

Embracing the Gig Economy: Navigating Challenges for Environment and Social Justice

Editor's Introduction

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The post-pandemic economic landscape has witnessed the emergence of a worldwide sharing economy system, commonly known as the 'gig economy'. This system represents a significant transformation in labor and services exchange characterized by short-term jobs, freelance, or on-demand work arrangements facilitated by digital platforms¹. Recently, the gig economy has emerged as a highly promising employment preference due to its flexibility. However, it has also led to significant inequality issues for traditional workers. Moreover, this sharing economy system also exerts substantial impacts on the environment.

At present, approximately 20 million or 20 percent of Indonesian workers rely on digital platforms for their livelihoods². Additionally, around 46.47 million, or 32 percent of the workforce are engaged in freelance jobs³, with earning incomes surpassing the minimum wage. This situation explains why the workforce in Indonesia presently leans towards short-term

¹ Balwant Singh Mehtai and Arjun Kumar (2020) "Future of Work: The Emerging Gig Economy", Journal of Development Policy Review (JDPR) Vol. 1, Issues 1 & 2, DOI: 10.5281/zenodo.4112906, p.1.

² Kompas, "20 Juta Pekerja Bergantung Pada Platform Digital" (2023), online: <<https://www.kompas.id/baca/ekonomi/2023/07/25/20-juta-pekerja-bergantung-pada-platform-digital>>

³ Tirto, "Gig Economy: Antara Solusi Resesi dan Potret Pekerja Masa Depan" (2023), online: <<https://tirto.id/gig-economy-antara-solusi-resesi-dan-potret-pekerja-masa-depan-gFAB>>

contract roles or freelance positions, rather than opting for long-term employers.

The gig economy presents a double-edged sword. On the one side, this system contributes to a significant role in mitigating unemployment; broadening job opportunities for marginalized individuals with disabilities and those in remote areas; fostering a better work-life balance; and relieving commuting time and transportation, which can reduce carbon emissions. However, apart from its advantages, the gig economy also poses some problems of wage gaps, ambiguous career trajectories, uncertain employment status, the disruption of traditional job markets and workers, and high environmental risks. The burdens within the gig economy pose a substantial detention for achieving both social and environmental justice, particularly in the context of Indonesia.

First of all, social inequality stands as a pivotal issue within the gig economy, because the gig economy is not a panacea for unemployment, nor a substitute for government and state institutions to protect the workers⁴. The gig workers often face the risk of dismissal or losing access to the platform abruptly, without prior notice or guarantees. Evidently, in the 4th Oktober 2023, the Ministry of Trade through its regulation Number 31 of 2023 concerning Business Licensing, Advertising, Guidance and Supervision of Business Actors in Trading Through Electronic Systems has prohibited e-commerce activities on one of the most widely used social media platforms in Indonesia, TikTok, due to licensing concern⁵. This decision has an impact on millions of online sellers, particularly Micro, Small, and Medium Enterprises (MSMEs) on TikTok who will lose their market presence.

⁴ Liu K, Feng Z and Zhang Q (2023) "Examining The Role Of Digitalization and Gig Economy In Achieving A Low Carbon Society: An Empirical Study Across Nations". *Front. Environ. Sci.* 11:1197708. DOI: 10.3389/fenvs.2023.1197708, p.4.

⁵ Jawa Pos, "TikTok Shop Resmi Ditutup, Warganet Keluhkan Dampaknya pada Kehidupan" (2023), online: <<https://www.jawapos.com/nasional/013043496/tiktok-shop-resmi-ditutup-warganet-keluhkan-dampaknya-pada-kehidupan>>

Another social disparity arises from the qualifications demanded of gig workers that require technological expertise and modern skills that many marginalized and vulnerable groups may not possess. The narrow access to technology and the job market, the lack of education, and limited skills are the underlying factors that hinder their participation in the gig job market. In another way, gig migrant workers still grapple with injustice, as these gig platforms preserve the cycle of exploitation that migrant workers previously faced in traditional markets. In the gig economy, these migrant workers are redefined as self-contractors or self-employed, granting them the authority to set their income boundaries⁶. Conversely, this is essentially an endeavor to shift the responsibility for protection from the contractors (the placement company and employer), into the workers themselves. This represents the primary and most significant challenge within the gig economy since it turns out that technological advancements still collapse to transmute the exploitation pattern that is entrenched in the traditional economic system.

Second, the environmental risk has also been a huge and global challenge in the gig economy when online platforms contribute to increased use of electronics and vehicles, which can not avoid carbon emissions. In the United States (US), according to the Massachusetts Institute of Technology (MIT) research, ride-hailing and food delivery services like Uber and Lyft contribute to higher levels of traffic congestion and pollution in major cities across the US⁷. Hence, Uber company has recently given incentives to drivers who use electric vehicles. This mirrors Indonesia's campaign for the adoption of electric cars, which claim to have lower emissions. The large

⁶ Lata, L. N., Burdon, J., & Reddel, T. (2023) "New Tech, Old Exploitation: Gig Economy, Algorithmic Control And Migrant Labour". *Sociology Compass*, 17(1), e13028. <https://doi.org/10.1111/soc4.13028>, p.3.

⁷ MIT Alliance for Research and Technology, "Study finds ride-sharing intensifies urban road congestion" (2021), online: <<https://news.mit.edu/2021/ride-sharing-intensifies-urban-road-congestion-0423>>

volume of goods and food deliveries through e-commerce can also lead to a surge of plastic waste which results in adverse environmental consequences. Without adequate regulations regarding the gig economy, this will greatly affect the sustainability of the ecosystem and environmental well-being.

In light of these compelling issues, the Indonesian Journal of Law and Society (IJLS) has released numerous articles addressing contemporary challenges related to the gig economy, environmental concerns that emerged across various nations, child labor in local industries, and investment-based policies that have a lot of impact on both of environment and human rights. Therefore, the editorial board expresses their sincere gratitude to the authors for their insightful contributions, and to the reviewers for their valuable input in refining these articles. The editorial office is also grateful to the parties who ensured the seamless progress of the peer-review process, language editing, copyediting, layout and design, and manuscript production. Hopefully, this edition will offer fresh insights on law and society issues for all readers. Happy reading!