

Top Economist Todd Buchholz Says Giggers Fight Inflation

LOS ANGELES, CA, UNITES STATES, July 1, 2024

[/EINPresswire.com/](#) -- Giggers are like magicians and alchemists, but with one caveat: their tricks are real, says [Todd Buchholz](#), a best-selling author and leading economist. Although physicists assure that new matter cannot be created, the gig economy conjures up new supplies of stuff, making the economy more flexible and battling inflation.

"It's a shame so many governments don't see this and try to stomp on giggers the way medieval popes chased down heretics and wizards," adds Buchholz.

Buchholz says to give giggers credit for creating a new form of supply-side economics. For over a hundred years, textbooks have taught students about the "production function," which shows that output depends on inputs such as land, labor, capital, and technology. Giggers re-jigger the model by suddenly creating new inputs, he explains.



Todd Buchholz

"Wait, how can we have more land? Are we talking about reclamation, China building new islands in the sea, or fourteenth century Holland diking up swamps, which inspired the adage: 'God created the world, but the Dutch created the Netherlands'? No, we're talking about companies like Airbnb and Vrbo," Buchholz states. "At first, an empty room in someone's house does not add to GDP. But with the flash of pixels, suddenly that available room shows up on screens across the world and increases the supply of real estate. Likewise, a car sits idle in a garage, parked outside the production function. Suddenly, the owner flips a switch marked Uber or Lyft, and the supply of mobile capital goes up," he affirms.

These micro-moves can dissuade conventional companies from pushing up prices. Airbnb has effectively added over 20% to the number of hotel rooms in major cities, Buchholz continues. Uber and Lyft curb taxis and limousines from charging more. At a time when monetary mischief spurs inflation, gig flexibility provides shock absorbers for the economy.

Of course, Airbnb, Uber, and Lyft are familiar examples, along with food delivery firms like DoorDash and Grubhub. But the giggers go beyond garages and bedrooms. Before the advent of apps, people would drive past construction sites and see yellow Caterpillar earth movers and excavators sitting idle, waiting to be put into action.

"If, for example, the vehicles were scheduled to dig on a Friday, they'd show up a week early. Nowadays, companies like Dozr lease out heavy equipment on a moment's notice, and they are available to run in the off-hours. Steamrollers don't complain to the union foreman if they pave more than fourteen hours. In agriculture, Farmpost connects day workers with farmers through a speedy app, a more efficient method than circling around the Home Depot parking lot in a pickup truck, hoping to spot a spare farm hand," notes Buchholz.

Simply put, flexibility brings forth more supply, argues Buchholz. One-third of American workers take part in some independent labor, and over 90 percent of independent contractors say they do not want a traditional arrangement.

Sadly, Buchholz says, the Biden Department of Labor, along with many state legislatures, don't like this sort of magic. Bureaucrats prefer stasis over kinesis. It's easier to keep tabs on an individual classified as a full-time employee than someone who chooses to be an independent contractor at 9am, a retiree at noon, and a part-time employee at 4pm. As a result, regulatory agencies have been cracking down on giggers and their business partners, especially in populous red states like California and New York, Buchholz reports.

California's economy, which used to be known for free spirits hula-hooping on the beach, is better symbolized today by a straitjacket, informs Buchholz. In 2019, the governor signed the notorious AB 5 bill, which reclassified giggers as traditional employees, including freelance artists and writers. Vox immediately laid off 200 of them. Though the rules have been shaved back to exempt some professionals, a recent study showed that the



THE PRICE OF PROSPERITY

Why Rich Nations Fail and How to Renew Them

TODD G. BUCHHOLZ

Bestselling author of *New Ideas from Dead Economists*

"OUTSTANDING . . . FUN TO READ."
—THE WALL STREET JOURNAL



COMPLETELY REVISED AND UPDATED

New Ideas From Dead Economists

The Introduction to Modern Economic Thought, 4th Edition

Todd G. Buchholz

AUTHOR OF *NEW IDEAS FROM DEAD CEOs*

regulations sliced self-employment jobs by 10.5%, without boosting full-time opportunities. California now "boasts" the highest jobless rate among the 50 states and the District of Columbia. "That's dark magic, Voldemort sorcery," says Buchholz.

How ironic that politicians and activists who laud work-life balance impose rigidity on individuals and on the economy. Regulators should not be squashing the giggers, but instead loosening regulations to encourage companies to offer benefits to them, Buchholz contends.

The New York City Council seems determined to make life worse for residents, as well as tourists. Amid COVID chaos, the Council stomped on food-delivery services, leaving city dwellers to fend for themselves in their cramped kitchens, at a time when they were afraid to step into elevators. Today, even affluent tourists struggle to pay New York's soaring hotel prices. The city's 2023 regulations wiped out over 80% of Airbnb listings. When combined with the government leasing hotel rooms for migrants who crossed the southern border, the number of available rooms has collapsed 20%, driving Ramada prices to Ritz-like heights, observes Buchholz.

"Regulators chasing giggers is like hunting wizards – unwise and outdated. Embrace the gig magic, or risk turning gold into lead," Buchholz concludes.

The full article is now available in [Project Syndicate](#).

Todd G. Buchholz, a former White House director of economic policy under President George W. Bush and managing director of the Tiger hedge fund, was awarded the Ally Young Teaching Prize by the Harvard Department of Economics and is the author of *New Ideas from Dead Economists*, *The Price of Prosperity*, and co-author of the musical [Glory Ride](#). @econTodd

todd@toddbuchholz.com

Amanda Kent
Boundless Media USA
+1 313-403-5636
[email us here](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/719884687>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2024 Newsmatics Inc. All Right Reserved.