



Work on Demand: Contracting for Work  
in a Changing Economy  
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**Data analytics, employment laws, and industrial organization**

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This paper, a chapter from a forthcoming monograph, will discuss the relationship among new data-driven technologies, labor and employment laws, and emerging forms of industrial organization. It argues that under existing laws and institutions, the revolution in data generation and analysis is encouraging major low-wage employers to alter their operations in two somewhat contradictory ways. First, to expand to national or global scale quickly by exploiting network effects, first-mover advantages, and exclusive rights in data on to production strategies and operation, thereby concentrating control over broad swaths of the economy in fewer hands. Second, to utilize a variety of legal strategies including outsourcing, subcontracting, franchising, and independent contracting for nearly all their line-level employees, thereby subjecting workers to intense labor market competition, and ensuring diffuse responsibility for working conditions. This coexistence of centralized control and diffuse responsibility—or monopoly power at the core but intense market competition in the periphery—is characteristic of major low-wage sectors today including retail, food services, building services, and logistics. These developments are enabled and facilitated by the basic rules governing the employment relationship, privacy laws, and antitrust and corporate law doctrines. Highlighting the deep legal constitution of such production strategies illustrates the potential for alternative forms of industrial organization in these sectors which could have different distributive implications. Doing so also further illustrates that novel forms of industrial organization are jointly determined by law and technological developments.