

INTERNATIONAL JOURNAL OF LAW
MANAGEMENT & HUMANITIES

[ISSN 2581-5369]

Volume 4 | Issue 6

2021

© 2021 *International Journal of Law Management & Humanities*

Follow this and additional works at: <https://www.ijlmh.com/>

Under the aegis of VidhiAagaz – Inking Your Brain (<https://www.vidhiaagaz.com/>)

This Article is brought to you for “free” and “open access” by the International Journal of Law Management & Humanities at VidhiAagaz. It has been accepted for inclusion in International Journal of Law Management & Humanities after due review.

In case of **any suggestion or complaint**, please contact Gyan@vidhiaagaz.com.

To submit your Manuscript for Publication at **International Journal of Law Management & Humanities**, kindly email your Manuscript at submission@ijlmh.com.

Gig Economy: A New Work Arrangement

DR. M. V. CHANDRAMATHI¹

ABSTRACT

The coming of online platforms has reflected to be most noteworthy of economic changes over the last decade. Online platforms are used to capture public interest encouraging about the future of work. Business domain is witnessing a survival contest in an unhinged economic situation. This scenario has brought a compulsion in the change of mind set to come up with new avenue of business and employment.

The way people live, work, and spend money has changed considerably, particularly since the introduction of smartphone technology. Being hyper-connected through social media has expanded communication and offered up new opportunities to earn and spend money – picking up a "gig" (a temporary job engagement) online is as simple as making dinner plans or finding a date. The so-called "gig economy" is changing how people think about and do work, and countries must be prepared to adapt with creative policies and initiatives. This paper's goal line is in the adaptability to the change for the benefits and impacts to sustain in the commercial domain on the online platforms.

Keywords: *Online platforms, Technology, Social media, temporary job engagement.*

I. INTRODUCTION

The early source of the beginning having rooted with the term "gig" was used by jazz musicians' denoting to presentations². The "gig economy", over the most recent couple of years has seen an exceptional development of stages made by knowledge and technology firms. This has occasioned and brought about the creation of new positions, for engineers as well as for semi-trained youth as drivers, cooks, delivery boys, packers, and others in numerous supply chains. The system made by these sporadic or temporary business employment (freelancers), has derived to be branded as the gig economy.

People want greater flexibility and more options for earning a living and consuming goods and services. This quest is made easier by the technology-enabled marketplace, which is accessible from the palm of your hand. In short, the gig economy is poised to continue its meteoric rise. Fortunately, for the growing number of people working in the gig economy, the benefits often

¹ Author is a Principal at Anantha Law College, India.

² The Cambridge dictionary defines 'gig' as 'a single performance by a musician or a group of musicians'. See: <https://dictionary.cambridge.org/dictionary/english/gig>; accessed on 23 July 2020

outweigh the drawbacks.

The gig economy, in its most basic form, provides a work arrangement that benefits everyone involved; however, when power dynamics enter the picture, the delicate balance is thrown off. From the standpoint of a worker, being an employee entails more rigidity in terms of working hours and pay, whereas the gig economy provides more options for work assignments and payment offerings, more flexibility in working hours, and greater freedom in switching from task to task. Working from 9 a.m. to 5 p.m. for a single employer bears little resemblance to how a large proportion of the workforce earns a living today. Millions of people supplement their income by working independently rather than in structured payroll jobs. This is not a new phenomenon, but it has never been well measured in official statistics, resulting in data gaps that prevent a clear picture of a large portion of labour-market activity.

II. TRENDS IN GIG ECONOMY

The very first industry of “free lancing” as a concept took its basis is the IT industry. The IT industry stands to benefit the most since they can do away with their presence from going to the office and can work remotely from anywhere in the world. They can also monetise their work more efficiently even by working on many projects at the same time. They have clinched the opportunity of working and making money in their free time, selling it as a commodity. This in fact has turned out to be a great tool in training performers of other industries to also sell their time. On Force was the first company in 2003 to open opportunities for people to work in their free time. In this model everyone wins and hence was welcomed. Employer does not have to incur expenses to bear all associated costs and on the other hand employee has an opportunity to earn more. Unemployment and economic crises has increasingly led to such services like—taxi service, cleaning services, online tutor services etc., through an application (app). All these services can be found in a short time, ranging from few min to 15 min maximum. Such services through the apps are changing the scenario of market place and the very concept of “work”

Examples of the trend in practice

1. Facebook announced its intention to remotely relocate its workforce in May 2020. Facebook is one of a new breed of companies that actively sources its workforce through the gig economy.
2. Twitter made an announcement that it would facilitate maximum workforce by giving an option to work remotely.

3. Tobi Lütke, CEO of Shopify, stated that the company would begin a permanent shift to remote work immediately.
4. Sundar Pichai, CEO of Google, stated that the company is considering additional remote work flexibility beyond allowing most employees to work from home until the end of the year.
5. WordPress meetups offer some unique opportunities because they attract a diverse range of freelancers from various backgrounds. Co-working spaces can foster a sense of community among those who use them. Given the variety of backgrounds and skills displayed by those in attendance, it creates an opportunity for those looking for collaborators.
6. The list of companies that are driving this trend includes Facebook, Paladin, BDO, Pepsi, The Axa Group, FedEx, Bank of America, and Verizon- Source.³

III. OPPORTUNITIES IN GIG ECONOMY

Gig work is a blue-collar and informal working which has been projected to generate large and significant part of emerging market across the world from security staff to daily wagers, domestic helpers, from factory to construction workers. In India gig economy is growing rapidly and is expected to project its growth by a large percentage by 2023. In this type of economy model, organisations can decrease their overheads with time and money both. Trends have set in that companies now aren't employing someone for a long period will all privileges of a fixed term employee –like PF, insurance, paid leaves and vacation, travel and medical leaves etc., This vested benefit of the companies permits them not only to save money but also getting the best human resource for a short time, this is particularly in situations requiring technical expertise. The businesses furthermore can also save time and money involved with recruitment and selection process. With the advent of smartly built digital platforms and applications—like linkedin etc., it has become very easy to find wherever (s)he is working from for the job,. Businesses benefit from scalability in this way because they can maintain core operations while bringing in external expertise as needed. This permits them to be supplier and better respond to market unpredictability. They can now swiftly put an organized a team of experts, such as a designer, mechanical engineer and a lawyer, to work on a short-term project.

In the commercial world 'war for talent' is nothing new and with strong competition, most organizations lean towards to focusing on bottom lines to increase profits. This is the sugary

³ <https://www.monster.com/career-advice/article/freelance-jobs>

spot for all those freelance professionals, who sacrifice the luxury and comfort of security (or may be not) of the corporate world, to do the work they dear, and be their own master. Companies are resorting on to this arrangement as it helps them get an immediate workforce, innovate faster and reduce cost. Presently the focus is on customer support, Learning and development, corporate website development and support, as a set of business activities, have always employed freelancers and now most companies prefer to have only a couple of regular employees in those functions and get the rest of the work done through external experts. This typical arrangement allows companies to tap the relevant knowledge and expertise, at a fraction of the cost. Gig economy creates a great opportunity in Indian employment sector. The Indian economy presently is typically facing jobless growth leading to lack of inclusive growth. The gig economy would be able to provide gainful employment to the youths. Gig economy is fashioning openings for women as well.

IV. CHALLENGES IN GIG ECONOMY

Gig economy, also facilitates work force with incapacities to gain experience, training, and economic independence when it is managed properly. People with disabilities move from high levels of underemployment, unemployment and governmental-based income supports to competitive work, this possibility can play a significant role⁴. However, with self-employment in general, gig work presents unique challenges for people with disabilities⁵. Most part of the work force with disabilities does not have the required training, financial resources, and work experience to undertake gig work. It can be challenging to transform a longing desire to work into a purposeful and profitable independent business. Further there are administrative and other record keeping activities which are required to keep businesses running and in compliance with legal requirements such as paying taxes and maintaining insurance coverage. On-demand gig transportation and delivery services necessitate transportation vehicles in good working order as well as the payment of associated maintenance costs. Entry into gig work frequently necessitates a financial or technical investment which may be made available to people with incapacities through governmental or private vocational rehabilitation services. As the number of gig workers with disabilities rises⁶, the economic vulnerabilities of gig workers

⁴ Balcazar F, Kuchak J, Dimpfl S, Saripepella V, Alvarado F. An empowerment model of entrepreneurship for people with disabilities in the United States. *Psychosoc Interv.* 2014;23(2):145–150.

⁵ Aloisi A. Commoditized workers: case study research on labor law issues arising from a set of on-demand/gig economy platforms. *Comp Labor Law Policy J.* 2016;37(3):620–653.

⁶ Lee S, Hubert-Wallander B, Stevens M, Carroll JM. Understanding and designing for deaf or hard of hearing drivers on Uber. In: *Proceedings of the 2019 CHI conference on human factors in computing systems*, Paper No. 529. 2019. <https://doi.org/10.1145/3290605.3300759>.

are becoming more scrutinised by regulators⁷. As previously stated, gig work is frequently used as a necessary dual or secondary part-time source of income. This additional income, if not properly managed and reported, may jeopardise eligibility for government welfare benefits⁸. The possibility of exceeding the income limits for governmental benefits, referred to as an "income cliff," discourages disabled recipients of governmental benefits from seeking additional income through gig work⁹. The regulatory responses to date have made it complex in determination of whether gig workers are measured as independent contractors or traditional employees.

While independent contract work arrangements have been around for a long time, they are still relatively unregulated. Traditional forms of freelancing are not the same as task-oriented gig work controlled by an online platform. When deciding whether to regulate the gig economy, governments must first consider how regulation might direct specific interventions and to what end. Ought the gig workers be sheltered by anti-discrimination laws in the workplace due to their incapacities, and thus be covered by equal employment opportunity laws?

While independent contract work arrangements have long existed, they remain relatively unregulated. Task-oriented gig work controlled by an online platform is different from traditional forms of freelancing. In deciding whether to regulate the gig economy, governments first must consider in what ways regulation may direct particular interventions, and to what end. Take the example of workplace accommodations: should regulators require gig companies to provide reasonable accommodations at their expense for their contractors, and if so, what might those accommodations include? Should gig workers be protected by employment antidiscrimination laws on the basis of their disabilities and thereby be covered under equal employment opportunity laws?

V. THE IMPACT OF COVID-19 ON GIG ECONOMY

The entire world has been jolted and halted as a result of Covid-19. Although economies and stock markets have taken a beating, the number of regular daily tasks/jobs posted and filling on the online platform has increased. Because the Covid-19 incident created an out-of-the-ordinary situation, the Gig economy is taking its time to adjust to the new normal due to the prevailing uncertainty. The nature of gig work is often temporary, with little income stability

⁷ Blanck P, Adya M. Future directions in employment, occupational rehabilitation, and disability: introduction to the special section. *J Occup Rehabil.* 2017;27(4):479–481.

⁸ Doucette M, Bradford W. Dual job holding and the gig economy: allocation of effort across primary and gig jobs. *South Econ J.* 2019;85(4):1217–1242.

⁹ Doucette M, Bradford W. Dual job holding and the gig economy: allocation of effort across primary and gig jobs. *South Econ J.* 2019;85(4):1218–1242.

and security. The conditions for these are attributable to failure of payment of minimum wage and overtime, lack of breaks for meals and rest. “Uber” for example, is infamous for its control of driver choices through its algorithm, unilateral and abrupt changes in pay rates and rider interaction rules, and harsh penalties (including deactivation) for drivers who receive customer complaints, underperform, or fail to comply with platform policies¹⁰. Transportation and delivery apps (applications) platforms were critical in providing essential services to consumers during the lockdown, as people were confined to their homes around the world. In India, some food delivery platforms, such as Swiggy, have begun to deliver groceries and other necessities¹¹. These services were becoming increasingly important for those in quarantine, while also providing an important option for those who were especially vulnerable to COVID-19 to access food, groceries, goods, and even medical services. Workers providing such services were also important in connecting consumers with businesses, including Small and Medium Enterprises (SMEs), and in meeting demands and ensuring business continuity. It is difficult to estimate the number of workers engaged in these platforms because there is no data available, but during COVID-19 lockdown, these workers were declared as part of the 'emergency services' in most countries around the world.

VI. CONCLUSION

This paper article investigates the gig economy and focuses on how various factors influence the growth and importance of the gig economy in the Indian and global contexts. The role of digital platforms in bringing gig culture to developing countries and remote corners of the world is critical. However, it presents numerous challenges to freelancers in the form of lower pay, a lack of social benefits, and a lack of job security. The benefits of hiring freelancers for corporations include lower costs, less obligation, and talent on demand.

However, organisations may face numerous challenges in ensuring the privacy of data, information, and intellectual property (IPR) while managing business functions with the assistance of freelancers. Similarly, there is a paucity of literature in the analysis of freelancers' wages and payment protection concerns on digital platforms. This calls for more research into the rights of freelancers in the gig economy. Furthermore, very little research has been conducted on how gig workers can build their online brand and use various marketing channels

¹⁰ Alex Rosenblat, *Uberland: How Algorithms Are Rewriting the Rules of Work* (Oakland: University of California Press, 2018); Saba Waheed et al., “More Than a Gig: A Survey of Ride-Hailing Drivers in Los Angeles” (Los Angeles: UCLA Labor Center, 2018), <https://www.labor.ucla.edu/wp-content/uploads/2018/06/Final-Report.-UCLA-More-than-a-Gig.pdf>.

¹¹ <https://www.business traveller.com/business-travel/2020/04/13/swiggy-starts-grocery-delivery-across-india/>.

for long-term growth and career opportunities in this economy.
