

PLATFORM BUSINESS, SOLOPRENEURS, AND CONVERGENCE POSSIBILITIES

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OUTLINE OF THE PRESENTATION

- Introduction
- Some Artifacts on Platform Business
- Nature of Work and Employment
- Informal Sector in Developing Countries and Rise of Solopreneurs in Developed Countries
- Convergence Possibilities and Rise of a Planetary Labour Market
- Concluding Remarks

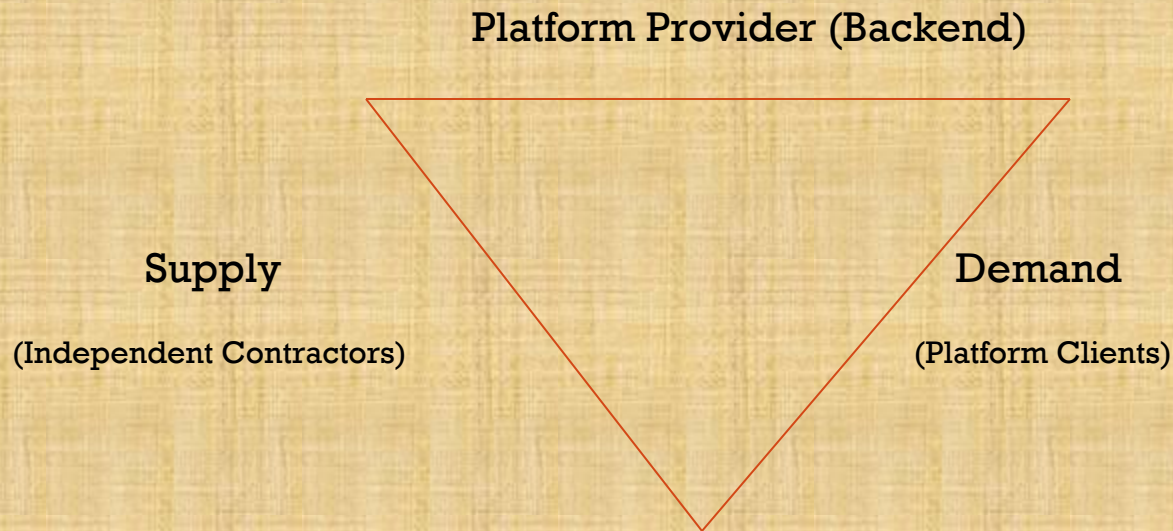
THE PLATFORM BUSINESS

- Platform Economy – create value by connecting participants
- Various Names: sharing, on-demand, gig, peer, freelancer, platform
- Two foundations of this economy— algorithmic revolution and rise of cloud computing
- Changes in Work and Employment
- Restructuring of Enterprise Culture

SOME ARTIFACTS ON PLATFORM ECONOMY

- Platform economy – a result of the Fourth Industrial Revolution
 - Fourth industrial revolution –
Big data, AI, second machine age
- Two types of Platforms:
 - Asset-based---Airbnb
 - Labour-based---Uber, TaskRabbit
- Platforms provide algorithms that enable matching of labour providers and users

SOME ARTIFACTS ON PLATFORM ECONOMY



Configuration of a three-sided Intermediary Platform

NATURE OF WORK AND EMPLOYMENT

- Traditional jobs are restructured following a reorganization of business
- Gig work, contract work, task
- Freelancers, contractors, taskers, project workers, self-employed
- Atypical, precariat work with no rights, security, and protection
- More and more workers pushed into self-employment

NATURE OF WORK AND EMPLOYMENT

Catalogue of fears

Probability of computerisation of different occupations, 2013
(1 = certain)

Job	Probability
Recreational therapists	0.003
Dentists	0.004
Athletic trainers	0.007
Clergy	0.008
Chemical engineers	0.02
Editors	0.06
Firefighters	0.17
Actors	0.37
Health technologists	0.40
Economists	0.43
Commercial pilots	0.55
Machinists	0.65
Word processors and typists	0.81
Real-estate sales agents	0.86
Technical writers	0.89
Retail salespeople	0.92
Accountants and auditors	0.94
Telemarketers	0.99

Source: "The Future of Employment: How Susceptible are Jobs to Computerisation?", by C. Frey and M. Osborne (2013)

INFORMAL SECTOR EMPLOYMENT IN THE WORLD

Informal Employment /Total Employment:

	Total	Female	Male
World	61	58	63
Developing Countries	90	92	87
Emerging Countries	67	64	69
Developed Countries	18	18	19

ILO (2018)

WAGE, AND SELF-EMPLOYMENT IN THE INFORMAL SECTOR ACROSS THE WORLD

	<u>Wage Employment</u>	Self-Employment
World		36 64
Developing Countries	21	79
Emerging Countries	37	63
Developed Countries	51	49

ILO (2018)

SELF-EMPLOYED WITH AND WITHOUT EMPLOYEES AS A PERCENT OF TOTAL EMPLOYMENT IN SELECTED DEVELOPED COUNTRIES

Country	Self-employment as a share of total employment		Solo self-employment as a share of self-employment	
	<u>2000</u>	<u>2017</u>	<u>2000</u>	<u>2017</u>
Australia	19.13	16.74	60.53	63.14
Canada	14.96	13.33	64.71	70.22
France	9.92	10.89	57.16	62.72
Germany	9.69	9.08	49.95	54.85
Italy	23.65	20.96	47.06	72.34
United Kingdom	11.48	14.06	72.65	84.00
United States	10.63	10.03	73.85	77.07

CONVERGENCE HYPOTHESIS

- **The Classical Convergence hypothesis**
- **Role of Technology**
- **The Fourth Industrial Revolution**
- **Restructuring of the global economy**
- **Rise of a planetary labour market**

CONVERGENCE POSSIBILITIES

- **Convergence Possibilities**
 - **Converging trends in solopreneurs in both developed and emerging countries**
- **Direction of Convergence**
- **Constraints on convergence**
 - **Digital Divide**
 - **The Pandemic--Covid 19**

CONCLUDING REMARKS

- Evolution of a planetary labour market
- Moving towards partial convergence
- Policy implications
 - A challenge for the UN's SDG #8
 - Reduced welfare, giving a reason for UBI
- Theoretical implication
 - Direction of convergence towards