

CHALLENGES AND LIMITATIONS OF GIG ECONOMY AND POSSIBLE IMPLICATIONS FOR EDUCATION

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ABSTRACT

In this research, the authors tried to discover the extent to which the inclusion of young people in the gig economy is challenging, what are the advantages and disadvantages, as well as the possible implications for the education sector. Accordingly, the authors conducted a survey among 199 students who completed higher vocational and faculty education. The authors first gave a theoretical background to the problem, and then proposed a research methodology. The paper concludes that participation in the gig economy is a logical path for young people who are unemployed or whose income in traditional jobs is insufficient. The need to redefine the curriculum at faculties and universities, as well as the legal regulation of work in the gig economy, is pointed out. Entrepreneurial education and gaining the necessary experience can lead to a reduction in unemployment, as well as incomes for countries that are not small.

Keywords: Gig Economy, Gig Education, Skills, Teaching, Learning

INTRODUCTION

The technological age has caused a major shift in all aspects of life, including the way we work. As such, online consumer-driven services, free communication channels and globalized networks have created more space than ever before for outsourcing, contracting, enticing and freelancing. Although increasingly appearing on the political agenda, the gig economy is subject to criticism and differing opinions on employment and workers' rights law (European Parliament, 2017); (Odgers, 2017). The gig economy is described as doing business by connecting customers and clients through a platform (Brinkley, 2016). It is also known by other names, such as "crowdsourcing", "sharing economy" and "collaborative economy" (Stewart & Standford, 2017). The characteristics of the gig economy include workers prone to flexible work patterns based on service demand, workers who self-provide jobs, tasks performed through an online platform and typically a triangular type relationship between employee, end user and digital intermediary (Stewart & Standford, 2017). Flexible jobs mean different things to different people, but can include working from home, working part-time, job sharing, contract and freelance employment, part-time and temporary jobs, self-employment, and new jobs. Unlike full-time contracts, the gig economy is a labor market consisting of freelance or part-time jobs. According to McKinsey (2016), some of the fastest growing segments of the gig economy are in the creative industries and knowledge-intensive industries. For employers, working through the platform allows for

wider access to specialized skills, more flexible and faster hiring processes, and 24-hour productivity. For workers, working through the platform has created new opportunities for access and competition in the global labor market, from anywhere at any time, as long as they have access to computers and the Internet (World bank, 2015). Accordingly, the aim of this paper was to explore the challenges, opportunities and limitations of work and the gig economy, with reference to the implications for education.

THEORETICAL BACKGROUND

In today's business environment, technology is a tool that is increasingly replacing old ways of working in search of profit in an increasingly competitive world, which has relaxed the previously structured and regulated approach to formal employment opportunities. Rapid adoption of technologies and changing candidate preferences means that workers can find more jobs, while companies have the opportunity to reach candidates with the necessary skills. The gig economy is one such result. Gig economy can be defined as an economic activity that involves the use of temporary or free workers to perform jobs in the service sector. The gig economy encompasses all platforms that employ independent contractors, consultants and workers in various sectors, such as information technology, content creation, social media marketing and communications, food and beverage, creative fields such as art and design. Modern tech companies are helping the gig economy to broaden its reach by connecting workers with consumers more quickly and efficiently. Thanks to the Internet, a gig worker can find a job anywhere in the world, so in that sense, geography is no longer a factor when it comes to finding the right people for work.

Entering the gig economy is an opportunity for millions of people to approach work in a completely different way than traditional. However, like everything else, the decision to enter the gig business implies certain advantages, but also disadvantages. The advantages of working as a "flexi" worker are: small barriers to entry, the ability to establish a personal balance between work and private life, flexible working hours, choice of type of work and projects to be undertaken, possibility to work from anywhere in the world. On the other hand, the disadvantages of working in the gig economy include: lack of pension, social and health insurance, inability to pay sick leave or annual leave, minimal job security in terms of dismissals or notice periods, and most importantly, there is no guaranteed earnings at the end of the month.

Employees in the gig economy make up a significant part of the workforce. Estimates of the number of people working in the gig economy vary. For example, in the United Kingdom, the number of self-employed in 2017 was 4.8 million, which is 15,1% of the workforce (Office for National Statistics, 2018). In the United States, 15 million people (10,1% of the workforce) were self-employed in 2015 (Hipple & Hammond, 2016). India has 15 million freelancers who, among others, are increasingly gaining independent contracts in industries such as IT and programming, finance, human resources and design (Malhotra, 2020). Other research suggests that the gig economy is even larger, in part because full-time workers do gig work as secondary employment and do not report it as additional work (Uhler, 2015). U.S. government data indicates that more than 30% of families have income from self-employment or work in the gig economy (Larrimore et al., 2018). A 2017 survey conducted by the Upwork and Freelancers Union found that 57.3 million Americans (36% of the workforce) work as freelancers, contributing approximately \$ 1.4 trillion each year to the U.S. economy (Upwork and

Freelancers Union, 2017). According to their projections, most American workers will be freelance by 2027.

Contract work in the field of education is keeping pace with the overall growth of flexible work that we have witnessed in recent years. In fact, the education and training industry is among the top five industries with the highest demand for freelancers due to the high level of specialization and the rise of virtual education. Many teachers accept online teaching as a way to supplement their income. The growing need for highly specialized employees means that an increasing number of teachers are offering their skills outside of school. Also, many teachers are moving from traditional full-time school jobs to online teaching. One-on-one teaching can be less stressful than classroom teaching because it requires far less preparation for class, less administrative responsibilities, and minimal behavior management. It can also be performed at home or anywhere, allowing teachers to tailor their work to other important aspects of their lives, such as family.

Preparing students for the gig economy upon graduation is a major challenge. On the one hand, jobs will be much more focused and specialized in the future. On the other hand, switching to contracts or jobs based on gig-based jobs requires employees to be very flexible. Instead of focusing on acquiring deeper knowledge, there must be a shift in the teaching skills that students will need in the modern world of work. Although curricula are not adapted quickly enough to meet future work culture requirements, teachers can still apply methods to prepare students to work on projects using project-based learning strategies. In addition to teaching key skills such as self-directed learning, effective communication, critical thinking, problem solving, collaboration, and project management, teachers must encourage the use of technology in all of these aspects. Real-world experiences should have played a greater role in education, as traditional work is no longer sufficient. Business people should be encouraged to act as mentors to students, giving them the opportunity to work together with experts in solving challenging real-world problems. Emphasis should also be placed on how the project is reported. Students should be encouraged and prepared to present their results in a public environment, just as they will have to in real life.

Case Study of Serbia

With almost 4 freelancers per 1000 inhabitants, in 2018, Serbia was in the first place in the world in terms of the number of people who earn a living on the Internet. According to the research "Global Internet Freelance Market Overview for 2018", Serbia is on the eleventh place in the world with 25,000 registered and active freelancers (Kässi & Lehdonvirta, 2018).

Freelancers in Serbia are equally engaged in women (49.2%) and men (50.8%). There is also a shift in the age structure upwards, i.e. about 60% of respondents are between 18 and 35 years old. The highest concentration (51%) is in the group from 26 to 35 years. The majority (80%) have higher vocational and faculty education, the number of freelancers with secondary education is also significant (20%). One of the most important results of the survey is the data on the percentage of freelancers for whom this type of activity is the only source of income (77.7%). Most freelancers (53%) support one or more family members. Regarding the right to pension and health insurance, the analysis of the data showed that two thirds of freelancers do not exercise these rights on any basis (IWA, 2021).

The spectrum of occupations is extremely diverse, and a growing group of language teachers stands out (36.5%), which is not a surprise since this industry is developing rapidly globally. Freelancers working in the field of information technology are in second place with 18%, followed by those in the field of art (9,3%) and marketing (8.7%). There are other occupations such as translating, writing, working on social networks and providing consulting services in various fields. As for the motivation to engage in freelancing, three answers dominate: the impossibility of finding a job in domestic companies, flexibility in work, as well as the possibility of higher earnings than in Serbia. As many as 85% of freelancers work for foreign employers, and more than half use digital platforms to do work or find employers and clients. More than half of online workers do not set the price of their work. Also, 94% of freelancers stated that they do not enter into any contract (IWA, 2021).

Freelancers' salaries vary and are divided into pay grades – up to 200 euros 7%, up to 400 euros 17.2%, up to 600 euros 18.8%, up to 800 euros 18.9%, up to 1,000 euros 15.4%, up to 2,000 EUR 15.2%, up to EUR 3,000 4.4%, and over EUR 3,000 3.1%. After deducting operating costs (10%, 20% or 30%), the average net salary of a freelancer is 560 euros.

The last group of questions refers to the possibilities and expectations of workers on the Internet and the sustainability of engaging in this activity in the future. When asked whether they in some way regulated their business in any of the legally existing categories of entrepreneurs, 83% of freelancers answered that they did not regulate their activities in any way, i.e. they work exclusively as individuals, while 15% are registered as entrepreneurs, and less than 2% of freelancers are employed in a domestic company, and freelancing brings them additional income (IWA, 2021).

METHODOLOGY

The survey was chosen for the research because of its comprehensive view, efficiency and effectiveness in data collection. The survey is designed to include ranking scales (Likert scale with 5 points) and closed questions to obtain comparable results. Due to the ease and limited cost of the research, a questionnaire form was used. The questionnaire had 13 questions, and the questionnaire was distributed via e-mail and social networks Facebook and WhatsApp. Data were collected in the period from February to May 2021.

KEY FINDINGS

The research sample had 199 respondents, of which 57 (28.64%) were men and 142 (71.36%) were women. By age, respondents ranged in age from 20 to 40 years, and most were in the range of 25–33 years (76%). The majority of respondents acquired higher vocational and faculty education (80%), while the rest have secondary education. Most respondents (20%) worked in the gig economy for a period of 3-6 months (20%), 1-3 months (18%), 6-12 months (17%), 1-2 years % and 2-4 years (13%), while 9% of respondents worked for more than 4 years. The largest percentage of jobs was performed 2-4 times a month (33%), more than 4 times a week (28%), once a week (11%), every other week (8%), every 3-4 weeks (7%) , every few months (7%) and only once (6%).

Flexibility had a significantly higher frequency than other factors (67.4%), which is the primary reason for working in the gig economy. The lowest number of answers was obtained for the ability of entrepreneurial activities (6.5%). Figure 1 shows the ratings related to the benefits

of the gig economy. Control has a higher level compared to other variables with 90 (45.2%) responses. Entrepreneurship peaks in the “neutral” zone with 50 (25.1%) responses, while flexibility peaks at 76 (38.2%) in the “important” zone.

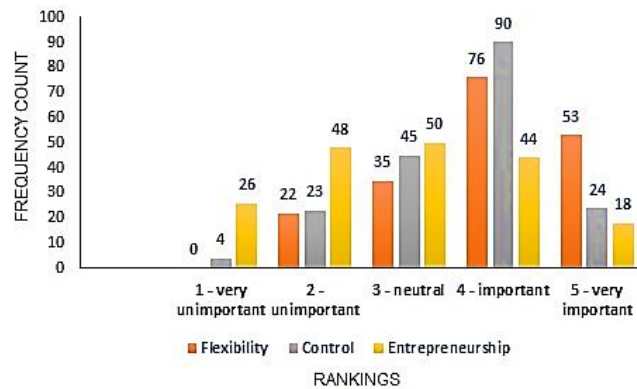


FIGURE 1
VALUE RATINGS FOR THE ADVANTAGES OF THE GIG ECONOMY

The Chi-square test (Table 1) shows a statistically significant correlation between the desire to work in the gig economy and the advantages it provides ($p < 0.5$).

Variable	χ^2 value	p value
Advantages Rating	$\chi^2 = 13.123$	$p = 0.041$
Disadvantages Rating	$\chi^2 = 15.105$	$p = 0.057$

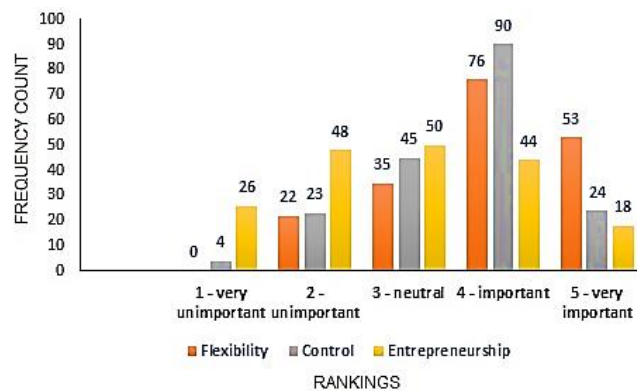


FIGURE 1
VALUE RATINGS FOR THE ADVANTAGES OF THE GIG ECONOMY

Fisher's test (Table 2) shows a significant relationship between the advantages of working in the gig economy and flexibility ($p = 0.00$, $p < 0.05$). There is no statistically significant relationship between the benefits of working in the gig economy and control ($p = 0.706$, $p > 0.05$). Also, there is no statistically significant relationship between the advantages of working in the gig economy and the ability to perform entrepreneurial activities ($p = 0.084$, $p > 0.05$).

Variable	Chi-squared test		Fisher's test	
	χ^2	p value	χ^2	p value
Flexibility	31.64	0.000	31.361	0.000
Control	3.793	0.705	3.816	0.706
Entrepreneurship	11.173	0.083	10.764	0.084

Figure 2 shows the ranking when it comes to the advantages and disadvantages of the gig economy concept. The observed advantages have the highest number of answers in the zone "very often" with 84 (42.2%) answers, while the disadvantages have the highest number of answers in the zone "sometimes" with 89 (44.7%) answers.

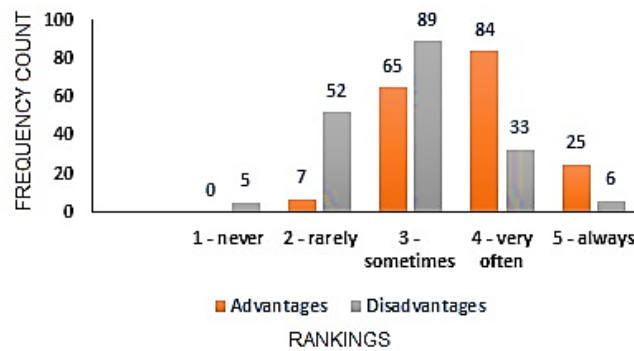


FIGURE 2
RANKINGS OF THE ADVANTAGES AND DISADVANTAGES

Figure 3 shows the distribution of frequency in determining the existence of a significant relationship between individuals who see significant shortcomings in the gig economy and the value they attach to wages, sick pay, recourse and other forms of legal protection.

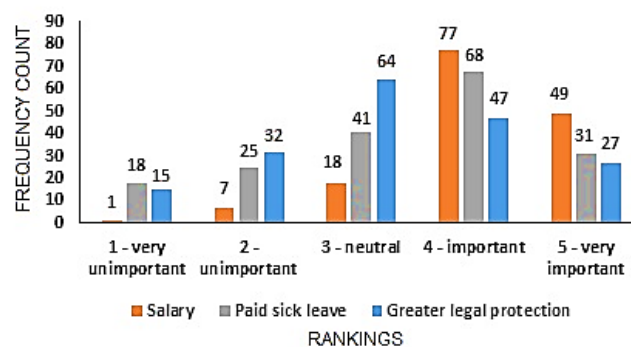


FIGURE 3
VALUES FOR THE DISADVANTAGES OF THE GIG ECONOMY

Estimates of salary amounts follow a much steeper gradient with 126 (63.3%) responses that are in the "important" or "very important" zone. 74 (37.2%) respondents perceive greater

legal protection as "important" and "very important". Based on the Fisher test (Table 3), there is a statistically significant relationship between total deficits and salary ($p = 0.03$, $p < 0.05$). There is no significant relationship between sickness benefit and compensation ($p = 0.123$, $p > 0.05$). There is a statistically significant relationship between total deficiencies and legal protection ($p = 0.023$, $p < 0.05$).

Variable	Chi-squared test		Fisher's test	
	χ^2 value	p value	χ^2 value	p value
Salary	18.697	0.017	14.955	0.03
Paid sick leave	14.897	0.061	11.675	0.123
Other legal protection	17.945	0.022	16.195	0.023

CONCLUSION

Unlike traditional full-time jobs, where work is assigned to employees, gig workers are given greater autonomy in terms of the type of work they choose to do. The reasons why someone participates in the gig economy are flexibility, inability to find alternative jobs, inadequate other alternative contracts and the ability to perform entrepreneurial activities. Because there are no physical boundaries in the digital world, digital work allows clients to reach a workforce around the world at any time. This is primarily made possible by work platforms that have emerged as business models on the wave of digital innovation. Although they often define themselves as intermediaries, platforms actually perform some of the functions of an employer. Despite the growing popularity of gig-based work, most universities have yet to make significant changes to their curricula to adapt to this new trend. This means that many students will graduate without the knowledge needed to advance, as their careers in the future will involve an increasing number of jobs. Thanks to the characteristics of the Serbian economy, the offer of digital work from Serbia is constantly high, regardless of whether digital workers in Serbia choose to work on platforms as a desirable secondary source of income, the first source of income supplemented by occasional engagement in offline work. the only source of income they generate.

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