

What is the Gig Economy?

Technology has substantially transformed most of what we do—from the manner in which we access transport and consume food to the way we seek employment—giving rise to new economic models. The proliferation of platforms and mobile apps as well as the conduit facilitating their use—smartphones—are at the heart of most of this change.

New economic models have arisen as a result, that combine technology and business ideas in inconceivably novel ways. One such model is a labor economy of sorts where speed and convenience are the norm—the on-demand gig economy. We call it "on-demand" because the access to and procurement of labor are immediate, and we call it "gig" because of the underlying temporary work contracts or "gigs" that are sometimes over in a matter of minutes.

○ Gig Economy: The Varied Manifestations and Business Models

A central component of the gig economy is income generation through the provision of labour. And while different manifestations of the gig economy exist, not all of them can be strictly regarded as the gig economy. We provide here a few examples of the various manifestations of the gig economy.

At the core of the on-demand gig economy are platforms or mobile apps. This feature of the gig economy is usually dubbed the platform economy. These terms are not to be used interchangeably, however. The platform economy is a much broader term not necessarily subsuming all of the gig economy. In essence, the platform economy facilitates value-creating interactions between seemingly remote participants: businesses, customers, suppliers, employers and employees through tech-centric platforms, including examples of platforms that cannot be considered a part of the gig economy per se such as Amazon or Airbnb that facilitate interactions over their platforms but do not create an on-demand labor economy directly.

The other term most often used in consort with the gig economy is the term "[sharing economy](#)". Sharing economy is defined by what it makes possible: the monetised sharing of otherwise under-utilized assets such as cars or homes and, as [April Rinne](#), a global advisor on sharing economy notes, the creation of community. For example, Airbnb is a platform that connects owners of homes with renters that seek short- or medium-term stays. Mobi Bike from China enables sharing of company-owned bicycles to riders seeking transport access in cities. In effect, both of these sharing platforms create a community of owners and users that have repeated interactions based on their experiences.

In some cases, there are overlaps in the functioning of the sharing and gig economy, as it relates to income generation. Take for example Uber pool—a car that may or may not be owned by the Uber driver (gig worker) is shared with more than one customer to serve their transportation needs, facilitating its productive use and consequently the beginnings of community creation (Uber users). In so far as the sharing economy generates income for some participants in exchange for work that is temporary in nature, it is an attribution to the workings of the gig economy. The Uber driver here for example, is a gig worker, earning income by way of each gig (ride service offered). Not all sharing platforms subscribe to this underlying reasoning, however. Going back to Airbnb, the owners who own homes are not performing gigs—they rent what they own.

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There is also the **freelance economy** that refers to “high-skilled workers” who offer highly specialised services to organizations on a temporary basis. Even though these services are temporary and are often referred to as gigs, they tend to be high-paying, unlike gigs in the ride-hailing or food delivery industry. More often than not, freelance workers undertake freelance or independent work out of choice rather than necessity.

Crowdwork is another term most commonly used to refer to the gig economy. As Jeff Howe notes, this term denotes the use of “crowds” or an undefined, large pool of labor by organisations to perform tasks that were formerly performed by employees or firms or other designated agents. In our study, GoGet and Fast Jobs are both crowdsourcing platforms, where organisations looking for labor to perform a discrete set of tasks are matched with people looking for “gigs”.

The gig economy as we have seen, does not have an absolute definition, but rather is a continuum spanning different combinations of interactions between workers and organisations. Despite these various intersections, the core features of the gig economy could be pinned down to the following three aspects: temporary work or “gigs”; no formal, long-term contractual relationship with the employer; and the use of tech platforms.

Table: Definitions of tech-powered economies

Terminology	Definition
Sharing economy	Focus on the sharing of underutilised assets, monetised or not, in ways that improve efficiency, sustainability and community
Collaborative economy	Focus on collaborative forms of consumption, production, finance and learning (“collaborative consumption” is closest to the orthodox sharing economy definition)
On-demand economy	Focus on “on-demand” (i.e. immediate and access-based) provision of goods and services
Gig economy	Focus on workforce participation and income generation via “gigs”, single projects or tasks for which a worker is hired (limited overlap with skill sharing)
Freelance economy	Focus on workforce participation and income generation by freelancers, also known as independent workers and self-employed (limited overlap with skill sharing; freelance engagements are often longer and/or deeper than gigs)
Peer economy	Focus on peer-to-peer (P2P) networks in the creation of products, delivery of services, funding and more
Access economy	Focus on “access over ownership” (overlaps with sharing, though sharing is by no means requisite)
Crowd economy	Focus on economic models powered by “the crowd”, including but not limited to crowdsourcing and crowdfunding
Digital economy	Focus on anything powered by digital technologies
Platform economy	Focus on anything powered by tech-centric platforms

Source: World Economic Forum. What exactly is the sharing economy? Available from: <https://www.weforum.org/agenda/2017/12/when-is-sharing-not-really-sharing/>