

White Paper on Work and Social Protection in Europe

UBER



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Foreword

The world of work is changing. While these changes may not be as fast or as deep as some might suggest, around the world it is clear that there are ongoing shifts towards more diverse and broader concepts of work. This transformation offers new opportunities to deliver more options to existing and new workers while maintaining fidelity with the European social model.

There is clearly demand for more flexible, independent forms of work. While this change is occurring across most of the economy, digital technologies in particular are opening up reliable, diverse and unprecedented opportunities for income generation - often for those who need it most. Set across a macroeconomic backdrop of stagnant wages and persistent unemployment and underemployment in Europe, we should consider independent work an opportunity to be seized, not a problem to be fixed.

In this context, social institutions that were often designed in the middle of the last century need to be looked at once again to ensure they continue to serve their social objectives. At a basic level, everyone should have the ability to protect themselves and their loved ones when they're injured at work, get sick, or when it's time to retire. At EU level, this discussion is highlighted by the ongoing debate around the European Pillar of Social Rights.

Uber supports the goals underpinning the EU Pillar of Social Rights. Our technology has enormous potential to improve work, giving power and control to individuals to find work, facilitating work-life balance, and creating new opportunities for people traditionally marginalised from the labour market. We believe that digital apps and platforms should improve work and create better opportunities, consistent with the social contract. We also believe that everyone, regardless of their employment status, should be able to find good quality rewarding work, be able to work in the way they choose, and have access to adequate social protections and lifelong learning.

Uber is committed to engaging in constructive discussions on how technologies such as ours can contribute to new models of social protection that harness the potential of flexible independent work in Europe. We are committed to working with all stakeholders to deliver tangible improvements for our partners today and long-term policy solutions for all workers tomorrow.

These are deep and complex questions that policymakers have grappled with for decades. The ideas in this paper are likely to evolve over time as we engage in open dialogue on these important policy issues.



Pierre-Dimitri Gore-Coty, VP and Regional General Manager Uber EMEA

Executive summary

Independent work creates opportunity for millions of Europeans. Independent work does not suit everyone. The traditional model of employment will continue for some time to be the dominant mode of work for many people and independent work provides an alternative option. We should be aiming to improve work for all, including those who are seeking greater control of their working lives and choosing to work independently. Traditional forms of work have marginalised many people from the formal labour market. At the same time, much real independent work has often been the preserve of higher skilled and income professionals, and out of reach for many. At a time when 84 million people in Europe are out of work, or want to work more, independent work provides enormous opportunity to:

- Support a return to the labour market for the **unemployed**, particularly those who have been out of work for long periods;
- Create more work opportunities for the **underemployed**;
- Provide a way of earning money whilst studying or retraining;
- Provide **seniors** with the opportunity to maintain social connection or supplement their incomes as they ease into retirement;
- Allow those with **childcare or other caring responsibilities** to fit work around their commitments, rather than having to choose between their work and their family;
- Provide opportunity for **people with disabilities**, who often suffer from discrimination or may not be able to work set hours; and,
- Help **immigrants** find work and integrate in their communities.

Not all ‘flexible work’ is created equally. We should recognise that both in traditional employment, as well as in independent work, much of what is defined as flexible work is nothing of the sort. We should consider the question of flexibility for whom, and strive to deliver genuine flexibility that lets people take more control over their work. We should also note that independent work enabled by technology comes in different forms requiring differentiated and agile policy arrangements.

Independent workers face unequal access to social protections. We must also address the fact that systems of social protections were designed primarily for traditional full-time employment, and can leave independent workers facing gaps in the social safety net compared to traditional employees. These are issues that long predate apps and platforms. But rather than viewing independent work as a problem that can only be resolved through the prism of more traditional forms of employment, we should be discussing and pursuing reforms that make it easier and more rewarding for everyone to work in the way they choose.

Uber is pushing to improve independent work. With Uber, the drivers and couriers who use our apps are able to work - or not - at the touch of a button. They decide if, when, and where to work, and can vary those choices in real time - with no shifts, no exclusivity, and no minimum commitment. Drivers and couriers are our customers and Uber can only be successful if they want to use the app. This is why we are constantly working on improving the in-app driver experience and developing new ways to better support these drivers and couriers. This includes giving them greater voice within Uber, introducing innovative partnerships to offer greater protections, ways to save for the future, opportunities to learn new skills, and helping in the payment of appropriate taxes.

Uber has a positive vision for good work in Europe, and supports the goals of the European Pillar of Social Rights. Digital apps and platforms should improve work and create better opportunities, consistent with the European social model. We believe in a world of work with:

- **Flexibility** - Everyone can work in a way that suits them, and vary their portfolio of work to suit their needs at their discretion, including at different stages of life. Everyone can manage their life with ease and move freely between different modes of work.
- **Opportunity and access** - Everyone can reliably find and keep quality, safe work, free from discrimination, and be able to maintain a good standard of living.
- **Security** - Everyone has access to a broad set of reliable and affordable social protections.
- **Growth** - Everyone is socially mobile and can access lifelong learning and development opportunities.

Making this a reality will require broader policy change. There are some things Uber can do on its own to advance this vision, and we are committed to continuous improvement of independent work. But these issues stretch well beyond app-based independent work and long predate it. We believe it is a policy priority to craft social institutions that move beyond the model of traditional single-employer jobs. Benefits and protections should accrue to individuals, and be portable whether they have one job or ten streams of income from a portfolio of work, as well as be proportional to reflect actual engagement with work. Tax systems should be better integrated and more neutral to workers electing to take on a portfolio of work. Indeed, employment status itself would come to matter less, as all workers would be better able to work in the way that they choose, while still having access to protections. Education, skills development and training should be less linear and one-off, but rather something that is a lifelong process. Disproportionate occupational licensing barriers that prevent people from accessing work opportunities should be removed.

Employment law also needs to deliver greater certainty and remove the disincentives for apps to provide more support. In much of Europe there is a perverse incentive in employment law which means that the more a platform does to protect those using its app to find clients and work, the more likely it is that they are seen as an employee of that app. This puts at risk the very flexibility and independence that our model provides, and which many drivers and couriers say is the reason they choose to partner with Uber. One possible solution to this would be to codify 'safe harbours' in law to ensure that the provision of benefits or training could not be used as a factor in employment classification claims; an alternative solution might be to more clearly define the criteria for self-employment in the first place.

We want to play a part in a broad policy debate. Achieving a lasting solution to the challenges posed by the future of work will require a broad policy debate including many actors - policymakers, workers, apps and platforms, traditional employers, social partners and civic society. Uber is committed to doing our part and playing a constructive role in the policy debate, working with governments across Europe.

1. Independent work in Europe today - opportunities and challenges

Technological innovations changing the way people provide and consume services are a recurring historical trend. It is important to consider the context of independent work and the broader economic backdrop in Europe.

Independent work is not new. Millions of people in Europe have been choosing to work independently long before the advent of mobile phones - from self-employed lawyers to freelance writers, from construction workers to cleaners. The traditional model of employment will continue for some time to be the dominant mode of work for many people and independent work provides an alternative option. We should be aiming to improve work for all, including those who are seeking greater control of their working lives and choosing to work independently.

According to official figures¹, self-employment levels across Europe have actually remained flat, or even fallen, in recent years. According to Eurostat, in 2006 there were 30.9 million self-employed people across the EU28, falling to 30.5 million in 2015. And despite the growth in app-based work, the large majority of independent work is still arranged offline. According to McKinsey, just 4% of all independent workers who offer labour services have used a digital app².

While flexible and independent work enabled by technology comes in different forms and modalities, the working arrangements found in many new digital apps and services are not radically different to those in the sectors they are seen to be “disrupting”. For example, people working as taxi and for-hire drivers generally are, and have historically been, self-employed - as the European Commission’s recent study of the sector noted, “most drivers are self-employed with few exceptions”.³

Similarly, the challenges many of these self-employed workers across Europe face in accessing social protection are not new. A recent European Commission study notes that “historically, national social protection systems have primarily been developed to protect people in standard employment”.⁴

¹ Eurostat, table lfsa_egaps, accessed 14 November 2017

² McKinsey Global Institute, Independent work: Choice, necessity, and the gig economy, October 2016, p. 3

³ European Commission, Study on passenger transport by taxi, hire car with driver and ridesharing in the EU, September 2016, p. 12

⁴ European Commission, Access to social protection for people working on non-standard contracts and as self-employed in Europe - A Study of National Policies, April 2017

These challenges are set against an economic backdrop where there are still millions of people in Europe out of work, or who are underemployed and would like to work more. According to McKinsey, at least 84 million people would like to work more in Europe: this includes approximately 19 million unemployed persons, 11 million involuntary part-time workers and 54 million people who are inactive but want to work.⁵ Many of these challenges disproportionately affect women - the World Economic Forum has noted a decline in its Economic Participation and Opportunity index in recent years⁶, while in Europe, the majority of people who want more work (are underemployed) are women.⁷

The wider context also includes wage stagnation for many Europeans, ageing populations, persistent youth unemployment, and concerns about the integration of immigrants and refugees.

While these challenges are not new or unique, technology is opening up possibilities and solutions for many in Europe to make a good living, improve the quality of work, and support the development of new approaches to longstanding obstacles faced by independent workers, including on social protections.

The opportunity

There is clearly demand for more independent, flexible work - McKinsey's research found that for every independent worker who wanted a traditional job, more than two traditional workers hope to shift in the other direction.⁸

Matthew Taylor's review for the UK government 'Good Work' also highlighted the rising demand for flexible forms of work, noting that "encouraging flexible work is good for everyone and has been shown to have a positive impact on productivity, worker retention and quality of work".⁹

Democratising access to genuinely flexible forms of work, without discrimination and with low entry barriers, would also help the many people for whom traditional full-time and part-time work is ill-suited. It would provide a reliable option for individuals to gain or supplement their need for unexpected financial obligations, and to fit work around the challenges of modern life arising from demographic change and an ageing population.

⁵ McKinsey Global Institute, Independent work: Choice, necessity, and the gig economy, October 2016

⁶ WEF, Global Gender Gap Report 2017, Progress Over Time

⁷ Eurostat, Underemployment and potential additional labour force statistics, May 2017

⁸ McKinsey Global Institute, Independent work: Choice, necessity, and the gig economy, October 2016, p. 7

⁹ Good Work: The Taylor Review of Modern Working Practices, July 2017, p. 14

There is enormous opportunity to:

- Support a return to the labour market for the **unemployed**, particularly those who have been out of work for long period;
- Create more work opportunities for the **underemployed**;
- Provide a way of earning money whilst **studying** or **retraining**;
- Providing **seniors** with the opportunity to maintain social connection or supplement their incomes as they ease into retirement;
- Allow those with **childcare, eldercare, or other caring responsibilities** to fit work around their commitments, rather than having to choose between their job and their family;
- Provide opportunity for **people with disabilities**, who often suffer from discrimination or may not be able to work set hours;
- Provide an avenue for women into occupations historically dominated by men, such as in transportation, delivery or manual work.”
- Help **immigrants** find work and integrate in their communities.

Access to independent work through app-based platforms offers an improved set of options for policymakers to deal with challenges of long-term unemployment. As the European Political Strategy Centre stressed: “new forms of work can be a great accelerator for individuals who have been persistently shut out of the formal labour market”.¹⁰

For example in Denmark researchers found that “among the group of Danes supplementing their income with earnings from labour platforms, we see an overrepresentation of young, low-paid, low-skilled, unemployed, immigrants and workers with temporary contracts. This group is characterized by either being newcomers to the labour market or having difficulty gaining foothold on the labour market. They might consider digital labour platforms as a stepping stone to regular employment”.¹¹

While digital apps only make up a small fraction of independent work at the moment, they can bring significant benefits, including through their ability to better match skills to needs, and offer value-added services for users. This can also have a positive macroeconomic impact, including boosting participation in the labour market, reducing unemployment and raising productivity, which McKinsey estimates could add as much as €350 billion to European GDP by 2025.¹²

As we look towards the future and the uncertain impacts of automation, independent work can also be an important tool to support people during transitions, including those that may come from job displacement. Being able to quickly start earning a living, and fit that work flexibly around retraining will help people adapt to the future.

¹⁰ European Political Strategy Centre, The future of work: skills and resilience for a world of change, 10 June 2016

¹¹ Anna Ilsøe & Louise Weber Madsen, Digitalization of work and digital platforms in Denmark, October 2017

¹² McKinsey Global Institute, Digital Europe: pushing the frontier, capturing the benefits, June 2016

Flexibility for whom?

The phrase “flexible work” is often used as a catch-all description of a very diverse range of working models - spanning both independent and traditionally employed work. It is relevant to unpack this concept: flexibility for *whom*?

While some forms of work may provide flexibility to employers or the contracting party, they entail little control and flexibility for the individual themselves. This has long been the case in the offline world, for example many of the traditionally employed jobs often considered as ‘flexible’, including zero hour contracts, which come with no promise of work, as well as traditional hourly and part-time work in sectors like retail and hospitality. Technology by itself doesn’t necessarily solve these problems, indeed in many cases you find algorithmic scheduling or apps which do not offer genuine control for the individual.

We should not forget that many workers in traditional forms of so-called flexible work face significant precarity and insecurity. For example, one recent study¹³ by an Oxford University sociologist looked at workers in UK and US retail settings who had their schedules set by their managers. It noted that:

“Managers were free to cause distress to specific workers simply by altering their schedule to unsocial hours or to times which clashed with childcare, social activities, education or a second job. Alternatively, managers could cut the number of hours a worker received, thus reducing their income, or they could increase working time instability and unpredictability.”

These types of arrangements often place workers at the whims of their managers and effectively equate to ‘one way flexibility’ in favour of the employer, as highlighted in Matthew Taylor’s recent review in the United Kingdom.¹⁴

Similarly, in independent work and self-employment, there are significant differences in the level of control and independence felt by the individuals. Ideally independent work can be a tool to help a wide range of individuals participate in the economy to their full potential. However, even among services using independent workers, there is limited control for the individual. For example, in the for-hire vehicle sector, while drivers have historically been self-employed, for-hire and taxi drivers with traditional operators often had limited control and flexibility in practice. They are often required to pay an upfront ‘radio fee’ to the operator, face favouritism or discrimination in the allocation of trips, and are required

¹³ Alex J Wood, Powerful times: Flexible discipline and schedule gifts at work, 15 August 2017

¹⁴ Good Work: The Taylor Review of Modern Working Practices, July 2017, p. 34

to work certain shifts or in certain locations. Even among so-called gig economy apps there are significant variations, with some apps requiring set shifts, exclusivity and limiting access.

Over the years, Uber has worked with researchers to better understand how people value flexibility. We have heard from drivers who use Uber in multiple surveys across a number of years and in different countries that flexibility matters to them and can be difficult to find in other forms of work. And we have sought to understand the benefits of Uber's flexibility in quantitative terms.¹⁵ We consider two dimensions of flexibility: the ability to set a personalized schedule (or no specific schedule at all), and the ability to adjust that schedule in real time. In other words, flexibility is not only the opportunity to work the hours you see fit - perhaps around another job, college courses, or responsibilities at home - but also the ability to change your schedule at a moment's notice with no penalty - perhaps to study for an upcoming test or take care of a sick child.

We are clear that not all independent work is created equally. Some forms of independent work give real control to the individual. For example, with Uber, partners are in control. They decide if, where, when and for how long to drive. They are free to turn off the app and stop driving or delivering at any moment. In other words, their choices determine their work schedule - and nothing else.

Barriers to independent work

These opportunities are often lost or diluted, however, because of barriers to working independently.

In many places, you need to set up a corporate entity and pass a business exam before you can even get started, then you may need business or sector related licenses, the tax system adds complexity, and if things go wrong you face a weaker social safety net.

All of this means that for many people it is often too hard to be self-employed. This shuts people out of work altogether, or keeps them trapped in ill-suited jobs at the whims of their bosses.

These barriers may be general ones that apply to all self-employed workers (such as

¹⁵ Judy Chevalier, Keith Chen, Peter Rossi and Emily Oehlsen, The Value of Flexible Work: Evidence from Uber Drivers

disincentives and complexity in the tax system, a patchier social safety net, and difficulties accessing finance), or specific sectoral barriers (including occupational licensing). Occupational licensing can in some instances impose net costs on society with little improvement to service quality, health and safety.¹⁶ Based on 2012 data from the then twenty-seven nations in the European Union (EU), between 9 and 24 percent of European workers are subject to occupational licensing, which translates to between 19 million and 51 million individuals.

Sector specific barriers - comparative case studies

Different regulatory frameworks can have a considerable impact on the degree of flexibility for independent drivers who partner with apps such as Uber. For example, in the US, where in many cities becoming a partner-driver with Uber takes less than two hours and costs around \$10, we see that nearly 60% of all Uber partner-drivers drive less than 10 hours per week. In contrast, in Paris, where becoming an independent driver in general is a cumbersome process of 6-9 months, involving average costs of EUR 1,500 for the training and mandatory exam and minimum EUR 10,000 for the car, only 21% of partner-drivers drive less than 10 hours per week. Drivers need to work long enough hours to justify these high upfront costs, effectively shutting out those who would rather work part-time or supplement their income and drive a few hours each week.

A recent European Commission sponsored legal and economic analysis of “Passenger transport by taxi, hire car with drivers and ridesharing in the EU”¹⁷ recognises the additional working opportunities that can be provided by flexible working models. It suggests that EU Member States could “consider relaxing some requirements, especially those related to the qualitative requirements to obtain a licence or authorisation, in order to incentivize the creation of new employment, while ensuring a minimum protection of drivers in terms of working conditions and social security.’

Some barriers are related to today’s tax and social security systems. Independent workers tend to face more complexity than traditional employees when it comes to fulfilling their social security and tax obligations. In addition, some solutions which originally intended to simplify the framework for the self-employed, may have unintended consequences in practice. For example, in some countries, such as Poland and Spain, social security contributions for self-employed people are set at a fixed amount rather than a proportion of income. This means that independent workers can end up paying very high marginal rates of tax on the first Euro they earn. This creates a significant barrier to independent

¹⁶ Morris Kleiner, ‘Reforming Occupational Licensing Policies’ The Hamilton Project, 2015

¹⁷ European Commission, Passenger transport by taxi, hire car with drivers and ridesharing in the EU, September 2016

work, effectively limiting self-employment to higher earners.

Unequal access to social protection

One of the biggest general barriers that people face is unequal access to social protections. Many independent workers face an unstable social safety net, while also facing greater risks. For some, the policy response is to try and push them into traditional employment. We believe that instead we should improve independent work, and support innovations that enable benefits and protections to be extended to all those engaged in independent work.

“Traditional” self-employed roles have often been in relatively high earning sectors - e.g. lawyers, dentists or architects. And in many countries, these types of professionals have, and continue to, benefit from specific social protection schemes, which are not available to lower-skilled and lower-income independent workers. The traditional presumption in employment law has been to protect workers from persisting power imbalances which may be manifested at times through information asymmetries. While this is warranted and legitimate in relevant circumstances, this dynamic delivers exclusive access to certain types of workers at the expense of flexible earnings opportunities for many others. A better, more inclusive path would be to democratise access to independent work, and ensure that all workers are able to work in the way they choose, whilst having access to an affordable and reliable social safety net.

As well as the very real impacts of unequal access to social protections for individuals, there are also impacts for the dynamism and resilience of the labour market as a whole. For example, as the European Social Policy Network noted, “deficiencies in access to and transferability of employment-related social protection discourage shifts from inactivity to work as well as changes between and combinations of employment and self-employment.”¹⁸

There is no single solution to this, and currently there are a wide range of approaches to how social systems work across Europe, particularly when it comes to the self-employed and independent workers. Some States make less distinction between self-employed and employee protections by including independent workers within most or many of the same schemes as employed workers (for example, in Luxembourg, the Czech Republic or Denmark), while others are less inclusive (e.g. Belgium, France, Germany or the UK).

¹⁸ European Commission, Access to social protection for people working on non-standard contracts and as self-employed in Europe - A study of national policies, 2017

While in many EU member states tax-financed benefits (e.g. some forms of health and long-term care) are opened to any type of worker, access by the self-employed to unemployment, sickness or injury cover and other insurance-based benefits is only theoretically provided. This is due to eligibility criteria, for example, minimum contributory periods which cater more for the needs of salaried employment and are harder to meet for self-employed.

Even in places where there are opportunities for the self-employed people to contribute to statutory health and long-term care insurance schemes, they often lack the financial resources to do so. In many countries, insurances for pension, accident and unemployment are voluntary.¹⁹

Independent work and automation

There is an active debate among economists and technologists about the pace and likely net impact of automation and technological change on the labour market. Innovations through history have displaced workers, but also raised productivity and created new jobs, reshaping the labour market. For example, agricultural employment in the US fell from 40% of total jobs in 1900 to less than 2% today²⁰, while new job titles made up half of all employment growth between 1980 and 2007.²¹

It can be hard to predict the impacts of technology, for example ATM machines actually led to an increase in bank teller employment as it lowered the cost of new branches.²² Similarly, the negative impact of e-commerce on brick-and-mortar retail employment, has been more than offset with new, higher paying jobs.²³ It is also important to remember that it is the tasks or activities within a job that are likely to change, rather than entire jobs being lost.²⁴

We cannot predict exactly what the future will hold, and we should not make presumptions about the potential impacts. Even if new jobs are likely to offset future job displacement, history shows that for the individuals involved these changes can be painful if support is not in place to ease those transitions. This reinforces the need for policy reform to support lifelong learning and more comprehensive social protections.

¹⁹ For example, in 2016, the German Federal Ministry of Labour addressed the issue in a white paper, calling for a general obligation to take out a pension insurance and demanding the inclusion of independent workers in the German pension fund.

²⁰ McKinsey Global Institute, *Harnessing automation for a future that works*, January 2017

²¹ Acemoglu, Restrepo, *The Race Between Man and Machine: Implications of Technology for Growth, Factor Shares and Employment*, December 2015

²² James Bessen, *How Computer Automation Affects Occupations: Technology, Jobs, and Skills*, Boston Univ. School of Law, Law and Economics Research Paper No. 15-49, October 2016

²³ Michael Mandel, *How Ecommerce Creates Jobs and Reduces Income Inequality*, Progressive Policy Institute, September 2017

²⁴ McKinsey Global Institute, *Harnessing automation for a future that works*, January 2017

It also highlights how independent work can create significant opportunity. The ability to earn money flexibly, with low barriers to entry, and in a way that fits around your life, can enable people to adjust to transitions. For example, in the future it is likely that people will need to retrain more frequently - the ability to maintain an income that fits around one's studies will support this.

2. Uber in Europe

Uber is a technology company with a simple mission: to make affordable transportation available everywhere, for everyone at the touch of a button. Since we were founded eight years ago, we have worked to improve mobility in cities all around the world, and continue to invest heavily in technology that can help get more people (and goods) into fewer cars. Our goal is to make it so easy for people to push a button and get a ride that car ownership becomes the exception, not the rule. By replacing individual car ownership with shared modes of transportation we can reduce congestion and pollution in our cities, making access to transportation more affordable and reliable for everyone.

Uber launched in Europe in Paris in 2011. Today we connect riders and drivers in more than 75 towns and cities across Europe.

In 2016, we also launched Uber Eats in several European cities, an on-demand meal delivery service powered by Uber. Uber Eats helps local restaurants to reach more customers, and it provides more opportunities for those who want to work flexibly, with typically lower barriers to entry than becoming a licensed driver.

Work at the touch of a button

With Uber, drivers and couriers are able to get work - and stop working - at the touch of a button. They can log in, or go offline, whenever and wherever they choose. There's no exclusivity, no favouritism, and no discrimination. This is at the heart of what makes Uber an attractive option for more than 125,000 people in Europe who use our apps to find clients and earn an income.

Uber's model is based on the existing model that has been used for decades in the taxi and private hire industry.²⁵ We chose this model because independent drivers are better able to meet the fluctuating demand inherent in transportation. They are free to enter or exit the market in response to demand, and unlike traditional taxi drivers who

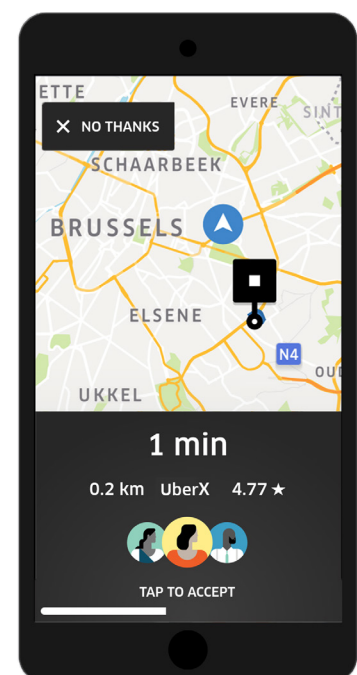


Image 1: With Uber, drivers and couriers are able to get work - and stop working - at the touch of a button.

²⁵ European Commission, Study on passenger transport by taxi, hire car with driver and ridesharing in the EU, September 2016, p. 12

have to commit upfront to a licence lease, avoid incurring large upfront costs before they can start earning income. A fixed number of drivers would be wholly unsuited to matching the needs of a variable number of riders; this is why many traditional taxi systems, with a fixed number of medallions or licenses suffer inefficiencies and poor reliability - shortages at peak times - compared to a scalable, incremental approach involving variable numbers of independent drivers.

While drivers choose to partner with Uber for many different reasons, research has shown that independence and flexibility are their main motivations (see box below).

While independent work itself is nothing new, the ability to choose exactly if, when and where they drive, and vary those decisions in real-time, is new. Traditional forms of self-employment would often mean accepting project work, or in the for-hire vehicle sector choosing certain shifts or neighbourhoods. Indeed, even some similar app-based services impose shift restrictions or geographic zones on couriers and drivers - Uber does not.

What this means is that with Uber every driver and courier is always in control. They can choose whether to log in, whether to accept any trip or delivery request, and then if something else comes up, they can stop - with no penalties. If they have a last minute doctor's appointment, or need to pick up the kids from school - they can stop working instantly. If a competitor is offering a better deal, they can switch over at the touch of a button. In legal terms, there is no 'mutuality of obligation' - drivers and couriers who use the Uber apps have no obligation to provide their work, and Uber has no obligation to provide work.

Why do I use the Uber app?

- In the UK, 94% of the drivers say they “joined Uber because I wanted to be my own boss and choose my own hours”.²⁶
- In France, 87% say that a major reason to drive with Uber was “to have more flexibility to set their own schedule”.²⁷
- In Belgium: 90% agreed that being able to choose their own hours was a key reason to drive with Uber.²⁸

²⁶ ORB International, Quantitative Poll on behalf of Uber 2016

²⁷ Landier, Szomoru and Thesmar, *Working in the on-demand economy; an analysis of Uber driver-partners in France*, 4 March 2016

²⁸ IPSOS, *Drivers in Brussels*, June 2017

This flexibility means that there's no such thing as the typical Uber driver or courier. Some people drive a few hours per week to top up their income whilst for others it represents primary income. For example, in Slovakia, nearly half (45%) of drivers spend fewer than 10 hours per week logged in to the app, while in the UK it's closer to a fifth (22%). This varies across countries and cities, and is partly determined by the regulatory barriers to entry that drivers face - but it also reflects the many different ways in which people choose to use the apps. As we consider the issues around social protections and benefits, we must recognise that the needs and wants of independent workers are far from homogenous. A retiree, driving with Uber in Warsaw to supplement their pension, has very different needs from a student delivering food on Uber Eats in Amsterdam.

A path back to work

Apps like Uber can be a considerable force for reconnecting people with the labour market, creating a path back to work for the unemployed or those who want to participate more. We know that the longer someone is out of the labour-force, the harder it is for them to re-enter it.²⁹ Finding a flexible way to work, perhaps only a few hours per week at first, can offer new opportunities, easing people back into the labour market.

Another important aspect of Uber to note is that there is never a 'no help wanted' sign on the door. People who want to drive or be a courier are able to freely join - and leave - the apps, providing they meet the relevant requirements. This means that independent work opportunities like Uber can be an engine for jobs: according to a study by Boston Consulting group, in the first half of 2016 a quarter of all new jobs in the Paris area were created by PHV actors such as Uber, contributing to 6% of GDP growth in the Paris area and 2% nationwide.³⁰

Around Europe we have seen from surveys that significant numbers of drivers who choose to partner with Uber had previously been unemployed. For example, in Belgium we found that 21% of drivers using Uber had previously been unemployed.³¹ In Portugal a survey revealed that 52% of drivers had been unemployed before joining Uber, 33% of them for a year or more.³² Similarly, a study in France³³ found that 25% of drivers on UberX were unemployed prior to starting using the app, 43% of those for more than a year. Another more recent survey³⁴ found that 39% had previously been unemployed. As Emmanuel Macron, then French Minister for the Economy, at the time noted:

“With the model that Uber offers in the Parisian region: people that are often the victim of exclusion chose individual entrepreneurship, because nowadays, for many young workers, it is easier to find a client than an employer.”³⁵

²⁹ Alan B. Krueger, Judd Cramer, and David Cho, Are the Long-Term Unemployed on the Margins of the Labor Market?

³⁰ Boston Consulting Group, Etude sur l'impact économique du développement des véhicules de transport avec chauffeur (VTC), 2016

³¹ IPSOS, Drivers in Brussels, June 2017

³² Observador, Depois das queixas, Uber Portugal quer motivar motoristas com descontos, 7 March 2017

³³ Landier, Szomoru and Thesmar, Working in the on-demand economy; an analysis of Uber driver-partners in France, 4 March 2016

³⁴ Harris survey, cited in FranceInter, Uber, premier “employeur” des cités ?, 14 September 2016

³⁵ Translated from Le Monde, Emmanuel Macron : « On n'a pas tout fait pour l'emploi », 6 January 2016

At a time when youth unemployment remains dramatically high across the EU - 18.7% in 2016³⁶ - flexible opportunities via app-based platforms can also act as a stepping stone for young people to earn money while finding their way in the labour market. Notably, 34% of UberX drivers in Paris are between 18-29 years old.³⁷

Uber can also help people with disabilities who have traditionally struggled to find meaningful, reliable work. For example, the unemployment rate among deaf and hard-of-hearing can be up to four times higher than the average.³⁸ But thanks to technology, in our case the ability to communicate by text, Uber works just as well for these drivers as anyone else.³⁹

Unlike in traditional part-time or hourly work, where workers have limited control over their shifts - with Uber, people decide if, when and where to drive. They can press a button and get work, and are free to turn off the app and stop working at any moment. With Uber there is no exclusivity. Drivers can work using other apps, and can hold full or part-time jobs alongside driving using Uber.

And because drivers are able to turn on and off the app at any time, as well as decide when to take requests, an hour logged into the Uber app is not the same as an hour of work in, for example, a department store. This is because drivers may be at home, doing other work or simply on a personal trip across town while driving with the app on. They may also be working elsewhere, including for other app-based services. Uber wants to fit in with people's lives and their commitments and we make this clear to drivers.

How Uber supports our partners

It's important to understand that a large number (indeed most workers) may not and in fact do not actually value flexibility that much and want schedules and more certainty on wages. Traditional work options will

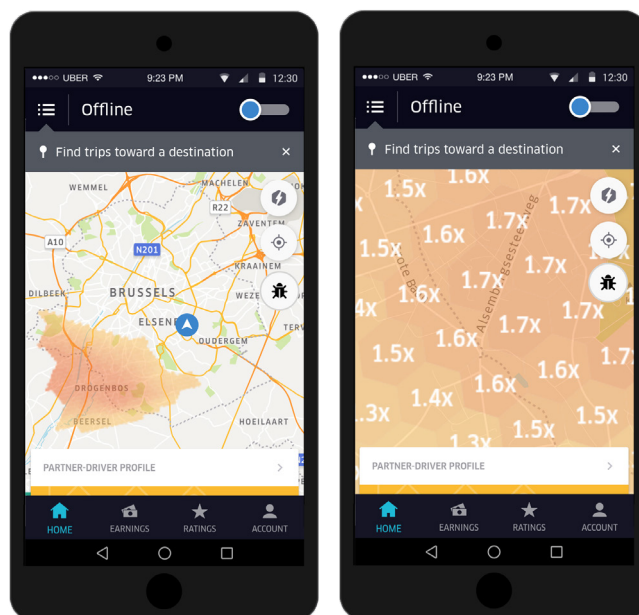


Image 2: We want to provide more information to those who use our apps so that they can make the best choices for themselves.

³⁶ Eurostat, Unemployment by sex and age - annual average, 2016

³⁷ Landier, Szomoru and Thesmar, Working in the on-demand economy; an analysis of Uber driver-partners in France, 4 March 2016

³⁸ Action on Hearing Loss (formerly Royal National Institute for Deaf People (RNID), Opportunity Blocked, 2007

³⁹ Uber, Uber Teams Up with Communication Service for the Deaf to Expand Work Opportunities for Deaf Drivers, 19 April 2016

continue to exist and dominate well into the future. What we do anticipate is a changing mix of work options and increased diversity in choice. Not everyone is the same and flexible, independent work isn't for everyone.

However, we firmly believe there is indeed a role for digital apps to provide tools and partnerships for their customers (for example drivers and couriers in Uber's case) given that apps have to compete for customers that are especially capable of moving between options.

Our business will only be successful if people want to drive or deliver with us. We recognize that platforms like Uber can play a role in supporting independent workers, and helping fill gaps where they exist in the social safety net. Uber cares about the quality of work, as it is only through this that it becomes a sustainable choice for the drivers and delivery partners who use our apps.

For example, we want to provide more information to those who use our apps so that they can make the best choices for themselves. We already give drivers and couriers advice on which parts of a city are busier (and where fares are likely to be higher as a result) than others at a given time, and share information that makes it easier for drivers to track their progress and earnings in real-time. We are investing in and developing new ways to improve the clarity of earnings to drivers in our app.

We have also introduced 'Earnings Advice Sessions' which mean that drivers and couriers in the UK and France can come and talk to us about their earnings and receive information, including advice from other drivers, about how to maximise their time and the money they make on the app. We also proactively identify individuals who we think could be earning more and invite them to the sessions.

We have announced many new partnerships and initiatives based on feedback from drivers, including on insurance, savings and pensions, and skills courses.

This is just the beginning, and we will continue to explore further tools and products to help support drivers and couriers.

Helping independent workers pay the right tax

In most EU countries, Uber provides each partner driver with clear and comprehensive information about the tax framework that may apply to them because they use Uber; and we have partnerships with local tax experts – such as Crunch in the UK – who partners can turn to for advice.

We are also excited about our cooperation with tax authorities in Europe, including in Sweden, Estonia and Lithuania. While each of these is different, the underlying principle is that drivers using the Uber app can ask Uber to share their fare and other information directly with tax authorities on their behalf, making it simpler for individual drivers to pay the right amount of tax, and for the tax authorities, to collect tax due.

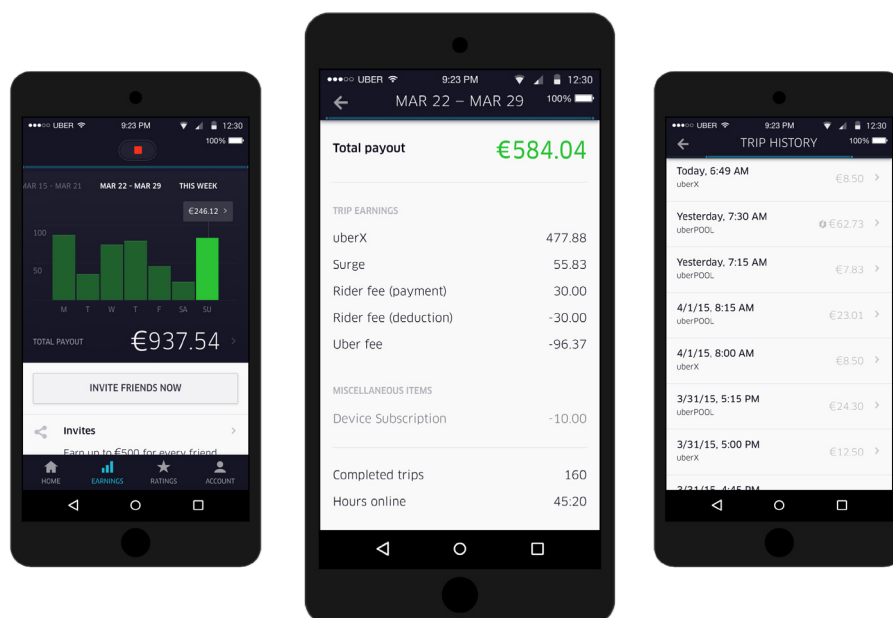


Image 3: We are developing new ways to improve the clarity of earnings to drivers in our app.

Voice for independent workers

We know that we need to do more to support the drivers and couriers who use our app, and this begins with listening to them. Uber wants drivers to have a voice in the design and development of the app and service. Many of the announcements discussed above came as the direct result of input from drivers. For example, in the UK, more than 1,000 drivers have attended a roundtable, over 1,500 have attended one of our Expo events, and there have been more than 250,000 listens to our weekly podcast for drivers.

Uber has also sought to empower drivers, including changes to be more transparent when it comes to decisions to end the partnership with some drivers, which we do in cases of serious violations of our community guidelines. This has taken the form of a Driver Appeals Panel, where a driver can appeal the decision to end the partnership to a panel of their peers. Other drivers will hear the appeal, as well as Uber's reason for taking the decision, before making a recommendation on whether they should be allowed to access the app. In France for instance, we have followed the driver appeal panel's recommendation in every case to date.

We believe that independent workers can benefit from organisations that can provide them with a voice. For example, we have partnered with IPSE in the UK, who advocate on behalf of independent workers to policymakers (e.g. for tax reforms), provide advice and support (e.g. on how to set up a business), as well as negotiate preferential rates for their members (e.g. for insurance).

Examples from:

Austria, Belgium, Italy, Netherlands, Poland, Portugal, Spain, Sweden and UK

- Insurance package for couriers:⁴⁰ Uber Eats and AXA have created a new insurance package designed to specifically cater to the needs of couriers who use the Uber Eats app to access flexible earning opportunities. The insurance policy is free of charge and provides cover for personal accident, cash benefits due to hospitalization and third party injury and property damage for couriers who partner with Uber Eats in EU markets. The package was launched in January 2018 in 9 EU countries.

Belgium, France, the Netherlands, Switzerland and the UK

- Uber's Community Guidelines:⁴¹ in order to improve the experience for drivers we have created a set of Community Guidelines - giving riders clear and simple expectations of behaviour. Riders who violate these guidelines can be blocked from using the app. This is just the start - we are working to roll these community guidelines out to more countries.

France

- Free Accident cover:⁴²
 - In partnership with AXA, we are providing a free accident cover for all independent drivers using the Uber app to insure against accidents occurring during a ride.
 - In seeking a partnership with AXA our objective was to help fill an existing gap: In France, self-employed workers do not have the same level of protection in the event of a work-related accident as employees. Even though private options exist, they are not always tailored to the specific needs of workers using digital applications. Only one in five independent drivers today benefits from this type of coverage.

⁴⁰ Reuters, Uber Eats to offer couriers insurance in Europe, 14 December 2017

⁴¹ Uber, Community Guidelines

⁴² Uber, Uber et AXA France lancent une protection sociale à destination des chauffeurs indépendants, 25 October 2017

- Guarantees cover:
 - Reimbursement of medical expenses:
 - 100% of the social security reimbursement base for city care (consultations, examinations), hospitalization (living expenses, fees, daily allowance), medical transports.
 - 150% of the social security reimbursement base for dental prostheses and equipment
 - In case of permanent incapacity: payment of annual capital or annuity according to disability rate.
 - In case of death: Husband/Spouse, Civil union partner, cohabitant pension; Orphan's pension; Annuity pension; Funeral expenses.
- Business advice: In France, we have partnered with local startup L'Entrepreneur.fr to provide drivers with free audits to help them improve cost management and increase revenue.
- Access to credit: we have partnered with microcredit organization ADIE (Association pour le Droit à l'Initiative Economique) to provide zero-interest loans and microcredit to existing and potential independent drivers.

The UK

- Savings & pensions:⁴³ in the UK we are partnering with online investment provider Moneyfarm to offer discounted products from individual savings allowances (ISAs) to pensions, to help individuals prepare for the future. This deal will also come with enhanced access to financial education.
- Illness and injury cover:⁴⁴ in April 2017 Uber launched a partnership with IPSE (the self-employed and freelancer association) to offer discounted illness and injury cover to drivers who use Uber. Drivers who choose to join the scheme pay £2 a week - rather than the £8 'market rate' - and receive access to a range of benefits and protections. This provides illness and injury cover of up to £2,000 if unable to drive for two weeks or more, as well as Jury Service cover, occupational accident and accidental death coverage.
- Skills and development opportunities: we will pay for drivers to complete one qualification on online learning platform, FutureLearn, in 2017. We are also offering a free and optional English language course for drivers which includes speaking, listening, reading and writing exercises. The app, Busuu, has new content developed for drivers.
- Achievement summary letters:⁴⁵ Great drivers are professional, motivated and great with people - all valuable and transferable skills should they go on to work elsewhere. Now, drivers can take their ratings, trips and rider compliments with them in a certificate to their next opportunity. Included in their letter will be their total trips, when they completed their first trip and their top three rider compliments. Drivers can request a letter within the 'Help' section of the app, and more than 700 of these have been sent to drivers to date.

⁴³ Uber, Helping partner-drivers get the most out of Uber, 15 February 2017

⁴⁴ Uber, Uber partners with IPSE to announce illness and injury cover offer for drivers, 27 April 2017

⁴⁵ Uber, Introducing more improvements for UK drivers, 13 September 2017

3. A vision for good work

The model of single-employer, full-time, lifelong employment emerged in the developed world after World War II. However, this form of work - and the social institutions that concurrently emerged - had little impact for large portions of the potential workforce.

As the European Commission's think tank, the EPSC wrote: "Full-time, lifelong corporate jobs that emerged in the post-World War II period have been overwhelmingly occupied by prime- and working-age men. The employment trajectories of women, younger workers, people with a migrant background, or also people with disabilities have been rather different, characterised by lower rates of employment and higher rates of part-time, temporary or self-employment."⁴⁶

Instead of trying to shift everyone into the traditional model which is exclusionary by its very nature, we believe a better path is to design our social institutions to be more neutral to working style. A system rewarding all forms of work would not only provide greater protections for all, it would offer more opportunities and a wider access to work, and have positive effects on the economy.

Uber has a positive vision for work in Europe. We see a future with:

- **Flexibility** - Everyone can work in a way that suits them, and vary their portfolio of work to suit their needs at their discretion, including at different stages of life. Everyone can manage their life with ease and move freely between different modes of work.
- **Opportunity and access** - Everyone can reliably find and keep quality, safe work, free from discrimination, and be able to maintain a good standard of living.
- **Security** - Everyone has access to a broad set of reliable and affordable social protections.
- **Growth** - Everyone is socially mobile and can access lifelong learning and development opportunities.

Fundamentally, we believe that everyone should be able to realise their potential and fulfil their aspirations.

⁴⁶ European Political Strategy Centre, The future of work: skills and resilience for a world of change, 10 June 2016

Individuals and companies have been slowly moving in this direction for decades. As also noted by the European Commission in a recent consultation on access to social protection in all forms of employment,⁴⁷ careers are becoming less linear, there are more transitions between jobs, more transitions between employment status, and indeed an increased combination of traditional employment and self-employment. But policy is lagging behind these trends.

We believe it is a policy priority to craft social institutions to move beyond the model of traditional single-employer jobs. Benefits and protections should accrue to individuals, and be portable whether they had one job or ten streams of income from a portfolio of work as well as proportional to reflect actual engagement with work. Tax systems should be better integrated and more neutral to workers electing to take on a portfolio of work. Indeed, employment status itself would come to matter less, as all workers would be more able to work in the way that they choose, while still having access to protections. Education, skills development and training should be less linear and one-off, but rather something that happens throughout one's life.

While achieving this future will require considerable policy change, and is still some way off, we are heartened by the policy focus on these issues including at the EU level with discussions around the European Pillar of Social Rights, as well as in many European countries such as in the UK with the Taylor Review, the Arbeiten 4.0 project in Germany, and President Macron's focus on improving vocational training irrespective of employment status in future reforms in France.

The European Pillar of Social Rights

We welcome the European Commission's lead on this agenda. We believe that everyone deserves equal opportunities, fair working conditions, and access to social protections - the three chapters of the Pillar - and support the goals of the underlying principles.⁴⁸

Uber is not an employer of the drivers and couriers who use our app. However, we know that we can play a role in supporting our partners, as well as supporting wider policy change for all independent workers. In the long run, we will only have a sustainable business if our customer - the driver or courier - chooses to partner with us, and more broadly chooses to work independently. We believe services like Uber can contribute to achieve the goals set out in the Pillar.

⁴⁷ European Commission, Second Phase Consultation of Social Partners on a possible action on addressing the challenges of access to social protection in all forms of employment in the Framework of the European Pillar of Social Rights, 20 November 2017

⁴⁸ European Commission, The European Pillar of Social Rights in 20 principles

Equal opportunity and access to the labour market

Uber strongly supports equal opportunity and access to the labour market “regardless of gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation.”⁴⁹

Uber provides opportunities to people from all walks of life and all backgrounds - without selection or discrimination. This means that services like Uber can play an important role for underrepresented groups, the unemployed, women, stay-at-home parents, retirees and students who may be shut out of the labour market. As Matthew Taylor’s review observed “Flexibility can allow these groups to participate more fully in the labour market by enabling them to balance work around other priorities”.⁵⁰

For example, the Financial Times has profiled⁵¹ Uber as ‘a route out of the French Banlieue’, arguing that ‘the rise of Uber and other French minicab services represents something else: a foothold in the job market for thousands of undereducated youngsters of immigrant descent’.⁵²

“Uber is a social game-changer. Starting a company is usually the best way for immigrants to integrate. That’s what Uber shows: if you make it easier for those youngsters to set up companies, it’s more efficient than any urban policy or state subsidies.”

- Professor David Thesmar⁵³

Drivers using Uber are from diverse backgrounds, for example a survey from the UK with the largest groups identifying as Asian-British/Pakistani (24%), Black-British (African/Caribbean) (20%), White British (20%), and Asian-British/Bangladeshi (15%).⁵⁴

However, as discussed above, in many countries there are barriers to independent work. Research shows that occupational licensing barriers can disproportionately affect disadvantaged communities, reduce total employment, and reduce workforce mobility.⁵⁵ When it takes up to 9 months and substantial costs to become an independent driver in France for example, access to the labour market is much harder than it could be.

⁴⁹ Ibid.

⁵⁰ UK Government, Good Work: The Taylor Review of Modern Working Practices, July 2017, p. 15

⁵¹ Financial Times, Uber: a route out of the French banlieues, 3 March 2016

⁵² Ibid.

⁵³ Ibid.

⁵⁴ ORB International, Quantitative Poll of 1,000 drivers on behalf of Uber, October 2016

⁵⁵ White House, Occupational Licensing: A Framework for Policymakers, July 2015

Fair working conditions

Uber believes all workers have the right to fair working conditions. We oppose precarious and exploitative forms of work and believe the best tool to combat these forms of work is by empowering individuals to take control of their work. While many forms of so-called flexible work can in fact leave little control and flexibility for the workers, services like Uber empower self-employed drivers and couriers to find clients, and choose if, when and where to work. And because there is no exclusivity or minimum commitment, if they are not satisfied with what we provide, the app allows partners to leave at any time without penalty. Some policymakers have called for a general ‘right to disconnect’ - with Uber, drivers and couriers can always disconnect at any time they choose.

More broadly, we fully endorse the principle set out in the Pillar that “innovative forms of work that ensure quality working conditions shall be fostered... entrepreneurship and self-employment shall be encouraged... [and] occupational mobility shall be facilitated”.⁵⁶

With Uber, and much independent work more broadly, there is no exclusivity. As previously noted, drivers and couriers can choose to log-on or off at the touch of a button - meaning they can choose to use the work options that best meet their needs. As a result, companies offering economic opportunities compete to attract and retain independent workers, who face low barriers to changing their work arrangements. It’s easy to switch work arrangements, especially in independent and platform work, and in fact many people around the world who drive and deliver with Uber simultaneously use other apps.

Uber is constantly exploring ways to provide more support to the drivers and couriers who choose to use our app. In the previous section, we highlighted some of the actions we have already taken.

Access to social protections

Uber believes that everyone should have access to a set of affordable and reliable social protections, whatever their employment status. At a basic level, everyone should have the ability to protect themselves and their loved ones when they’re injured at work, get sick, or when it’s time to retire. We agree with the view endorsed in the draft European Pillar of Social Rights that everyone should be able to access basic levels social protection in regardless of their labour market status.⁵⁷

⁵⁶ European Commission, The European Pillar of Social Rights in 20 principles

⁵⁷ European Commission, European Pillar of Social Rights, April 2017

The fact that “historically, national social protection systems have primarily been developed to protect people in standard employment”⁵⁸ means that independent workers face gaps in the social safety net, and provides a disincentive for others to work independently, or combine independent work with traditional employment.

As discussed in the previous section, there is a role for digital services like Uber to support the drivers and couriers who use our apps (for example through our partnerships with AXA and IPSE). But there is more to do, and this will require broader reform to ensure that all independent workers, whether or not they use a digital app, are able to access affordable and reliable social protections.

⁵⁸ European Commission, Access to social protection for people working on non-standard contracts and as self-employed in Europe - A Study of National Policies, April 2017

4. The way forward - proposals for reform

An inclusive and broad policy debate

Achieving a lasting solution to the challenges posed by the future of work will require a broad policy debate including many actors - policymakers, workers, apps and platforms, traditional employers, social partners and civic society.

For our part, Uber is committed to playing a constructive part in this debate, as well as continuing to pro-actively explore ways we can better support the drivers and couriers who use our apps. We will continue to seek out innovative partnerships and to use our position to encourage institutions such as insurance companies to create new products to better serve independent workers.

But these are challenges that go well beyond Uber, and app-based work. Indeed, we should note that there is a heterogeneity in the types of technology-enabled flexible and independent work. Rather than seeing independent work as a problem to be solved by attempting to push workers into more traditional forms of employment, we should be discussing and pursuing reforms that make it easier for everyone to work in the way they choose and rewarding that work. We should embrace policy solutions that are agile and flexible enough to simultaneously improve the quality of work and access to work.

Reducing barriers to independent work

We recognise that while independent work may not be for everyone or indeed the vast majority of workers, there is limited evidence that supports the construction of arbitrary barriers to independent work through occupational licensing. Regulation also plays an important role, because when licences and fees make it expensive or time-consuming (or both) to begin working, workers have less flexibility. In particular, undue barriers to work can disproportionately affect some of those traditionally more excluded from the labour market - including women, people with disabilities, or those with caring responsibilities seeking to return to the labour market. To be sure, this is not an argument against regulation but for reconfiguring regulations on genuine public-interest objectives - like data-driven safety and consumer protection initiatives - without making it too difficult for people who want to work flexibly from doing so.

Making it easier to move between different forms of work

We should embrace policy reforms that support a broader shift towards social protection policies that are neutral to the choice of employment status - this would make it easier to move jobs, receive multiple incomes, work as a freelancer or as a self-employed contractor, and combine traditional work with supplemental income through independent work. Such a move could encourage people to look for new opportunities for flexible independent work either as a primary or supplementary form of income.

Indeed, the European Commission notes that “closing the gap in social protection is not just about fairness and better protection; it is also about enabling people to avail themselves of all employment opportunities in increasingly diverse and fast changing labour markets.”⁵⁹ We agree.

A social model of work that is responsive to the different needs of workers, therefore, would mean that over time the structure of work (eg. tax, business licensing, social benefits and protections) would be more aligned between work categories whilst still retaining differences related to specific concerns connected with the nature of the work (eg. safety, minimum skills).

This work mobility should be underpinned by efforts that encourage and motivate individuals to make choices (and adjust them) based on their circumstances through ensuring information is provided in a timely, comprehensible and relevant fashion, and that individuals own and are able to carry their economic rights and reserves to new opportunities. There should be no penalty to move freely between employment and independent work or between types of independent work.

Supporting business-led solutions

We are striving to do more to support the independent workers who choose to use our apps. However, there are limitations to how much companies like Uber can do. On the legal side, in many places there is a perverse incentive in employment law which means that the more a platform does to protect those using its app to find work, the more likely it is that they are seen as an employee of that app. This would put at risk the very flexibility and independence that our model provides which, our drivers and couriers say is the reason they choose to partner with Uber.

⁵⁹ Ibid.

One possible solution to this would be to codify ‘safe harbours’ in law to ensure that the provision of benefits could not be used as a factor in employment classification claims; an alternative solution might be to more clearly define the criteria for self-employment in the first place. For example, in France, earlier draft versions of the El Khomri law proposed to define clearly in which cases a person using online platforms was an independent worker, not an employee.⁶⁰

Another limitation comes down to the business economics and allocation of responsibility. Ultimately there will need to be a balance between individuals, platforms, and government itself. As independent workers are able to switch apps at the touch of a button, and may work using multiple platforms, or alongside traditional forms of work, it is vital that any system pro-rates contributions from multiple platforms or employers.

Innovation and worker technology

As a technology company we believe there is considerable potential to use dynamic tools to improve the nature of work and address long standing issues such as non-transparent or non-timely pay. A new generation of pro-worker innovation, in which technology will play an important role, could form part of the response. New approaches that use technology to increase support for and information to workers could help to improve imbalances in bargaining power, boost pay, lower costs or reduce hours-insecurity.

There are already significant investments being made in research and development by major insurance companies in Europe and globally. In addition, there should be incentives for companies to pursue product solutions and partnerships to address the more immediate areas of need in relation to worker sickness or retirement. An example, from the United States, of what form this support could take is the proposed bill from Senator Warner and Rep. Del Bene that establishes a seed fund for pilot projects on portable benefits.

Policy directions and reforms to support independent workers

There are also a range of reforms that we support which would provide a long-term, sustainable approach to ensuring independent work can be a thriving part of the labour market accompanied by the usual expectations around social protections.

⁶⁰ Le Parisien, Réforme du travail : les mesures phares du projet de loi El Khomri, 17 February 2016

Three criteria were proposed in earlier drafts of the law, that would determine whether the worker was not in subordination of the platform 1) The worker’s activity is officially listed on appropriate public registry 2) the platform does not define work schedules, working hours nor workload 3) There is no exclusivity relationship between platform and worker

- **Portable Entitlements**

Independent work comes in different permutations with many workers combining income from multiple sources. This necessarily means that the model for accrued benefits functions best if it operates at the individual level. As work changes more frequently, portability of entitlements and protections will become increasingly important.

Policy reforms should consider ways in which workers are able to build and move their entitlements from job to job, and when they combine multiple jobs or forms of work. Building contributions on a proportional basis directly commensurate with work undertaken ensures that flexible earnings opportunities can continue to be delivered in a way that extends the stability and security of the safety net for workers.⁶¹ Shifting the focus to individual accounts reinforces and supports the independence and control of workers. In the US, Uber CEO Dara Khosrowshahi, SEIU 775 President David Rolf, and entrepreneur Nick Hanauer signed an open letter calling for a system of portable benefits to be developed along these lines.⁶²

Some countries have begun trialling innovative schemes to address these challenges. For example, Latvia and France have put in place systems whereby contributions and benefits are based on an individual's (sometimes multiple) professional activities rather than a specific employment contract, which enables them to accumulate rights and transfer them from one work status to another.⁶³

Over time, this can be reinforced and supported by a move toward portable individual accumulation accounts that follow workers around and are based on tailored work patterns and commitments. This shift to individual accounts is not without precedent but can potentially transform European benefits systems.

Significantly, this model would need to be tailored to each member state's systems given the diversity of universal, private sector and self-funded schemes across Europe. While this will influence the relative impact of individual accounts, they can be used to supplement existing systems. Further, to support growth and entrepreneurship governments may choose to make state level interventions into universal programs which help to remove some of the friction of moving between modes of work.

⁶¹ Nick Hanauer, David Rolf, Shared Security, Shared Growth, Democracy, Summer 2015

⁶² Uber, Building a portable benefits system for today's world, 23 January 2018

⁶³ Compte Professionnel d'Activité for vocational training in France

- **Lifelong Learning**

The linear education and training model that persists today was devised when workers spent most if not all of their careers at one firm and continuing education involved reinforcing and deepening existing skills rather than diversifying broader competencies. It is clear that this model needs to evolve. The speed and intensity of digital innovations and technological transformation, including the impacts of automation, will continue to produce uncertainty. The need for education and continuous development as a critical ingredient in managing those changes is self-evident.

With worker productivity increasingly dependent on the capacity to learn and apply new ideas and technologies it is essential that we consider policy tools to drive this change sooner. The Economist recently called lifelong learning “an economic imperative”.⁶⁴ A World Economic Forum report found that by 2020, more than one third of the core skill sets of most occupations will include skills that are not considered crucial to today’s workforce.⁶⁵

There are various ways to promote lifelong learning. For example, Singapore recently established and funded “individual learnings accounts” for each citizen over the age of twenty-five to spend on training programs from a list of 500 approved providers.⁶⁶ In 2015, France established individual training accounts which workers can use to pay for 24 hours of training per year over eight years in a wide variety of programs.⁶⁷

Independent work can be an important tool to support people during transitions, including those arising from job displacement. Being able to quickly start earning a living, and fit that work flexibly around retraining will help people adapt to the future. However, there are restrictions in terms of the capacity of businesses to offer options and policy reforms may need to consider ways to promote this behaviour.

- **Occupational Licensing Reform**

Occupational licensing can in some instances impose net costs on society with little improvement to service quality, health and safety.⁶⁸ Based on 2012 data from the then twenty-seven nations in the European Union (EU), between 9 and 24 percent of European workers are subject to occupational licensing, which translates to

⁶⁴ ‘Lifelong learning is becoming an economic imperative’ The Economist, January 12, 2017

⁶⁵ ‘The Future of Jobs’ World Economic Forum

⁶⁶ ‘Equipping people to stay ahead of technological change’ The Economist, January 14, 2017

⁶⁷ ‘France: obligation to provide skill development plans or training’, Eurofound

⁶⁸ Morris Kleiner, ‘Reforming Occupational Licensing Policies’ The Hamilton Project, 2015

between 19 million and 51 million individuals. The extent of occupational licensing varies widely across countries in the EU: Bulgaria, Estonia, Finland, France, Ireland, Latvia, Lithuania, Malta, the Netherlands, Romania, and Sweden are at the lower end of the spectrum whereas Denmark, Germany, Italy and Spain tended to be at the higher end.⁶⁹

European governments have however seen this opportunity for reform. The government of Poland recently engaged in an effort to liberalise access to about 250 of the 380 currently regulated professions on the basis with the goal of increasing employment, lowering consumer prices, improving quality and reducing administrative expenses.⁷⁰

There are a range of policy directions to consider including making use of cost-benefit analysis more readily, promoting the development and adoption of best-practice models across member states, enabling movement of individuals across borders and shifting focus, in some instances, from entry requirements to certification.

- **Access to state support and programs**

There are also gaps in access to state funded social protections. Tailoring eligibility and contribution criteria more to the need of nonstandard workers and self-employed will not only close this gap, but will have even larger implications, namely “enabling people to avail themselves of all employment opportunities in increasingly diverse and faster changing labour markets.”⁷¹

- **Business and tax registration and reporting**

Tax administration is another area for policy cooperation especially in relation to those engaged in independent work. As we have noted earlier, technology can simplify the reporting process significantly. Further, the rapid growth of independent work can be supported by simplifying the process of business registration and providing greater certainty for both businesses and workers.

⁶⁹ Maria Koumenta, et al. “Occupational Regulation in the EU and UK: Prevalence and Labour Market Impacts.” Final Report, Department for Business, Innovation and Skills, School of Business and Management, Queen Mary University of London, London, June 2014

⁷⁰ Morris Kleiner, ‘Reforming Occupational Licensing Policies’ The Hamilton Project, 2015

⁷¹ European Commission, Access to social protection for people working on non-standard contracts and as self-employed in Europe - A study of national policies, 2017

5. Next steps and future engagement

As outlined in this paper, the nature of work is changing across the economy. There is a shift away from more traditional arrangements towards more diverse and broader concepts of work such as those enabled by our technology. While these concepts provide new opportunities especially for those that have been traditionally marginalised from the labour market, the fundamental challenge is for policymakers to adapt our social institutions to move beyond the model of traditional single-employer jobs to embrace these new concepts. We have suggested some policy proposals that could help contribute to this shift, but we fully acknowledge that this task is complex requiring careful consideration, deep stakeholder engagement and collaboration, and a commitment to undertaking long-term structural reform.

In addition to the need for broader social policy reform, we also see a role for digital intermediaries such as Uber to help address some of the long-standing social protection issues faced by independent workers using our app. The increasingly competitive environment there demands that our business constantly improves the driver experience, including the provision of tailored social safety options for independent workers using our app in order to attract and retain new drivers and couriers.

This white paper should be considered as our initial contribution to this policy debate and we are eager to continue this engagement. We hope that by putting forward our vision on work and social protections in Europe, we can contribute to the policy debate and engage in a constructive dialogue with all stakeholders including policymakers, workers, apps and platforms, traditional employers, social partners and civic society.

This paper should be considered as one element in an evolving dialogue and we look forward to playing our role in the policy debates, and ultimately building a future where we can improve work for all.

