

The Great Fragmentation: challenges for the on-demand economy

Wingham Rowan asks if it is time for a full-spectrum employment policy



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We seem to be witnessing the start of a 'Great Fragmentation' in developed economies. Supply and demand across all sorts of sectors is breaking down into smaller units. Householders renting their sofas on occasional nights pushed AirBnB to the world's fifth biggest hotelier six years after launch. Taskrabbit workers drop everything when booked for a half hour's courier work that would previously have gone to a company rostering employees for deliveries. Uber's pool of ad hoc minicab drivers had full time taxi drivers gridlocking European cities in protest last June.

Forbes calculates this volatile local hire of people or their resources is growing at 25% a year. Yet, around the world, governments are clamping down under pressure from established businesses. This fragmentation creates economic opportunity for those at the bottom of the pyramid and can provide more responsive services. Yet, it can be a gateway into the informal economy of illegal – untaxed, unregulated – transactions. For years, governments have been fighting the rise in illegal working while struggling to protect existing jobs.

Current policies do next to nothing for someone needing a few hours work today, perhaps a few more tomorrow. That person could be a carer, a parent with complex childcare issues or a sufferer from an unpredictable medical condition. Increasingly, they are likely to be on zero hours contracts; expected to be available for a primary employer's fluctuating needs, scabbling for hours



elsewhere when not required. This blind-spot in labour market support is becoming indefensible. Ministers can no longer shoehorn citizens into traditional structures and ignore the increasingly fragmented, personalised work options.

Many in the British Government understand this challenge. For years, disparate parts of Whitehall and local authorities have funded technology and expertise to create a 21st century model of irregular work. The aim is to create fragmented work that is empowering, informed, safe, convenient, low-overhead and offers progression to ever increasing opportunities and security.

I oversaw those projects. We learned a lot about how challenging it is to get a new paradigm for hour-by-hour working off the ground in small scale pilots. It takes real heft and commitment. That has been hard to find because the Universal Credit's slow progress is putting a brake on employment innovation. To get momentum we have turned to US cities through the www.BeyondJobs.com website. With support from some key Washington

think tanks we are now engaged with senior workforce figures in America's largest cities.

The mission requires an unusually sophisticated technology platform that can seamlessly underpin all sorts of local ad-hoc transactions from cleaning, through on-demand work in a café/shop/contact centre to domiciliary care. That has been built. Now comes the hard part. Public bodies are the biggest single buyer of on-demand labour (directly or indirectly) as well as the primary regulator, owner of licensing databases, and setter of welfare and tax codes. Yet their focus remains 'job creation'.

Our work suggests it's time for full-spectrum employment policy. Yes, jobs are vital. But irregular opportunities also merit support. With a vacuum on these issues at national level, cities are best placed to seize the initiative. They can leverage budgets, relationships and facilities to go beyond jobs into also supporting less stable workers. We welcome the chance to talk with decision makers who want to get ahead of 'the Great Fragmentation'. ●