



# GIG

ENTERING THE  
GIG ECONOMY

## Module 2

Gig economy workers  
and  
financial implications



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## Learning outcomes

After completing this module you:

- know where their strengths and development points are;
- can assess the gig economy as a career choice for themselves;
- are able to create a sound career for yourself;
- are aware of your mindset (fixed vs growth mindset);
- know the characteristics of gig workers;
- know what 21st century skills are and how to develop them;
- know what skills and competencies are important for gig workers;
- know how platform work works and its opportunities and threats.
- Understand the financial implications of the gig economy



## Time

4 hours to complete the entire module (pick and choose certain items is also possible).



## Competencies

By participating in this module, you will develop the following competences:

- Being able to assess risks
- Problem solving, flexibility, adaptability, agility
- Self-awareness
- Growth mindset
- Ability to assess own skillset
- Ability to adapt, ability to grasp favourable situations



## Assignments and tools

This module includes four assignments and three tools.

# Characteristics of GIG workers

Every year, all over the world people start their own small business. From every profession, self-employed people emerge with a different perspective. Some young people would start as gig worker on the labour market after they graduate. But in most cases, a starting self-employed person has had extensive to very extensive work experience in quite a few companies. Two groups can be pointed out here: by far the largest group starts its own business from an employment relationship because they feel that they can do a number of things better themselves. Starting from a benefit situation is also popular because professionals do not want to sit at home behind the geraniums with benefits, but actually want to provide for their own income.

So what characteristics do gig workers have in common?

Daring, dedication and perseverance, professional knowledge and entrepreneurial spirit. These are the most important qualities for a starting entrepreneur.

**Daring** is absolutely necessary because you are going to let go of all the safe ways, you act for your own account and risk. No work means no income.

**Perseverance** is a must because things will not always go your way. There will be good times and bad times, a little perseverance makes things a lot more pleasant.

Without **professional knowledge**, it makes no sense to start as an entrepreneur. If your product or service that you are going to offer has no quality, you will quickly fall through the trap of clients.

**Entrepreneurial spirit**, finally, is mostly instinctive but can also be practised and learned. When entering the gig economy, you will have to develop a sense of entrepreneurship. When people are employed, everything (think about insurance, pension, vacation money, etc.) is arranged for them. When you are a going worker you have to arrange this yourself. In addition to this, you will need to attract customers, set your price, etc.

This video was made for the international Gig training week and gives an introduction to the gig economy. Joe English from the Meath County Council and Conor Patterson from WIN consultants Ireland explained the GIG economy concept. This video also shows gig workers hints and tips for people entering this economy for the first time.



## Assignment The Swot Analysis

Make a SWOT analysis of yourself to see where your strengths and weaknesses are but also to spot threats and opportunities.

What makes SWOT especially powerful is that, with a little thought, it can help you uncover opportunities that you would not otherwise have spotted. And by understanding your weaknesses, you can manage and eliminate threats that might otherwise hurt your ability to move forward.

<b>Strengths</b>	<b>Weaknesses</b>
<b>Opportunities</b>	<b>Threats</b>



Download the Swot Analysis tool here.

# Skills and competences in the gig economy

When we talk about the skills a person needs for a particular job, you will often come across the phrases 'hard skills' and 'soft skills'. So what exactly is the different between the two?

Hard Skills	Soft Skills
<p>Teachable, measurable abilities that are crucial for a particular job. These skills can be clearly defined and are often learned rather than natural</p>	<p>Soft skills are more so personality traits that can aid a person in a particular job. While these are not absolutely crucial for a job, they are extremely helpful and can make all the difference between success and failure.</p>
<p><b>Examples of hard skills:</b></p> <ul style="list-style-type: none"> <li>• Expertise in a coding language for a programmer.</li> <li>• Technical knowledge on construction work.</li> <li>• Knowing trends in hair fashion for a hairdresser.</li> <li>• Ability to build a WordPress website for a web developer.</li> </ul>	<p><b>Examples of soft skills:</b></p> <ul style="list-style-type: none"> <li>• Interpersonal communication.</li> <li>• Sense of responsibility.</li> <li>• Mood</li> <li>• Critical thinking.</li> <li>• Networking skills.</li> <li>• Entrepreneurial mindset.</li> <li>• Pro-active attitude.</li> </ul>

Freelancers need different hard or core skills depending on the field in which they specialise and the service they provide. But when it comes to soft skills, there are particular character traits and skills that will help any freelancer.

Must-Have soft skills for freelancers are:

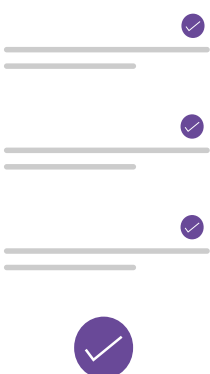
- Self-assurance (believe in your business case and stick to it)
- Pro-active attitude
- Ability to create alliances
- Ability to adapt
- Sales and negotiation skills
- Spirit of service
- Time and stress management skills
- Passion to learn
- Communication skills
- Persistency, firmness and fortitude
- Ability to grasp favorable situations.

Maybe even more important for gig workers is to understand the importance of lifelong learning and to have a growth mindset.

Psychologist Carol Dweck observed that students react very differently when they are confronted with failure. For example, some students show confidence that they would succeed if they continue trying, while other students give up very fast. Dweck started to study the way people deal with failure and discovered that the mindset of the person has an important influence on how people deal with challenges, failure and learning situations throughout their life. She roughly distinguishes two types of mindsets: a growth mindset and a fixed mindset. A mindset is a way of thinking (beliefs, opinions and core cognitions) about yourself.

With a growth mindset, business owners can set themselves up to learn all the skills they could possibly need to make sure their company thrives.

Source: Growth Mindset vs. Fixed Mindset  
press button to watch the video.zz





## Group Assignment Discussion

*Discuss the concept of a growth vis a fixed mindset with a group.*

Think about the following three statements and write down if you rather agree, neither agree nor disagree or if you rather disagree.

1. "I would praise a student for his efforts if he worked really hard, even though if he has not made any progress or did not learn anything."
2. "Having a growth mindset is always better than having a fixed mindset."
3. "Either you have a growth mindset, or you have a fixed mindset."

*After completing and discussing the three questions, read this feedback on the statements:*

### 1.Praising effort?

**Feedback:** Carol Dweck noticed that many teachers or parents praised the effort, not the outcome. She says this is wrong, people should praise effort that led to the outcome or learning progress and tie the praise to it. It is not just effort, but strategy. So you should support the student in finding another strategy, a strategy that creates success. A potential consequence of praising effort without results, is that is does not feel sincere for the student since he did not learn a lot yet, but the student might get the feeling that his teacher thinks that this is "the best he can", since he already showed "a lot of" effort. If the teacher does not give any further feedback on how he might improve and reach his goals this can trigger a fixed mindset: "apparently I can't do any better". Carol Dweck calls this the consolation prize.

### 2.Growth mindset is always the best?

**Feedback:** For some tasks a growth mindset is not needed, for example for easy or automatized tasks (e.g. riding a bike), or tasks that are new and you do not know what is expected. A student that is just starting a task without knowing what to do or by using ineffective strategies, will not learn from it. It might be better that the student admits that he doesn't know what the purpose is and for example to ask for help. Then he will learn more than by thinking "I can do it!" and starting with a wrong strategy. The growth mindset is best for difficult tasks, with a clear purpose, but where you need a lot of training and persistence; or for tasks that you do not like to do and you are not looking forward to.



### 3. Growth or fixed?

**Feedback:** This statement is rather an example of a fixed mindset. Dweck uses the distinction to explain her theory, but she considers both mindsets to be on a continuum. Most people will have a mix of growth and fixed ideas. Whether the growth or the fixed ideas are at a certain moment dominant can depend also on the context and the area. Somebody might have a growth mindset in sports (“The more I train the better I will become”), but may think more in a fixed mindset when the subject is science (“I’m just not good in science, it is hopeless”). When somebody is tired or stressed, the chance will be higher that a fixed mindset is triggered.

Source: <https://www.programlabs.nl/#/course/mindset>



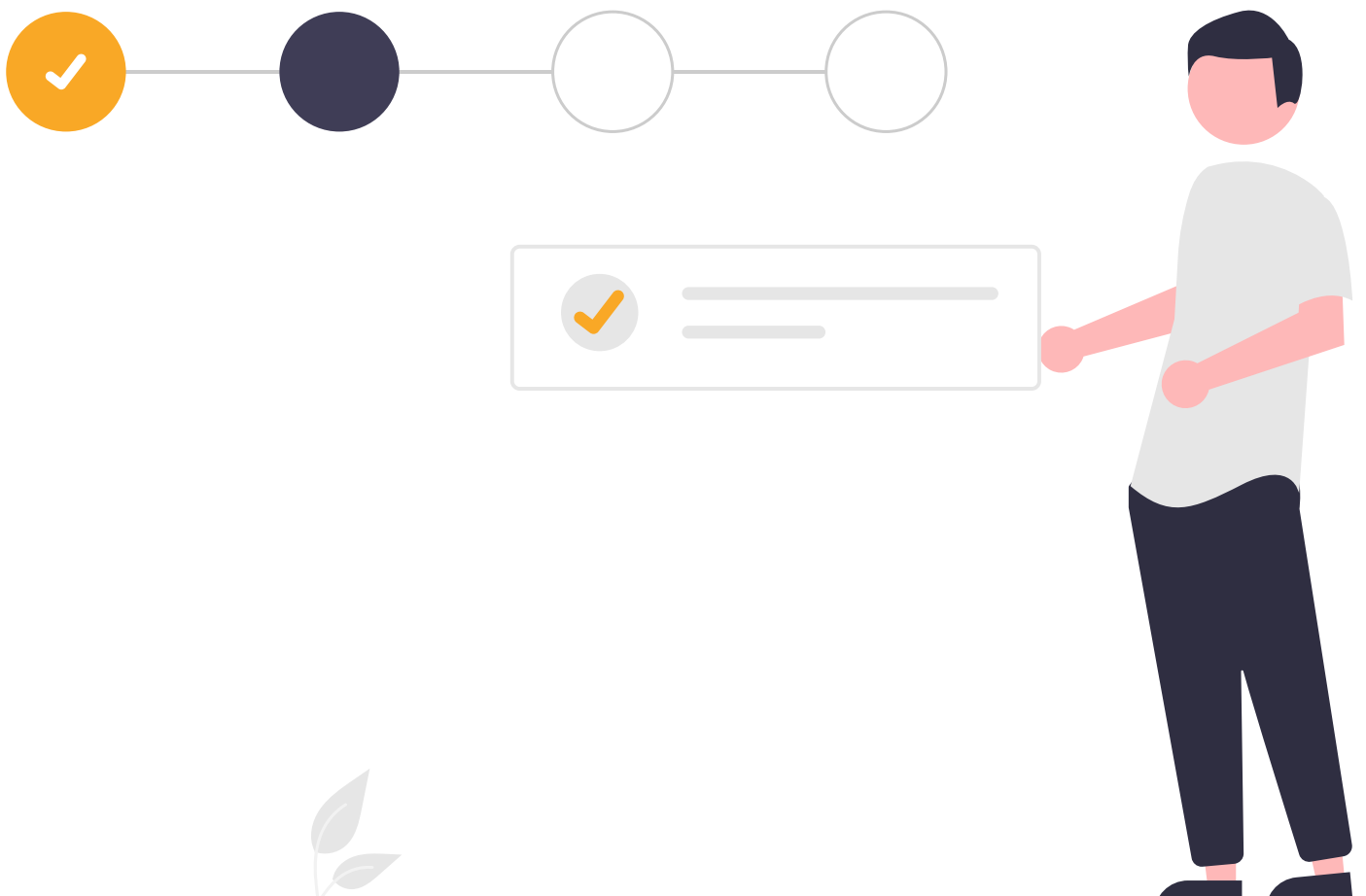
# Skills and competences of Platform workers

A growing number of people are earning some or all of their income from work mediated through digital platforms. In what is often referred to as “crowdwork” or ‘online freelance work’, self-employed workers increasingly work remotely for clients discovered via online labour platforms, in projects ranging from repetitive data entry tasks to specialised software development and creative work. Emerging research suggests that such ‘crowdwork’ is an increasingly important new non-standard form of employment around the world. Platform-mediated work is now the main source of income for as many as 2% of adults in 14 EU Member States.

## So how do crowdworkers develop and match their skill to gigs?

The Cedefop CrowdLearn research project, carried out in 2017-19, is the first in-depth study to have examined how EU crowdworkers develop and match their skills with gig work.

The figure on the next page shows that crowdworkers most commonly develop their technical/core skills and specifically their digital skills. However, a unique blend of ‘entrepreneurial’, ‘self-branding’, ‘communication’ and ‘organisational’ skills as well as focused personal dispositions are found to be a particularly important prerequisite for being successful in online platform markets.



Number of mentioned category; **prior to** developed crowdwork  
**during**

Skill typology	examples	
 Technical/core skills	Computer programming, Marketing	228 265
 Language skills	English, French, Spanish	61 18
 Computer literacy		7
 Communication skills	Handling costumers	51 112
 Organizational skills	Project management, time management	8 56
 Personal attributes	Independence, confidence, creativity, resilience	18 89
 Learning to learn		1 39
 Analytical skills		1
 Setting up as a freelancer	Taxes, obtaining business persmits	28
 Obtaining work on platform	Pricing, applying for work	17 177

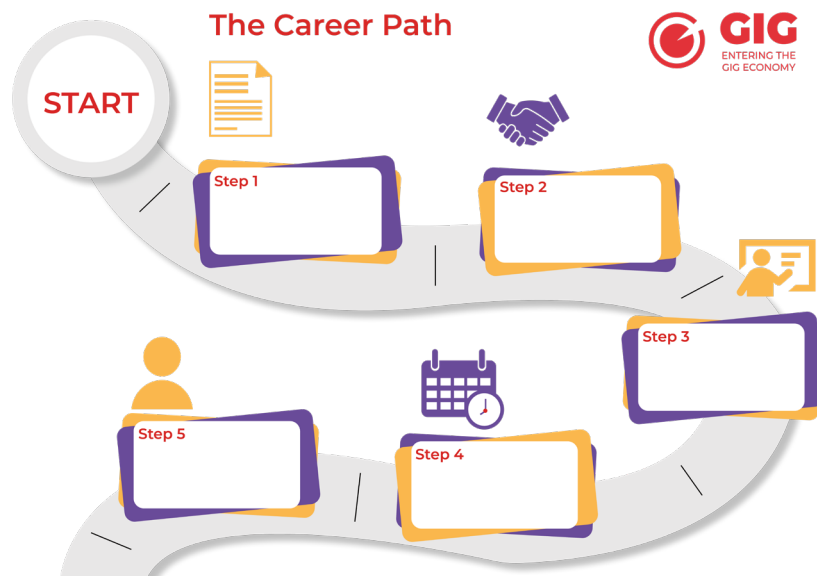
Source: <https://www.cedefop.europa.eu/en/events-and-projects/projects/digitalisation-and-future-work/crowdlearn-online-platform-work-and-skills>



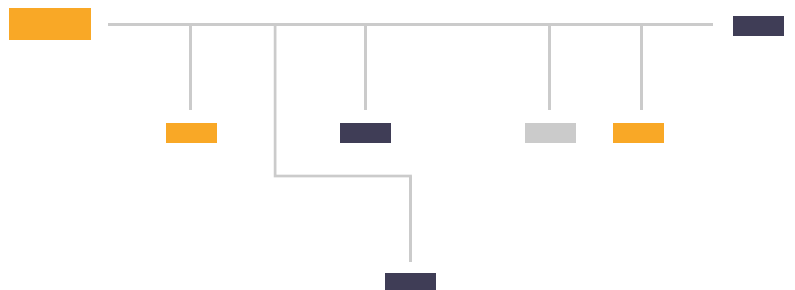
# Assignment

## The gig career path

In this assignment students create a career path for themselves that entirely and only takes place in the in the gig economy. What are their competences? What needs to be developed and how? Do they want to be active in the same sector their entire working life? What learning opportunities do you need to grasp? Is there a need to reskill / upskill? What are personal ambitions that affect your career?



Use this tool (tool 2) to outline your career path. Press the button to get to the gig career path.



# Financial Implications of the gig economy

As a freelancer, you have to deal with various rules. Keeping business records is one of the most important. You must keep all data from your business administration for seven years. Think of invoices and quotes, bank statements and time records.

**Every country handles different rules and regulations for gig workers. It is important to find the way to online platforms that support gig workers in finances.**

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What are the financial implications of the gig economy in the different countries? In the final video Ruth Ferreiros explains the implications in Spain. Gig worker and participant of the trainingweek Rory Carroll shares his views as a gigger working in Ireland. Press the button to watch the video



How do you manage your finances as a freelancer or self-employed person? Keeping your records up to date can bring you many financial benefits. These 6 tips will help you plan your finances.

### **1: Decide how much you want to earn**

If you work as a freelancer, it is important to determine how much you want to earn. Be realistic. See how many hours and projects you can do and if that fits in with your lifestyle. This may depend on your industry and the type of work you do. It is better to be careful in your calculations to avoid disappointment at the end of the year.

### **2: Agree on when and how you will be paid**

Agree with your client how you will be paid. You can choose different forms of payment, such as a percentage of your fee prior to the freelance assignment. Payments per project phase are also popular. This way your income is spread over the project and the client is reminded of the payment for each project phase.

### **3. Keep track of your hours**

Draw up a time sheet. It is not obligated, but it is useful. It gives your insight into how efficiently you are working, and you immediately have an overview ready for your clients. In addition, in some countries, as a freelancer, you are eligible for a self-employed tax deduction if you have worked a minimum number of hours.

### **4. Be well informed on tax regulations**

How much tax do you have to pay as a freelancer or self-employed person depends on the country you live in. Make sure you are well informed about national tax regulations.

### **5. Make an extra expense summary**

It is easy to overlook sick days or holidays. If you work as a freelancer or self-employed person, you do not get paid if you do not work. Set aside some extra for holidays and create a contingency for any sick days, even if you are the healthiest fitness guru.

### **6. Prepare for retirement**

At the end of the road, everyone retires. Depending on the country you live in, you are entitled to a certain amount of state pension benefits. Often this is not enough to continue the lifestyle you are used to also when you retire. You can supplement your state pension benefits by setting aside 20% of your income. How much you need to save depends on your lifestyle. Also take into account any debts you still have to pay. If you prepare well for your retirement, you won't have to worry about your finances later.



## Assignment Rules and regulations

Every country has its own rules and regulations. What options are there in your country for:

- Platforms that unite gig workers
- finances
- Contracts and insurances

What preparations do you need to take to start as freelancer in your country?

What would you need to make a good living? What would be your hourly rate?



Use this tool to consider the financial aspects of the gig economy. One completed, reflect and share with the group. Press the button to get to the tool.



## Sources

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# PARTNERS

The GIG consortium consists of 8 complementary partners from IE, NL, ES and ITA which operate in the field of vocational education & training or in education & regional employment policy making and execution, which all possess a regional and international cooperative orientation.



## THE PROJECT PARTNERS

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