

There's merit in the gig economy

There are two main ways people can choose to earn a living. You can sell your time to an employer, or you can sell goods and services to customers.

Traditional employment – having a job – entails agreeing to be at your employer's place of work, or in other places at his request, during stated hours. In return for losing your freedom over what you do for around 40 hours a week, the employer agrees to pay you for weeks when you are on holiday, and for weeks when you are sick. The employer also has to let you go home at a stated time whether the work is done or not. The employer stops you working for anyone else during the stated hours of your employment and may even stop you working at other times for another employer.

Self employment, or being a contractor, means you sell a company a given service, product or output. The company normally has no right to require you to be in a given place at a given time, and cannot stop you working for others or doing other things as and when it suits you. It means that the individual is not paid when they are sick or on holiday, because they are not then supplying the good or service.

Parliament has always regulated these two different ways of working differently, and taxed them differently as well. The Labour party has concentrated in the past on improving working conditions for the large majority who opt for the job model rather than the contract model. Conservatives too support decent conditions of employment for those in jobs, and agree with a framework which limits hours, requires minimum pay rates, and provides decent terms for sickness and holidays.

Labour now wants to try to make many who work under the contract model work under the jobs model. They say some companies abuse the freedoms of the contracts model, effectively turning what should be jobs into self employed contracts to avoid holiday and sickness pay and the rest. They ignore the fact that many people working under the contract model have chosen to do so and do not want to be forced into an employment contract instead.

The last three taxi drivers I have talked to about the contract model have all been in favour of remaining as contractors. One likes the contract model because he can earn more and work more hours as it suits him. One liked it for the very opposite reason. He values his time more and only works the hours that fit in with his other interests, working less than he would have to under the jobs model and going home when he wishes. The third was starting his own business which is not yet anything like self sustaining, but requires him to be able to have hours off during the working day to see new clients and customers as need arises. The gig economy contract work pays the bills whilst he gets going with the new business.

The danger of the Labour approach is it will eliminate choice. I don't want people to have to take precarious contracts when they want a job, but I do want people who have good reasons to work as contractors to be able to do so.

There is room in life for the full time employed taxi driver and the self employed contractor driver. There is room for the staff journalist with holiday pay and the freelance journalist paid for each article. If we make everyone into an employee more of the entrepreneurial freedom loving types will go to another country.