



## PART 2

Read the text below and answer questions 14–26.

### THE RISE OF THE 'GIG ECONOMY' AND ITS IMPACTS

A

The “gig economy” refers to labour markets in which work is broken into discrete tasks and matched to workers through digital platforms, often on an on-demand basis. In a traditional employment contract, the firm typically offers a continuing relationship in exchange for a degree of worker availability, and it absorbs a share of risk through predictable wages and benefits. Platform-based work reverses many of these assumptions. Individuals may piece together income from multiple clients and multiple apps, with no single organisation guaranteeing hours or progression. Advocates present this as a route to flexibility and entrepreneurship, particularly for those who need to work irregular schedules. Critics, however, describe a growing precariat: workers who are nominally free but whose incomes and conditions are volatile, and whose exposure to market shocks is more direct than in standard employment.

B

Technological infrastructure has been crucial to this transformation. Smartphones, digital payments, and GPS have enabled platforms to coordinate large workforces at very low transaction cost, matching supply and demand in real time. Yet the same tools that increase efficiency can also create a form of algorithmic management. Instead of a supervisor giving instructions, the app allocates tasks, sets pay rates, and evaluates performance. Many platforms add gamification features—streaks, badges, acceptance-rate targets, and time-limited bonuses—that nudge workers toward behaviours favoured by the system. GPS tracking supports rapid dispatch, but it also allows continuous monitoring, and workers may feel that their autonomy is narrower than the “independent” label suggests. Ratings systems, presented as consumer feedback, can become a lever of discipline: a low score may reduce future offers, making workers reluctant to refuse inconvenient jobs or contest unfair demands.

C

Legal classification is among the most contested issues. Many platforms treat workers as independent contractors rather than employees, a distinction with major implications for minimum wage protections, paid leave, collective bargaining rights, and employer contributions to social insurance. Platform companies argue that contractor status preserves the freedom to choose hours and to work across multiple services. Opponents counter that misclassification can occur when a platform controls core aspects of the



job—pricing, access to customers, performance standards, and penalties—while avoiding obligations that accompany employment. The debate is not merely semantic: it determines whether risk and responsibility sit primarily with the firm or with the individual. In practice, some workers may value contractor status, but others argue that the imbalance of power makes “independence” largely nominal.

#### D

The worker experience is therefore highly uneven. For some, gig work offers a low barrier to entry, a way to supplement income, and a sense of control over when to log in and out. For others, the reality is an income stream shaped by unpredictable demand, opaque pay calculations, and unpaid waiting time between tasks. Financial risk is often shifted onto the worker. In delivery or ride-hailing, costs such as fuel, vehicle maintenance, insurance, and depreciation can be substantial, yet they are typically not reimbursed. When illness, injury, or family responsibilities interrupt work, there may be no sick pay to buffer the loss. Information asymmetry can compound these problems: the platform may see the full distribution of demand and pricing, while workers see only what the app reveals, making it difficult to assess whether a given task is worthwhile.

#### E

Consumers have benefited from rapid, app-based convenience and, in some sectors, lower prices. However, these gains are not always produced by underlying efficiency alone. Many platforms have relied on venture capital subsidies to expand quickly, using aggressive incentives and temporarily reduced fees to grow market share. Such strategies can resemble predatory pricing: prices are kept artificially low to outcompete rivals, even if the model is not yet profitable. Once a market consolidates, the balance of power can shift. Reduced competition may allow platforms to raise fees charged to consumers or to restaurants and suppliers, while simultaneously lowering pay rates or increasing performance demands on workers. In this sense, the apparent affordability of platform services can depend on an ongoing “race” funded by external capital, followed by a later phase in which the platform seeks to extract value from both sides of the market.

#### F

Regulatory responses reflect different priorities and legal traditions. Some jurisdictions have introduced intermediate categories between employee and contractor, granting partial protections such as minimum earnings floors, limited benefits, or collective representation without full employment status. Other governments pursue stricter enforcement of existing labour law, arguing that many platform workers already meet tests for employment and should be reclassified accordingly. A third approach focuses on transparency rules: requiring clearer pay calculations, disclosures about algorithmic



decisions, or access to appeals processes when accounts are deactivated. These divergent policies can also encourage regulatory arbitrage, where platforms adjust operations to exploit gaps between legal regimes. Policymakers therefore face trade-offs between preserving innovation and flexibility on the one hand and preventing a systematic erosion of labour protections on the other.

## G

The gig economy also interacts with inequality in complex ways. Platforms can provide entry opportunities for migrants, students, or those excluded from formal employment, and the ability to start quickly may be valuable when alternatives are limited. Yet gig work can also lock workers into low-wage segments with limited progression, especially when training and career ladders are absent. Reputation systems intensify this dynamic. Because ratings affect job allocation, early low ratings can have long-lasting effects, effectively blacklisting workers from better tasks or from the platform altogether. Small shocks—an unfair complaint, a technical glitch, a single bad week—can therefore shape long-term earning potential. Meanwhile, where healthcare, pensions, or unemployment support are tied to traditional employment, a shift toward task-based work can make basic protections harder to access, increasing insecurity for those who depend on platform income.

## H

Looking ahead, the gig economy's impacts will depend on how technology, markets, and policy evolve. Automation could reduce demand for certain forms of task-based labour, while new platforms may expand gig models into professional services such as design, tutoring, or consulting. The central tension is whether societies can preserve flexibility while ensuring fair pay, meaningful voice, and minimum protections. Some view gig work as a stepping stone, allowing rapid entry and experimentation; others see it as the institutionalisation of a permanent secondary labour market. The outcome is unlikely to be determined by technology alone. It will be shaped by how rules are written, how platforms design incentives, and how workers and consumers respond to the costs and conveniences that on-demand labour makes possible.

## Questions 14–17

Select the correct answer.

**14** How can ratings systems influence gig workers?

**A** They give workers complete access to information about demand and pricing.

**B** A low score can reduce future offers and discourage workers from refusing inconvenient tasks.



- C** They allow workers to challenge unfair demands without affecting later job allocation.
- D** They record customer feedback without influencing the tasks workers receive.

**15** Why is the classification of gig workers controversial?

- A** It affects whether workers receive employment protections and benefits.
- B** It determines whether workers can obtain tasks from more than one platform.
- C** It decides whether platform services can be supported by venture capital.
- D** It controls whether workers may be monitored through GPS.

**16** How can gig platforms shift financial risk onto workers?

- A** They reimburse operating expenses but exclude time spent waiting for tasks.
- B** They provide predictable wages while offering limited career progression.
- C** They cover losses caused by illness but require workers to purchase insurance.
- D** They may leave workers responsible for operating costs, unpaid waiting time, and interruptions to work.

**17** What may happen after a platform market becomes consolidated?

- A** Continued subsidies may keep consumer prices permanently below operating costs.
- B** Stronger competition may reduce the demands placed on workers.
- C** Platforms may raise fees while lowering worker pay or increasing performance demands.
- D** Market power may shift from platforms toward workers and suppliers.

### Questions 18–22

Complete the notes below. Choose **NO MORE THAN TWO WORDS** from the text for each answer.

#### Key features and debates

- Platforms use **18** ..... to track workers' locations and support rapid dispatch, while **19** ..... systems can influence which tasks workers receive.
- A central legal debate concerns whether gig workers are **20** ..... or employees, which affects access to protections such as paid leave and social insurance.
- For many workers, income is unstable because **21** ..... is unpredictable, while costs such as fuel or equipment may remain their responsibility.
- Some regulators have introduced **22** ..... between employee and contractor to provide partial protections.



### Questions 23–26

Choose **TRUE** if the statement agrees with the information given in the text, choose **FALSE** if the statement contradicts the information, or choose **NOT GIVEN** if there is no information on this.

**23** The passage states that gig workers in urban areas earn significantly more than those in rural areas.

**24** The passage suggests that platforms can use subsidies to gain market share.

**25** The passage claims that every country has adopted the same regulatory approach to gig work.

**26** The passage indicates that early low ratings can affect workers for a long time.

### Answer Key

14. B

15. A

16. D

17. C

18. GPS

19. ratings

20. independent contractors

21. demand

22. intermediate categories

23. NOT GIVEN

24. TRUE

25. FALSE

26. TRUE