

"Micro-entrepreneurship" in the Sharing Economy

Maria Rabadjieva

Institute for Work and Technology, Gelsenkirchen, Germany

ENTER Conference, 30.06.2016, Boston, UK

central research organisation of the Westfälischen Hochschule Gelsenkirchen Bocholt Recklinghausen University of Applied Sciences in cooperation with the Ruhr-Universität Bochum

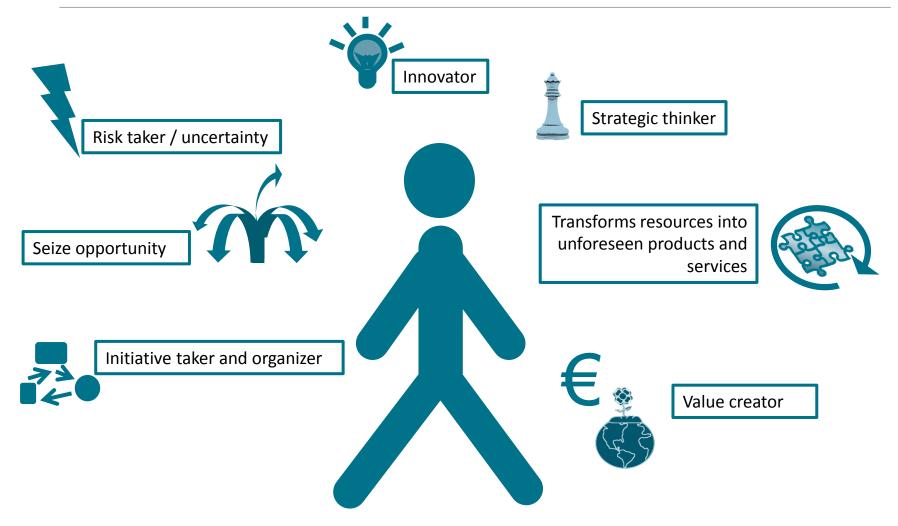
Westfälische Hochschule



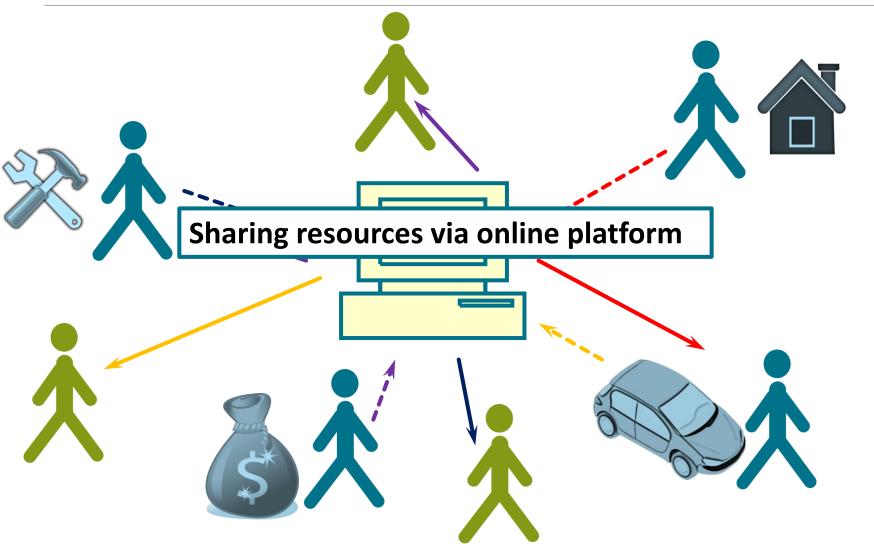
Table of Contents

- 1. Theoretical Background
 - Entrepreneurship
 - The Sharing Economy
- 2. The Sharing Economy and the Labour Market
- 3. Micro-entrepreneurs in the Sharing Economy
 - Challenges
 - Peers as Entrepreneurs
- 4. Conclusions How to be Entrepreneur in the Sharing Economy?

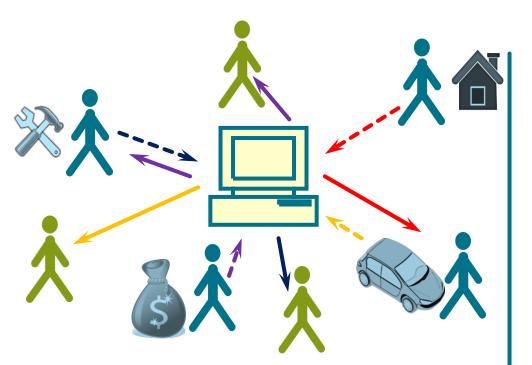
Theoretical Background: Entrepreneurship



Theoretical Background: The Sharing Economy



Theoretical Background: The Sharing Economy



Pre conditions

- Internet
- Profile/Registration

Principals*

- Idling capacity
- Critical mass
- Trust between strangers
- Belief in the commons

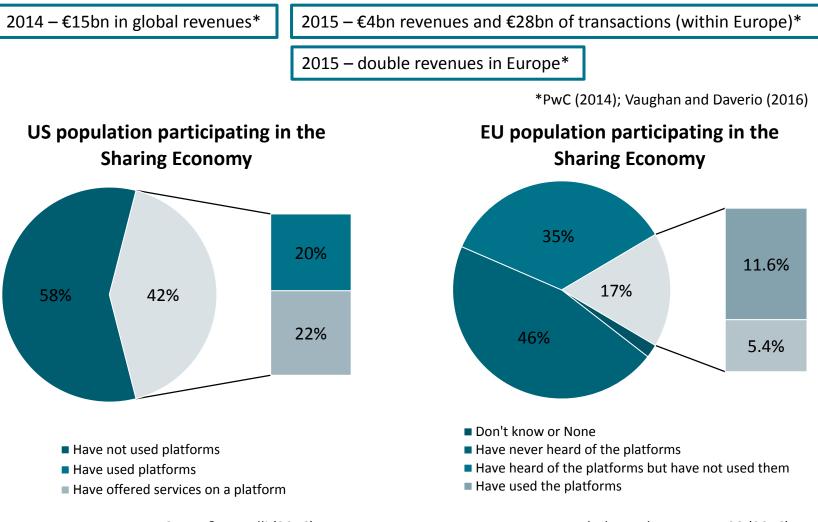
*Botsman & Rogers (2011)

The collaborative labour market*

Virtual/global services		Physical/local services	
Low- skilled	High- skilled	Low- /medium- skilled	High- skilled

*De Groen, Maselli & Farbo (2016)

Theoretical Background: The Sharing Economy - Aftermath



De Groen & Maselli (2016)

Flash Eurobarometer 438 (2016)

The Sharing Economy and the Labour Market

Labour Market

- Employers
- Employees
- Self-employed / Entrepreneurs

Sharing Economy

- Start-ups / Entrepreneurs
- Users as providers /
 Micro-entrepreneurs

Trends

- Increase of self-employment
- Increase in people having more than one occupation
- Sharing Economy as a complementary job
- Full time peers



- Start-ups as agents NOT employers
- Part-time

USA – 32% of the participants in the Sharing Economy see it as their primary source of income

(Burston-Marsteller, Aspen Institute & TIME (2015))

Micro-entrepreneurs in the Sharing Economy **Challenges**

Start-up

- Management of the own time and resources
- Additional income

Peers

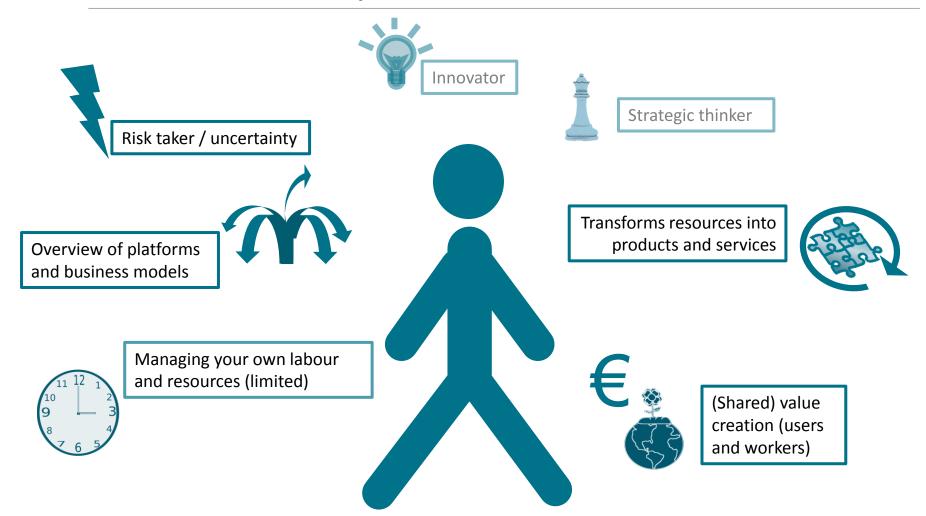
- Competition between peers
- Availability on more than one platform
- Uncertainty about the job
- Lower income than expected

Legal status

- Grey zone
- No established regulation
- Unclear liability

- Unclear work status
- No benefits
- No compensation
- Conflict with established businesses

Micro-entrepreneurs in the Sharing Economy **Peers as Entrepreneurs**



How to be Entrepreneur in the Sharing Economy?

Skills:

- Management of resources
- Financial management





Flexible labour:

- Knowledge about the different platforms
- Clear working status



Risk management:

- Clear rules of participation
- Benefits and obligations
- Taxation

Thank you!

rabadjieva@iat.eu

References

Abu-Saifan, S. 2012. Social Entrepreneurship: Definition and Boundaries. Technology Innovation Management Review. February 2012: 22-27.

Balaram, B. (2016): Fair share. Reclaiming power in the Sharing Economy. RSA report. (<u>https://medium.com/@thersa/fair-share-reclaiming-power-in-the-sharing-economy-499b46bd4b00#.fzc69p1wd</u> last accessed 20.06.2016).

Botsman, R. and Rogers, R. (2011): What's mine is yours: How collaborative consumption is changing the way we live. HarperCollinsPublishers, London.

Choi, Y.R. and Shepherd, D.A. (2004): Entrepreneurs' Decisions to Exploit Opportunities. Journal of Management 30, No. 3, pp. 377–395.

De Groen, W.P. and Maselli, I. (2016): The Impact of the Collaborative Economy on the Labour Market. CEPS Special Report No. 138, CEPS, Brussels.

De Groen, W.P., Maselli, I. and Fabo, B. (2016): The Digital Market for Local Services: A one-night stand for workers?. CEPS Special Report No. 133, CEPS, Brussels, April.

European Commission (2016): Flash Eurobarometer 438. The use of collaborative platforms. Report, Brussels.

Gartner, W. B. and Baker, T. (2010): A plausible history and exploration of stevenson's definition of entrepreneurship. *Frontiers of Entrepreneurship Research*: Vol. 30: Iss. 4, Article 2.

Patrick J., Murphy Jianwen Liao Harold P. Welsch (2006): A conceptual history of entrepreneurial thought. *Journal of Management History*, Vol. 12 Iss 1, pp. 12 – 35.

PwC UK, (2014). The sharing economy - Sizing the revenue opportunity. (<u>http://www.pwc.co.uk/issues/megatrends/collisions/sharingeconomy/the-sharing-economy-sizing-the-revenue-opportunity.html</u> last accessed 28.06.2016).

Rabadjieva, M. 2016: Die "schöpferische Zerstörung" der Sharing Economy - wie ein Dienstleister die Verkehrsordnung in Städten verändert. Internet-Dokument. Gelsenkirchen: Inst. Arbeit und Technik. Forschung Aktuell, Nr. 03/2016.

Thornton, M. (1998): Richard Cantillon and the Origins of Economic Theory. Journal des Economistes et des Etudes Humaines 8, No. 1: pp. 61–74.

Vaughan, R. and Daverio, R. (2016): Assessing the size and presence of the collaborative economy in Europe. PwC, UK, April.