

How the gig economy chews up and spits out millennials

Young people aren't just enthusiastic users of Uber, Deliveroo and TaskRabbit – they are often working for them. But while promising flexibility, these jobs are precarious and low-paid. Is this the new model for the working poor? (¶1)

Doug Robertson took an UberLux to his wedding. This is the app's top-tier service – vehicles include Rolls-Royces, Mercedes and Bentley Flying Spurs. Robertson, 28, is a big fan of Uber at a time when people's views on the so-called "gig economy" are becoming more divided. (¶2)

Over the weekend, I used at least three services that fall under the gig-economy umbrella: Uber, Deliveroo and TaskRabbit. Depending on your point of view, this makes me morally decrepit or simply someone getting on with their life. As millennials, Robertson and I are part of the generation most likely to use the services offered by the gig economy – and most likely to be working in it. We are its beneficiaries and its victims. (¶3)

According to a report by Ursula Huws, a professor of labour and globalisation at Hertfordshire Business School, 50% of those working in the gig economy in the UK are under 35. At the same time, millennials are enthusiastic users of gig-economy apps and services. One survey found that 57% of students in London would use Uber over a black cab. (¶4)

When it comes to working in the gig economy, Huws is clear: young people aren't usually in it by choice. While one in 40 say the gig economy provides the majority of their income, for most it is part of a piecemeal existence; they cannot find other work or they are subsidising other low-paid jobs. There's a high drop-out rate. (¶5)

Will Diggle, 22, is in the first year of a master's at the Royal College of Music. A baritone singer living in "disgustingly expensive" London in order to pursue his desired career, he works three three-hour shifts a week for Deliveroo, while also working as a barista. The pay from his Deliveroo gig mostly covers his food – then he has rent and tuition fees to cover. He knows of two fellow singers also working for Deliveroo, although one had his bike stolen and is now unable to work. (¶6)

Diggle organises his shifts in advance and is paid an hourly rate of £7, plus a £1 "drop fee" for every delivery he makes. Other Deliveroo riders work on an ad-hoc basis, logging in to the app whenever they choose – similar to Uber drivers – and earning between £3.75 and £4.25 for each drop. Diggle prefers the hourly rate because he can align it with his college schedule. Also, if he has to "sit around in the freezing cold on the street for two hours waiting for a delivery to come in, which happens so often", then at least he is getting paid £14. (¶7)

Kieran Hughes, 27, also works for Deliveroo. He has been a rider in Brighton since December 2015; he has another job teaching drums and fairly low housing costs, because he acts as a property guardian (these are people who live without secure tenancy agreements for cheap rent, often to guard empty properties from squatters). Hughes is on the Deliveroo drop rate and says he can make pretty good money if he has, say, four drops an hour. Like many, he was lured by the promise of flexibility. But the only time riders can earn good money is in peak hours: "We have to be flexible around the times when the orders are there. It's not flexible for me to have to work Friday, Saturday and Sunday to make a living." (¶8)

The upsides of this sort of work have diminished over time. Huws says the golden age for the gig economy was some time around 2013, when companies took a smaller cut and there were fewer drivers and riders to compete with. "As Deliveroo pass on all risk to the rider, there's nothing to stop them over-recruiting in an area and flooding the city with riders, which is exactly what we saw last winter," says Guy McClenahan, another Brighton rider (Deliveroo maintain that the hundreds of riders in the area earn on average well above the national living wage). Over time, Uber has increased the commission it takes from drivers while reducing fares. Drivers are finding themselves working much longer hours in order to make the same pay – or far less. (¶9)

Huws points out that the gig economy has always existed: cash-in-hand or on-call work or people turning up at building sites or dockyards in the hope of a day's work. But since the 2008 crash, jobs that provide a secure income have become harder to come by. It is true that the unemployment rate among 16 to 24-year-olds in the UK is 12%, while in parts of Europe it is 40%. But that doesn't mean much if many of those people are in precarious "self-employment" – the McKinsey Global Institute estimates this may be up to 30% of working-age adults across Europe. Huws says the notion of a career is disappearing, with young people often working a patchwork of different occupations. (¶10)

Huws worries about something else, too: the wellbeing of gig-economy millennial workers. This kind of employment can be "really damaging for self-esteem", she says. As Diggle says, "Sometimes you don't feel human. You're just handing a bag over and some people take the bag, don't look at you and close the door. And then don't tip." (¶11)

The gig economy runs on ratings, and millennials talk of being stressed by the constant feedback. Traditional full-time office workers may dread the annual appraisal, but many in the gig economy are being appraised every single day, or even multiple times an hour. (¶12)

There is no sickness pay for the self-employed, no holiday leave, no insurance. There are other health concerns: for Diggle, this means waiting around in the freezing cold, then cycling for miles, or being exposed to pollution. For those on zero-hours contracts, there's the experience of having to go into work if you're ill because these are the only shifts you have been allocated, and you are not sure when, or if, you will get more. (¶13)

Obviously, the gig economy isn't all bad. When work is truly flexible, and is provided by a responsible employer, that's fine. But it's not when your work involves waiting for the phone call that will announce your next shift, or not being paid for overtime, or having to buy your own equipment such as a bike. (¶14)

I'm going to buy a bike and I already walk a lot. I'm going to cook more and better, rather than using Deliveroo. But many millennials remain shackled to the gig economy via addiction to its services and as one of the few ways to earn extra cash. (¶15)

I ask Diggle if he will continue riding for Deliveroo until the end of his university course. "Yes," he says. Then he changes his mind. "Actually, probably not. Because the longer you do this job, the less you like it." (¶16)

Hannah J. Parkinson, (adapted from) The Guardian, 17th October 2017