

Exploration of the Gig Economy Market, Challenges and Countermeasures

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Abstract. The purpose of this paper is to deeply explore the development trend of the new gig economy based on the digital technology platform as a bridge at a time when Internet technology is changing rapidly and the pace of market change is accelerating. Through a comprehensive survey of the gig economy market, this paper finds that although the rise of this economic model has brought unprecedented vitality and flexibility to the labor market, it has also caused a series of profound changes and severe challenges, such as the increase of wage and income uncertainty and the insufficient coverage of the social security system. In the face of these complex problems, it is urgent for the government and enterprises to work together and take effective measures to ensure the healthy development of the gig economy and fully safeguard the legitimate rights and interests of gig workers. Based on this, this paper puts forward a series of suggestions and countermeasures aimed at helping the government and enterprises jointly promote the gig economy to a more stable and sustainable development path, and realize the dual improvement of economic benefits and social equity.

Keywords: Gig economy; digital gig; part-time job; freelancing.

1. Introduction

With the development of Internet technology and the acceleration of market changes, the boundaries of organizations have become increasingly blurred, and the side-job behavior of employees has become more and more common. A new form mediated by digital technology platforms - the gig economy, has shown a vigorous development trend [1]. With the continuous rise and development of digital technology, artificial intelligence, and platform enterprises in China, the gig economy and the flexible employment group are also constantly expanding. By 2020, the number of gig workers in China who rely on online labor platforms has exceeded 80 million. The gig economy plays an active role in promoting flexible employment, innovation, and entrepreneurship [2]. However, it also faces a series of challenges, including the difficulty in fully protecting the labor rights and interests of gig workers, the increasingly obvious deskilling trend of the gig economy, and the crowding-out effect on employment in the traditional production field, which may limit the development of the real economy. Therefore, this paper aims to study the development trend and economic status of the gig economy, which will not only help to analyze the new trends of new labor relations in social development but also have guiding significance for the employment planning of current young people.

2. Research on the Current Situation of the Gig Economy

2.1. Current Situation of the Gig Economy

The development of China's gig economy benefits from the large-scale labor market and flexible employment demands. The Chinese government holds a positive attitude towards the gig economy and has been constantly improving relevant laws and regulations to support the development of this new economic form. The well-developed Internet infrastructure and the rapid development of the Internet platform economy have provided efficient matching for both the supply and demand sides of the gig economy. Furthermore, driven by digital technology, the supply-demand matching in the gig

economy has become more efficient, promoting the rapid rise of the entire gig economy. The emergence of digital gig platforms has improved the matching efficiency of resources and promoted the online flow of the global labor force and the cooperation of the global industrial chain. The relationship between practitioners in the gig economy and platforms is more of a cooperative one rather than the traditional labor relationship. Under such a relationship, practitioners usually do not enjoy the benefits and safeguards of full-time employees. With the transformation from physical sharing and labor sharing to knowledge-skill sharing, the knowledge-skill-based gig economy has become a hot spot, emphasizing the sharing of knowledge and skills [3].

The audience groups of the gig economy include freelancers, such as designers, programmers, and writers. They provide professional services through Internet platforms; part-time workers, such as couriers and food deliverymen; and creative workers, such as online anchors and self-media operators, who obtain income by sharing content. According to relevant data from the Institute of Economics of the School of Social Sciences at Tsinghua University, in 2019, China's gig economy contributed 10.43% to the GDP increment, and the contribution to the GDP growth rate was 0.64 percentage points. It is predicted that by 2035, the GDP proportion of the gig economy will reach 6.82%, and the contribution of the increment to the GDP increment will be 13.26%. This data indicate that the gig economy is becoming an important force in promoting economic growth.

2.2. Work Characteristics of Gig Workers

Firstly, gig workers usually can freely choose working hours and locations, which is convenient for balancing work and life. Meanwhile, gig workers often engage in multiple projects or industries, making their work experience and skills more diversified. With the development of the gig economy, more and more gig jobs require specific skills and knowledge, such as programming, design, writing, consulting, etc. However, the income of gig workers may vary from project to project, with no fixed salary and benefits, which may bring certain economic pressure [4]. Since gig workers usually do not establish a formal long-term labor relationship with employers, they may not be able to enjoy the social security and benefits of full-time employees, such as health insurance, pension, etc.

Gig workers need to quickly adapt to different working environments and requirements, which demands that they have strong learning and adaptability abilities. They often need to be proficient in using the Internet and digital tools to find job opportunities and complete work on digital platforms. Many gig workers need to have innovative thinking and an entrepreneurial spirit, be willing to try new things, and even incubate their own entrepreneurial projects through gig work. The development of the Internet enables gig workers to seek job opportunities worldwide, without being restricted by geographical location.

These characteristics reflect the development trend of the gig economy, that is, work is becoming more and more flexible and diversified, and at the same time, higher requirements are placed on the skills and adaptability of workers. With the continuous development of the gig economy, these characteristics may continue to evolve.

3. Analysis of the Gig Employment Market

3.1. Differences in Labor Relations in the Gig Market

In the gig labor market, there are certain social, cultural, and economic differences among different types of laborers, which affect the equality and fairness of the labor market. According to the statistical data of the International Labor Organization, in 2016, there were 160 million people involved in online gigs globally, accounting for 3.7% of the total global labor force. As shown in Table 1, North America is the largest online gig market in the world, accounting for more than 35% of the total number of global online gigs. Europe and the Asia-Pacific region follow, accounting for 31% and 28% of the total number of global online gigs respectively. In regions such as Latin America and Africa, due to the slower development of the digital economy and incomplete statistical data, the development of the gig economy is relatively slow.

Table 1. Global Distribution and Proportion of Online Gig Workers

Region	Proportion of Online Gig Workers	Remarks
North America	More than 35%	The largest gig market in the world
Europe	31%	
Asia - Pacific	28%	
Regions such as Latin America and Africa	Less than 6%	The gig economy develops slowly

From the perspective of individual countries, the online gig market in developed countries is more mature than in developing ones. In Europe and the US, this market has attracted over 100 million users and provided income for tens of millions. In Asia and Africa, regulatory and financial barriers have further restricted the gig economy's development. For instance, in China, there are issues like bank card payment restrictions and government supervision. A study on the US housing and employment market shows that wealth and ranking issues relate to changes in service quality and wealth inequality, affecting employers' wage standards for gig workers. After the financial crisis, the employment market has seen significant differences in hiring outsourced workers. In poorer and more diverse societies, the gig economy offers opportunities but is limited by socioeconomic differences [5].

Gender differences also influence the labor market and equality in the gig market. Data shows that men are more likely to be involved in high-paying gig fields, while women's jobs are more inclined to be service occupations such as nannies for women and children, fitness coaches, etc. Employers seem to be more willing to spend more on men in high-level jobs and are stingier with women in low-level jobs with higher expenditures. This indicates that labor differences between men and women may affect the fairness of the labor market.

In the real world, people with more educational backgrounds and skills are more likely to find jobs in the gig economy. This is because those with higher education are more likely to have skills and professional knowledge that enable them to find more jobs in the gig market. Additionally, in the gig market, companies tend to hire workers who are trained and highly - skilled, as these workers can bring higher returns to the companies. According to industry statistics, there are different qualities of work among different jobs, which may be related to the popularity of the job. Differences in occupational quality may affect the return rate of labor and job satisfaction in the gig market.

There are numerous reasons for the existence of disparities in the gig labor market. The primary cause among them is social and economic inequality, involving differences in aspects such as region, culture, quality, and educational level. In many societies, there is a lack of educational, skill-building, and training opportunities. Consequently, those affected are more prone to engage in low-income jobs, which might result in some people obtaining lower returns in the gig market. In other places, racial segregation and lack of harmony can also subject some groups to greater discrimination in the gig market, thereby depriving them of equal opportunities. Overall, labor differences among various cultural, economic, and social backgrounds are inevitable, and this will affect the fair competition of the gig economy and the equality of the market. However, central governments and platform operators can take some measures to alleviate these differences. For example, they can increase communication among different groups, strengthen education and skill training, and combat discrimination and inequality.

3.2. Risk Assessment of Gig Employment and Development Prospects

Job instability in the gig economy is a major risk. In a survey of gig economy practitioners in Brazil, 60 percent of them said that their monthly income was unstable and that they needed to work every day. These practitioners lack stable employment opportunities, making it difficult for them to plan their time and income. In the gig economy market, there are few reliable insurance plans to

protect practitioners. A survey of gig practitioners in the United States shows that more than one-third of them have no insurance coverage, and they must bear potential health and financial risks because they do not fall into the traditional employee classification.

Regulations and laws and regulations of countries and regions regarding the gig economy market also constitute a part of the risks in gig employment. Unclear regulations and weak law enforcement may lead to practitioners being unable to safeguard their rights and interests. For example, due to the lack of regulations to follow, many practitioners may be deleted by users who do not follow the established procedures. Some countries and regions have begun to provide additional support during the development of the gig economy to protect practitioners, promote activities, encourage innovation, and increase market competitiveness. In the European Union, France, and some cities in France, some organizations have funded business incubators to assist gig-economy companies in the early - stage of entrepreneurship to conduct business.

In the next few years, with the continuous popularization of technologies such as artificial intelligence, the Internet of Things, and big data, the gig economy will achieve further development. The development of technology will make the management of the gig economy market more efficient, more transparent, and more competitive. It will also promote the emergence of new business models and services. Privacy and security issues in the gig economy market have already attracted widespread attention. With the development of technology, the emergence of digital identity tools will provide better security mechanisms for consumers and suppliers. At the same time, the improvement of transparency will provide consumers with information, enabling them to make informed decisions. The development prospects of the gig economy market cannot be ignored, and it will achieve further development driven by technology. Government support and improved transparency will help increase market competitiveness, protect practitioners and consumers, and better guide the development of the gig economy employment market.

3.3. Risks of the Gig Economy

Gig workers usually face uncertainty about job opportunities, which leads to greater fluctuations in their income and a lack of stable income sources. Compared with traditional full-time employees, gig workers often do not enjoy benefits such as social insurance, health insurance, and pensions provided by employers. This may make them lack sufficient protection when faced with illness, injury, or old age. The relationship between gig workers and employers may not be recognized as a formal labor relationship, so there may be legal gaps in labor rights protection, such as compensation for work-related injuries, rights to rest and vacation, etc. Gig jobs often lack long-term career development paths and training opportunities, which may limit workers' career growth and skill improvement. They also face high work pressure and may lack a balance between work and life.

3.4. Countermeasure Suggestions

The government can provide more protection for gig workers by introducing relevant policies and regulations, such as stipulating minimum wage standards, work-related injury insurance, and mandatory rest time. Establishing a social security system is also particularly important to provide gig workers with a certain degree of social security. For example, tax incentives can be used to encourage them to voluntarily participate in social insurance plans or explore the establishment of a social security model suitable for flexibly - employed personnel. Meanwhile, the government and social organizations can provide vocational training and continuing education opportunities to help gig workers improve their skills and increase employment opportunities and income potential. Strengthen supervision to ensure that gig platforms and employers comply with labor laws and regulations, protect the legitimate rights and interests of gig workers, and combat false recruitment and unfair treatment. Relevant governments should establish and improve the gig market service system, providing one-stop services such as career consultation, job hunting and recruitment, and rights protection to help gig workers better integrate into the labor market. Encourage enterprises and

organizations to innovate employment models, provide more flexible work arrangements, and at the same time ensure that the basic rights and interests of gig workers are guaranteed.

4. Development and Evolution of the Gig Economy - Digital Gig

Digital gig refers to a working mode in which people can provide services for companies or individuals in a short-term, part-time or temporary manner through online platforms or mobile applications to generate income for themselves. In recent years, with the rapid development of the Internet and mobile technology, the digital gig market has shown a trend of high-speed growth. The flexibility and autonomy of digital gigs enable those without fixed working-hour or location restrictions to better balance the demands of work and life. A study shows that the growth of the digital gig economy in the UK has created more than 400,000 new job opportunities in the country.

The flexibility and autonomy of digital gigs make it easier for people to switch jobs so that they can better adapt to market demands. This mobility has a positive effect on expanding the employment market, reducing the unemployment rate, and improving productivity. Digital gig workers can choose their jobs according to their own time, location, and skills, to better balance the demands of work and life, and independently choose the jobs they want to engage in without being restricted by employers. This autonomy can bring greater satisfaction and a sense of achievement to digital gig workers. The rise of digital gigs has also given birth to new business models and service areas. These new business models and service areas have brought new opportunities and challenges to economic and social development.

5. Conclusion

This paper explores the gig economy market, revealing its status, challenges, and future trends driven by Internet technology. The gig economy, a flexible employment model, has risen globally. In China, with over 80 million practitioners, it significantly contributes to GDP and drives economic growth. However, challenges like wage uncertainty, lack of social security, and poor labor rights protection affect workers' quality of life and social stability and fairness. Accordingly, countermeasures are proposed, including policy support, legal protection, and a social security system for flexible - employment. The government and social organizations should offer vocational training and continuing education, strengthen supervision to ensure gig platforms and employers follow labor laws, and protect workers' rights. With the spread of AI, blockchain, IoT, and big data, the gig economy will further develop. Technological progress will make its management more efficient, transparent, and competitive. New business models and services will expand the employment market, reduce unemployment, and boost productivity. Thus, the government, enterprises, and society must jointly innovate and improve relevant policies and regulations for the gig economy's healthy and sustainable development.

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