

Project Economy report shows 'gig' economy is no longer a dirty word

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Credit: Trinity College Dublin

[Ireland's Project Economy 2022](#), an annual report by Trinity Business School and Contracting PLUS, revealed fascinating results about the country's project economy and the high-skilled independent professional contractors.

The report showcases the real reason Ireland has so many multinationals, as it has now proven using freelancers increases net employment. It also reveals why the gig [economy](#) is no longer a "dirty" word, as variation of workers are needed to create positive working environments. A whopping 76% of freelancers choose to work this way.

This one-of-a-kind annual Irish report shows there has never been a better time to be self-employed, with most highly-skilled contractors better paid and happier than employees. The research has shown the use of freelancers increases net employment which in turn generates more tax for the exchequer.

Variouly known as professional contractors, freelancers, and solo self-employed workers, these workers earn more than one and a half times the earnings of equivalent employees.

The report provides a statistical insight into work, life, business performance and the economy relating to high skilled independent contractors. Prior to the report, very little was known about this sector in Ireland despite it being identified as of major importance in other developed economies.

Some notable findings from the report include:

- High-skilled independent contractors earn more than equivalent employees and those working in the project economy earn 73% more than similar occupation employees. Female independent contractors achieve an average of €519 per day and male contractors secure an average of €579 per day.
- High skilled independent contractors working in the gig economy earn an average of 56% more than equivalent occupation employees.
- There is no evidence of age discrimination in the report. The greater experience of older workers is reflected in higher day rates being secured as workers get older. These independent contractors have higher income and are able to command the highest levels of earnings in their 60s.
- The report also found that there is greater equality of pay between men and women in the high skilled independent contractor workforce than amongst employees. The average annual earnings gender pay gap is 15% within the professional contractor workforce, compared to the 25% gender pay gap in the employed sector.
- The survey also reveals that independent contractors are upbeat about business prospects for the medium term with positive freelance sector and Irish economy confidence indices scores. A total of 73% of contractors expect their sector to perform better over the next 3–5 years than currently. Just 6% expect it to perform less well. In terms of the Irish economy, 76% of independent contractors expect it to perform better in 2022 than 2021. Just 7% expect it to perform worse.
- High skilled independent contractors tend to be happier than employees. They manifest higher levels of work and life satisfaction levels than equivalent employees. A total of 76% of contractors voluntarily chose this form of work.

Professor Andrew Burke, dean and chair of business studies, Trinity

Business School, said: "The project economy is a major driver of economic growth utilizing a blended workforce of both employees and independent contractors to enable organizations of all sizes to be more innovative, agile and grow faster than they could if constrained to an ['employee-only'](#) workforce model. The dual talent and financial advantage of engaging freelancers to work with employees to cover the more complex challenges of innovating, adopting new technologies as well as managing the cost and risks associated with business growth and unexpected events, are defining drivers of the project economy. These performance benefits extend across organizations of all sizes and encapsulate both for and not-for profit entities."

Jimmy Sheehan, managing director of contracting, PLUS, said: "There has never been a better time to be a self-employed professional! This isn't my opinion, rather the overwhelming result from this year's survey. However, the elephant in the room remains the regulations around the use of and hiring of self-employed independent professionals. When the effects of COVID 19 are stripped out of this year's research, the largest negative factor affecting Ireland's Project Economy is Government regulation around the hiring of Independent Professionals. The issue is the interpretation of the regulations due to mixed messaging from different Government departments. For now though, let's celebrate the confident outlook for contracting in Ireland and all the positive aspects that have come out of this research including a smaller gender pay-gap than the national average, the ability for those over 60 to keep working at a time in their life when they are often less valued and the fact that a whopping 86% are satisfied with the success they have achieved in their career."

Dr. Na Fu, associate professor of human resource management at Trinity Business School said: "Home working due to the COVID pandemic has brought remote and freelance working more into the public consciousness. However, these forms of work in the project economy

have in fact been active and growing over the last two decades and are an area of great interest to researchers in universities. Remarkably, high skilled independent contractors that are one of the key defining ingredients of the project economy rarely get the credit for their accomplishments. Maybe a mainly good news story is perceived as humdrum and research showing that high skilled independent contractors are typically better paid and happier than equivalent employees does not generate enough digital clicks. However, while it is a good news story, it is still a form of self-employment, which is fundamentally a more risky career than employment. So it's not suitable for people who are highly risk-averse nor is entry into this form of self-employment a guarantee to achieve the average incomes unearthed by our research."

This report showcased that this segment of the workforce allows the project economy to generate value added to business and society. These attributes also entail reduced gender discrimination and clear evidence of valuing the greater work experience of older people. Given these positive characteristics, this segment of the self-employed workforce and economic activity ought to be nurtured and recognized because of its distinctiveness.

The research is based on an anonymous survey of contractors, recruiters and clients and received 1,020 responses. A detailed analysis of the data was then carried out to identify a general profile, nature of work, experience with contract work and expectations about the future of business and economic performance.

The Trinity report on Ireland's Project Economy is produced on an annual basis, for longitudinal tracking of the nature, contribution and confidence of the sector. Contracting PLUS is Ireland's largest provider of accounting services and umbrella companies to high-skilled independent contractors.

The study was carried out in February 2022, using an anonymous online survey.

Provided by Trinity College Dublin

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