

Work and “platform economy”

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The “on-demand economy” is the latest wave in the new economy. Rental platforms, craft platforms or financing platforms and gig platforms are developing at a fast rate across the globe. Who hasn’t heard of or used Airbnb for lodging, BlaBlaCar to share a trip or Deliveroo to order take out from a restaurant? The so-called “*platform economy*” is structured on websites or apps whose goal is to offer direct contact between clients and service providers. It is a connection in which everyone wins, new services and consumers are born into the economic world market.

This business model has been installed in traditional activity sectors that are solidly consolidated (transport, cleaning, delivery, etc.) but it has radically transformed their activity means and methods. Technical development allows for a more fluid and clear connection through automated payment methods, the traceability of all service provision phases, and, ultimately, the pricing of services based on demand peaks. But this set of transformations has had a deep impact on the way in which services are provided. The traditional forms and concepts that have sustained the idea of work are being questioned. Various factors have led to this result.

Computerized platforms base their actions on algorithms and, through these algorithms, activities are assigned to professionals included within the platform. Perfect planning is used to offer more efficient assignation. In other words, the computer system carries out the allocation of tasks by assigning the service to those professionals who, at any given time, meet the particular professional and geographic requirements that are the most adapted to the client’s needs. In short, the manager is in fact, an algorithm.

A second differentiating factor in the activity of these platforms is the transparency of their operations, given that all of the information related to each transaction is registered. This ensures the visibility of the economic and productive activity and the improvement of the collection and administrative control processes for tax and social security purposes. This opinion is shared by the European Parliament who, in its report, *The Situation of Workers in The Collaborative Economy* highlights that “Information exchange with platforms allows them to determine the earnings of their workers, which then leads to the improvement of tax declaration”.

Another feature that may be added to this previous one is that of the traceability of operations. This generates a high level of reliance amongst service providers and the recipients of said services. The verification of identities and the reputation and assessment of systems contributes to this. The collective reputation of the company with the control of its employees’ behavior results in the individual reputation.

A third feature characterizing the service provision of these platforms is the fully voluntary nature regarding the time and place of the service provision. The platform presents the delivery service and the providers compete to accept this service. The decision to offer the service depends exclusively on the service provider. There are no exclusive jobs. These activities are meant to offer service provision for a plurality of companies, even within the very activity sector.

Finally, the work is carried out through "micro-tasks", given that in these provisions, time is quite limited, and therefore, micro-payments are offered, ultimately leading to the creation of *microworkers*. This situation has been highly criticized with Robert Reich calling it the "economy of the delivery of remains". Job insecurity adopts new forms while, in some cases, the time of the service provision may lead to high economic compensations. In any case, this presents a challenge for traditional unionism which must leave its comfort zone and seek responses to these new collective interests.

The debate regarding the employment status of this new form of service provision is a burning issue: Are we heading towards the standardization of the self-employed worker? In the case of Uber, current legal case decisions have clearly ruled its employment status (*O'Connor v. Uber Technologies*, 11 March 2015, United States District Court for the Northern District of California; and the judgment of the Employment Tribunal of London from 26 October 2016, *Aslam v. Uber*), however, in the judgment by the Cour d'Appel of Paris from 20 April 2017, determining the complaint made by a deliverer from the Take Eat Easy platform, the Court concludes that it is not possible to consider the existence of a working relationship. In Spain, the judgment of Commercial Court No. 2 of Madrid on 2 February 2017, while not making a decision on its employment status, did confirm that Blablacar is not a transport company but rather, a "technology company" that carries out its activity as a computer company.

This new reality requires some profound reflection- and, more importantly, a capacity to adapt to change. The reflections offered by Jean Tirole in *Economics for the Common Good* are of special relevance: "It is therefore necessary to summarize the foundations of labor law. We are so used to referring to labor legislation that we have forgotten its fundamental motivation: the worker's well-being. The competitive neutrality between the different forms of organization should be guaranteed, without the need to roll the dice in order to favor the salaried employee or auto-entrepreneur. The one sure thing is that it is necessary to reconsider our legislation and the labor context in a world of rapidly changing technology".