed as a feasible method is the establishment of a new category of employee between the ordinary workers and the gig workers. This intermediate category, situated between the two existing groups of workers, will be provided with some rights necessary for the mediocre working conditions. For instance, the minimum wage is what should be provided to the gig workers and therefore should be included in their rights, but the quantity of this wage would differ from that of ordinary workers since the amount of labor they invest in their job is substantially different. However, this would also lead to a conflict, as the creation of a new labor force category would still be highly likely to be inflexible due to the widely ranging job intensity even within these gig workers.

Individual Firm Subsidy

Suppose the government itself could not resolve this issue directly due to the consequences mentioned above. In that case, the government can provide aid to the individual firms hiring these workers to indirectly improve their working conditions. In other words, by providing subsidies to the firms, they will be able to enhance the quality of the gig workers' working conditions as the firms will have leftover profits to spend exclusively for the workers. This is considered to be a clear and effective solution, but it involves a massive, or often unnecessary, quantity of financial input, which the current global economy isn't sure to invest in.

Possible Solutions

Possible solutions to this issue must include the following elements: providing the basic rights for the employees, defining the basic rights that should be obtained by the employees, and improving the working conditions of the workers in general.

Intermediate Workers

As mentioned in the past resolutions, there have been attempts to redefine the gig workers and to prove them with equal rights as ordinary workers, such as the definitive minimum wages and the working hours. However, as there is a noticeable difference between the two employee groups in terms of working time and work intensity, they should be further classified based on the intensity of the work, and then the nations can establish specific minimum wage and working hours for this group of categorized workers. This solution, overall, will lead to equality between the worker groups and fairness in the wages based on intensity.

International Regulation

In order to maintain the high-quality working conditions for all workers, globally set regulations would be necessary to keep up the working environment of the employees for all firms globally. Specifically, these regulations could be followed by the execution of rewards and sanctions such as imposing more tax for firms not meeting the sufficient working conditions, while giving out subsidies to the firms clearly following the encouraged working condition rules.

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