

# Analysis of Employment Relationship in Gig-Platform Enterprises: Based on the Theory of Exploitation

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**Abstract:** With the popularization of Internet technology and application, temporary and part-time workers can flexibly use the gig platform for labor production to create value. Based on Marx's theory of exploitation, it can be concluded that the exploitation of gig workers by gig-platform enterprises has not been reduced. Even compared with the traditional labor relations, the labor exploitation of gig workers by gig-platform enterprises is deeper, more covert, more extensive, with more space for exploitation, and the labor rights and interests of gig workers lack legal protection. The development of gig platforms has promoted the employment of a large number of workers, and the number of temporary and part-time workers who are not employed continues to expand. To this end, government departments should improve the legal system to protect the minimum wage, social insurance, work safety and health and other basic legitimate rights and interests of the part-time workers and other flexible workers who work in the front-line service. Establish standard procedures for labor union organization and collective consultation among gig workers to supervise the employment behavior of gig-platform enterprises, and enhance the awareness of gig workers to actively safeguard their labor rights and interests, so as to protect more of their labor rights and interests.

**Keywords:** gig-platform enterprises; employment relationship; exploitation theory

## 1. Introduction

With the popularization and application of mobile Internet technology, gig workers (such as taxi drivers, takeaway riders and designated drivers.) provide services to customers based on gig platforms (third party platform), so as to obtain labor remuneration, from which gig platform operators extract the rental of gig workers using gig platforms. In this kind of economic operation mode, odd jobs platform is a casual laborer and medium of communication and meet the demand of customers to provide information, direct service to the customer's production data ownership and use right belong to job workers, compared with the traditional employment relationship, odd jobs platform operators and odd jobs is a kind of new employment relationship between the laborer.

## 2. Overview of Exploitation Theory

### 2.1. Concept of Exploitation

Marx's theory of exploitation states, "The essence of exploitation is oppression. Is the difference between a worker's contribution to output and his salary. Exploitation is the surplus or even necessary labor produced by some people or groups in society because of their monopoly of means of production. The premise is that some people or groups have control over the means of production, but the workers do not have the means of production, and the workers have to sell their labor force to the enterprise in order to survive. Certain persons or groups dominate by controlling the means of production and occupy the surplus labor of wage earners in overt or covert and sometimes even coercive ways." [1].

### 2.2. The Theoretical Basis of the Concept of Exploitation

According to the principle of average profit, the increment of value (i.e. surplus value) generated by the production of general enterprises will be reasonably distributed according to the proportion of the value of labor force or the value of production materials invested by each entity. And "labor is the only source of value", any enterprise value increment is created by laborers, labor value is derived from the "live", due to the time of connotation in the production of labor value is a kind of "death" of labor value, does not produce important contribution to the value increment, production devotees had not paid their labor, but the surplus value, It's an exploitative act of "free possession." [1].

## 3. Employment Relationship Analysis of Gig Platform Enterprises based on Exploitation Theory

On the surface, gig workers create value by serving customers with the means of production belonging to their ownership and right of use. Gig platform operators do not provide gig workers with means of production, and gig platform operators convert the "ownership" of gig workers into "right of use". Gig workers have the flexibility to work unlimited hours, which also allows gig workers to work at multiple companies. But the exploitation of gig workers by gig platforms has not abated.

First, gig workers must be dependent on gig platforms for production, and gig platforms extract rents for exploitation. Moreover, the gig platform can flexibly

mobilize the idle state of gig workers, which exploits gig workers' working time again.

In odd jobs in the operating system platform, platform of odd jobs is an odd jobs for workers and customers to provide information communication and meet the demand of medium, casual laborer must be attached to the odd jobs platform of information communication function to realize the value of production, customer needs can use the search function to find idle odd jobs, to provide the services of resources to meet demand. Gig workers and customers both need to rely on gig platform to realize the value exchange between them. Therefore, gig platform is the key to realize the value exchange between gig workers and customers and the core means of production in the gig platform operation system. It can be seen that although gig workers and gig platform owners do not sign a written labor contract like the traditional employment relationship, gig platforms charge gig workers intermediary fees (rent) for using gig platforms by virtue of their ownership of the platform, or the monopoly of customer information. The intermediary fees it collects are free possession of surplus labor created by gig workers, which is the exploitation of gig workers' labor. Gig platforms can even use their monopoly position to set prices to earn more profits and exploit more of the surplus labor of gig workers.

Gig workers have flexible working hours, but they make full use of their idle time to produce value for customers and get more pay. Gig platform can flexibly mobilize idle labor resources, so as to make full use of production materials to produce and serve customers. Gig platforms can mobilize the idle state of gig workers into fragmentary surplus working time, which exploits gig workers' working time again. The double or even multiple exploitation of gig workers by gig platforms increases the degree of exploitation and accelerates the accumulation of their capital.

Second, gig platforms are able to extract more surplus value from gig workers because their wages are also dependent on how customers evaluate their orders.

Gig workers' wages are calculated based on the number of orders accurately recorded on gig platforms and customer evaluations of orders. It can be seen that gig platforms can not only exploit the labor value created by gig workers by charging intermediary fees, but also further exploit the value created by gig workers in the necessary working time. Odd jobs platform through the Internet technology to strictly supervise the casual laborer labor process, at the same time can also through the evaluation of customer feedback in order to effectively monitor the work of the casual laborer, thus improve the quality of service of casual laborer, the supervision mechanism of low cost but also better performance for odd jobs platform operators, Allowing gig platforms to extract more surplus value from gig workers.

Thirdly, as a wide range of gig workers join gig platforms, their scattered state leads to fierce competition, which makes gig platforms realize extensive exploitation of gig workers.

Marx and Engels proposed in the relationship between trade unions and wage negotiations that capital is a

concentrated social force. The social power of workers lies in their numbers alone. The numerical advantage is undermined by its dispersion. The inevitable competition among workers is the cause of its dispersion and its continuance [2]. Gig platform can flexibly mobilize idle labor resources, gig workers and gig platform owners have not signed a written labor contract. Due to the employment relationship between gig platform owners and gig workers, the labor resources are quite scattered, which leads to these workers becoming "surplus population". It is composed of remaining resources potential suppliers and potential of residual resources of structural surplus caused by asymmetric information between demanders, odd jobs platform owner enterprises would have "an absolutely from belong to the disposal of capital industrial reserve army", to need to create a constantly changing capital appreciation for exploitation of the personal materials at any time [1]. As gig workers compete with other gig workers on gig platforms to earn more money, they have to work longer hours (overwork) to get more orders. The excessive labor of the working class expands the reserve army, and the competition among employed workers increases the pressure on employed workers, which in turn forces employed workers to engage in excessive labor and obey the mercy of capital [1]. As a result, competition among gig workers has worsened and the economic status of gig workers has worsened. So that the gig platform to achieve extensive exploitation of gig workers.

Finally, the labor rights and interests of gig workers lack legal protection, thus expanding the space of exploitation of gig workers by gig platforms. At present, China's labor relations authorities still use the "three elements" standard under the traditional economy to define the legal meaning of labor relations [3]. But casual laborer with odd jobs platform owner enterprises don't like the traditional employment relationship sign a written labor contract, casual laborer is not an employee of odd jobs service platform enterprise legal sense, odd jobs platform is not a casual laborer legal employers, odd jobs platform can avoid the personnel responsible for casual laborer. Because of their precarious employment, workers are reluctant to spend time and energy filing lawsuits against supervisors and employers, even if they are at a disadvantage [4]. Moreover, gig workers are mostly part-time workers with strong mobility, and it is difficult to protect their labor rights and interests through establishing trade unions. In addition, the labor disputes between gig workers and gig platforms cannot be partially resolved through labor arbitration, but can only be solved by courts, which takes a lot of time and requires tedious litigation steps. Therefore, the labor rights and interests of gig workers lack legal protection, thus expanding the space of exploitation of gig workers by gig platforms.

#### **4. Countermeasures to Solve the Employment Relationship Problems of Gig Platform Enterprises**

It can be seen that with the development of mobile Internet technology, temporary and part-time workers can flexibly use the gig platform for labor production to create value. However, in the gig platform operation system,

based on Marx's theory of exploitation analysis, it is concluded that the gig platform enterprises' exploitation of gig workers has not weakened. Even compared with the traditional employment relationship, the degree of labor exploitation of gig workers by gig platform enterprises is deeper, more hidden, more extensive, and the exploitation space is larger. Compared with traditional employees, gig workers have not signed a written labor contract with gig platforms, and their labor rights and interests lack legal protection. Therefore, the labor laws of traditional employees can no longer apply to this new employment relationship. The development of gig platforms has promoted the employment of large numbers of workers, and the number of temporary and part-time workers under non-employment conditions continues to expand. Therefore, this paper puts forward the countermeasures to solve the employment relationship problems of gig platform.

#### 4.1. Improve the Legal System to Protect the Basic Rights and Interests of Gig Workers.

At present, Chinese law has no clear definition of employment relationship in the gig economy, and the basic legal rights and interests of part-time workers and other flexible employment workers cannot be protected by law. Accordingly, want to perfect relevant labor law policy as soon as possible, protect the basic legitimate rights and interests such as the minimum wage of non-full-time laborer and other flexible obtain employment laborer, social insurance and working safety and health [5]." Labor law" regulation, "minimum wage standard is refers to the laborer in legal working hours or signed by the labor contract agreed within the working hours provided a normal work premise, employing units should pay the minimum labor remuneration according to law. Minimum wage standard takes monthly minimum wage standard and hourly minimum wage standard two kinds of forms commonly, monthly minimum wage standard applies to laborer of full-time employment, hourly minimum wage standard applies to laborer of non-full-time employment. "Traditional enterprises mainly calculate the amount of work tasks to determine remuneration based on the working hours of workers. Gig platform companies pay gig workers based on the orders they complete, rather than the hours they work. The basis of settlement and remuneration of gig workers has changed, which makes it difficult to determine the minimum wage standard, and the basic legal rights and interests of gig workers' minimum wage can not be guaranteed. Therefore, the minimum wage system for part-time workers and other flexible workers should be introduced as soon as possible.

"Social insurance law" regulation, laborer enjoys the legal rights and interests of social insurance. However, there is no clear standard for the employment relationship between gig platform enterprises and part-time workers like gig workers and other flexible workers in Chinese law. As a result, there is still no clear definition of the responsibilities and basic standards of payment for such workers' basic endowment insurance, basic medical insurance, work-related injury insurance, unemployment

insurance, etc., and even the social insurance rights and interests they should enjoy. Therefore, it is necessary to revise the social insurance system for such workers as soon as possible.

#### 4.2. Establish Trade Union Organizations to Guarantee More Labor Rights and Interests of Gig Workers.

Government departments actively set up part-time workers such as gig workers and other flexible employment labor union organizations, and establish a variety of channels to solve labor disputes between gig workers and gig platform enterprises. Streamline litigation procedures for labor disputes and improve the efficiency of solving labor disputes. Establish the industry standard for supervising the employment behavior of gig platform enterprises, and establish the standard procedure for collective negotiation of gig workers on gig platform, so as to protect the collective negotiation right of gig workers in scattered state and improve their economic status. Government departments actively publicize relevant laws and policies to enhance the awareness of gig workers to actively safeguard their labor rights and interests. At present, although there are some collective bargaining cases in European and American countries, most of them focus on the distribution of benefits between platforms and workers, and the number of workers participating in collective bargaining is also very limited [6].Gig workers can not only negotiate on the distribution of interests between gig platforms and gig platforms, but also negotiate on the rights and obligations of both parties, such as working rules, intermediary fees charged by gig platforms, working hours, order prices, reward and punishment mechanisms, so as to protect their own more labor rights and interests.

#### 4.3. Establish Corporate Values that Respect Gig Workers.

Research outside human resources and employment relations shows that ethics are important for behavior [7]. Under different corporate values, employees' behavioral tendencies are significantly different. Enterprise system is the external guarantee to maintain the balance of employment relations, while enterprise values are the internal motivation to maintain the balance of employment relations. Therefore, gig platforms should establish corporate values of creating value with gig workers and respecting gig workers. It is necessary to transform the previous extensive gig introduction and extreme profit-seeking algorithm management into humanized management with gig sustainable development, understand and meet the reasonable needs of gig workers, so as to stimulate gig workers' work enthusiasm and job satisfaction.

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