

# Is it time to join the gig economy? By Dion Chang

*The gig economy (aka the freelance economy) is fast evolving to become an attractive – and lucrative – alternative to the traditional 9-to-5, with more and more people dabbling in it*



new revenue streams that will be hard for regulators to argue against.

There's a fast-growing trend of people investing in property or cars specifically to add to the ecosystems of Airbnb and Uber in order to generate an additional income: it's the convergence of the sharing economy and the gig economy. The inevitable backlash to this trend came to a head last year in San Francisco – the home of Airbnb.

In 2015, over 138 000 San Franciscans stayed in Airbnb rentals or hosted guests themselves, turning some neighbourhoods into “transient” communities. Proposition F was launched by concerned residents to limit rentals to 75 days a year, increase penalties and establish lucrative pay-offs for neighbours who successfully sued violators. Proposition F was put to the vote. Supporters argued that short-term rentals divert scarce housing to lucrative, illegal, year-round hotels, while the opponents argued that Airbnb helps middle-class families make ends meet.



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**T**he January 2015 issue of *The Economist* highlighted the growing trend of on-demand workforces. Since then, the generic on-demand economy has boomed and its ripple effect has disrupted many industries, from transport to food, music and entertainment. This year, on-demand assistance – for pretty much anything you might need – will explode, in turn creating entrepreneurial, or freelance, opportunities for many people. Add to the equation a shaky economy, as well as the growing threat of mechanisation (it's predicted that in the next decade, robots or computers will replace many routine/manual jobs) and it's not surprising that people are seeking additional revenue streams.

Tech companies like Uber and Airbnb are paving the way for this gig economy and, in the process, giving regulators and legislators a headache. For example, the e-hailing company considers driver partners in the Uber ecosystem as

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independent contractors, but last year the California Employment Development Department ruled that a former Uber driver was technically an employee. This is the downside of the gig economy, because it brings into question labour and social security issues based on the traditional employer-employee relationship: a relationship, be it noted, that was spawned in a post-industrial era.

People who are used to freelancing (like me) have always had to look after their own benefits and retirement plans, so we can't understand what all the fuss is about.

However, the gig economy is creating not only a new breed of independent contractors, but also opportunities for

In the end, Proposition F was voted down.

“Voters stood up for working families’ right to share their homes and opposed an extreme, hotel industry-backed measure. The effort showed that home-sharing is both a community and a movement,” said Airbnb spokesman Christopher Nulty.

Therein lies the rub: the gig economy turns its (willing) participants into customers and contractors – *and* links them directly. Regulators and legislators want to ensure there are traditional safety nets. However, we've crossed into a knowledge economy. It's time we created our own safety nets. Are you ready to take the plunge? 🌈