

European Parliament

Committee on Employment and Social Affairs

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“The impact of business models, including the platform economy, on employment and social security in the European Union.”

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Thank you Chairman, and good morning to all members, distinguished guests, ladies and gentlemen.

I would like to begin by thanking the European Parliament's Committee on Employment and Social Affairs for the invitation to participate in this important public hearing.

I am very glad and honored to speak here today, an opportunity that arose initially from a discussion with Dierdre Clune, MEP for Ireland, during a tech event a ways outside of Dublin in the rural & beautiful South West County Cork town of Skibbereen. Superfast broadband connectivity in Skibbereen, and the creation of [Ludgate Hub](#), a community project that transformed a vacant former cinema and bakery building into a dynamic digital co-working space, is an example of how innovative technology and entrepreneurial initiatives are revitalizing regions. So thank you also to Ludgate Hub and Skibbereen for sparking the conversation that brings me to Brussels today.



I join discussions as a collaborative economy specialist and founding team leader of [Sharing Economy Ireland](#), a recently formed non-profit industry organization, representing sharing economy operators of all sizes in Ireland, from international players to indigenous Irish startups.

Sharing Economy Ireland was set up precisely to engage in discussions such as today's, which bring together diverse expertise and voices.

Questions surrounding how do 21st century workers work and what should a 21st century social safety net look like are complex, and merit much collaborative discussion.

Over the past four years I have also actively contributed to research and mapping of the collaborative economy in Europe. Through this, I've been able to interact personally with the founders of businesses scaling across Europe as well as micro-entrepreneurs boot-strapping start-up businesses. I've also spent time with the providers on collaborative economy platforms - the hosts, drivers, riders, guides, programmers and others co-creating value in the collaborative economy.

These are the people directly impacted by consumer protection, employment and policy issues.

The slide has a light blue header and footer. The main content area is dark blue. The header contains the text 'suggestions' in light blue and 'how to approach 21st century work & social security' in white. The main area contains three light blue text elements: 'clarity', 'contributions & challenges', and 'collaboration', each preceded by a vertical light blue line. The footer contains the Sharing Economy Ireland logo.

suggestions

how to approach 21st century work & social security

clarity

contributions &
challenges

collaboration

Today I'll draw on my own experience and the experience of Sharing Economy Ireland members to suggest ways we might approach questions of 21st century work and social security policies. In particular, I'll suggest that:

- We must gain **clarity** on how new business models are changing the economy and the implications for employment and social security
- We must have a joint focus on both the **contributions and challenges** presented by these changes
- We must work **collaboratively** in defining solutions which will allow us to embrace the opportunities while mitigating challenges



collaborative economy
sharing economy

First, however, it's worth addressing the numerous terms used interchangeably.

Today's public hearing uses the term 'platform economy' and I've used both 'collaborative economy' and 'sharing economy' just now. Other terms like 'gig economy', 'peer economy', 'on-demand economy', 'app economy' are also widely used. This stems from the fact that one universally-accepted term and definition do not exist.

Collaborative Economy refers to business models where activities are facilitated by collaborative platforms that create an **open marketplace** for the **temporary usage of goods or services** often provided by **private individuals**.

The collaborative economy involves **three categories of actors**:

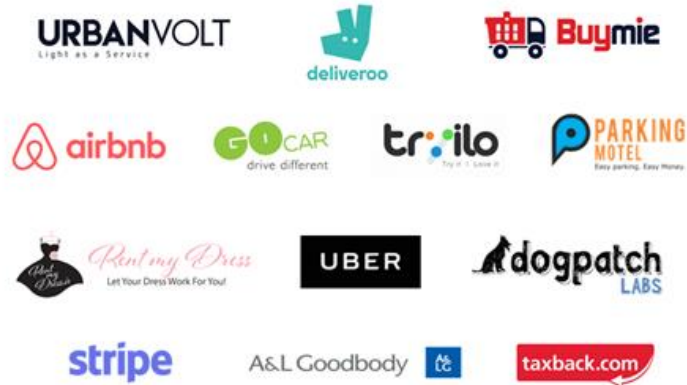
- (i) **service providers** who share assets, resources, time and/or skills — these can be private individuals offering services on an occasional basis ('peers') or service providers acting in their professional capacity ("professional services providers");
- (ii) **users** of these; and
- (iii) **intermediaries** that connect — via an online platform — providers with users and that facilitate transactions between them ('collaborative platforms').

Collaborative economy transactions generally **do not involve a change of ownership** and can be carried out **for profit or not-for-profit**.*

* European Commission – Communication on a European agenda for the collaborative economy 2016 (COM(2016) 358)

To be clear, I will use the terms 'collaborative economy' and 'sharing economy' in alignment with the European Commission's agenda for the collaborative economy communication issued in June 2016 listed on the slide.

Sharing Economy Ireland current members



While terms vary, cities and countries believe there is value in the collaborative economy, as seen by the growing number of cities joining the [Sharing Cities Alliance](#), an initiative from [ShareNL](#) in Amsterdam.

The sharing economy in Ireland includes close to 100 businesses in Ireland, and reaches hundreds of thousands of people across the country. Sharing Economy Ireland stems a grass-roots initiative to promote responsible development of the growing collaborative economy. Current Sharing Economy Ireland members include Airbnb, Uber, UrbanVOLT, GoCar Ireland, Rent My Dress, Deliveroo, Tryilo, Buymie, ParkingMotel, Dogpatch Labs, Taxback.com, A&L Goodbody and Stripe.

Later this year, individual users and providers of sharing economy platforms will also be able to join as members. This diverse and inclusive membership was created purposefully, to engage the widest participation possible in discussions.

In terms of public policy, Sharing Economy Ireland has adopted four major themes: Trust & Responsibility, Smart Regulation, Opportunity for Ireland and Work Practices.



As mentioned earlier – further clarity in terminology could help facilitate discussions.

Additionally, better understanding the vastly different business models can help underpin informed discussions. The Dec. 2016 [European Parliament's Economic Review on the Collaborative Economy – DG for Internal Policies](#) highlights the “*collaborative economy is not monolithic but rather characterised by a great variety of business models.*”

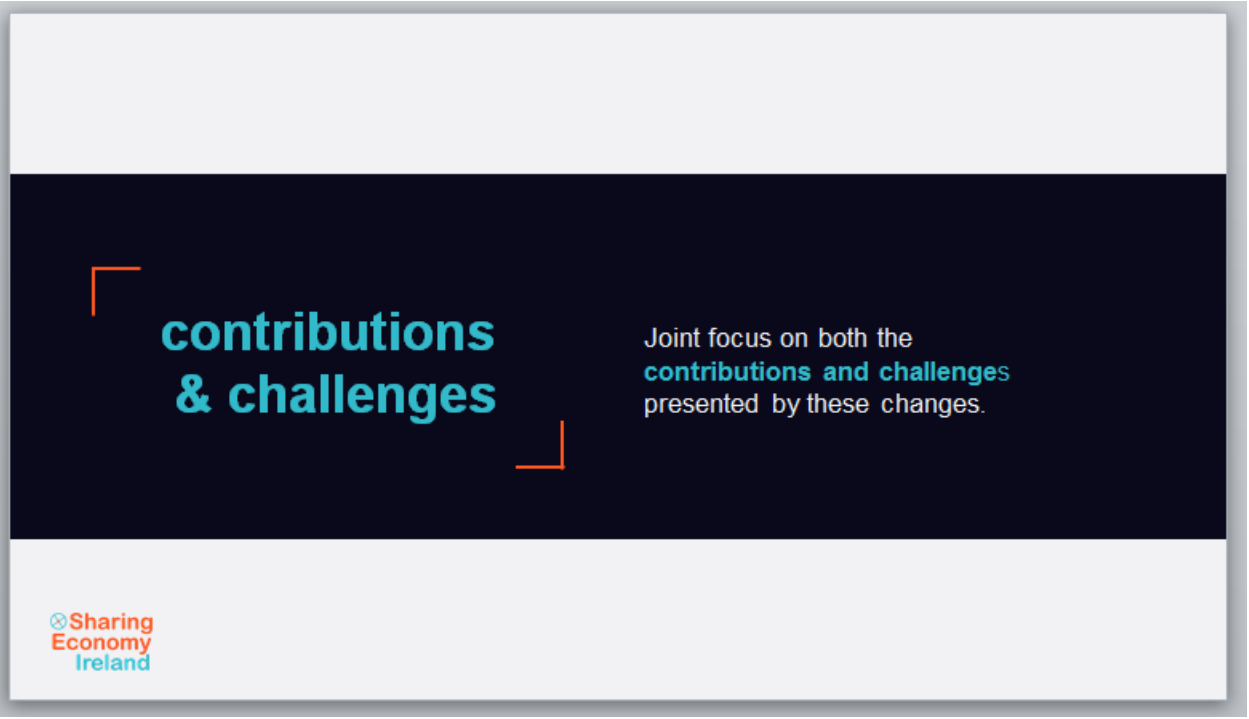
This makes it challenging to create uniform measures or monitor them, while offering various opportunities for new ways of work.

Clarity on size is also important. While the same few international collaborative and on-demand economy platforms seem to always be referenced - they in fact are not indicative of all platforms. According to a recent [Exploratory Study of consumer issues in peer-to-peer platform markets](#), only a very small group of platforms have over 100,000 daily unique visitors. The vast majority of platforms operating in the EU are small or medium-sized. These are businesses like [RentMyDress](#), a micro-entrepreneurial platform enabling women to gain income from letting out their wardrobe, or [Tryilo](#), another Irish startup that lets people rent or share all kinds of goods from drones to stand up and paddle boards within their communities.

Work clarity of how today's independent contractors are actually working would also help inform talks. The term ‘gig economy’ has come to be associated with individuals working through digital platforms & apps, but not all independent workers across the EU are contracting jobs with a swipe of an app. A recent [McKinsey study](#) highlights that while roughly 20 to 30% of the working age population in the US and Europe engage in some form of independent work, only 4% of all independent workers who offer labour services have used a digital app. For the 96% of independent workers contracting



jobs offline, social benefits have unfortunately always been fragile or non-existent. Introduction of benefits packages would likely be welcomed by all independent workers, providing this doesn't jeopardize flexibility and control of how they work.



contributions & challenges

Joint focus on both the
contributions and challenges
presented by these changes.

The recent [European Parliament resolution on a European agenda for the collaborative economy](#) adopted a joint focus on the many opportunities and benefits presented by the Sharing Economy, as well as the challenges associated with this current phase of disruption.

I think it is really important that we preserve this joint focus, that we commit to working hard together to address challenges without losing sight of the contributions innovation is bringing to people, to society and to the wider economy.

Diversity is one of these contributions - offering access to employment or social inclusion for young people, women, older people and the disabled. Examples of this can be seen on platforms like [Employum](#), an Irish start-up and platform matching parents looking for flexible employment opportunities with companies that have remote or alternative work positions; or [Freebird Club](#) an Irish startup peer-to-peer social travel & homestay club for older adults; and [Accomable](#) a successful UK platform enabling mobility-challenged individuals to find accessible hotels, vacation rentals and apartments worldwide.

Again, both contributions and challenges need to be noted. While the Sharing Economy can increase inclusion for many people, the challenge is to ensure that this is not at the expense of the exclusion of others.



collaboration

Work **collaboratively** in defining solutions which will allow us to embrace the opportunities while mitigating challenges.

Collaboration – between platforms, Governments, social protection organisations, trade unions, insurance providers is crucial to developing a 21st century security net of solutions that will best serve 21st century workers.

We can also gain inspiration from existing initiatives, while perhaps not comprehensive, they may fuel new flexible, adaptable or proportionate solutions.

For example - [SMart](#) - a non-profit cooperative initially created in Belgium in 1998 and now offering services across 9 countries in Europe to support independent workers with bundled benefits.

Or [Deemly](#), a reputation and social verification tool launched in Denmark, allowing providers on digital platforms to take their reputation with them across online activity.

We could also envisage pilot programmes and regulation ‘sandboxes’ that enable tests of innovative mechanisms in a live environment, subject to predefined restrictions and close supervision.

conclusion

"If developed in a responsible manner ... the **collaborative economy** generates new and interesting entrepreneurial opportunities, jobs and growth, and frequently plays an important role in making the **economic** system not only more efficient, but also **socially** and **environmentally** sustainable, allowing for a better allocation of resources and assets that are otherwise under-used ... ⁷⁴"

In conclusion, there is a wealth of economic, social and environmental opportunity within the Sharing Economy for individuals, companies and countries - as well as challenges to the future of work in an increasingly digitally-enabled new economy.

Sharing Economy Ireland was set up to help build on these opportunities and we're striving to get ahead of critical issues and participate in discussions to develop responsible initiatives.

We'll continue the conversation at a European Commission Single Market Forum Collaborative economy workshop to be held in October in Dublin. This follows workshops Sharing Economy Ireland has participated in Lisbon, Portugal, and at the recent Digital Single Market closing conference in Malta.

Thank you for your attention.