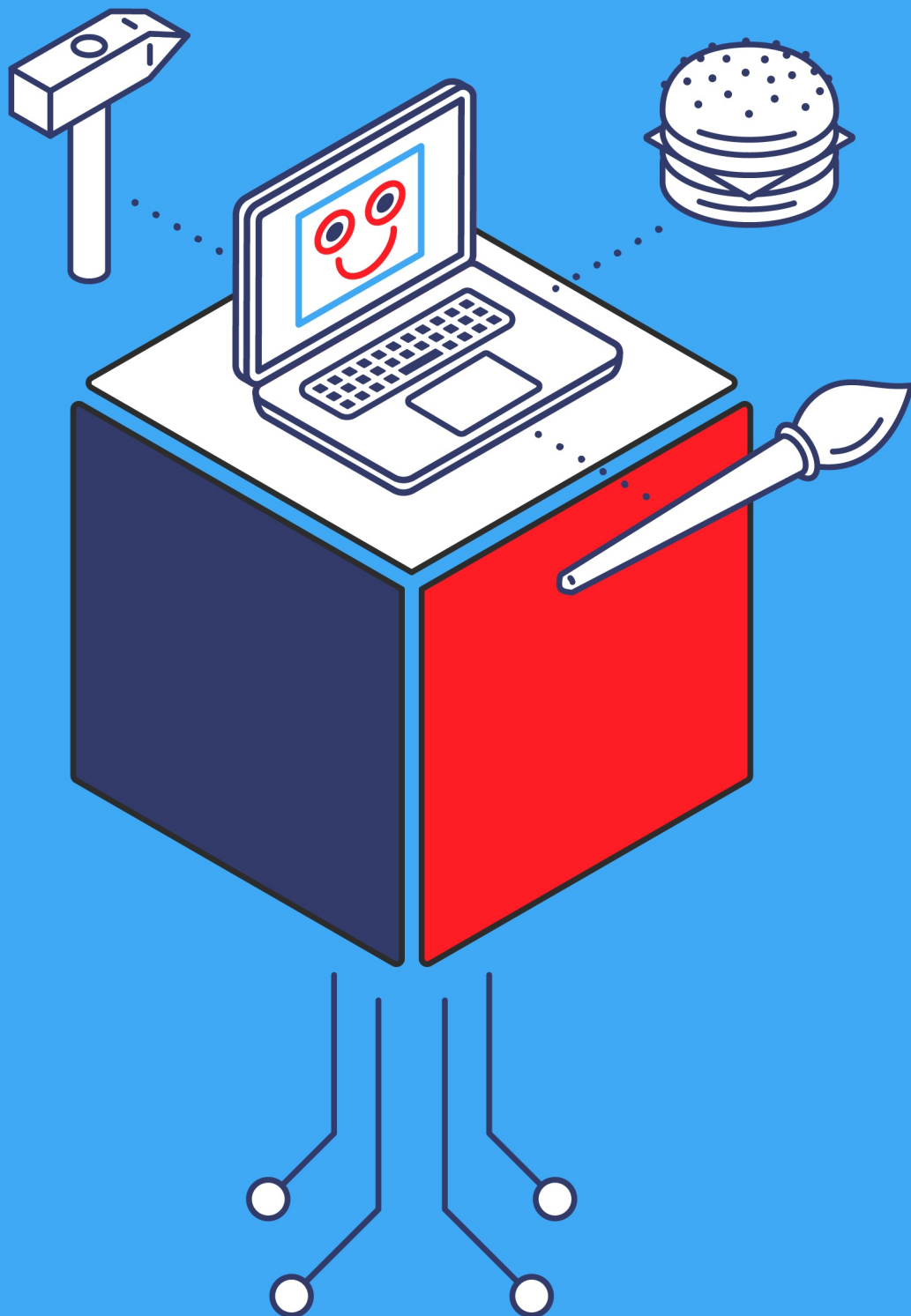


Discussion Paper:  
**Future of Work**



How digitalisation is changing the  
world of work

---

## Imprint

Discussion paper The Future of Work: How digitalisation is changing the world of work

Publication date: Zurich, 29 August 2023

Translation date: Zurich, 2 November 2023

Although great care has been taken in the preparation of this publication, the authors and staff involved accept no responsibility for the accuracy of the data, information and advice or for any printing errors.

All rights reserved, including translation into other languages. No part of this publication may be reproduced, transcribed and/or translated into any computer language, including an information processing language, in any form without the prior written permission of the authors.

The rights to the trademarks mentioned are held by the respective owners.

Communication support for the publication: Colin Wallace and Melanie Holenweger

Graphic design: Graphic agency Hyperraum, Tobias Aeschbacher and Vincent Grand

---

## About the authors

This document and the working group responsible for it were created between the end of April and the beginning of August 2023 and followed from the definition of thematic priorities at digitalswitzerland's Public Affairs Committee Strategy Workshops on 12 January 2023.

### **Author:inside**

*Alain Gut, Director Public Affairs, IBM*

*Damian Müller, Senior Consultant, Die Mobiliar*

*Christian Hunziker, Managing Director, SwissICT*

*Andreas Hinterberger, Director Public Affairs, Uber*

*Mattia Balsiger, Senior Project Manager Public Affairs, digitalswitzerland*

*Valentina Rötheli, Intern Public Affairs, digitalswitzerland*

### **Co-Project Management:**

*Mattia Balsiger ([mattia@digitalswitzerland.com](mailto:mattia@digitalswitzerland.com))*

*Valentina Rötheli ([valentina.roetheli@digitalswitzerland.com](mailto:valentina.roetheli@digitalswitzerland.com))*

## About digitalswitzerland

digitalswitzerland is a Switzerland-wide, cross-sector initiative with the goal of transforming Switzerland into a leading digital nation. Together with our network of over 200 members and non-political partners, including more than 1,000 top executives, we are engaged in over 25 projects to inspire, initiate, shape and lead the digital transformation in Switzerland

## Acknowledgement

We would like to thank Andreas Dummermuth, Director of the Compensation Office / IV Office Schwyz, Andreas Schollin-Borg, CEO of Batmaid, Professors Reinhard Riedl and Caroline Straub from the Bern University of Applied Sciences, Edgar Weber, Founder and CEO of PayrollPlus, and Christian Klinner, Founder and CEO of We Talents, for their consultation and expert input.

We would also like to thank Guillaume Gabus and Dominique Reber as well as the Public Affairs Committee of digitalswitzerland for their commitment and internal support.

---

## The Future of Work

### How digitalisation is changing the world of work

#### The "platformisation" of work: an upward trend

Digitalisation enables forms of work that were not possible before. At the latest since the Corona pandemic, the daily work of millions of people in Switzerland has fundamentally changed. Political demands for greater compatibility of family and work and for new working models, such as platform work, are becoming louder and are reinforcing the trend towards new forms of work.

The platform economy<sup>1</sup> covers all service sectors. Delivery services, accountants, graphic designers, IT specialists and many more form a dense network. However, the current share of platform service providers in Switzerland is still relatively low compared to other economies - it is only 0.4 percent of the adult population.<sup>2</sup> This may be due to various circumstances. On the one hand, social partnership, social safety nets and reintegration into the labour market are strongly developed in Switzerland.<sup>3</sup> On the other hand, the numerous court cases that have been ongoing for years probably have an inhibiting effect on platforms, as legal certainty in this area is not yet guaranteed in Switzerland.

However, the share of platform service providers will most likely increase substantially in Switzerland in the next few years.<sup>4</sup> According to a study by the Federal Statistical Office, the two most important reasons for performing platform work, apart from the additional earning opportunity, are flexibility in terms of time and location.<sup>5</sup> In the EU, more than 28 million people already work via digital labour platforms, and the trend is rising. And globally, an estimated 540 million people will seek work on platforms by 2025.

However, the legal basis has not grown with the growing number of platform service providers; the new reality is not yet reflected in labour and social security laws, for example. More education<sup>6</sup> and politics are needed here. Today, it is still the case that flexible working and social security are only possible to a limited extent and with relatively high administrative costs. The new forms of work therefore require regulatory adjustments that both allow space for innovation and protect platform service providers against social risks. The principle that all potential regulatory changes increase prosperity while maintaining social security is essential.

#### The global platform economy as an opportunity

The spread of platform work is a great opportunity for innovation and economic growth. It offers individuals immense opportunities to make their knowledge and services available

---

<sup>1</sup> In the following, platform economy is used instead of the originally better-known term "gig economy", which originated in the US economy and is associated with non-committal short orders such as food deliveries or driving services ("gigs"). The platform economy, on the other hand, includes the entire economic activity with all sectors.

<sup>2</sup> ILO: [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms\\_771749.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_771749.pdf)

<sup>3</sup> Platforms can provide low-threshold access to the labour market for the long-term unemployed.

<sup>4</sup> BFH: <https://www.bfh.ch/de/aktuell/news/2021/podcast-zukunft-der-arbeit/>

<sup>5</sup> Two nationwide surveys conducted by Uber in 2021 confirm this: 78 percent of all respondents stated that flexibility and/or independence was the main reason for working as a self-employed driver. Among self-employed couriers using Uber Eats, 86 percent of all respondents said this was the main reason.

<sup>6</sup> Around the topic of the platform economy and its implications, for example, the Denkplatz Schweiz alliance has formed, a temporary, independent and non-partisan alliance of various organisations and associations, which deals with the topic of a flexible labour and social security law. Other initiatives to research platform work in Switzerland come from the Research Institute for Work and Working Worlds at the University of St. Gallen, the Bern University of Applied Sciences or Avenir Suisse.

---

globally and in real time. In addition, platform workers can develop skills such as self-management that they would not acquire in a permanent position, or not to the same extent. At the same time, they can freely determine their time and decide for themselves when, where and for how long they want to work. This flexibility leads to a high level of job satisfaction, as platform service providers carry out activities that are more in their own interest and they enjoy greater autonomy with regard to the content of the services, the working hours and the people involved. For self-employed people, the use of platforms is a welcome addition to further expand their client base.<sup>7</sup> For clients, the platform economy has the advantage that they can access a wider range of services that are not tied to a specific location or time. For their part, platform companies benefit from the easy availability of work that they can multiply through their systems. A functioning platform economy thus promotes economic development, as the potential can be exploited more efficiently and the demands of all economic actors can be better met.

### ***Uncomplicated linking of supply and demand***

The We Talents platform offers a way to efficiently exploit the existing economic potential. The focus of the offer is primarily, but not only, on service providers in the creative industries. These are, for example, photographers, marketing experts or coaches. We Talents offers the added value that "talents"<sup>8</sup> can easily get in touch with companies or individuals who are looking for a suitable person to fulfil an assignment. In order to guarantee a high level of social security, We Talents takes over the payrolling including salary payment, insurances and social contributions, thus taking over the role of employers who would otherwise be responsible for this. In this way, ambiguities in the areas of responsibility of platform companies, clients and platform service providers can be largely resolved. There is more transparency and security for the talents about how their payment and social security is guaranteed. Talents can also settle directly with their clients. However, this means that they have to take care of the associated administrative work themselves in order to avoid the risk of incomplete social security.<sup>9</sup>

### **Challenges**

With a system similar to the "flexicurity" concept<sup>10</sup>, Switzerland has distinguished itself as an attractive business location. Conventional frameworks are becoming outdated with the platform economy. New models are needed to ensure that labour market flexibility and social security are not mutually exclusive - regardless of whether the workers are traditional employees or platform service providers. Today, with an AHV pension and a small pension fund, in most cases it is not necessary to draw supplementary benefits.<sup>11</sup> Those who have not paid their social security contributions correctly or do not have a second pillar are at risk of poverty. In Switzerland, there are relatively few platform workers who work for rock-bottom wages and could thus fall into this critical category. Nevertheless, the big challenge is to correctly account for work or assignments with social security. The complicated frameworks

---

<sup>7</sup> Information was obtained in direct exchange with Caroline Straub and Reinhard Riedl, BFH. For more information: <https://www.bfh.ch/de/forschung/referenzprojekte/plattformarbeit-schweiz/>

<sup>8</sup> Today, We Talents counts almost 10,000 "talents".

<sup>9</sup> Information was obtained in direct exchange with Christian Klinner, We Talents. For more information: <https://wetalents.net/>

<sup>10</sup> See <https://de.wikipedia.org/wiki/Flexicurity>. The Federal Council has already undertaken initial tests in this direction with the "Flexi Test". See: <https://www.news.admin.ch/news/message/attachments/68678.pdf>

<sup>11</sup> Information was obtained in direct exchange with Andreas Dummermuth, AK Schwyz. For more information: <https://www.aksz.ch/>

---

(social security and labour law) are an obstacle not only for freelancers but also, for example, for SMEs that have "classic" employer-employee relationships.<sup>12</sup>

### ***Simplify billing processes***

In order to simplify these relatively complicated accounting processes and to provide social security for employees and platform service providers, PayrollPlus has developed two models. On the one hand, its wage platform offers a simplification of the accounting process for platform services, in that the client does not pay the wage directly to the platform service provider, but to the PayrollPlus wage platform. PayrollPlus then pays the wages to the freelancers after deducting the social insurances (AHV, BVG, UVG, KTG). On the other hand, SMEs can hand over the entire payroll process to PayrollPlus. They conclude an employment contract with their employees as usual, but no longer pay the salary directly to their employees, but to PayrollPlus. The platform processes the total wage costs (salary, insurance and AHV contributions) and pays the wages to the SME employees after deductions.<sup>13</sup> These two solutions make it possible to get rid of the relatively complex administration and the correct payment of social security contributions, as well as making everyday work more flexible by maintaining social protection.

### ***Back to the classic employment relationship***

Combining economic flexibility with a high level of social security is difficult, especially in certain sectors. This is especially true for sectors of the economy that mainly employ people with lower qualifications. For example, there are companies that have consciously switched from the platform model back to a classic employer:employee model. One example is Batmaid, the cleaning services company. Originally, Batmaid functioned as a platform that mediated between clients looking for cleaners and providers of these services. The terms of the contract and the billing relationship remained the responsibility of both parties - Batmaid only took on an administrative role. The declared aim of the platform was to counteract the black market, while at the same time preserving the flexibility and freedom of the cleaners. However, a substantial number of cleaners remained either in the black market (and thus without social protection) or their clients shied away from the relatively high administrative effort to ensure sufficient social protection. Since 2021, Batmaid has transformed itself into a "classic" employer and has employed around 4,500 cleaners.<sup>14</sup> On the one hand, the example shows the limits of personal responsibility of the clients and platform service providers: Social security is neglected if they do not deal with the administrative hurdles. On the other hand, the case of Batmaid also shows that the legal framework still makes a functioning platform economy impossible.

### **Ways to Go: New regulations and innovative models**

In theory, it does not matter for the AHV whether a person is employed or self-employed. In practice, however, the situation of who qualifies as self-employed and how to deal with these persons is more complicated. The supposed separation of labour and social security law becomes blurred. Clarification is needed here. There are service providers who should actually be considered employees and are deliberately left in the non-binding status of a platform service provider by the client, as well as those who are classified as employees by

---

<sup>12</sup> Information was obtained in direct exchange with Edgar Weber, PayRollPlus. For more information: <https://payrollplus.ch>

<sup>13</sup> Information was obtained in direct exchange with Edgar Weber, PayRollPlus. For more information: <https://payrollplus.ch>

<sup>14</sup> Information was obtained in direct exchange with Andreas Schollin-Borg, Batmaid. For more information: <https://batmaid.ch/de/>

---

the enforcement authorities against their will. It is essential that the will of the service providers concerned is taken into account.<sup>15</sup> Transparency or clear conditions regarding the obligations in the agreement of the contract would provide security for both the client and the contractor.<sup>16</sup>

### ***Better define self-employment***

A clear definition of self-employment would help to ensure the social security of those concerned and at the same time to keep up with developments in the labour market. A first initiative is the parliamentary initiative 18.455. The initiative proposes that the Federal Act on the General Part of Social Insurance Law (ATSG) be amended so that the degree of organisational subordination and entrepreneurial risk as well as any party agreements are taken into account for the qualification as self-employed or employed.<sup>17</sup> The will of the persons concerned to work in a self-determined and independent manner is legitimate and should be appreciated. However, the platform companies have a responsibility to ensure that the social security of the platform service providers is not disregarded.

### ***Package model***

Another possibility is to decouple or reorganise existing processes and regulations, for example by simplifying the settlement of social security contributions. A company could sign up for a comprehensive "social protection package" from a compensation fund, which includes all benefits (AHV/IV/EO/ALV/FAK/taxes and UV). At the end of the year, the company would receive a wage statement form, through which the first name, surname, place of residence, AHV number as well as the gross wage amount of the service providers would be reported. The compensation office would prepare a final statement for the company for the past year and a tax statement for the service providers. The whole process would be handled via a central online platform.<sup>18</sup>

### ***Individualised social protection model***

Alternatively, platforms can make individual agreements ("wordings") with the social insurance institutions on the extent to which they guarantee the social protection of platform service providers. After a prior assessment by the compensation office, the platform company provides an individual, concrete description of its business model and its qualification under OASI law.<sup>19</sup> Such models are already widespread in Switzerland, but could certainly be expanded. This is because "wordings" leave the platform companies and service providers enough flexibility and at the same time offer security that their model is socially secured.

## **Conclusions**

This discussion paper shows how digitalisation is changing everyday working life in Switzerland and will change it in the future. In this context, platform work is a phenomenon that has become more important and widespread in recent years, especially since the

---

<sup>15</sup> The complexity of the classification as self-employed or not is illustrated by the example of accident insurance: If a supposedly self-employed person who provides 80% of his/her services to a client over a period of three months and does not independently carry out any other services, has an accident, he/she is qualified as an employee.

<sup>16</sup> Information was obtained in direct exchange with Edgar Weber, PayRollPlus. For more information: <https://payrollplus.ch>

<sup>17</sup> Parliament: <https://www.parlament.ch/de/ratsbetrieb/suche-curia-vista/geschaefte?AffairId=20180455>

<sup>18</sup> With its AHVeasy application, AK Schwyz already provides a platform that simplifies processes. The "social protection package", for example, could be integrated into this system. For more information: <https://www.ahveasy.ch/> and <https://www.aksz.ch/>

<sup>19</sup> Information was obtained in direct exchange with Andreas Dummermuth, AK Schwyz. For more information: <https://www.aksz.ch/>

---

Corona pandemic. It enables both companies and individuals to make the supply of and demand for services more flexible and efficient. It can also be tried out out of curiosity, in order to become self-employed, to bridge a transition phase in one's career, or to gain a foothold in the labour market.<sup>20</sup> However, this entails risks and challenges. Solutions that force those affected into the existing, outdated legal corset are not promising for the future. The platform economy requires regulatory adjustments and innovative new models of social protection. Today, the political and legal framework conditions that offer both sufficient economic flexibility and the necessary social protection are lacking. The latter should continue to be guaranteed in any case. It is necessary to take the model of "flexicurity" into the future in order to dissolve unnecessary restrictions and promote economic development and innovation. In a functioning platform economy, the potential, resources and demands of all economic participants are optimally exploited.

---

<sup>20</sup> Information was obtained in exchange with Caroline Straub and Reinhard Riedl, BFH. For more information: <https://www.bfh.ch/de/forschung/referenzprojekte/plattformarbeit-schweiz/>