



GIG

ENTERING THE
GIG ECONOMY

Module 1

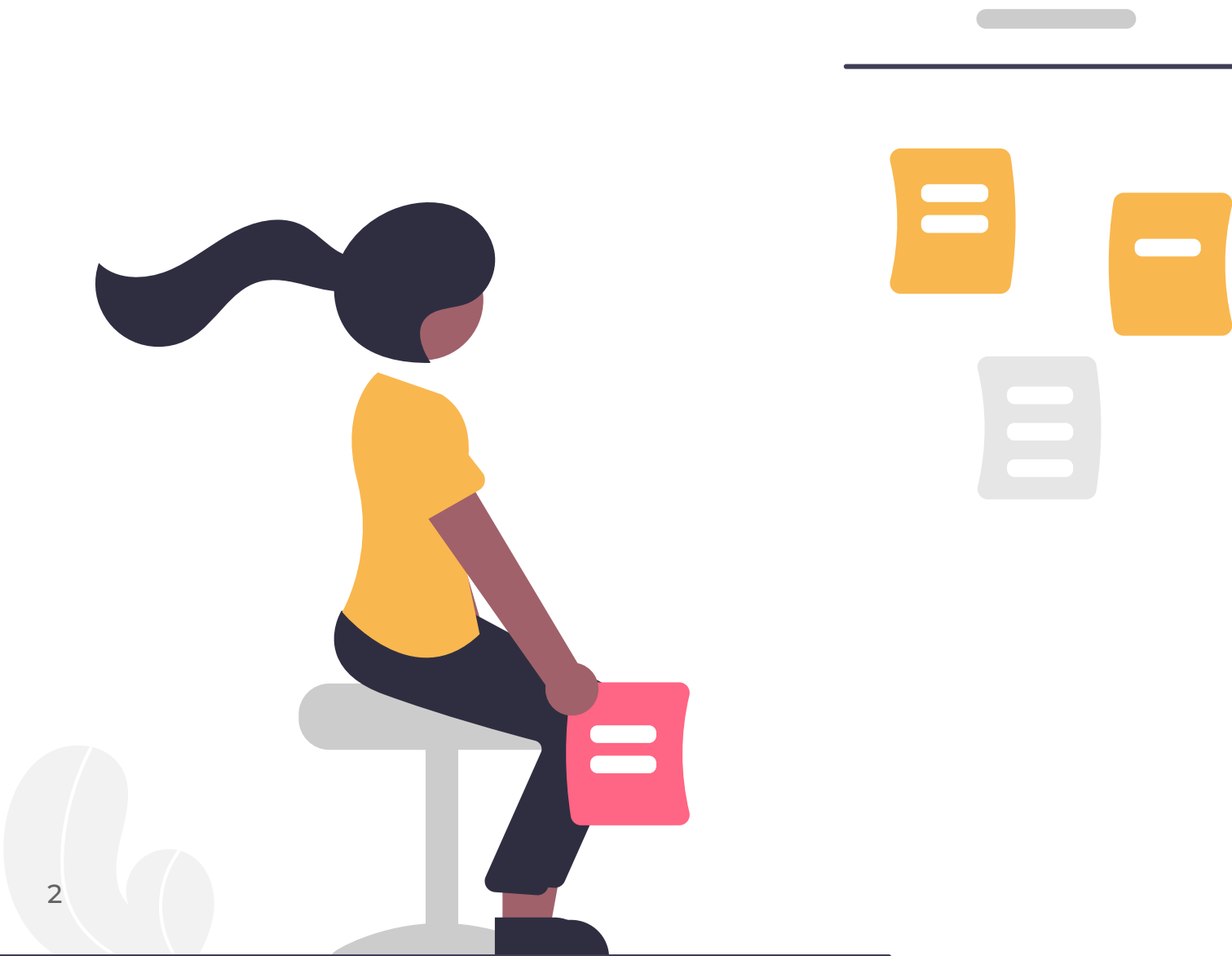
An introduction
to the gig
economy



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The modern economy is evolving beyond the constraints of traditional work models. As a society, we are demanding the freedom of flexible work environments. The continual rise of freelance platforms and networks will lead to significant market shifts.





Learning outcomes

After completing this module you will:

- Know what the gig economy is and can explain the concept
- Be able to distinguish the different types of gig workers;
- Know the basic history and timeline of how the gig economy evolved over the past years;
- Understand how the gig economy affects your future career;
- Be able to define and debate the pro's and con's of the gig economy.



Time

16 hours to complete the entire module (pick and choose certain items is also possible).



Competencies

By participating in this module, you will develop the following competences:

- Learning by doing
- Researching & curiosity
- Debating, effective oral communication, self-control, observation
- Critical thinking, creative thinking
- Perseverance, persistence
- Asking questions
- Read body language



Assignments and tools

This module includes 2 case studies, 6 assignments and 4 tools.

What is the gig economy?

The gig economy is a popular term for freelance or contract workers who take freelance jobs on-demand, and are often working multiple freelance jobs at once. These multiple freelance jobs are referred to as “gigs,” thus the name the gig economy.

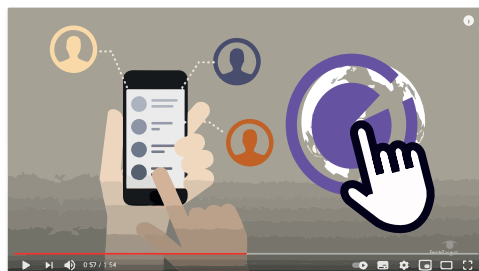
The gig economy and on-demand services have replaced many full-time jobs into a one-time gig. From hiring a graphic designer to create a flyer for your sisters 16th birthday party to having your pizza or groceries dropped off at your doorstep, we all have experienced the gig economy somehow. Maybe even from both perspectives: as seller and buyer.

In a gig economy, temporary, flexible jobs are common and companies tend to hire independent contractors and freelancers instead of full-time employees. A gig economy undermines the traditional economy of full-time workers who rarely change positions and instead focus on a lifetime career.

This video explains the concept of the gig economy in less than 2 minutes. Press the button to watch the video.



This 1 hour video of Professor Paul Oyer of Stanford Graduate School of Business explains the gig economy in more detail and discusses the threats and opportunities for workers and employers.





Research assignment

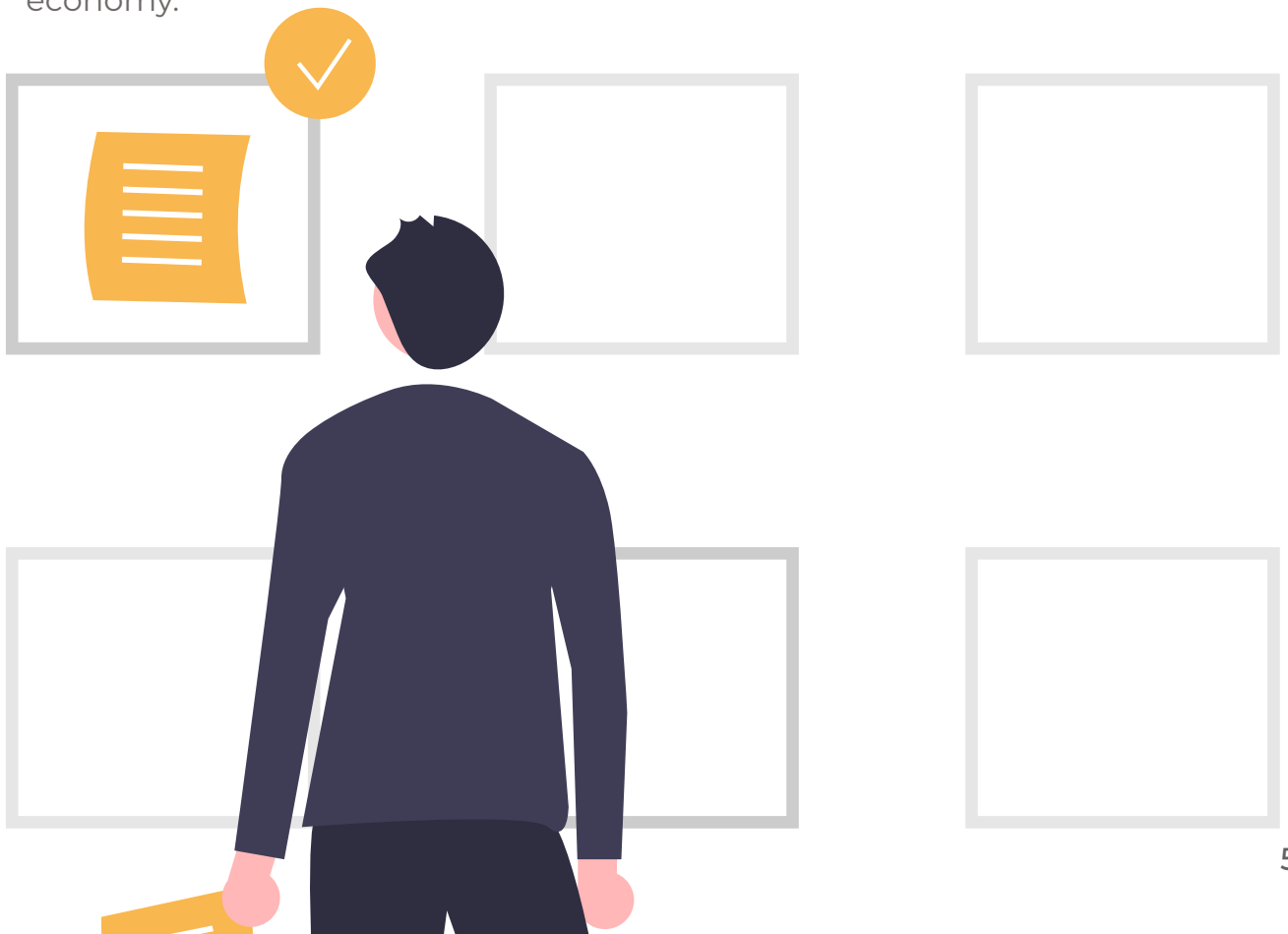
Google the term 'gig economy' and answer the following questions:

1. Write down the definition of the gig economy.
2. What different terms for 'gig economy' did you find?
3. What is the word for a 'gig-worker' in your own language?
4. Mention 3 examples of gig work.

Use the tool below for support with researching online.



In your research about the gig economy you may have found that different terms and names are used to define this new economy. The gig economy also includes (and is sometimes called) the on-demand economy, command economy, peer economy, flex economy or platform economy.





If we compare the traditional economy with the gig economy there are a few important characteristics that distinguish the two economic models.

In a traditional economy, people become employed by a company to carry out the work for that one company only. Workers generally work from nine to five. This offers employees stability and allows them to concentrate solely on tasks benefiting the company they're contracted to work for on an ongoing basis. In a gig economy people do not have a permanent contract and work flexibly, regarding the working hours and the type of work they are doing.

Traditional Economy

An economy where a company employs people on a full-time basis to carry out a particular task.

Fulltime workers.

Long term working relations and permanent jobs.

Work relationships are person based.

Security of a fixed contract, social benefits, pension, etc.

The safety of a fixed contract doesn't stimulate lifelong learning.

Regional market.

Businesses have higher expenses for wages and other labour costs.

Static work environment.

Low level of flexibility.

Employers have overhead costs for their workers such as benefits, office space and training.

Creates work monotony hence discourages creativity and enthusiasm.

Gig Economy

An economy where flexible and temporary jobs are available and companies hire freelancers and independent contractors instead of full-time employees.

Freelancers and flexible workers (independent).

Short term working relations, one-off 'gigs'

Work relationships are skill based.

Workers need to arrange social security, pension, etc. themselves.

Strong focus for individuals on the necessity of lifelong learning.

Global market.

Businesses have low recruitment and selection costs (as there's a large pool of candidates to choose from).

Dynamic environment.

High level of flexibility.

Employers can eliminate unnecessary overhead costs such as benefits, office space and training.

Breaks work monotony, hence promotes creativity and enthusiasm.



Assignment

From your own experiences, your networking or via google: Find out the reasons why some people prefer working in the gig economy and some prefer the traditional economy.

What are the common grounds (for example characteristics, age, money) of the people that prefer working in the gig economy?

What are the common grounds (for example characteristics age , money) of the people that prefer working in traditional economy?



Professions in the gig economy

We now know that a gig worker is a worker with a flexible employment contract. Essentially all type of professions can be turned into gig jobs. The different types of work relations include temps (temporary contract workers), seconded workers, pay-rollers, seasonal workers, freelancers, consultants and workers with zero-hours contracts.

The gig workers or 'solo self-employed' are a very diverse group. Basically gig jobs can be anything from side-hustle jobs to freelance projects based on peoples professional skills.

People may take on a gig job to make extra money in addition to the full time employment contracts they have, either to pay off a debt or to make themselves less dependent on full-time employment. Or people fully provide for themselves and their family by going from one gig to another.



The table below shows some examples of gig jobs.

Drivers & Delivery

Taxi drivers were traditionally employed by companies. Since the rise of the platform 'Uber' people can use their own car to make money as a driver. If you own a car you can choose to drive around as a taxi for a few hours on a busy and high-paying day or time. Anyone with a car could link up with people who needed a ride. The first company that turned this supply and demand for rides into a viable business model was Uber, which offered drivers the ability to make a few bucks driving other people around. It was advertised as something you could do part time to earn a little extra money instead of sitting home playing games on your smartphone. Thousands and thousands of people jumped at the opportunity. But a funny thing happened on the way to the gig economy revolution. The people doing the actual driving found they were spending their entire day behind the wheel and making far less money than they thought they would... There are also Gig economy food-delivery companies that offer home delivery of food from local supermarkets or restaurants. Typically, customers use a gig company's smartphone app or website to select and pay for products. The gig companies hire workers to deliver the goods. However, instead of classifying some of these workers as employees, many companies require drivers to sign agreements that label them "independent contractors."

Cleaners & other home services

People can have multiple jobs as a cleaner, without working for a large cleaning company. This is not a new phenomenon, people have been working as cleaners on a flexible basis for years. Also handymen and handywomen can work as giggers by offering small jobs like hanging paintings or furniture assembly. If you're good at fixing things, the gig economy is a great fit for you. Many people are hiring someone to lend a hand for different projects, so handymen have many options in the gig economy. From setting up a new appliance, to fixing some pipes, or just moving something heavy, there are a huge variety of needs to be met. There is an ever-growing need for people who can work with their hands and fix things, and are available on-demand. If you fit this criteria, you should consider getting regular gigs and creating connections and opportunities to create a real gig economy system through this kind of work.

Traders

The Gig economy offers a huge opportunity for B2B relationships of purchasing products with a good price which is not published to the general public. Therefore, you can become a trader in the Gig economy. Gig economy offers a new type of trading: drop shipping. This means selling your products online without owning any physical inventory. You are an intermediary between the customers and the suppliers.

Here is the process:

- find the wholesale dropship supplier(s) that match your products -> make an online store to sell the products
- connect your store with the supplier(s) using a dropship software when someone places an order on your store, the order will be sent to your supplier
- your supplier will then send the order directly to your customer on your behalf.

With this kind of trading, the supplier will charge you the wholesale cost and probably dropship and order fees (depending on the suppliers). The difference between the cost(s) you have to pay and the product's selling price is your profit.

(Artistic) Craftsmen

Craftsmen and makers create objects and sell them directly to their buyers without the interference of a shop, art gallery or other mediator. Craftsmen may use match-platforms to find their customer but the item is directly sold to the customer, creating a very short supply chain.

Farm workers and seasonal jobs

Of course, some areas of work, such as seasonal agricultural work, have always been and always will be performed on a seasonal basis.

As technology advances, it has become easier to work independently while working from the comfort of our home, but sometimes we want some fresh air, some time outdoors and to get away from our homes. Examples of other farm-gigs are fruit picking, wine making and other agricultural jobs.

In addition to the labour gigs as mentioned above, more and more agriculture flex-workers are agricultural engineers that solve technical problems that affect agricultural efficiency and production.

Builders & construction

Construction workers can get many construction/building contracts during on-demand time. With workers from the gig economy, companies do not have to consider labour resource constraints that

could prevent them from doing work.

In the low-demand time, these workers may have less contracts. What usually happens at this time is the construction workers will make a portfolio about themselves and their previous buildings and register it at the working agencies. The agencies then connect homeowner with local service workers to carry out home improvement, maintenance and renovation. Sometimes builders take some small jobs from news or social media hiring posts

Childminders / Childcare

The common jobs in the childcare sector are babysitting, childcare provider, day-care teachers, etc. Many people have been doing these jobs to generate some side income besides their full-time study or job. The working time & salary are usually flexible for both parties (the child's parents & the workers).

Health care professionals

With a gig model, healthcare organisations would be able to hire a professional for one day, several days or a few months based on their staffing needs. This enables providers to hire fewer full-time staff, which gives them a pool of workers to tap into as needed. But the rising trend of gig workers also establishes a large pool of adults - many of whom are not making much more than minimum wage - who are without regulated benefits and legislative protection when it comes to healthcare. Combine this with the rise in patient financial responsibility (e.g. caused by high-deductible health plans -HDHPs- in the UK or the *persoonsgebonden budget -pgb-* in the Netherlands) it is clear that the new wave of "gig patients" will have a deep impact on the business of healthcare. For healthcare employers, talent shortages are the primary motivating factor. Healthcare workers are more and more represented by millennial's, a generation that wants to work flexibly.

IT professionals

Increasingly, highly educated and experienced professionals are also working as freelancer. Gig IT professionals would be one of the most lucrative gig workers. Individuals can work wherever and whenever they want. When working independently, they can set a fee for the services they do for their client. IT professionals can also temporarily work for other IT companies when the companies are running few projects at the same time and don't have enough employees. Some companies are hiring "penetration testers" on a freelance basis. Basically, these cybersecurity professionals will test a company's network for vulnerabilities. They will try to hack in, and see if an actual cybercriminal could hack in. Then, they help create systems that will protect data and keep hackers out. These independent contractors have important skills that make them vital for companies. This kind of gig is extremely lucrative, and very niche. Some companies need website and developer help, but don't want to hire a whole workforce of IT professionals to do the work. This is where freelance programmers come in. Organizations often will have very specific tasks or projects that need to be done by a freelance programmer, making it easy for you to know exactly what's expected and what work needs to be done. An important factor when looking at how the gig economy affects the IT sector is that workers can be recruited (and can work from) anywhere. IT professionals thus compete for their gigs with other IT professionals from all over the world, including Top Technology countries like Russia, China and Singapore.

Financial advisors / accountants

It's completely possible to be an accountant in the gig economy if you have the proper education, certifications, qualifications and experience. Some freelance jobs in this field are: small business financial consultant, financial educator, retirement planning (e.g. for individuals or other freelancers). There are many ways to create a solid gig economy system as an accountant. More and more customers and businesses want to find a single independent contractor who can help them get their finances on track, and aren't interested in trying to find a full-time person or an entire firm to do the work for them. Gig economy accountants are the perfect solution.

Hair & beauty workers

Hair and beauty workers that work as freelancers can either be beauty specialists that work directly for the customer or on-demand stylists and beauty workers that work for owners of established salons. Gig economy allows beauty artists, who have very limited ability to work in a salon or build their own freelance business (due to its costly expenses) to earn some money.

Gardeners

People who want a beautiful landscape/garden outside of their home can hire a gardener or landscape designer. Landscape designers can have but not always require formal education. Recommendations resulting from their experience of design work or other gardening work can certify them. Gardening requires knowledge (from experience or education) in several natural processes, including soil ecology, climates, plant physiology, water drainage, and pest infestations. Gardeners can work whenever and wherever they want. Their jobs may differ depending on their skills as the time of year (designing, cleaning, planting, maintaining, etc.). When working independently, they can set a fee for the services they do for their clients.

Bed & Breakfast owners

The gig or share economy sometimes includes activities that involve sharing under-used resources, such as spare rooms or an entire house when people are on vacation. The owners of these resources (the providers) make them available to other individuals (the consumers). Until recently, the travel and accommodation industry was almost entirely organised in a linear fashion, in the sense that services were provided by companies with their own means of production and hiring their own staff. An intermediate sector complemented the industry, consisting of travel agencies that booked and distributed seats and rooms, and helped travelers find their way through multiple alternatives. Today a whole new type of intermediaries has emerged, offering travelers services similar to those of linear businesses, but in a very different way. The most prominent example in the tourism sector is Airbnb with short-term accommodations.

Hospitality workers

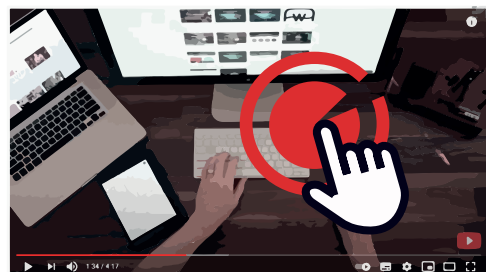
Also in the hospitality sector, the gig economy is booming. Chefs, waiters, runners, baristas & mixologists are increasingly working as freelancers. In the hospitality sector, temporary staff can provide support and a helping hand to a hospitality business during periods of staff absence such as sickness, emergencies or holidays. Traditionally, restaurants, hotels and café's rely on traditional temp agencies for flexible staff. Now, gig workers offer themselves through on-demand, short-term labour platforms.

Creative jobs (film makers, photographers, journalists).

The gig economy allows freelancers to fulfill small projects outsourced by companies big and small. Individually, these jobs wouldn't provide a full income, but they do allow creatives to try out new skills and pick and choose the tasks they want to do. The number of creative candidates that are moving to freelance work is increasing. A LinkedIn study found that Arts & Design and Media & Communications were the top industries for freelance workers (more than 80%). Companies that look to incorporate these gig workers are likely to be more agile and efficient and may find it easier to find the right talent for the job. The gig economy particularly fits these creative individuals, as they can pick the projects that they feel will add to their portfolios and/or that they feel truly passionate about. Like other jobs, they will have more flexibility in their job, which results in better work-life balance.

Regardless of the title, the gig economy workforce includes highly skilled specialists and consultants from every industry, and large corporations are increasingly hiring them to supplement their permanent staff. Also lower skilled workers are active in the gig economy, and use platforms to find clients. The flexibility and choice about when, where and how to work may give them greater job satisfaction, while their employers benefit by accessing a rich pool of talent, skills and experience without having to hire permanently.

In this 4 minute YouTube video a range of GIG economy jobs is explained (deliver groceries, virtual assistant, proofreading, handyman services, coding). Press the button to watch the video:



This 15 minute video below explains the concept of Dropshipping that is mentioned under 'trading' in the above table. Press the button to watch the video:





Case study by Thao Do

During the creation of the GIG training programme, several students from Vocational and Higher education were involved in the development of learning materials. Thao Do, an international student in the Netherlands, has interviewed and analyzed a Dutch student about her current income source during the pandemic time.



Thao Do

Ho Chi Minh City, Vietnam
Student of "International Hospitality Management" at NHLStenden.

*"I heard about the Gig Economy concept before but did not pay much attention to it until I joined Learning Hub Friesland and got involved in the GIG project. It is a very interesting and appealing market indeed, **compared** to the traditional one. However, I still feel like at this moment, it is mainly for people who don't have a full-time job yet or who are tired of their former job and want to try something more flexible. But I don't mind joining it once I have a detailed plan for myself. Hopefully the Gig economy will have more benefits like the traditional one soon."*

Interview summary

Pandemic's affect: From full-time student to (almost) full-time pastry pâtissière

Julia Steenkamp, a Hospitality Management student in the Netherlands, has taken a gap year from school and started her own online pastry business called "*BakingwithJuul*".

It all started when the pandemic hit the Netherlands around March 2020 and the whole country went into the first lockdown for few months. Julia, like other students, could not continue her part-time job and

had to stay at home. When she was thinking of what to do in her free time besides school, she remembered that she has a strong passion for baking and her friends and family always complimented her on the sweets she made. So she decided to make and sell some “High tea cake box” on her Facebook and her baking Instagram account that she had created before. The boxes received a lot of positive feedback and support from her friends, family and relatives. She even got a few orders from people out of her network. That is when she decided to take a year off from school and continue with her online pastry business.

BakingwithJuul is an online pastry account on Instagram, it was first created in 2019 for Julia’s baking hobby, but now she uses it as an online store for promoting her cakes, receiving orders and feedback, etc. The store accepts any order related to the cake regarding the order’s size or the cake’s complication. The average price for a 12-person cake with basic decoration is around €45, the more flavors or decorations, the more expensive the price is.

Julia said in the beginning, the most difficult challenge was how to let more people know about her store. At that time, BakingwithJuul’s Instagram only had around 200 followers and that mostly came from her friends and family – who were the main customers back then. Now, BakingwithJuul has over 4,000 followers, with a lot more orders from people she doesn’t know. Some people even drove almost 2 hours to her place just to pick-up their cakes! Her tips are: organizing a giveaway once in a while, sharing the baking recipes on Facebook, Instagram and other Facebook groups which have lots of members, putting the store’s Instagram link in her own social media accounts and most importantly, word-of-mouth. To be more specific, Julia has some friends who are influencers in the Netherlands, so whenever she makes a cake for them, they will post it on their social media account(s) and tag her, which leads to more people knowing her store and her cakes. This also applies for other customers she knows, if they like her cake they will recommend it to more people.

For Julia, the thing that keeps her happy and motivated with her business is her customer satisfaction. She said whenever she receives good feedback from the customers, or when they let her know they really enjoyed the cake(s) and her service, or when they want to order more, it all makes her feel extremely happy. Besides that, the great support from her parents (her dad helps her with the baking process very often) is also a boost for her to continue BakingwithJuul.

In terms of customer interaction, Julia thinks being personal is really important and powerful. Specifically, she always has a small talk with anyone who messages to order a cake, or has questions about the price, or when they come to pick up their cakes. This helps her know her customers more as well as gives the customers the feeling of being remembered. In terms of choosing the ingredients, Julia buys most of

her ingredients from local farmers or the local market/supermarket, so they are always fresh and seasonal. In terms of networking, she still posts her recipes on social media to get more followers, and recently she started promoting her store on Tiktok. The results Tiktok brings to her store is amazing, she said. In terms of skills & knowledge, she watches lots of Youtube videos about baking, or joins Facebook baking groups in order to keep herself updated with all the trends and techniques.

For the near future, Julia has some big plans: finishing her study, joining & winning a Dutch baking contest and preparing to register BakingwithJuul as a company. In the far future, she's thinking of opening a physical store serving pastries with high tea.

For those who like, or love baking and want to start a business with it, or simply want to sell your products, Julia advises always practicing and improving your skills because like other industries, the pastry industry also changes quite frequently. She also emphasizes the importance of being patient and motivated as there will be days when you do not have any orders. In case anyone needs help, or has questions about baking, she is very willing to help.



Benefits of the GIG economy

Easy to join.

If your online store is not registered, you don't have to pay taxes (temporarily only).

Getting to know more people (e.g. customers, suppliers)

Full control of the working time and the number of orders.

Able to combine with other jobs or studies.

Positive word-of-mouth = more orders.

Improving your skills (e.g. marketing skills, management skills, financial skills, problem-solving skills, communication skills).

Disadvantages of the GIG economy

Easy to be kicked out if you don't have the right strategy and enough patience/motivation.

Once you registered your business at the Commercial Register (Handelregister), you have to calculate all the taxes and fees yourself.

Might have no pension when retiring (depends on your business type).

May lose some customers when their order is rejected.

Stress, or burn-out if the time division is not balanced.

Overworked if not planned smartly.

No certificate/ diploma to prove your skills (50/50).



Online platforms and the gig economy

Jobs for gig workers are often facilitated by online platforms. Such platforms are typically online matchmakers or technology frameworks. By far the most common types are “transaction platforms”, also known as “digital matchmakers”. These platforms facilitate the buying, selling and sharing of goods and services and also the social activity between buyer and seller. The platforms are often based on ratings and payment systems routed through apps.

Gig workers often rely on these websites and apps to connect them with paying jobs.

Over the last decades, more and more online platforms have popped up that support the gig jobs that were mentioned in the previous table. The table below gives you an overview of examples of platforms that facilitate the match between seller and buyer.

Drivers & Delivery

www.uber.com Uber is a platform where those who drive and deliver can connect with riders, eaters, and restaurants. In cities where Uber is available, individuals can use the Uber app to request a ride.

www.deliveroo.co.uk Deliveroo is a British Internet service that allows bicycle or scooter couriers to deliver meals to customers' homes. The meals, which come from a range of affiliated partner restaurants, are ordered on the website or with an app.

<p>Cleaners & other home services</p>	<p>www.helping.com Helping is an online booking and payment platform that provides on-demand home services. On the website or via an app, customers can book a vetted and insured cleaner.</p> <p>www.handy.com Handy is an online two-sided marketplace for residential cleaning, installation, and other home services. Founded in 2012 in Cambridge, Massachusetts, the now New York-based company operates services in United States, United Kingdom, and Canada.</p> <p>www.taskrabbit.com TaskRabbit is an American online and mobile marketplace that matches freelance labour with local demand, allowing consumers to find immediate help with everyday tasks, including cleaning, moving, delivery and handyman work.</p>
<p>(Artistic) Craftsmen</p>	<p>www.Etsy.com Etsy matches people looking for unique objects with independent sellers from all over the world. When you shop on Etsy.com, you can choose from millions of handmade and vintage items and craft materials created or collected by millions of independent sellers.</p>
<p>Farm workers and seasonal jobs</p>	<p>www.upwork.com/hire/agriculturists/ Upwork is an American freelancing platform where enterprises and individuals connect in order to conduct business. Although based in San Francisco California, Upwork serves clients around the world, making Upwork the largest freelancer marketplace in the world. Upwork is a platform for freelancers in all sectors, including farm work and seasonal jobs.</p>
<p>Builders & construction</p>	<p>www.gigsmart.com/hire-workers/temporary-staffing/ GigSmart is an American alternative staffing agency built for today's modern gig economy. This platform represents a lot of sectors, including construction.</p>
<p>Childminders / Childcare</p>	<p>www.sitly.nl Sitly is the biggest babysit matching site in the Netherlands.</p>
<p>Health care professionals</p>	<p>www.medicentraal.nl/werken-in-de-zorg/ Medicentraal is a Dutch platform for Health care professionals.</p>

Medical professionals	<p>www.healthgigjobs.com/ HealthGigJobs is an American platform that allows individuals to search, find or post availability for health care gig-job income opportunities that match your credentials, availability, scope of practice and terms of engagement.</p>
Trainers & coaches	<p>www.hoofdkraan.nl/opdrachten/analyse-en-advies/trainer-of-coach Hoofdkraan is a Dutch matching platform for freelancers and includes freelance work for trainers and coaches.</p>
IT professionals	<p>www.gigexchange.com/en/services/it-professional Gigexchange is a global platform for gigs regarding consultancy, projects and IT freelance jobs.</p>
Hair & beauty workers	<p>www.beautyfreelancer.nl Beautyfreelancer is a Dutch platform for freelance hair and beauty workers.</p>
B&B owners	<p>www.airbnb.com Airbnb is an American vacation rental online marketplace company based in San Francisco, California. Airbnb maintains and hosts a marketplace, accessible to consumers on its website or via an app.</p>
Hospitality workers	<p>www.qwick.com/business/ At Qwick we're bringing freedom and flexibility to food and beverage professionals through high-quality, reliable, on-demand staffing.</p>
Creative jobs	<p>Platforms for creatives to connect with clients are popping up everyday with places like Fiverr, UpWork, and Behance opening up worlds of economic viability for artists. A few examples are: www.fiverr.com/, www.99designs.com/ and www.writeraccess.com/</p>

Taskrabbit

Uber

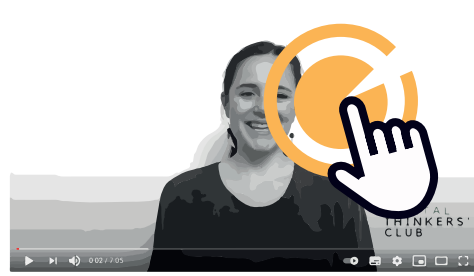
Deliveroo

Upworkgigsmart

Etsy

Healthgigjobs

This 7 minute video touches the basics of the platform economy. Press the button to watch the video:



The next 15 minute KPMG Nederland video dives a little deeper into the subject and reflects on the good, the bad and the ugly aspects of the Platform Economy. Press the button to watch the video:



Assignment 1

1. What is your study / profession?
2. Research if there are platforms only available in your line of work?
3. What do you think about them? What are positive aspects?
4. What are negative aspects?
5. Will the platform economy have an impact on your future career?



Assignment 2

Interview stakeholders from the GIG regional alliances about the implications of the gig economy.



Case study by Bento Roersma

During the creation of the GIG training programme, several students from Vocational and Higher education were involved in the development of learning materials. Bento Roersma, a VET in the Netherlands, has analysed a Dutch article from the Volkskrant about the Helping platform.



Bento Roersma

Frieschepalen, The Netherlands

Student 'Legal administrative officer (Human Resources)' at Vocational College Friesland College.

"I am in the last year of my training and got introduced to the concept of the gig economy during my internship at Learning Hub Friesland. Freelance work however has been well known to me my whole life, as my mother is a freelancer. Now I am considering setting up my own gaming company, so who knows. I might be entering the Gig economy as well!"

Bento analysed the following article: *Volkskrant*

Article summary

Journalist Ron van Gelderen was forced to become a cleaner via the platform Helping: 'Pats! There goes the design lamp'

Journalist Ron van Gelderen worked for almost three years as an interchangeable force at the bottom of the labour market. For an average of 12 euros gross per hour, Ron van Gelderen through intermediary Helping the household of customers who earn double. His cleaning career was born out of necessity. After a year of caring for his terminally ill father, he failed to keep his head in his journalistic work. A long holiday in Antwerp and London, among others, turned out to be a futile flight forward. With his eerily empty pockets and a busy mind, he arrived back in Amsterdam in 2017. By feeling physically good for social security benefits, he decided to work manually.

He decided to go into cleaning and put himself available on Helping, a German Internet platform. For many customers he answered their requests for help.

After the first addresses, he quickly became adept at his new profession. He got better at cleaning entire houses in 2.5 to 3 hours, where he also got useful tips from the customers.

Because of the many labour of cleaning work, his muscles got a boost, and his body handled it better than expected.

The reviews were often great, so Ron van Gelderen scored an average of 4.9 for quality, a 4.9 for communication and a 5 for reliability. However, the difference was immense. If he was a musical star, he would have a shining career. But in reality, he's on the shady back of the GIG Economy.

However, some processing fees are lost. Helping withholds €3.50 from the €15.50 for administration costs, while as cleaners they go from address to address day in and day out. They make many new contacts, these could be nice customers or less fun customers who treat you like a cleaning robot.

This may seem unfair, and not a good wage for all that hard work. One bad review and Ron van Gelderen has less chance of making more new customers. If he has customers who are never satisfied, his chances of getting new customers, and therefore a firmer income, are lower.

However, when you're cleaning for clients and see that they have the bestseller "How to build a billion dollar app" on their bedside table, and the client sees themselves as the next app "billionaire" rather than the new flex help, be warned. What goes up, must come down.



Benefits of the GIG economy

- Get to work quickly.
- Connecting with people.
- Getting to know nice people.
- Good for your body.
- Administration is done.
- Good reviews = more work.
- Positive ratings are immediately visible.
- Being able to work flexibly.

Disadvantages of the GIG economy

- Is seen as a robot that you can control from a distance.
- Interacting with less understandable people.
- People think everything is self-explanatory.
- For little pay, settle in the customer's calendars.
- Feeling undervalued by the customer.
- Poor review = lower chance of getting a job for new customers.
- Low pay.
- Administration costs.
- Negative ratings are immediately visible.



Gig Economy in Europe

Gig Economy in Europe

Gig work is currently the main income source for 2% of EU adults and is the additional income for up to 8% of EU adults.

Gig economy is reflected in the explosive growth of online platforms. Until a few years ago (around 2016-2017) the Gig economy was still a new phenomenon in Europe.

In the 2000s, the development of the Internet and smartphones resulted in the rapid increase of the digitalization of the world economy.

Online platforms based on digital technology have created digital jobs and employment forms.

Digital employment and jobs soon became well-known because of their accessibility, convenience and price competitiveness.

There were not many research or studies about this phenomenon until early 2016. According to a study of Eurofound in 2018, there are different names for the term “Gig economy” used by 14 EU countries.

Country	Sharing economy	Platform economy	Gig economy	Crowd employment	On-demand economy	Collaborative economy	Crowd sourcing	Peer-to-peer economy	Freelance
Austria		X	X	X			X		
Belgium	X	X						X	
Bulgaria			X	X					X
Croatia	X	X							
Denmark	X	X	X	X					
Estonia	X	X		X					
Finland	X	X	X		X	X	X	X	
France	X	X				X		X	X
Germany		X	X				X		
Ireland			X						
Italy	X	X	X		X	X			
Latvia	X	X		X	X	X	X		X
Netherlands	X	X	X		X				
Poland		X					X		X
Slovenia	X	X				X			
Spain	X	X			X	X			
Sweden	X	X	X			X			X
United Kingdom	X		X						

Fonte: Eurofound, 2018



Why work in Gig economy?

- ① The flexibility and variety of work.
- ① Making extra money.
- ① Better balancing career and family needs.
- ① Having autonomy and control over the work you are doing.
- ① Gain/ Improve personal skills (communication skills, time management skills, customer service skills, etc).

Websites and apps for joining the Gig economy as a source of income

- ① Performing the work for a website from your home: Upwork, Freelancer, Timeetc, Clickworker, PeoplePerHour.
- ① Performing the work for several customers outside your home: Handy, Taskrabbit and Mybuilder.
- ① Performing the work by driving customers to a location for a fee: Uber, Blablacar.



How Gig work affects the economy?

Additional global impact: 540 million people could be seeking work through online talent platforms by 2025, and up to 230 million would find work there. - Manyika et al.(2015)

Online talent platforms like

LinkedIn
UBER

Could add
\$2.7 Trillion
to global GDP

that's nearly 2% growth

Increase worldwide employment by

27 million*

** full time equivalent position*

Impact 10% of the global force

Through full-time employment or supplemental income opportunities

For more European impact

- 🕒 Around 70 million people have found work via a platform - *Richard Heeks (2017)*
- 🕒 By 2025, one third of all work will be mediated via digital platforms - *Guy Standing (2016)*
- 🕒 63% of UK citizens and 68% of European employees (out of 10,000 EU working adults) are interested in, or consider self-employment or freelancing - *ADP UK (2017)*

Covid-19 has increased more political and media discussion around gig work in Europe, because European citizens have used food delivery and transport platforms more during the lockdowns, and also because gig workers have not qualified for the same rights as traditional workers.

How Gig work is reshaping the law

News from the European Parliament in 2019 stated that the EU is working on improving the working conditions for gig workers with some new and better minimum working standards. The target workers here are on-demand workers, voucher-based workers (people hired as cleaners, gardeners, assistants for the elderly) and workers with zero-hour contracts.

The rights of Gig workers in Europe

Gig workers do not have the same rights as traditional full-time employees, such as:

- 🕒 Employment status
- 🕒 Income from work (minimum wages)
- 🕒 Access to unemployment and worker's benefits
- 🕒 Health & safety
- 🕒 Social protection

A research from PwC Legal (formerly Law Square), a Belgian law company, stated that in 2019 there were only 3 out of 10 studied EU countries that provided basic social protection for self-employed individuals or gig workers: they are UK, Spain and Italy.





Assignment

Group debate on the future of the gig economy.

- Is Gig economy suitable for everyone?
- What would it look like for software engineers, writers, data scientists, and finance professionals?
- Is it the end of the traditional economy?



Pros and Cons of the gig economy

Watch the following two videos:

Why The Gig Economy Is A Scam | James Bloodworth | TEDxManchester:



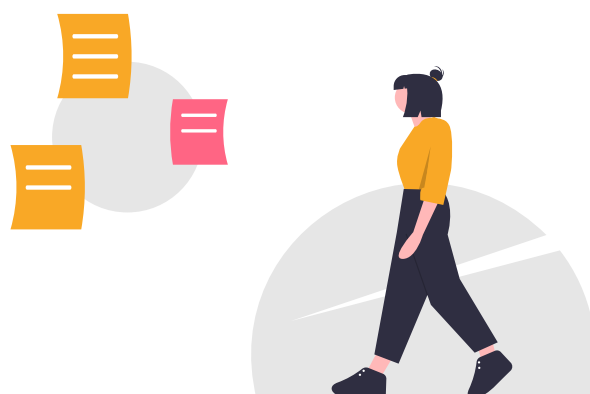
The Future is Freelancing | Laura Briggs | TEDxLehighRiverSalon



When the gig economy first reached Europe, it almost seemed like EU member states were welcoming this new way of creating jobs. However, companies such as Uber, Airbnb or Deliveroo, have had some unforeseen social externalities. A recent study (FEPS, UNI Europa & University of Hertfordshire, 2017) 'Work in the European gig economy', has revealed that while gig workers typically value the flexibility the work, there are also complaints about work organisation and working conditions.

Gig economy Pros	Gig economy Cons
<p>Some jobs can be paid higher than if they are in the traditional format.</p> <p>Multiple income sources.</p> <p>More experiences and opportunities.</p> <p>Flexibility, independence, and values alignment.</p> <p>Workers can work where, when and on what they want to work on.</p> <p>Businesses save time and money on hiring, training and retaining employees.</p> <p>Satisfaction from the gig economy consumers.</p>	<p>The part-time jobs incomes may not be able to cover one's basic needs and student debt payments (if have).</p> <p>Instable income.</p> <p>Less social protection (vacation days, insurance, retirement plan, equipment provided, etc).</p> <p>Can bring loneliness.</p> <p>The gig workers need a LOT of discipline and resilience.</p> <p>The need to adapt and evolve with the Gig economy for each company.</p> <p>Can be uncertain and unpredictable because of the short jobs.</p>

It remains to be seen whether the gig economy is a good thing or a bad thing for economic development overall, but for young people entering the labour market today, it is certainly both. For young individuals striving to find a good full-time job, the gig economy can be frustrating, but for some young individuals (those who want diverse experiences) the gig economy is the perfect opportunity. Regardless of the point of view, the gig economy is likely to stick around for the foreseeable future (and experience even further growth).



History and future of the gig economy.

The gig economy is not a new phenomenon—freelancers have been around for a while. So have consultants, temps, and so on. The reason why the gig economy has been under scrutiny for the past couple of years is that technology has lowered barriers to entry so much that “gigs” have become easily accessible to a large number of people.

At first, the term ‘gig’ was commonly used to refer to musicians who would play wherever they could, going from place to place to get paid for their performance.

A gig economy nowadays represents an environment in which temporary positions are common and organisations contract with independent workers for short-term engagements.

Labour market dynamics are shifting rapidly driven by technological progress and globalization. At the same time, less people are keen to engage as a full-time employee. On top of that, more and more organizations do not issue fixed contracts anymore.





Assignment

Roleplay debate about the pros and cons of the gig economy.

In groups of 2, students pick a card containing a gig job description (see page 10-13 of this module). Each job description includes two roles, one of the gig worker and one of the paying customer. Students will prepare a debate about a gig work job in the sector from either the point of view of the gig worker or the point of view of the paying customer (which can be either a person or a company). Students prepare their roles based on the questions that are written on the cards (tools 1) and after having read the Debate introduction (tool 2). After having prepared their angle in the matter for 30 minutes, they enter the debate in front the of the class. The teacher chairs the debate and guides the students with questions like:

- Please introduce your sector and the role that you are in.
- What hourly fee do you think is reasonable in this sector for a gig worker? Why?
- What working conditions will you apply?
- Will you use an online platform to facilitate the work relationship? Why? Why not?

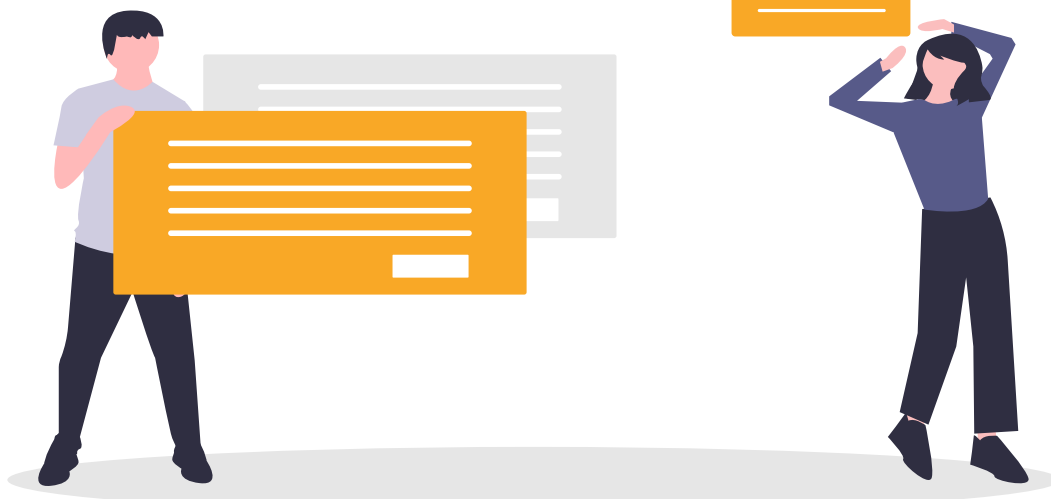
The class evaluates the debate and reflects on the different angles that were presented in the debate.



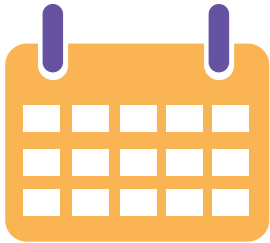
Download the
debate tool.



Download the
roleplay tool.



Top reasons for working in the gig economy



48%
Autonomy and control



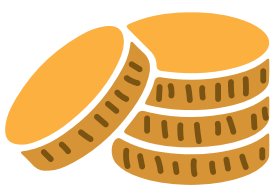
19%
Earning while seeking a better job



48%
Balancing career and family needs



22%
Only way of an income



55%
Make extra money on the side

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