



Congress Debates What “Future Of Work” Could Mean For Gig Economy

Insights

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Lawmakers have begun to hold a series of hearings to discuss the “future of work,” and it may be no surprise that the two political parties have differing ideas about how that should impact the gig economy. The House Education and Labor Committee held the first of three such meetings on October 23, aiming to ensure that the law keeps up with modern developments such as automation, artificial intelligence, and the gig economy. While Democratic lawmakers seem to want to increase restrictions on the industry, their Republican counterparts are looking toward more flexible options. According to [an article by Jaclyn Diaz of Bloomberg Law](#), the working subcommittees will recommend specific legislation early next year. What might such legislation look like, and what chances of success might it have?

Democratic lawmakers have their priorities clearly outlined, and they focus on increasing workers’ rights in the gig economy. They have already introduced the “[Protecting the Right to Organize Act](#)” which mirrors California AB 5’s and would federalize the three-pronged ABC test across all 50 states. At the first hearing, Rep. Alma Adams (D-N.C.) [said she wanted](#) any new legislation to boost the rights of those currently classified as independent contractors by granting them minimum wage and overtime pay protections, enabling their ability to unionize, and creating eligibility for workers’ compensation and unemployment insurance benefits. This would require updating the Fair Labor Standards Act and the Occupational Health and Safety Act to meet the technological advances that have altered the U.S. workforce, according to Adams. Further, there was discussion about the Payroll Fraud Prevention Act, a proposal that would penalize businesses that misclassify their employees as independent contractors. Finally, several pro-worker advocate witnesses testified that they would like to see the kinds of progressive measures backed by presidential hopefuls Elizabeth Warren and Bernie Sanders introduced sooner rather than later. These include a European-style law that would permit workers to unionize across entire industries instead of being restricted to specific workplaces.

Meanwhile, Republicans are aiming for a compromise approach. “Instead of considering unworkable policies that will harm workers and businesses, we should be discussing ways to encourage flexible work arrangements and access to employer-sponsored benefits without creating costly and restrictive mandates,” [said Rep. Tim Walberg](#) (R-Mich.). “These are the kind of reforms necessary to adapt our laws for the future of work.” Further, they hope that Congress would first provide gig workers and other independent contractors the ability to take advantage of portable

benefits, allowing them to maintain retirement and healthcare from gig to gig without having to be classified as employees.

It appears likely that some form of legislation will emerge from these hearings by early 2020. In today's fractured Congress, however, it appears unlikely that any controversial measure would be passed by both houses and signed by the White House. That won't stop each party from pushing their preferred method of regulation, especially given that a pivotal federal election is just a year away and each side will want to draw their battle lines when it comes to gig economy legislation.

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