

Testimony of

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Hearing on the Gig Economy

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Senator Savino and members of the committee, thank you for providing me with this opportunity to testify today. I am Tom O'Connor, Vice President, Government Relations for the Capital Region Chamber.

The Capital Region Chamber represents over 2,400 businesses and organizations from throughout the region that employ more than 150,000 area residents. Our Chamber's membership is diverse. We represent for-profits and not-for-profits; large corporations and small family-owned businesses. Our members are from both the traditional economy and the gig economy.

The Capital Region is the center of New York's Tech Valley. As such, continued innovation is key to our region's economic stability. The gig economy's success is driven by innovation. The Capital Region Chamber sees the benefits and continued potential of the gig economy. Consequently, we support policies that promote the gig economy and ensure New York State's competitiveness in this innovative marketplace.

I am here today to recommend that New York State takes a cautious and deliberate approach in its consideration of any policy that would impact the gig economy. The Chamber believes that the gig economy should not be regulated as if it were part of the traditional economy. To be clear, the Chamber has long supported reforming regulations that have hampered the traditional economy. Likewise, we would oppose any regulations that would hamper the gig economy. Our fear is that if the state adopts policies that treat the gig economy as if it were part of the traditional economy, the innovations and flexibility that this economy relies on will be stifled and we will risk forcing the gig economy out of our state. No one wins from this potential outcome. Such policies would harm the consumer, those that participate in the gig economy and the state's economic stability.

The Chamber is particularly concerned with any proposal that would effectively eliminate an individual's ability to continue operating within the gig economy as an independent contractor. As you are aware, California recently enacted such legislation, AB 5. The process and drafting of this law were flawed. California will now face endless requests for exemptions from the law, numerous lawsuits and ballot initiatives to reverse this law. More importantly, by enacting this law, California's business climate has been severely harmed. The Chamber recommends that New York State not follow California's lead.

The Chamber strongly believes that individuals should maintain their ability to choose which economy they wish to participate in whether as a consumer or provider. Some will choose to participate only in the traditional economy, while others will choose the gig economy. Others may prefer to participate in both. The state must come to terms with the fact that some New Yorkers do not want to be traditional employees. They place a premium on flexibility, independence and self-determination that the gig economy provides. The state should promote this self-determination not discourage it.

The Chamber believes that if the state wishes to assist those that choose to seek employment within the traditional economy then it should focus its attention on policies that provide the necessary skills to job seekers and provide them with pathways to the thousands of unfilled jobs that are currently available across the state.

When examining the gig economy, New York State should not look to California as a starting point. Instead, the Chamber encourages you to continue the dialogue that you have started today. It is important that you hear from all stakeholders from across the state. Setting policy must not be an all or nothing exercise. Alternative solutions are possible. Through deliberate and collaborative efforts, the Chamber is confident that even-handed and practical policies can be achieved that benefit the gig economy, the consumer and all that participate within this growing economy.

I would encourage you to hold multiple hearings regarding the gig economy in every region of the state and I would welcome the opportunity to address the committee in person at a hearing in the Capital Region.

The Chamber stands ready to partner with you on developing policies that will promote the gig economy and ensure its continued success within our state. New York State can lead the nation in setting sensible policies that foster the gig economy. We should seize this opportunity and get it right.

Thank you for the opportunity to share with you our Capital Region Chamber's perspective.