

**DIRECTORATE FOR SCIENCE, TECHNOLOGY AND INNOVATION
COMMITTEE ON DIGITAL ECONOMY POLICY**

Working Party on Measurement and Analysis of the Digital Economy

NEW FORMS OF WORK IN THE SHARING ECONOMY

Background for discussion

22 June 2015, OECD Conference Centre, Paris

This short document, prepared by the Secretariat, puts forward some proposals for the measurement of “New forms of work” in the sharing economy (Item 3.b). Such work would provide an input to the CDEP Ministerial Meeting in 2016.

The Working Party is invited to share experiences with measurement in this area, comment on these proposals and advise on their implementation.

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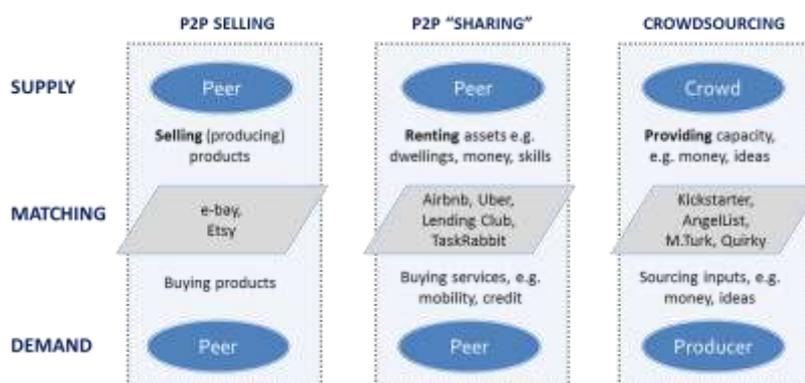
1. Over the past few years, innovative business models have emerged under the heading of the “sharing economy”¹. Technological, societal and economic factors seem to have created favourable conditions for online platforms that enable people to rent out (share) unused capacity of durable goods and assets to peers. Some of them have reached considerable scale and scope over a short period of time. While these platforms are introducing new services and increasing competition in established markets, they are also affecting the organisation of production and work.

2. This note puts forward some proposals for the measurement of “new forms of work” in the sharing economy. Such work would provide an input to the CDEP Ministerial Meeting in 2016. The Working Party is invited to *share experiences* with measurement in this area, *comment* on these proposals and *advise* on their implementation.

A variety of models: peer-to-peer selling, “sharing” and crowdsourcing

3. A variety of online platforms has specialised on matching demand and supply in specific markets, enabling peer-to-peer (P2P) sales and rentals (Figure 1). E-commerce platforms, e.g.: eBay, have been active for several years and are now well-established. They allow people, mostly individuals but also companies, to sell consumer goods online. More recently, “sharing” platforms have made short-term rental of assets possible among peers. The adjective “sharing” refers to the fact that the owner of an asset usually rents out only some of its unused capacity, i.e.: he or she shares the asset. On the other side of the market, peers buy the service that the asset provides. The “sharing” model can be applied to a variety of assets with unused capacity, such as dwellings (Airbnb), cars (Uber), money (Lending Club) and skills (TaskRabbit). Correspondingly, peers buy accommodation, mobility, credit and labour services.

Figure 1. Peer-to-peer selling, "sharing", and crowdsourcing models



Source: OECD

1. An evolving variety of terms is used for the models illustrated here and other models that could be considered under terms such as peer-to-peer, sharing, collaborative, on-demand, or service economy.

4. Crowdsourcing platforms are sometimes also considered as a part of the sharing economy. The crowdsourcing model enables producers to source different types of inputs, e.g.: money, skills or ideas, from the “crowd”. For example, crowdfunding and crowdinvestment platforms like Kickstarter or AngelList enable entrepreneurs to pool small amounts of financial contributions from a large number of individual suppliers in order to fund the development of their product or their business. On Mechanical Turk, Amazon’s market place for work, employers search the crowd of potential workers for individuals who can carry out low-skill tasks. Drawing on higher skills, Quirky sources ideas and designs from a crowd of potential “inventors” for the production of innovative products that it finally sells on its platform.

Effects of the sharing economy on the organisation of production and work

5. Anecdotal evidence shows that the models discussed above are creating new opportunities for individuals to leverage their tangible and intangible assets. On the supply side, individuals can earn income by renting their assets or selling their products. In most cases, the income from “sharing” activities complements more traditional sources of income, e.g.: labour, dividends, pensions, etc. Few people carry out these activities as their main job or the main source of income. On the demand side, “peer” consumers have access to new services and a larger set of choices, including through renting assets instead of buying them, while crowdsourcing producers can tap into resources that were previously inaccessible.

6. The effects of these activities on working arrangements and their implications for workers are still poorly understood. Firms can increasingly source inputs of different types all along the value chain. For example, crowdsourcing gives producers affordable and flexible access to workers on demand, as well as to other inputs such as funding. Employers who used to recruit can now turn to online platforms that match their skill needs on the spot, without requiring long-term engagement.

7. Early observations show that individuals engaging in P2P or crowd work often value the higher flexibility it brings. While flexibility has advantages for both sides of the P2P transactions, it also brings new risks that current labour market institutions and regulations are not necessarily suited to deal with. For example, it is unclear whether a networked ‘task rabbit’ or ‘turk’ worker should be regarded as an employee, an independent contractor or an entrepreneur. Similarly, the variety of roles played by different P2P, sharing and crowdsourcing platforms in the labour market cannot be easily reduced to a single status of, e.g.: employer, service provider, etc.

8. Such and other effects of short-term work arrangements are creating tensions in the labour market and policy makers are increasingly asked to take action to turn these emerging opportunities for work into viable prospects for decent jobs. A better understanding of these opportunities and related risks would provide a key piece of information for the design and implementation of such policies.

Improving the understanding of the issues at stake

9. The Secretariat proposes to analyse some of the above issues as an input to the OECD Ministerial Meeting on the Digital Economy in 2016. Discussion with a few large platforms, e.g.: Airbnb, Uber and Mechanical Turk, about the possibility to have access to their data are ongoing. While these data would not provide a comprehensive and comparable picture for all OECD countries, they would help to identify measurement needs and highlight policy issues. These include the number of users of sharing platforms, the number of people “working” through these platforms, how much of their working time is devoted to these activities, the income they earn, etc. Analysis of these data would complement a literature review, clearer definitions of “sharing economy” models and a discussion of the policy challenges that emerge with these models, in particular related to new forms of production and work. The results of this study will be discussed at the MADE meeting in December 2015 and will feed into the background paper for the Ministerial Panel “4.1 New Markets and New Jobs in the Digital Economy”.