Gig Work and Traditional Employment: Analyzing Labor Market Interactions

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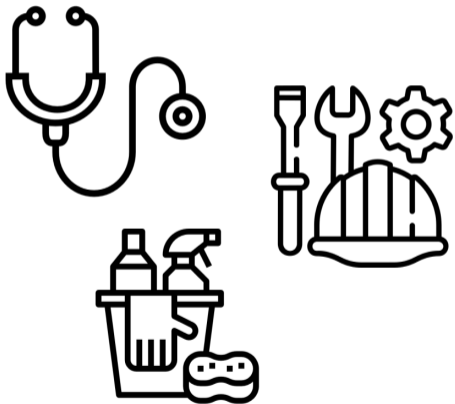May 17, 2024

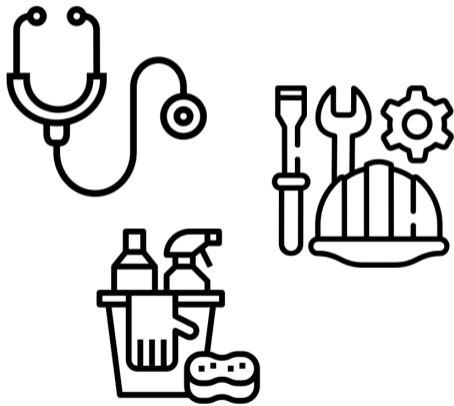**Traditional Work**

New Work on the Block

Traditional Work

Gig Work

Rise of the Gig-economy

Definition: Work contracted on a per-task basis
Characteristics:

+ Easily accessible
+ Flexible
- Without social security
- No wage

Prevalence:

- 10% had gig-work on tax return in 2018 (Emelie Jackson, 2022)
- 5% to 14% of solo self-employed in Italy, UK and US respectively engage in gig-work (Boeri et al., 2020)

How does gig-work interact with traditional employment contracts and influence unemployment spells?

Complements

- Occupation bundling
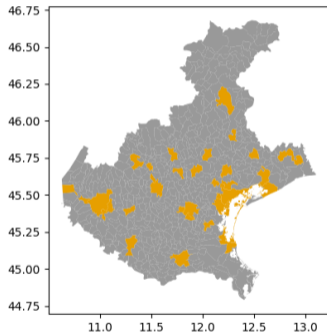- Lower reservation wage
- Social Networks

Substitutes

- Higher reservation wage
- Less time for job search
- Does not build skills

Application: Veneto

- **Comunes:** 33
- **Timeline:** 2017 - 2023
- **Scale:**
  - >175000 deliveries per quarter
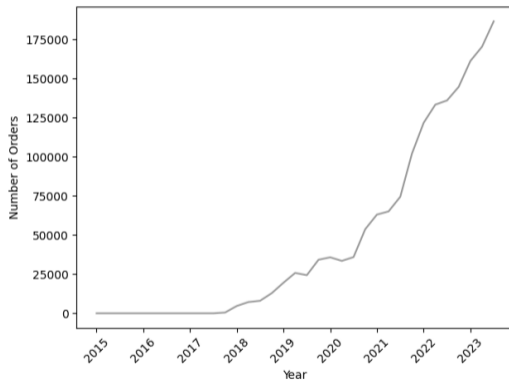 - 28% YoY growth
  - >3600 drivers

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Year	Number	Comunes
2017	1	Verona
2018	1	Padova
2019	2	Treviso, Venezia
2021	23	Albignasego, Bassano Del Grappa, Bardolino, Belluno, Bussolengo, Caldogno, Castelfranco Veneto, Chioggia, Conegliano, Jesolo, Legnago, Montebelluna, Portogruaro, Rovigo, San Martino Buon Albergo, Scorze', San Dona' Di Piave, Spinea, Schio, Selvazzano Dentro, San Giovanni Lupatoto, Thiene, Vicenza
2022	6	Cittadella, Mogliano Veneto, Mira, Oderzo, Piazzola Sul Brenta,San Bonifacio

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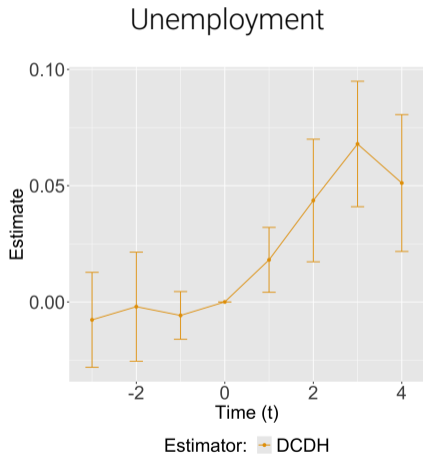 - >175000 deliveries per quarter
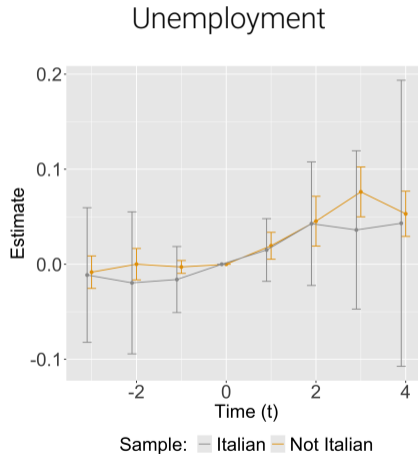 - 28% YoY growth
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Results: Unemployment

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- Significant for non-Italian citizens

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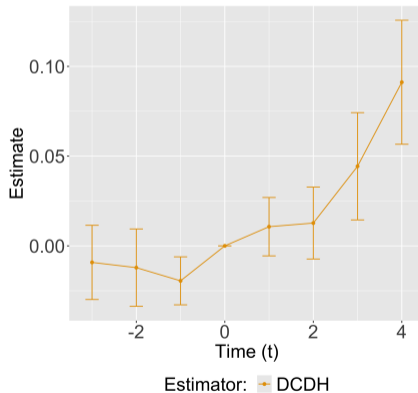- Significant for non-Italian citizens

Unemployment

Sample: — Italian — Not Italian

Results: Employment

- Employment effects are delayed
- Significant for non-Italians
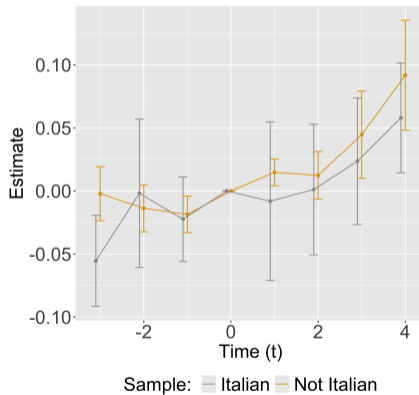
Full-time Employment

Estimator: DCDH

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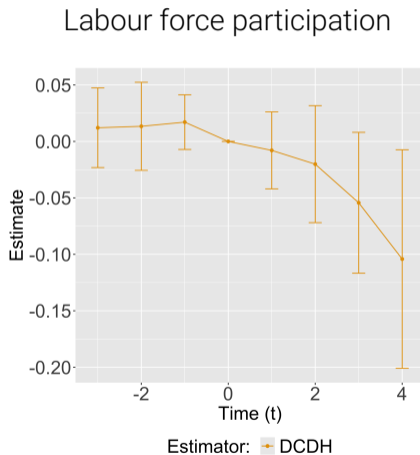
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Full-time Employment

Mechanisms: Labour Force + Location

Labour force participation

- Labour Force Participation increases
- Clustering by country of origin

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Italian

Non-Italian