

Building an Inclusive Gig Economy for Europe



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XYNTEO

THE ASK

"If we don't fix the future of work, the social contract issue is going to be dramatic."

– **Michael Miebach**
CEO, Mastercard

"For millions of workers, no income means no food, no security and no future. As the pandemic and the jobs crisis evolve, the need to protect the most vulnerable becomes even more urgent."

– **Guy Ryder**
Director-General, ILO

"Done right, we can shape a fair future of work. More than ever before, the message for policymakers, employers, workers and their representatives is straightforward: take action and bring precarious work into the realm of social protection."

– **Dr Maria Mexi**
Researcher, UN Research Institute for Social Development

Mastercard and Xynteo are building an influential community of global businesses who share a long-term commitment to proactively build an **inclusive and protected gig economy for Europe**, and who want to take a leadership position in this important endeavour.

The initiative offers an opportunity for participants to stand shoulder to shoulder and raise awareness of the needs of this community. Together we will address key

problem areas that threaten to undermine the gig economy and its participants, and which lie at the intersection of **social need** and **business opportunity**.

In collaboration with a diverse group of cross-sector experts and gig economy stakeholders, we will explore and ideate around specific problem areas (four indicative areas are listed overleaf), before incubating and launching future-fit interventions.

WHY IT MATTERS

The gig economy is gaining ever greater momentum in Europe. Driven by intersecting factors, among them a push for lower costs by businesses, changing worker preferences and the emergence of technology, independent work has become easier to commission and to execute. But we cannot simply trade a stable social contract for headcount agility.

As COVID-19 has proven, in times of crisis, gig workers, freelancers and independent contractors are some of the hardest hit. Having lost the buffer that the corporation historically provided, they have no safety nets or cushions, no provisions or protections to fall

back on. They are not laid off – they're simply let go without severance, unemployment benefits or health insurance.

At a pivotal moment for Europe's economic recovery, we must proceed deliberately. Business, as the key beneficiary of a skilled, flexible workforce, needs to ensure that a more pronounced gig economy doesn't undermine income security – not least given increasing societal unease about livelihoods in many European countries. Rather, business can play a role in supporting the inclusivity and sustainability of the gig economy and future of work in Europe.

20-30%



of jobs carried out by gig workers in Europe.¹

1 in 3



employers of companies with 100,000 employees or more expect to use contingent workers for **30%** or more of their tasks by 2020.²

¹ <https://www.mckinsey.com/featured-insights/future-of-work/the-future-of-work-in-europe>

² https://www.ey.com/en_gl/tax/how-the-gig-economy-is-changing-the-workforce

WHAT IS A GIG WORKER?

A worker (including platform workers, freelancers and contractors) in a non-standard employment arrangement in which they may not receive employer-provided retirement and health benefits or have safeguards such as job-protected leave.

“Platform workers, who in many cases fall outside the scope of EU labour legislation, need to be provided with fair working conditions and adequate social protection.”

– **European Commission**
European Recovery Plan

59 million 

jobs in Europe affected by COVID-19.⁴

3 in 4 

freelancers have seen their incomes fall, on average, by **76%**.⁵

69% 

gig workers have cash flow concerns, up from less than **10%** prior to the pandemic.⁶

50% **COVID-19**

of platform workers report having stopped work due to COVID-19.⁷

50% 

increase in sign-ups since the pandemic began on high-skilled gig work platform, Upwork.⁸

Instacart

The grocery delivery platform, hired **300,000** additional workers in a month and said in late April it planned to add **250,000** more. 

“The gig economy is blurring the boundaries of organisations. I believe we need to work towards a new deal for people. There’s so much research showing that in times of uncertainty, people feel the need to take more control into their own hands. In work, that means giving people more autonomy. It also means giving them the tools to upskill and reskill themselves.”⁹

– **Leena Nair**
Chief Human Resources Officer, Unilever

⁴ <https://www.mckinsey.com/industries/public-sector/our-insights/safeguarding-europes-livelihoods-mitigating-the-employment-impact-of-covid-19>

⁵ <https://www.ipse.co.uk/coronavirus-hub/coronavirus-report.html>

⁶ <https://www.ipse.co.uk/coronavirus-hub/coronavirus-report.html>

⁷ <https://fair.work/wp-content/uploads/sites/97/2020/06/COVID19-Report-Final.pdf>

⁸ <https://time.com/5836868/gig-economy-coronavirus/>

⁹ <https://www.linkedin.com/pulse/its-time-businesses-adopt-new-manifesto-work-leena-nair/>

PROBLEM AREAS



LACK OF FINANCIAL SAFETY NETS

Gig workers lack adequate safety nets, leaving many without the necessary resources in times of need.

How might we leverage the greater awareness of the vulnerability of gig workers, highlighted by the current crisis, to expand and adapt the financial safety nets protecting gig workers and ensure long term financial security?



A WIDENING SKILLS GAP THREATENS THE FUTURE OF WORK

Increasing automation and rapid technological change is threatening to widen the skills gap, while changing employment patterns means gig workers have greater difficulty accessing formal learning and career development opportunities.

How might we support and equip displaced workers with the right skills, tools and education to successfully navigate an uncertain, ever-changing and technology-rich work environment, closing the skills gap for the future of work? And how might we incentivise organisations utilising the services of gig workers to provide them with learning and development opportunities to catalyse further in the economy?



HEIGHTENED RISK FROM CYBER ATTACKS

The gig economy is heavily dependent on technology leaving platform providers and participants at particular risk from cyber-security attacks and data breaches.

How might we put solutions in place that secure and protect both gig workers and the organisations hiring them from cyber-security risk?



WOMEN GIG WORKERS FACE MORE HIDDEN BARRIERS TO WORK

Women are increasingly attracted to gig work for the flexibility it provides, however, gender barriers persist, and they lag behind men with lower incomes and activity rates.

How might we empower women to achieve financial security through the gig economy, and close the economic and gender gap?

Do these problem areas and this initiative resonate with your organisation and its commercial and societal objectives? Which related themes would be valuable for your organisation to explore? We'd love to hear from you and discuss how we can work together in this vital area.

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Europe Delivers

This initiative is part of Xynteo's Europe Delivers programme. Europe Delivers is a collaborative, cross-sector programme which aims to build more inclusive, sustainable and vibrant growth for Europe. This project is one of a number being delivered beside Europe Delivers' partners delivering practical action at the nexus of social and business value.