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The Gig Economy: How Freelance Work is Re-defining the 21st Century Workplace in the United States

Dr. Chaz Austin

Dr. Chaz Austin, Ed.D. http://chazaustin.com currently works with private clients around the world, and teaches free courses that prepare people to self-market for The Gig Economy, for Los Angeles Pierce College.

He created and teaches three courses for LinkedIn Learning:

"Creating a Career Plan" http://goo.gl/IFMDCj

"Succeeding in a New Job" https://goo.gl/IYxRSH

"Transitioning Out of Your Job" http://goo.gl/YtWBkr

His most recent book is "101 Ways to Find Work . . . and Keep Finding Work for the Rest of Your Career!" http://goo.gl/MUzuwK.

Introduction

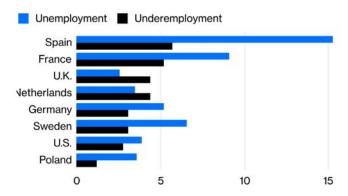
In the United States, The Gig Economy, also known as the Freelance Economy, the On-Demand Economy, or the Sharing Economy, is supplanting the traditional workplace environment of the 20th Century. According to the Freelancing in America survey, 36% of the current workforce are freelancers, and by 2027, that number is predicted to rise to over 50%.

While this chapter will focus on labor conditions in the United States, this situation is by no means confined to the U.S. According to Bloomberg News in a column entitled *Underemployment Is the New Unemployment*, "Western countries are celebrating low joblessness, but much of the new work is precarious and part-time."

In fact, Noam Chomsky, Institute Professor Emeritus at the Massachusetts Institute of Technology, has dubbed the new workforce "The Precariat," as our working lives have become precarious.

According to a recent paper authored by David Bell and David Blanchflower, *Underemployment in the US and Europe*, underemployment "has replaced unemployment as the main indicator of labor market slack."

Unemployment and underemployment levels in selected economies



Sources: National statistics agencies, Eurostat

This is nothing short of a sea change in the lives of workers in these settings. In the U.S., the traditional model, which worked for decades, followed a fairly simple formula: get an education, prepare a résumé and cover letter, learn how to interview and how to dress for an interview, apply for a job, interview for it a few times, start the job that paid a salary plus benefits. Then stay with that company for many years, even decades, move up the corporate ladder and finally, retire with a pension (and possibly have you and your family's health insurance covered) until your demise.

^{*} August 2018 or most recent available

Various factors have undermined that model. These include:

- The emphasis on short-term profits. When a company needs to show higher profits quarter over quarter, they will always be looking at simultaneously increasing revenue and trimming expenses. Particularly in mature industries, where there is little opportunity to increase market share, a company will turn to finding ways to lower its overhead. The largest expense for any company is labor. So, if a company can find ways to cut, it will do so.
- And in the U.S., the sheer expense of companies having to pay health insurance benefits to workers and their families.

Ways to cut labor expenses include:

- Hire workers on a part-time basis. If you work less than 30 hours a week in the U.S., an employer is not legally required to pay you any benefits
- Outsource jobs to another state or another country where the hourly rate is substantially lower.
- Use a robot to do the job. Robots never call in sick, form unions, need sick, vacation or personal days, or health insurance. When a robot breaks down, you simply replace it with a new robot
- Hire workers on a project basis, which avoids the provision of benefits.
- Hire younger people, who work cheaper.

Corporate loyalty is gone. There is little upside for companies investing in a workforce for the long term. What has been the normal flow of school - to - career for decades is going away. Few of us saw this coming. We are left unprepared, and having difficulty navigating this new landscape. Workers are doing what they and the generations before them have always done, expecting the same results. They have been blindsided, using the same tools that have always worked for them, but these are no longer producing the desired results.

As the U.N.'s "Guiding Principles on Business and Human Rights" states, "Just as States should work towards policy coherence, so business enterprises need to strive for coherence between their responsibility to respect human rights and policies and procedures that govern their wider business activities and relationships. This should include, for example, policies and procedures that set financial and other performance incentives for personnel." (italics mine). But businesses have disconnected their employees.

The author trains people to understand the shift, to confront this new reality, and to navigate this new world.

Unfortunately, most jobseekers are still being prepared for a working world that no longer exists. Both colleges and high schools are guilty of continuing to train their students for the past. In the author's Doctoral Dissertation, A Model for Creating a Mandatory Career Course Program Integrated into a College Curriculum, the secret to the efficacy of this training was and remains - that it be mandatory. Unless people are required to deal with these issues, they most likely will not confront them.

The first task is to make people aware of the changes. This is invariably an upsetting conversation. Most of us do not want to face the often-grim reality of changed opportunities that await us, particularly when we were prepared for something very different. But it is vital for us to comprehend in order to adjust our behavior and strategy.

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The New Rules

- The working world has become vastly different. In the United States, I use the American football analogy, "they moved the goal posts, but nobody told you." It is my job to tell people the bad news.
- Corporate loyalty and job security are disappearing, if not already gone. Long-term job stability and security, which had been the norm for decades, is becoming a thing of the past. Sadly, experience is undervalued, and often ignored. Employers want everything, but are unwilling to pay for it.

Full-time Jobs are becoming more and more scarce. We are moving from being employees to becoming freelancers/contract workers. According to the Fourth Edition of The American Heritage Dictionary, a freelancer is defined as "a person who sells services to employers without a long-term commitment to any of them."

And to extrapolate from this new reality, it's useful if we think of ourselves as our own business. Predisposed to behaving that way or not, in order to survive - and flourish, one must think entrepreneurially. Two additional factors emphasize the need for this: most of us will have multiple careers, and ageism is real.

 The "ammunition" we counted on in the past that would all but guarantee us gainful employment and a successful career - our education, résumé, cover letter, learning how to interview - are still necessary, but today are insufficient. Training people for The Gig Economy means teaching them how to self-market, which entails constant self-promotion. And there is a natural resistance in most people to pursuing this approach. Most of us were not taught to sell, much less to sell ourselves. We learned the skills that we needed in order to pursue gainful employment in a particular field (chemistry, financial advising, graphic design, etc.). But in order to become successful in The Gig Economy, we must all learn to Define, Articulate and Sell our own, personal brand.

This is no less than a re-contextualization of what it means to work. Unlike so much of education, training people this way is not about filling their minds with more facts, but opening them up to new ways of thinking. As Plutarch said, "The mind is not a vessel to be filled, but a fire to be kindled."

People usually do not enjoy learning how to self-market, nor will they necessarily enjoy practicing it for the remainder of their working lives. It can be an uncomfortable and awkward process, but it is a necessary skill. It is important that we learn to adapt.

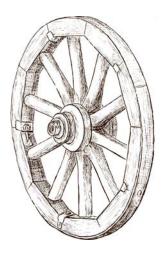
Thirty years ago, virtually none of us knew how to use a computer; today millions and millions of people are adept at using smart phones (which are actually small computers). Just as one moves from one country to another and needs to learn the language of their adopted land, self-marketing for most of us is a new language we must learn. The management of one's career has shifted from institutions to the individual, so to navigate - and prosper - in this new world of work, the worker must take charge.

Critical Thinking and Action

The foundation underlying this training is Critical Thinking, simply explained as being aware of how to get from here to there. But awareness (or how one is "wired") is

insufficient. First one must be aware of what needs to be done, and then be in action to produce the desired results.

So one begins at the end. What is the career goal, and is it monetizeable? Next, the steps that need to be taken to reach the goal must be defined, and then implemented. And a huge part of this is learning how to find the resources (specifically, the people) with whom to collaborate. Relationships are the key to success (how one is "connected").



The Wheel: The Multiple Income Streams Approach

A new strategy is called for. As R. Buckminster Fuller said, "You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete." This new model is The Wheel, also known as The Multiple Income Streams Approach.

The hub is one's core brand or skill set. We will use "musician" as the hub in this example, but it will serve for any vocation in any industry.

The spokes extending from the hub are the various ways a musician can derive income from his or her talents. This might include: studio musician, touring musician, teacher (private lessons, clinics, K-12, after school programs, high school and/or college level), producer, audio engineer, arranger, manager of other

artists, mixer, songwriter, booking agent, product endorsements, etc.

When creating a career strategy, the goal is to find as many ways as possible to generate income. This is an appropriate response to a freelance workplace where the emphasis needs to be on finding work — not jobs.

A business does not rely on a single client. As one approaches their own career (brand) as a business, this model frees a person from relying on one "client," and is designed to create a steady stream of income from multiple sources.

The Wheel replaces the traditional concept of having a job at a company (one client). The working world is too fluid and volatile to expect a supportive work environment to last very long. Even if one has a "good" boss who treats them well and recognizes their contributions to the team, he or she may not last in the job. Job stability is under threat from: management shakeups, mergers and the resulting layoffs, outsourcing, robotics, buyout packages, etc., etc. Unfortunately, this is the "new normal".

People serve loyally with companies for years, only to be shown the door for reasons having nothing to do with their job performance. They leave feeling that their contributions were ultimately neither valued nor appreciated. Loyalty is not rewarded as it once was. Employers care less and less about their worker; the focus has shifted to shareholder value.

For decades, we have relied upon the safe harbor of the full-time job. We can no longer afford to do that. The Wheel is a worker's hedge against the instability of the employment landscape of the 21st Century.

The author's Doctoral Dissertation addressed the need to practicalize higher education by expanding career coursework into an ongoing career curriculum, beginning in a student's freshman year of college. Career development needs to serve as a finishing school for a college degree, the place where all a student has learned is combined into an awareness of the talents and skills they have developed, and how those can now be marketed to potential clients.

Two caveats to this excerpt from the Dissertation Abstract:

- Colleges were targeted because they at least have career development departments. But the conversation ideally should begin in Middle School, when students are 11 - 14 years of age.
- This course program synthesizes two approaches to learning: traditional academia and the for-profit approach. Broadly speaking, traditional academia has focused on communication and critical thinking skills, and disdained vocational training. A classic college education has not included teaching students the skills they need to find a job after graduation.

As the cost of higher education has risen, parents and students increasingly look at the ROI (return on investment). Rightfully, they are concerned about spending thousands of dollars on education, only to discover that they are either a) unprepared and thus unable to find gainful employment upon graduation, or b) have no idea what they want to do in their careers.

Into this void has stepped for-profit education. For-profit colleges have shifted the focus from communication and critical thinking skills to job-related vocational training. The mandate is along the lines of, "we will teach your child the specific job-related skills he or she needs to find gainful employment in their field of interest."

And it works. These students are armed with the skill-set they need to find work (along with a crippling debt load; it's predicted that many/most students who took out loans will still be paying them off when their own children are in college). But in the author's experience as a college professor for two decades, because they lack communication and critical thinking skills, they do find entry-level jobs, but lack what's needed to get promoted or develop their personal brands and start their own businesses.

In order, students need to discover:

What are they selling?

- Who do they know who can use what they are selling?
- How can they be of help?

Expressed another way, they learn to define, articulate and sell their personal brand.

Training People to Navigate the Gig Economy

The author's second book,101 Ways to Find Work . . . and Keep Finding Work for the Rest of Your Career! (ISBN-13: 978-1-305-11136-3, ISBN-10: 1-305-11136-2) is used as the textbook in these training courses.

The training is focused more on context than content. It provides a shift in consciousness about what work is in the 21st Century.

The concepts of the courses have all been designed to be relevant, valuable and universal. They conform to the chapters in the textbook, and include:

- Think of yourself as a freelancer.
- Beyond the concept of "freelancer," it's useful to think of yourself as your own business and your own brand.
- "Passion," which employers like to see in candidates, is not enough. The author coined the term "Monetizeable Passion," to describe a passion at which one can make a living. It separates hobbies from projects/enterprises/business endeavors that are commercially viable.
- "Knowing" and "awareness" are insufficient. It's essential that one gets into action and in order to produce results. "Knowing is not enough; we must apply. Being willing is not enough; we must do." (Leonardo da Vinci).
- Always focus on the audience. What do they need? In terms of work, this means having an appreciation for the employer's perspective.
- We all belong to multiple affinity groups or tribes. Tribes are the people with whom one has something in common. These tribes can be: gender-based (women's groups), geographic (same city, or country), ethnic, religious (mem-

bers of the same church), by hobby (belong to the same hiking group, biking group, chess club, book club, etc.), by education (attended the same college and both belong to its alumni association), industry-based (we're both chemists, electrical engineers, financial advisors, etc., and both belong to the same industry associations and groups both online and offline, etc.).

 The people in one's tribes are those most likely to help in one's career quest (or anything else, for that matter) because we have something in common. This is human nature. It is one's mandate to take advantage of this fact in developing a career.

Branding

The first step is to define one's brand. What are the *specific* monetizeable, marketable and transferable skills one can offer to potential clients? What does one do that people will pay for? And specific does not mean broad concepts like "hardworking," "good team player," "fast learner," "able to work independently," etc. Instead, it's the languages in which one has fluency, proficiency in software programs and apps, and proven accomplishments in one's field.

There are certainly other people who can do what an individual does (just as, broadly, a cola is a cola, and a smartphone is a smartphone). As cola makers and smartphone manufacturers need to have their potential customers perceive an advantage their product has versus the competition, so an individual needs to have his or her customers understand and appreciate what's special about what they offer. After counseling and training hundreds of people over more than fifteen years, the author has concluded that no two people have exactly the same brand. The challenge is to have the individual understand, define and learn to articulate the "specialness" of their brand, and the particular benefits of that brand to the potential customer.

Brand is relationship and reputation.

Education

As recently as 20 or 30 years ago, having a college education was a virtual guarantee of finding a job in one's

chosen career. A college degree was the answer. This is no longer true.

Today, neither a college degree - nor even a graduate degree - guarantee anything. They, along with résumés and cover letters, are simply more tools that need to be monetized.

The higher education system in the U.S. has failed its students for decades by not properly preparing them to take on roles in the workplace. There is a veritable chasm between what students are taught and what the business world requires of them.

What students need to realize about a college education in the 21st Century is that it's benefits, in order, are:

- 1. The contacts one can make
- 2. The credibility it confers
- 3. What one actually learns

Higher education is still based on preparing students for the factories of the early 20th Century. The educational system in the U.S. has not kept pace with the modern world. It is rooted in the past, still offering theory and busy work. It's largely about "teaching to the test."

In deciding whether to pursue more education, be it towards a degree, license, or certificate, the individual must weight the costs versus the benefits, just as any business does when deciding whether to spend money.

Ultimately, what we are doing is putting people in touch with their monetizeable passion, training them how to articulate it, and showing them how to find the people who can benefit from their talents, skills and experience. The focus always needs to be on the needs of the client, to be of service and a contribution to others. As Muhammad Ali said, "Service to others is the rent you pay for your room here on earth."

Conclusion

The Gig Economy is forcing workers all over the planet to divorce themselves from the protection of "the company" and the salaries and benefits those entities have traditionally offered. In this new world of work, millions of individuals who never expected to behave entrepreneurially will face a myriad of challenges they never imagined they would be forced to confront.

Issues that will need to be addressed individually and by society as a whole include: unionization, portable health insurance, disability benefits, liability insurance, retirement plans, etc.

In order for freelance workers to succeed in their new roles, these issues must be addressed collaboratively by: the workers themselves, workers' groups, the business community, and governmental agencies. New world. New rules. Just as with any individual who needs to define their brand, we must first become aware of the new environment, and then take action - in this case, together - so that in the 21st century, all of us don't simply survive, but we thrive.