

## Thinking Space Paper No.3

# Empowering NEETs for a platform economy

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**The world of work is undergoing significant changes across all sectors. Entrepreneurs and employees need to adapt to a new working environment, which will demand a high degree of flexibility, adaptability, reinvention and life-long learning. Job security, long-term employment as well as standardized roles and responsibilities<sup>1</sup> will be traded off against work opportunities. Hence, it is imperative to support NEETs in a changing work environment. In this thinking space we will take a closer look at the platform economy its form, size and the work and income it generates to then discuss means to empower NEETs in this economy.**

Platform work - the matching of the supply of and demand for paid labour through an online platform - is difficult to size in Europe: for the EU as a whole, Fabo et al (2017)<sup>2</sup> identified 200 active labour platforms, though excluding platforms trading goods and assets (Amazon, AirBnB, eBay, etc). The European Commission calculated in 2016 that there are 273 platforms across Belgium, France, Germany, Italy, the Netherlands, Poland, Spain, Sweden and the UK, while the Inter-ministerial Centre for Forecasting and Anticipation of Economic Change has estimated 300 platforms in France alone.<sup>3</sup> There is however agreement that platform economy is growing and has already affected almost every sector.<sup>4</sup>

It is estimated that currently round 20-30% of the population in the USA and EU-15 are working in independent working contracts for a platform and the number is expected to grow significantly within the next years<sup>5</sup>. However, the numbers of people earning more than half their income from crowd work are considerably lower in Europe, ranging from 1.6% of the adult population in the Netherlands, 2,5% in Germany, 2,7% in the UK to 5.1% in Italy.<sup>6</sup> Most participants who generate earning through platforms are active for just a few months of the year, representing in the US about 20% of total observed take-home income in any month of that year. Platforms are currently not replacing traditional sources of family income, rather they seem to be an additional source that rapidly declines as soon as many service providers enter the market, which puts pressure on the

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<sup>1</sup> <https://www.a-connect.com/acknowledge/everything-you-need-to-know-about-the-changing-world-of-work-according-to-the-economist/>.

<sup>2</sup> Fabo, B., Beblavý, M., Kilhoffer, Z. and K. Lenaerts (2017), An overview of European platforms: Scope and business models, Joint Research Centre, Publications Office of the European Union, Luxembourg, p.7, online at: [https://publications.jrc.ec.europa.eu/repository/bitstream/JRC109190/jrc109190\\_jrc\\_mapping.pdf](https://publications.jrc.ec.europa.eu/repository/bitstream/JRC109190/jrc109190_jrc_mapping.pdf).

<sup>3</sup> Eurofound (2018), Employment and working conditions of selected types of platform work, Publications Office of the European Union, Luxembourg, p.11, online at: <https://www.eurofound.europa.eu/observatories/eurwork/industrial-relations-dictionary/platform-work>.

<sup>4</sup> Wolfgang Spiess-Knafl (2018), You had one job – transforming social security systems into the digital working age, p.18.

<sup>5</sup> <https://www.weforum.org/projects/the-promise-of-platform-work>.

<sup>6</sup> Huws, U., N.H. Spencer, D.S. Syrdal and K. Holts (2017), Work in the European Gig Economy: Research results from the UK, Sweden, Germany, Austria, the Netherlands, Switzerland and Italy (Brussels: *Foundation for European Progressive Studies*), p10, online at: [https://uhra.herts.ac.uk/bitstream/handle/2299/19922/Huws\\_U\\_Spencer\\_N.H\\_Syrdal\\_D.S\\_Holt\\_K\\_2017\\_.pdf?sequence=2](https://uhra.herts.ac.uk/bitstream/handle/2299/19922/Huws_U_Spencer_N.H_Syrdal_D.S_Holt_K_2017_.pdf?sequence=2).

hourly rate although there are no official figures from large platforms. As a result, driving for instance has become less and less likely to replace a full-time job between 2013 and 2018.<sup>7</sup>

Common reasons to participate in platform work are flexibility, higher independency and a supplementary personal and household income<sup>8</sup>. Other reasons to participate in platform work are the desire to promote themselves as a freelancer in a specific field (especially interesting for high-skilled and creative workers), the desire or the need to work in a non-traditional working environment after been “traditionally” employed or to gain working experience (especially for students and new entrants). Work performed tended to be professional tasks such as software development or graphic design (e.g. fiverr.com and freelance.org), transport, household tasks and micro tasks such as tagging images on web pages<sup>9</sup>. It is important to note that participants in the platform economy are significantly younger than the general population.<sup>10</sup>

In summary, platform work is growing, infusing all sectors and creating an environment with ever changing tools and possibilities, but also volatile incomes and uncertainties. Entrepreneurs and employees will need to keep learning and adapting. People need to embrace life-long learning and learn how to deal with uncertainty. This should of course happen already at schools which however remain focussed on cognitive learning, forgetting the “hand and hearts” of young people.<sup>11</sup>

But what could support organisations do with the many young people that are out of education, employment and training? An answer could be a *combined* approach of personalised hard skills training to close individual gaps required by the local labour market, soft skills training and a mentoring programme. The objective of the combined programme should be to equip young entrepreneurs with transferable skills that increase resilience in an uncertain and changing future world of work. YBI has developed a flexible curriculum that includes twelve soft skills, such as mindfulness, working with networks, crowds and trends, VUCA skills<sup>12</sup>, agility and systems thinking. The curriculum should be adapted to local circumstances and enable experiential learning.<sup>13</sup>

The mentoring programme would need to train their mentors so that they are not only capable of providing information and constructive feedback and open doors, but enter into a development partnership challenging thinking of mentee. The central figure in such combined approach is a mentoring manager, who not only recruits the mentors, makes the matching but also provides the

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<sup>7</sup> JPMorgan (2018), The Online Platform Economy in 2018, p.12, online at:

<https://institute.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/institute/pdf/institute-ope-2018.pdf>;

Farrell, D. and Greig, F. (2016), Pay checks, payday, and the online platform economy: Big data on income volatility, JPMorgan Chase & Co. Institute, U.S, p.23-25., online at:

<https://www.jpmorganchase.com/corporate/institute/document/jpmc-institute-volatility-2-report.pdf>.

<sup>8</sup> Balaram, B., Warden, J. and Wallace-Stephens, F. (2017), Good gigs: A fairer future for the UK's gig economy, RSA (Action and Research Centre), UK, p.22, online at: [https://www.thersa.org/globalassets/pdfs/reports/rsa\\_good-gigs-fairer-gig-economy-report.pdf](https://www.thersa.org/globalassets/pdfs/reports/rsa_good-gigs-fairer-gig-economy-report.pdf).

<sup>9</sup> <https://www.eurofound.europa.eu/observatories/eurwork/industrial-relations-dictionary/platform-work>.

<sup>10</sup> Farrell, D. and Greig, F. (2016), p.22.

<sup>11</sup> <https://futureofworkdocumentary.com/new-work-learning-to-love-learning/>.

<sup>12</sup> VUCA Coping Skills: volatility, uncertainty, complexity and ambiguity.

<sup>13</sup> YBI (2019), Entrepreneurial soft skills for the future: a scoping study, online at:

<https://www.youthbusiness.org/resource/191001043044-entrepreneurial-soft-skills-for-the-future>

soft skills training to mentors and mentees and accompanies them throughout their mentorship and creates a network of all mentors and mentees to facilitate exchange and learning between them.