

Chapter 9

Web 3 and the Future of Work: From Gig Economy to DAOs

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ABSTRACT

The landscape of work is undergoing significant changes, and the advent of Web 3 technologies is poised to accelerate this transformation. The gig economy, which emphasizes short-term contracts and freelance work, has been subject to criticism for its lack of job security, limited worker protections, and heightened competition. However, the emergence of Web 3 technologies and decentralized autonomous organizations (DAOs) offers a potential solution to these problems, by providing greater worker autonomy, transparency, and democratic decision-making. DAOs can help to give workers greater control over their working environment, as well as offering them greater job security. These technologies can also create new opportunities for workers to work remotely and receive payment more quickly than traditional methods. This chapter aims to examine the potential opportunities and obstacles presented by Web 3 and DAOs for the future of work.

INTRODUCTION

The area of law is being disrupted by the Fourth Industrial Revolution, or Industry 4.0, as indicated by the presence of controversies around data ownership and privacy, legal responsibility for Artificial Intelligence (AI), and litigation surrounding the classification of gig economy workers. The individual in question might be classified as either an independent contractor or an employee. (Sulkowski, 2019, p. 1) The founder of the World Economic Forum, Klaus Schwab, has expressed criticism towards the area of law, asserting that it is entrenched within the epoch of the Second Industrial Revolution. In light of the quick and extensive effects of the Fourth Industrial Revolution, lawmakers and regulatory bodies are facing an unprecedented level of difficulty, sometimes unable to effectively respond. (Schwab, 2016)

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This chapter presents food for thought to engage in action, so promoting the pursuit of more inquiry and investigation. Policy-making should strive to at least align with, if not preempt and proactively prepare for, emerging developments becoming reality. This chapter is an integral component of a broader discourse that is the emergence of fresh legal controversies leads to an inevitable process of evolution.

This chapter's opening segment will describe the gig economy and its limitations, examining both the advantages and disadvantages of this model for workers and employers. Critiques of the gig economy, including issues such as exploitation, job insecurity, and limited worker protections, will be explored. Recent developments in the utilization of DAOs have increased the need to introduce the concept of DAOs and analyze the characteristics of this organizational model. The emergence of decentralized autonomous organizations and Web 3 technologies is a major development for the future of work. These technologies offer increased worker autonomy, transparency and democratic decision-making, providing a potential solution to the issues that the traditional labor market has. The benefits and drawbacks of DAOs for workers and employers will be evaluated. (Nabben, 2023)

In the last few years, there has been increasing interest in the transition from the gig economy to DAOs, including the driving forces behind this shift and its potential impact on the overall workforce. The differences between centralized control in the gig economy and decentralized control in DAOs will be scrutinized, and the potential advantages and disadvantages of this change will be explored. Another part will be the assessment of challenges and opportunities of implementing DAOs, including governance and decision-making challenges, regulatory hurdles and the effect on the workforce. (Brummer & Seira, 2022)

A comparison between Web 3 and traditional centralized work models will be conducted, emphasizing the potential benefits of Web 3 for workers. It will examine how Web 3 can affect workers' rights and protections, including potential challenges for workers in the DAO model. DAOs can create an environment in which workers have increased autonomy over their work, as well as improved job security. This could lead to a shift in the labor market, in which workers are empowered to make decisions about their own career paths and are less dependent on the traditional employer-employee relationship. Web 3 technologies have the potential to provide improved access to digital services and resources. This could lead to greater access to jobs, as well as the ability to easily find and apply for jobs. Furthermore, these technologies could provide access to financial services that are not available through traditional banking, potentially eliminating the need for workers to rely on difficult and expensive traditional banking services. (Filipčić, 2022, p. 1278)

The conclusion summarizes the key points covered in the chapter, including the ramifications of the shift to DAOs for the future of work. The potential of Web 3 to transform the work landscape will be assessed, highlighting the potential for increased worker autonomy, transparency, and democratic decision-making. (Atherton, Bratanova & Markey-Towler, 2020)

THE GIG ECONOMY AND ITS CRITICISMS

In recent years, the gig economy has gained prominence as a new way of working, offering flexibility and convenience for both workers and employers. The gig economy is rapidly expanding, leading to significant changes in work relations and human resource management (HRM) for a large number of workers. (Brewster, Dowling & Holland, 2022, p. 63)

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