



## The Gig Economy

Reading Test

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# Student

**Time:** *Approximately 1 hour*

## Two types of lesson

**Lesson#1:** [Easy] \*\*\*\*\* [B2/C1]

1. Try to predict the content of text / write down key terms / ideas
2. Read text – check words and meanings with a dictionary
3. Answer questions
4. Check answers (pass mark is 70%)

**Lesson #2:** [Hard] \*\*\*\*\* [C1]

1. Read text – no dictionary
2. Answer questions
3. Check answers (pass mark is 70%)

# Teacher

## Two types of lesson

**Lesson#1:** [easy] \*\*\*\*\* [B2/C1]

1. Give out text a week before the test – students read, check vocabulary and meaning.
2. Test day – give out a new copy of text and the questions (no dictionary or notes)
3. Set 1 hour to read text and answer the questions
4. Take in and correct or go through answers in class (pass mark is 70%)
5. Extra activity – students write the summary\* (add 30 minutes to test)

**Lesson #2:** [hard] \*\*\*\*\* [C1]

1. Test day – give out text and questions
2. Set 1 hour to read text and answer the questions
3. Take in and correct or go through answers in class (pass mark is 70%)
5. Extra activity – students write the summary\* (add 30 minutes to test)

### **\*Summary writing**

Link: [www.academic-englishuk.com/summary](http://www.academic-englishuk.com/summary)

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## **The Gig Economy**

C. Wilson (2017)

1) The working world is changing. In our increasing flexible labour market, the **notion** a 'job for life' and the concept of 9-5 workday is diminishing. In its place is the gig economy, which are collaborative working platforms where people work on temporary contracts (gigs), often as freelancers and self-employed. Recent research from Oxford University (2016) suggests that this labour market has grown 25%, with predicted growth of up to 40% by 2020, and is occupied by 30% of the UK's population working on short-term temporary projects. This significant growth is attributed to digitalization, increased financial pressures and the increased frequency people are changing jobs (The Recruitment & Employment Confederation (REC), 2016).

2) Defining the Gig Economy is incredibly difficult because of how diverse the market is. World leading research from the McKinsey Report (2016) define it as 'independent work that **encapsulates** autonomy, payment for the task or assignment or sales and a short-term relationship between the worker'. This includes people who provide labour services as well as those who trade in goods or rent assets. The McKinsey Report also defines workers into four bands: Free Agents, Casual Earners, Reluctants and **Financially Strapped**. Vaughan and Daverio (2016) separate the gig economy into five key sectors: peer to peer accommodation, peer-to-peer transportation, on demand household services, on demand professional services and collaborative finance. Overall, the key terms are independent temporary short-term positions that include a form of collaborative consumption and are often operated through a digital platform. This article will use the 'gig economy' as an **umbrella term** to include all the above.

3) There are 275 collaborative economy platforms in the EU creating an estimated €25bn annually (Vaughan and Daverio (2016)). Key leaders in peer-to-peer accommodation are companies like Airbnb. This platform allows individuals to rent a spare room or an entire house to travellers. The main driver is the creation of extra income for the supplier but also creating **authentic experience** and cheaper accommodation for the traveller. Peer-to-peer transportation is Uber who provide 'a taxi style' service through their Uber app. Clients submit a trip request and the app links them to the nearest Uber 'gig' driver. A popular on-demand household service is the company Deliveroo, who are an online food delivery service company, whereby customers order food from local restaurants advertised on the Deliveroo platform. The food is then collected and delivered by gig employees within 30 minutes. On demand professional services are companies like peopleperhour.com or freelancer.com. These platforms advertise and organize top professionals. Workers **showcase** their portfolios, recent work and trusted reviews so that employers can choose appropriately. Finally, Collaborative finance is commonly termed as 'crowd-funding' these offer individuals and businesses opportunities to invest, lend and borrow directly between each other. The gig economy is quickly becoming a vital component of the UK labour market for a range of sectors and industries (REC, 2016).

4) The transformative impact of the gig economy is having **veritable** economic benefits by raising labour force participation, **stimulating** consumption, and boasting productivity

(McKinsey Report 2016). It is meeting the growing demand for services from consumers and organisations and has the potential for excessive growth and development over the next 20 years (REC, 2016). Research seems to suggest that workers are more satisfied with a better work-life balance through **autonomy** and flexibility. In addition, businesses are benefitting from having access to a global talent pool, reduction in operational costs and lowering the risks of long-term employment contracts (ibid).

5) Such a rapid growth of the gig economy is posing profound challenges for policy makers and regulators. There are already significant differences in regulatory frameworks in tax policies, applications and enforcement across Europe (Vaughan and Daverio, 2016: 3). REC (2016) claims that workers are not protected by common workers' rights laws, do not qualify for sick, holiday or pension entitlements, and they can be forced to work at lower rates with no job security or continuity. With regards to employers, REC (op cite) states that gig workers may not be loyal to the brand, there is the possibility that crowd sourcing profiles are **deceptive** or exaggerated, and with little regulatory control on gig employees, companies may become **embroiled** in legal disputes over worker's rights. Overall, it seems that the gig economy has a number of challenges to be addressed.

6) The commodisation of the labour market has created short fixed working contracts, and limited job security, and lifetime employment with one company is now **a relic of the past**. Digital technologies are changing work patterns and advocating greater opportunities. It seems no surprise that participation in the collaborative economy is highest among the under 35 well-educated age range (Vaughan and Daverio, 2016), thus suggesting this is going to be the future of employment. The biggest challenge for the gig economy is regulation and control. Research is key to enable policy-makers to modernize classifications of work patterns, tax filing and compliance requirements. It is imperative that regulation offers protection for low-skilled, low-paid gig workers with better working rights, acknowledgement of disability and discrimination laws and also controls on minimum wage earned. Overall, 'regulating the gig economy is about allowing innovation **to flourish** but making sure the advantages are well-distributed' (REC, 2016:56).

[Words: 860]

## References

Oxford University (2016) *Rise of Online Work Captured in the First Online Labour Index*. Available at: <http://www.ox.ac.uk/news/2016-09-21-rise-online-work-captured-first-online-labour-index> [Accessed 03 February 2016]

McKinsey Report (2016) *Independent Work: choice, necessity and the gig economy* (October 2016). *McKinsey Global Institute Publications*.

The Recruitment & Employment Confederation (REC) (2016) *Gig Economy: The Uberisation of Work*. *Institute of Recruitment Professionals publishing*.

Vaughan, R. & Daverio, R. (2016) *Assessing the Size and Presence of the Collaborative Economy in Europe*. *PWC- European Commission Paper* (DG GROW).

## Comprehension Questions

### 1. Headings – choose a subtitle for each paragraph

1	B	The rise of the gig economy	A	Principal gig companies
2			B	The rise of the gig economy
3			C	The importance of the gig economy
4			D	A complex definition
5			E	Future challenges
6			F	The limitations of the gig economy

\_\_\_ / 5

### 2. True / False / Not Given – one question per paragraph

T/F/NG

i.	People who work for the Gig Economy are self-employed.	
ii.	Defining is difficult because of the different types of workers.	
iii.	On demand services like <i>Peopleperhour</i> and <i>freelancer</i> are the most popular.	
iv.	The majority of gig workers are satisfied with the flexibility.	
v.	Some crowd-sourcing profiles are lying.	
vi.	More research is necessary to offer better protection.	

\_\_\_ / 6

### Open answer questions

Paragraph 1

#### 3. What is Oxford University forecasting?

1	
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\_\_\_ / 1

Paragraph 1

#### 4. What are the main reasons for the increase of the gig economy?

1	
2	
3	

\_\_\_ / 3

Paragraph 2

#### 5. What are the main differences between the two definitions.

1	
2	

\_\_\_ / 2

Paragraph 3

**6. What are the five key companies given as examples?**

1	
2	
3	
4	
5	

\_\_\_ / 5

Paragraph 4

**7. What are the key benefits?**

<b>Economic</b>	1. <i>Labour force participation</i>
	2.
	3.
<b>Individuals</b>	1.
	2.
	3.
<b>Business</b>	1. <i>Global talent pool</i>
	2.
	3.

\_\_\_ / 7

Paragraph 5

**8. What are the key problems?**

<b>Policy makers</b>	Differences in regulatory frameworks such as...
	1. <i>Tax policies</i>
	2.
	3.
<b>Workers</b>	1. <i>Not protected by workers' rights</i>
	2.
	3.
	4.
	5.
<b>Employers</b>	1.
	2.
	3.

\_\_\_ / 9

Paragraph 6

**9. What is the main evidence that the Gig economy is here to stay?**

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\_\_\_ / 1

Paragraph 6

**10. What are the most important issues to be addressed?**

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\_\_\_ / 2

Paragraph 6

**11. What four aspects should regulation focus on?**

1	
2	
3	
4	

\_\_\_ / 4

**12. Author's stance?**

Is the author for or against the Gig economy? Why?	
For	Against [choose one]
Why?	

\_\_\_ / 2

**13. Reference words** – explain what these reference words connect to: (underlined in the text)

Paragraph	Word	Connection
1	<i>This</i>	25% growth
2	<i>those</i>	
3	<i>these</i>	
4	<i>It</i>	
5	<i>they</i>	
6	<i>this</i>	

\_\_\_ / 5

**14. Key language** – explain these terms from the context / use synonyms where appropriate)

Paragraph	Word	Explanation
1	<i>notion</i>	<i>A belief / conception</i>
2	<i>encapsulates</i>	
2	<i>financially strapped</i>	
2	<i>an umbrella term</i>	
3	<i>authentic experience</i>	
3	<i>To showcase</i>	
4	<i>veritable</i>	
4	<i>stimulating</i>	
4	<i>autonomy</i>	
5	<i>deceptive</i>	
5	<i>embroiled</i>	
6	<i>'a relic of the past'</i>	
6	<i>to flourish</i>	

\_\_\_ / 12

Overall Total: \_\_\_ / 64



## **Comprehension Questions ANSWERS**

### **1. Headings – choose a subtitle for each paragraph**

<b>1</b>	<b>B</b>	<b>The rise of the gig economy</b>	<b>A</b>	Principal gig companies
<b>2</b>	<b>D</b>	A complex definition	<b>B</b>	<b>The rise of the gig economy</b>
<b>3</b>	<b>A</b>	Principal gig companies	<b>C</b>	The importance of the gig economy
<b>4</b>	<b>C</b>	The importance of the gig economy	<b>D</b>	A complex definition
<b>5</b>	<b>F</b>	The limitations of the gig economy	<b>E</b>	Future challenges
<b>6</b>	<b>E</b>	Future challenges	<b>F</b>	The limitations of the gig economy

\_\_\_ / 6

### **2. True / False / Not Given – one question per paragraph**

**T/F/NG**

i.	People who work for the Gig Economy are self-employed.	<b>T</b>
ii.	Defining is difficult because of the different types of workers. [markets]	<b>F</b>
iii.	On demand services like <i>Peopleperhour</i> and <i>freelancer</i> are the most popular.	<b>NG</b>
iv.	The majority of gig workers are satisfied with the flexibility [no number given]	<b>NG</b>
v.	Some crowd-sourcing profiles are lying. [deceptive]	<b>T</b>
vi.	More research is necessary to offer better protection.	<b>T</b>

\_\_\_ / 6

### **Open answer questions**

Paragraph 1

#### **3. What is Oxford University forecasting?**

1	40% growth
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\_\_\_ / 1

Paragraph 1

#### **4. What are the main reasons for the increase of the gig economy?**

1	Digitalization
2	Financial pressures
3	Increased frequency people are changing jobs

\_\_\_ / 3

Paragraph 2

#### **5. What are the main differences between the two definitions.**

1	McKinsey focuses on individual worker, pay systems and types of workers
2	V & D focus on the five key sectors

\_\_\_ / 2

Paragraph 3

**6. What are the five key companies given as examples?**

1	Airbnb
2	Uber
3	Deliveroo
4	Peopleperhour.com / freelancer.com
5	<u>NO company</u> – just the term ‘crowd funding’

\_\_\_ / 5

Paragraph 4

**7. What are the key benefits?**

<b>Economic</b>	<b>1. Labour force participation</b>
	2. Stimulating consumption
	3. Boosting productivity
<b>Individuals</b>	1. Satisfied / work-life balance
	2. Autonomy
	3. Flexibility
<b>Business</b>	<b>1. Global talent pool</b>
	2. Reduced operational costs
	3. lower long-term contracts

\_\_\_ / 6

Paragraph 5

**8. What are the key problems?**

<b>Policy makers</b>	<i>Differences in regulatory frameworks such as...</i>
	1. Tax policies
	2. Applications
	3. Enforcement
<b>Workers</b>	<b>1. Not protected by workers' rights</b>
	2. No entitlements Sick, holiday, Pension
	3. forced to work at lower rates
	4. No job security
	5. No continuity
<b>Employers</b>	1. Not loyal to brand
	2. Crowd-sourcing profile maybe inaccurate [deceptive/exaggerated]
	3. Legal disputes over workers' rights

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Paragraph 6

**9. What is the main evidence that the Gig economy is here to stay?**

Employment is highest among the under 35 well-educated age range (Vaughan and Daverio, 2016), thus suggesting this is going to be the future of employment.

\_\_\_ / 2

Paragraph 6

**10. What are the most important issues to be addressed?**

The biggest challenge for the gig economy is regulation and control. [must include two points]

\_\_\_ / 2

Paragraph 6

**11. What four aspects should regulation focus on?**

1	Protection for low-skilled, low-paid gig workers
2	Better working rights
3	Disability and discrimination laws
4	Minimum wage is being earned

\_\_\_ / 4

**12. Author's stance?**

Is the author for or against the Gig economy? Why?

**For** No

Why?

1. Sees the economy as the future of the labour market
2. But believes more regulation & research is necessary to make it fairer.

\_\_\_ / 2

**13. Reference words** – explain what these reference words connect to: (underlined in the text)

Paragraph	Word	Connection
1	<b><i>This</i></b>	<b>25% growth</b>
2	<i>those</i>	<i>Gig workers</i>
3	<i>these</i>	<i>platforms</i>
4	<i>It</i>	<i>The gig economy</i>
5	<i>they</i>	<i>Gig workers</i>
6	<i>this</i>	<i>The collaborative economy</i>

\_\_\_ / 5

**14. Key language – explain these terms from the context / use synonyms where appropriate)**

Paragraph	word	Explanation
1	<i>notion</i>	<b>A belief / conception</b>
2	<i>encapsulates</i>	The essential features of something
2	<i>financially strapped</i>	In need of money
2	<i>an umbrella term</i>	A broad term that includes most ideas
3	<i>authentic experience</i>	Real / natural to real life
3	<i>To showcase</i>	Exhibit / display
4	<i>veritable</i>	Real / interesting / exciting
4	<i>stimulating</i>	Encouraging / arousing interest
4	<i>autonomy</i>	Self-controlling
5	<i>deceptive</i>	Misleading / inaccurate / not true
5	<i>embroiled</i>	Involved in argument / conflict / difficult situation
6	<i>'a relic of the past'</i>	Something from the past but has been out modelled or improved
6	<i>to flourish</i>	To grow / develop / prosper

\_\_\_ / 11

**Overall Total: \_\_\_ / 64**