

Non-standard work: the dark side of the sharing economy?

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Newspaper headlines:

26/7/2015

theguardian

The 'gig economy' is coming. What will it mean for work?

The new working model offers greater freedom - and a fresh chance for the rich to exploit the poor

14/8/2014

The New York Times

In the Sharing Economy, Workers Find Both Freedom and Uncertainty

Newspaper headlines:

15/2/2016



Sharing economy: Growth of part-time, flexible jobs offered by companies such as Uber is a double-edged sword

The "sharing economy" is also larger than some might think; some five million Britons are now paid for working within it

Online platforms:

- “software-based facilities offering two-or even multisided markets where providers and users of content, goods and services can meet”
- central role in social and economic life
- innovators in the digital economy
- generate, accumulate and control an enormous amount of data and use algorithms to turn this into usable information
- challenge to traditional business models
- offer “opportunities for increased efficiency, growth and jobs”

A Digital Single Market Strategy for Europe, COM(2015) 192 final;
SWD(2015) 100 final)

“Uberification of the US Service Economy”

US-Based On-Demand Mobile Services



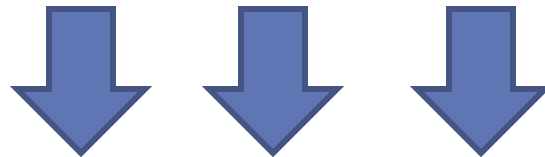
Transportation	Delivery & Logistics	Home Services
Food & Beverage	Dining + Drinks	Health & Beauty
Travel / Hospitality		Entertainment

Published on 4/4/14 by @schlaf @RRE

<http://schlaf.me/post/81679927670>

Online platforms:

Reduce transaction costs



externalisation of work



Precarious work?

Precarious work – a mixture of instability, lack of protection, insecurity and social and economic vulnerability

Standard work – full-time, permanent job, worker directly employed by employer

Nonstandard work – departs from the main features of standard work on at least one dimension (i.e. temporary or part-time job, agency job, etc.)

Work ordered on apps?

UBER – a case-study:

- 1 000 000+ drivers (company's website)
 - U.S.A.: 0 to 160 000 (from mid-2012 to 2014)
- Operative in 60 countries and 400 cities worldwide
- drivers = independent contractors (U.S. class action!)
- In the U.S.A. UberX operates as a “**transportation network company**”: “an organization, whether a corporation, partnership, sole proprietor, or other form ... that provides prearranged transportation services for compensation using an online-enabled application (app) or platform to connect passengers with drivers using their personal vehicles” (California Public Utilities Commission)

UBER – a case-study:

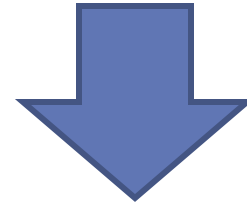
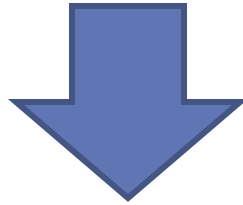
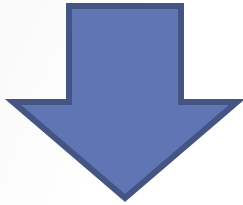
- 8 % of Uber drivers were unemployed before partnering up with Uber
- 80 % previously worked full- or part-time (93 % of them declares having a permanent job)
- roughly 1/3 have no other jobs, 1/3 work full-time on another job and 1/3 have a part-time job
- for 24 % of drivers Uber is the only source of income; for additional 16 % Uber is the largest source of income

UBER – a case-study:

- 73 % prefer arrangement with Uber over a steady, 9 to 5 job with benefits and guaranteed income
- 1/3 drivers indicate that the major reason for joining Uber is to earn money while looking for another, steady job
- 1/2 have health insurance from another job
- Working hours: taxi drivers are 5 times more likely to work 50 or more hours per week (35% Uber drivers vs. 71% taxi drivers)
- Educational degree: 1/2 of Uber drivers have a college degree or higher (vs. 18 % of taxi drivers)

Hall & Krueger, An Analysis of the Labor Market for Uber's Driver-Partners in the United States, Jan 2015

- Traditional taxi sector (heavy regulation!) vs. Uber-like platforms?



Passenger transport or ICT service?

- EU Member States – regulatory interventions needed:

Germany: UberPop contrary to the Law on the transport of passengers (*Personenbeförderungsgesetz*) - prohibited; UberX active

UK: drivers assert a worker status

Italy: UberPop prohibited

France: *Conseil Constitutionnel* (Decision No. 2015-468/469/472 QPC of May 22, 2015) – prohibition against chauffeured vehicles other than taxis charging per-km fee unconstitutional (violates freedom of enterprise); about 500 procedures against UberPop drivers (unlicensed)

- EU Member States – regulatory interventions needed:

Spain: association of licensed taxi drivers seeks declaration that Uber Systems operates in breach of Spanish unfair competition law

Belgium: taxi call-centre objects to Uber providing private car drivers with a piece of software that allows them to provide passenger transport, but without adhering to all regulations relevant for taxi services

Both cases resulted in the first two preliminary references to the Court of Justice of the EU!

- EU-level response:
 - Commission to launch a study analyzing the markets for taxis in Member States (Sept 2015)
 - Avoiding partial and fragmented regulatory responses; general idea: EU will have “to align with the new model of doing business, not fight it” (Commissioner Bienkowska)
 - So far, no discussions on the nature of work being performed by “independent contractors”

“At the rate things are going, tens of millions of us could ***end up in the role of Task Rabbits***: [...] temps, contract employees, casual day laborers, baristas, warehouse pickers at Amazon, fast-food workers, call-center operators, nurse’s aides, underemployed “consultants,” and adjunct professors ... [i.e.] freelance errand-runners...”

R Kuttner, The Task Rabbit Economy, <http://prospect.org/article/task-rabbit-economy>

Thank you for your attention!

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