

## **Case study - Is Gig-economy the future of working ?<sup>1</sup>**

*Abstract: Rajesh has been a high flying executive with Hindustan Lever in Mumbai. The high tension of life brought many health issues. He discussed with his family whether to continue with his work pressures or to be his own boss with freedom of time and actions. Specialised in strategy and new product development, he was confident being a gig he could continue his same lifestyle though not earning at the same rate as he was. He confided with some of his friends who were not very much appreciative of his idea. Considering his health and travel constraints as of now, he is confused. Can the Gig-economy work in India as in the US ?*

Rajesh is recently introduced to the concept of working from home. But the gig economy is different from working from home. A gig economy is a free market system in which temporary positions are common and organisations contract with independent workers for short-term engagements. Examples of gig employees in the workforce could include freelancers, independent contractors, project-based workers and temporary or part-time hires. *Techtarget.com* The term “gig economy” refers to a general workforce environment in which short-term engagements, temporary contracts, and independent contracting is commonplace. The growth of the gig economy represents a shift in the way people view work. Instead of a more traditional system where a worker works full-time for only one employer, some workers choose to enter the gig economy for the flexibility, freedom and personal fulfilment that it provides them.

A gig economy is a free market system in which temporary positions are common and organisations contract with independent workers for short-term engagements. The current reality is that people tend to change jobs several times throughout their working lives and the gig economy can be seen as an evolution of that trend (*techtarget.com*). In a gig economy, temporary, flexible jobs are commonplace and companies tend toward hiring 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. Gig economy workers may need health, disability or retirement benefits. A similar strong sense of mission comes through in discussions with major gig economy companies, including Airbnb and Lyft. Both have established “future of work” efforts within their companies (as has Uber). (*Feb 12, 2019 Forbes*)

The gig economy is when individuals offer their services on a part-time basis to companies both small and large. The sharing economy allows for individuals and families to take advantage of assets they possess and rent them out to people who need them.. Zoomcar is a perfect example of a sharing economy platform.

Over the last several years, the gig economy has grown significantly across the country. According to a study by consulting firm EY in 2017, one out of four gig workers in the world is in India (*livemint.com*). According to another study by the Bureau of Labor Statistics (BLS) in the US, in 2017, 55 million people, or more than 35 percent of the US workforce, were participants in the gig economy. By 2020, that number is expected to jump to 43 percent. (*Sep 11, 2019 fee.org*)

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We find gig economy jobs are interesting, with more responsibilities and less authority. Health benefits, insurance etc. are the lookout of the employee. The 10 Highest-Paying US Gig Economy Jobs of 2018

- Deep Learning / Artificial Intelligence: \$115.06 Per Hour.
- Blockchain Architecture: \$87.05 Per Hour.
- Robotics: \$77.46 Per Hour.
- Ethical Hacking: \$66.63 Per Hour.
- Cryptocurrency: \$65.37 Per Hour.
- Amazon Web Services, Lambda Coding: \$51 Per Hour.
- Virtual Reality: \$50.18 Per Hour.
- ReactJS Developers: \$40.75 Per Hour. (Ref- Thebalancesmb.com)

It can be added to that broad definition that the workers in a sustainable economy are financially healthy, which can be defined as able to pay bills, save and plan for the future financially. In this context, the gig economy may not be sustainable. (Ref-Medium.com)

Click [here for a HBR doc](#) on the Gig revolution .. Click [here for an interesting TED talk](#) on Gig Revolution ..

Some examples of gig economy jobs are given here.

- Driving and delivery gigs are a popular part of the gig economy job sector.
- Freelance Writer.
- Rent a Room in Your Home.
- Rent Your Parking Space
- Rent Your Storage Space
- Handyperson Work
- Landscaping / Lawn Care
- House or Office Cleaning
- Babysitting / Petcare

According to one definition, it is "*a labour market characterised by the prevalence of short-term contracts or freelance work, as opposed to permanent jobs*". And - taking opposing partisan viewpoints - it is either a working environment that offers flexibility with regard to employment hours, or it is *a form of exploitation with very little workplace protection*. ([www.bbc.co.uk](http://www.bbc.co.uk))  
Click [here for BBC doc](#) on the Gig revolution ..

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One of the biggest upsides of the gig economy is that it offers flexibility to the employees. Unlike traditional employees, gig workers are free to choose what types of jobs they do and when and where they do them. The ability to work from home helps in balancing work and family schedules and demands. A gig is a temporary job. The employee often works on a specific project for a company, either as an independent contractor or a freelancer. Sometimes these gigs are full-time, and other times they are part-time. One downside to gig jobs is that they typically don't offer health insurance or other benefits. *Balancesmb.com*

The poor sense of identity for the gig employee, employment legislature for gig employees being murky, competition and over supply bringing down wages, payment issues or slow payment straining relations, the solopreneur having to market himself, do client relations, manage accounts, finance, contract etc on his own were grave challenges a gig employee faces, (Forbes, Oct '18. )

Rajesh discussed with local educational authorities to find how the gig economy concept could be popularised among the masses. Gig economy creates millions of entrepreneurs or solopreneurs with great flexibility and infinite creativity. The downside of not having a permanent job with work colleagues and employee benefits could be offset with possibility for accepting highly specialised and highly remunerative jobs that need intense knowledge and training for execution with flexible and often intense working hours running into 12-16 hour work days.

Knowledge is more valued in a gig economy than education. While education gets one a job, Rajesh feels knowledge and skills can get the person a livelihood. Will the external environment be matured enough to accept the redefinition of job and assignment ? Every task becomes an assignment that needs to be assigned to properly qualified and skilled people who can do it satisfactorily to the customer's needs and desires.

Questions for discussion :

1. According to you, what are the major drawbacks and advantages / merits of the gig economy if Rajesh decides to accept it? What should Rajesh do in addition, to make himself secure ?
2. Can a fresher accept such work environments ? What changes need to be integrated into the education system to enable gig economy jobs ? Does the education system need to be very focused and specialised with on-the-job training and long intense internships for the gig economy to thrive ?
3. In the Indian work environment, can the gig economy thrive in the long run ? Why or why not ?
4. In an organisational setup, can the jobs outsourced to gig workers considered as suitable for automation?