Gig economy: Choice or necessity?

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21st century has witnessed so many noteworthy things like social media, disruptive innovations, the great recession, geopolitical shocks and above all the advent of gig economy. To describe gig we may use a project, task or assignment, for which an individual is employed on demand but in most cases through digital platforms. In most of the urban context gig workers are now becoming an essential part of companies in addition to the usual office based human resources who are appointed on a full-time basis. The gig economy is appreciated for offering high levels of autonomy and flexibility for the workers while generating cost advantage for the employers. The gig economy, to a great extent is maintained by computer and internet technology. Provided some obstacles can be overcome the potential of gig economy is huge.

In the digital age, a worker is no more confined at a fixed location, the job can be performed from anywhere, and employers have the options of picking up the best talents available for an assignment without being limited by geographical boundaries. The millennials, more than any other generations look forward to pursuing their passions as their careers instead of opting for careers that may not satisfy their inner impulses. Millennials being the masters of multi-tasking and being famously frank believe in YOLO (You Only Live Once) and hence they do not worry much about future. They focus on creating interesting lives and work-life balance. They are ready to compromise some financial security for living on their own terms. A typical gig worker belongs to this generation – the millennial.

Gig-economy workers are spread across the variety of occupations, from the highly paid to below-minimum-wage. Software developers, management consultants, video producers may earn top dollar, while the delivery boys and drivers may be paid per package or by per hour. Those staying at the bottom even at the cost of financial security and dignity of labour. Most gig economy platforms behave according to the legal contracts, but the gig workers are often left dissatisfied for being treated unfairly. Across many platforms the gig workers are now agitating for their demands of fair treatment and benefits. Many of the gig workers want to be treated as employees as most of the gig workers are responsible to behave like employees but are not entitled to social security measures offered to employees. Yet gig platforms stay firm on not recognising this employee status nor the compulsions that would come with such an affiliation.

There are many factors which have continued to support the growth of the gig economy; a few depressing areas have also come to light comprising legal rights of the gig workers.

The advantages of gig economy include higher independence and variety of work for the gig workers. Large scale employment opportunities have also been generated through gig economy. Gig economy has also helped employers gain cost advantages in business. Gig economy has been successful in attracting millennials because of the flexibility and independence it offers. To some people it also helps gain some extra income along with regular sources of income. The digital platforms have acted as a bridge to connect organisations with both customers and workers. Air BnB has set a great example by helping people pay their housing loans. Digital platforms like Uber, Ola are growing and have played a significant role in creation of large market places and generate employment at an incomparable rate. Businesses, on the other hand have benefited by hiring freelancers online for the jobs which were earlier occupied by full time workers, resulting in huge cost savings on management of human resources. Workers can also find jobs as per their conveniences and preferences at reasonable payments. The benefits offered by gig economy ranges from higher autonomy, flexibility and variety of work to large scale employment and cost advantages for employers. However this is just one side of the coin and there is another aspect of the same picture. There are few perils too of gig economy.

Gig economy has given rise to some compliance issues too. Since the jobs created by gig economy do not fall clearly under the category of jobs, it has given rise to some legal tussles and controversies. Gig workers are not traditional works and hence they do not qualify for the rights of traditional workers. The predetermined agreements and lawful definition of a gig worker may vary from country to country and industry to industry. In all those cases where the rights of gig workers are not well defined, inconsistency and discrimination can occur. For example a legal battle was won by Uber drivers by classifying them as workers rather than as independent contractors. Further, for those workers who are not highly skilled, focused and confident, gig economy can be a dangerous place to be in. Gig economy offers a lot of options to employers resulting in high bargaining power for them and unless a person is extremely talented; his financial benefits may be limited. In traditional employment the training is provided to workers by the employer but in a gig economy the responsibility of upgrading of skills is of the worker on his own cost resulting in loss of training and developmental opportunities. The risk asymmetry is also high in gig
Gig economy as the time of less or no work at hand the worker’s material dignity can also be lost. It is expected that with the expansion of gig economy, the concept of risk will also change in society. In gig economy the workers also expect too much from themselves and from the gigs they are paid for. During high demand season, the workers may end up doing more work than their physical and psychological capacities which may result in adverse effects both in short run and the long run.

Looking at the appeals and perils of gig economy it is difficult to understand the root cause of gig economy. It might be attributed to the employee’s desire to have freedom of work and self-actualisation on the one hand, and for employers it might be the desire to get rid of the complications and burden of maintaining a permanent labour force. However, it is left on the readers to decide if working in gig economy is a choice or a necessity. One thing which can be predicted is gig economy is definitely going to change the dynamics of workplace especially in terms of relationship and productivity.

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