

Rise of the Gig Economy and Further Trends in the Work Processes

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Abstract: *In today's business environment, telework has become more common. It provides a win-win situation for employers and employees. Namely, for workers, the benefit is the flexibility to work when they want and where they jobs, across geographies. On the other hand, employers reduce labor costs. During the COVID 19 pandemic, the number of workers who did their work from home increased significantly and it is predicted that this way of working will continue its growth trend not only due to the flexible and agile ways of working. but also due to cost reduction opportunities this change brings.*

Index Terms: *telework, gig economy, freelancer, digitalization, COVID 19*

1. INTRODUCTION

The process of globalization has brought people, economies, and cultures together, and has contributed the most to the free flow of goods and services (Rabrenovic, Mitrovic, Kovacevic, 2021). Two significant phenomena that have occurred in the past few years have been emigration and the COVID-19 pandemic crisis. These events shook the world on a global level, causing political, economic, social, and other consequences (Andjelkovic, Radosavljevic, Radosavljevic, 2021). Teleworking and flexible forms of work are the results of the technological revolution and globalization (Taboroši, Maljugić, 2021)

Remote work must be based on confidence, respect, dialogue, and achieved results (European Commission, 2007). In this manner, it has provided employees greater freedom in organizing their free time thanks to the application of new information technologies (Radović-Marković, et. al. 2021a). This tendency will continue in the future. Namely, the trend of digitalization and automation in the work processes of many different industries will simply not disappear after the end of the pandemic. The application of various technologies improves the learning environment and provides preconditions to transform teaching into learning (Vučeković, Medić, Marković, 2020). Therefore, in professional and scientific circles, there is a growing opinion that by 2030, about half of the world's workforce will be "giggers" (Harper and Winson, 2018).

To better assess the further trend of changes in the work processes and structure of business organizations during and after COVID 19, we will analyze the basic characteristics of these changes.

2. EU FRAMEWORK ON TELEWORK

The EU "Framework Agreement on Telework" from 2002, was signed by European social partners. It creates a contractual obligation for signatory countries to implement the agreement at all levels of the national system. Within the Agreement, telework is defined as a form of organization and/or execution of work with the usage of information technologies, in the context of work, i.e., employment contracts, in which the job that could be done on employers' premises is done outside them. Namely, one of the main differences between this type of employment and the traditional work arrangement is that in this case the workers are paid only for that particular job. Therefore, jobs are not performed based on permanent employment of people who have certain knowledge, but a contract is concluded for the provision of a specific service (Radović-Marković, et.al., 2019).

Whether the COVID 19 will be over in the next few years or sooner, remote work involving greater flexibility will continue the growth trend. The workplace is becoming less and less important. New technologies and changes in the organization of work lead to an increasing number of companies accepting working remotely. However, even if working from home allows more freedom and different opportunities for better use of time, business owners often fall into other traps - they suffer from a lack of organizational skills needed for the changing environment and do not know how to structure responsibilities and time well, and even sometimes lose their identity.

New models of work usually involve new jobs, which will continue to be created in the formal economy. However, when determining new models of work, we must not neglect the informal economy (Radović Marković, 2020; Radović Marković, 2008), which has begun to gain increasing importance in the conditions of the employment and employment crisis in many

countries. Namely, in the conditions of the economic crisis caused in 2008, as well as the latest crisis caused by COVID 19, the informal economy has become a wide-open market for personal skilled work and service provision. It is expected that in the future, more and more attention will be paid to helping employees work in this way. In line with this, many companies start courses for the acquisition of required knowledge and skills such as required knowledge for work on a computer, report writing skills, development of communication skills by phone, good organization, work on acquiring responsibility, independence in decision-making, estimating of the situation and managing project documentation. In addition, European businesses will need to revisit tax regulations.

There are big differences between countries in terms of legal regulation of work from home. In some countries, this way of working is completely legally regulated, having in mind the interests of employees through health and social protection (Radović-Marković and Jovanović, 2021). At the same time, the state interests are kept through tax contributions. Implementation measures of the agreement are different among member states depending on their national procedures. Three manners of implementation are distinguished: by collective contract; by joint guidelines, rulebooks, and recommendations on telework, which are non-obligatory and voluntarily, and, the third one, by national legislation.

On the other hand, the countries that need to join the EU are just beginning to put this form of work into the legal framework. In this context, they lag far behind the countries in the EU. Therefore, the legislation in the Western Balkans should be brought closer to EU standards, which is one of the conditions for the harmonization of laws upon accession to the European Union. Whether we will witness the standard legal frameworks in the future, following the Covid19 experience, remains open for debate. In any case, businesses must navigate tax regulations carefully in 2022 and the years ahead.

An index has recently been created that analyzes the economic impact of teleworking. This requires serious analysis such as:

- What are the indicators for small countries, and what for more developed larger countries? Has the Covid pandemic pushed poor countries to record debt?
- How has working from home stopped the rise in unemployment in European countries?
- How is the organizational culture changing and what skills and knowledge do managers and employees need?

In addition, it is necessary to consider and offer answers to questions such as:

- What is the daily life of people who work from home?
- Are there any differences compared to those who work in employers' offices?
- Does working from home with the help of modern technologies create dependence on the Internet? How to influence it and create a balance between work and life?
- To what extent does working from home create stress and what are the problems that employees face?

3. FREELANCER EXPANSION

There are several reasons for freelancer expansion:

- It is a way to generate additional income for debt repayment or savings.
- It is easy to start if the individual already has the necessary skills and equipment to do the job.
- It enables greater independence in relation to permanent employment in a company.
- It is often flexible and allows you to work part-time or outside the working hours.

Almost half of the freelancers did not feel the impact of the economic crisis. Namely, since the global financial crisis of 2008-10, companies began to shift to contract workers, which led to the emergence of the gig economy, which is in full swing. Consequently, the question arises as to what effect the crisis will cause Covid-19 on existing forms of work and how companies will change in organizational and technological terms.

“Some enterprises have already begun to reprioritize their digital roadmaps with a focus on implementing more automated and robotic processes as quickly as possible” (Capgemini, 2020). We must point out that this change is business-case driven, which it wasn't before COVID-19. Organizations have recognized that automation and digitalization are not only a cost reduction measure but are now a matter of business continuity.

4. A CHALLENGE FOR THE COUNTRIES OF THE WESTERN BALKANS

In the new agenda of the European Commission for the countries of the Western Balkans until 2025, one of the goals is to intensify digitalization. In the European Union, one of the set goals is to digitalize 70% of businesses by 2027 (Radović-Marković, Stevanović, Milojević,

2021). However, to achieve that, certain conditions must be reached. The first is the availability of the Internet and the other one are digitally literate employees and tools such as software and platforms that enable remote work. Of course, the legal framework for the protection of workers must follow these changes.

When considering the countries of the Western Balkans, it is certain that we are witnessing changes in the way we work and that the number of those who work outside the employer's business premises has increased. For example, in Serbia in 2017, only 3.1% of employees worked from home. Already in 2019 (before the pandemic), that percentage increased to 4.9, which is 0.5 below the European average. However, the trend has continued to grow. The total percentage of employees working from home in the second quarter of 2020 was 12.1%, which is 2.9% more than in the first quarter of 2020 (Radović-Marković et al. 2021).

Analyzing comparative data from the countries of the region, it can be pointed out that Northern Macedonia has the best Internet coverage in the country - 81%, but at the same time, the smallest number of employees work from home, only 10%. In Serbia, the Internet coverage is 75% (Fig. 1), but we are the leader in the region with the highest percentage of online workers. In this context, the absence of the workers' obligation to come to a physical workspace, be it a hall, an office, or a workshop, caused fears among employers regarding the decline in productivity.

Urgent research was done during 2020, and even the latest one from 2021 indicates that between 60 and 70% of respondents, both workers and managers did not indicate that there is a decline in productivity when working "from a private address" (Radović-Marković et al. 2021).

Another piece of related information shows that even after the pandemic, working from home will be a reality. Bosnia and Herzegovina, which has an extremely pronounced problem of emigration (nevertheless) combined with high unemployment among the youngest workers aged 18 to 24, has the highest percentage of workers of this age - working from home. Almost 60 per cent of them, which is three times more than in Serbia, Montenegro, Croatia, and Northern Macedonia.

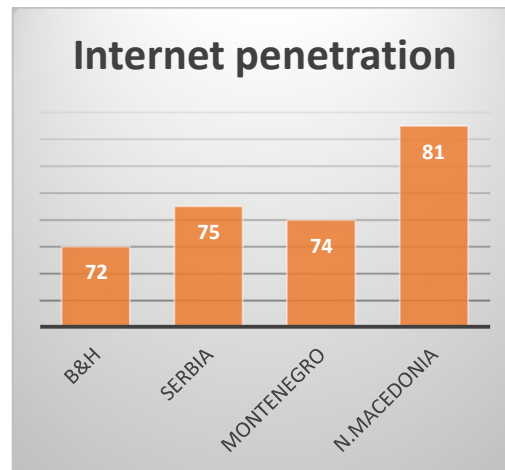


Fig. 1. Internet penetration in selected Western Balkan countries

Source: Radović-Marković, Djukanovic, 2022).

For the countries of the Western Balkans to maximize the impact of the Internet and new technologies, significant investments in infrastructure are needed. The significance of digitalization has been recognized in the Republic of Serbia, resulting in reforms, economic growth, education and digitalization being among the main priorities of the Government. So, Serbia has improved its score in 4G investment over the last year (Digital Serbia, 2020). It is expected that investments will be made in 5G infrastructure by 2025. The combination of the 5G network, the use of IoT data and artificial intelligence will transform the labour market.

Although Serbia has over 100,000 freelancers, the law does not recognize them. For some freelancers, this is the main job, and for some, it represents extra income. However, among them, there are a lot of those who are not registered and do not pay taxes, which damages the budget of Serbia. Therefore, there are more and more calls for a legislative response at the European and national levels in the domain of this form of business (Radović Marković, Tomaš, 2019, Vučeković, et al. 2021).

The age structure of freelancers shows differences for the analysed countries (Fig.2).

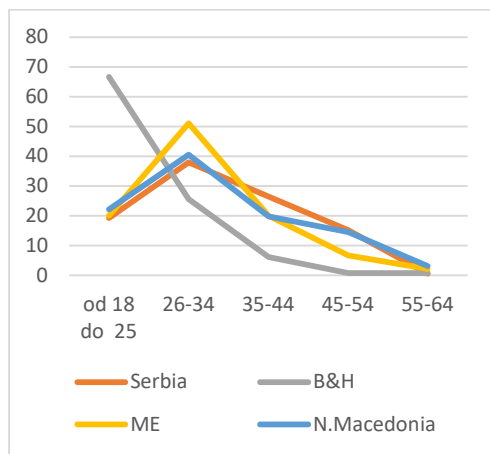


Fig.2. The age structure of freelancers in Western Balkans

Source: Radović-Marković, Djukanovic, 2022).

New types of non-standard employment arrangements appear in the form of short-term engagement in the gig economy. For non-EU countries in the Western Balkans, this mode of employment has become particularly attractive due to lower wages and high unemployment rates compared to member states. Therefore, many saw a chance to stay and live in the local environment, while earning European salaries (Radović-Marković, et.al. 2021).

CONCLUSION

Labor markets and employer-employee relations have been redefined around the world. The increase in real estate prices makes it impossible even for large corporations to open offices in multiple locations. Providing work from home avoids such investments. Accordingly, this trend is expected to continue when the pandemic passes (Radović-Marković, M., et. Al. 2021a).

This is confirmed by statistics from European countries and developing six economies, which also show that working from home is the future of employment. Thus, Upwork estimates that by 2028, 73% of all its departments and branches will have remote workers (Allthingstalent, 2020). In addition to Upwork, other organizations also need to recognize and understand the growing influx of Generation Z into the workforce. For these workers born in the digital age, the concept of remote working cannot only be attractive but is also seen as a key criterion for achieving job satisfaction. "For the younger generations, as well as for the growing number of members of the older generations, the future of remote working has already begun" (Lee, 2020, p. 1).

Therefore, having in mind the social psychological, economic, and political factors that

will influence the further growth of employment in this way, it is necessary to carry out reforms in education in European countries so that all generations use their chance.

In Western Balkans, thanks to modern technologies, some organizations have built an excellent foundation for working from home, while others have not. Some have software that helps employees organize tasks more easily and quickly and plan their responsibilities and working hours. This contributes to simple and efficient remote operations. In addition, the pandemic has fuelled innovation in digital tools and platforms and increased the digitalization of business processes. However, for digital tools and software to meet their purpose, training is a necessity. As a result of this development, the need for a digitally competent workforce has increased (Radović-Marković, Djukanovic, 2022).

Finally, it can be concluded that knowledge is one of the most important factors in economic development and the goal of every country should be directed toward building a knowledge-based economy (Dimitrijevic, Mijailovic, 2021). Without the appropriate knowledge, gaining the trust of employers and flexible organizational culture, many countries will not meet this challenge by 2025.

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