



## The government needs to stop stifling economic growth

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August 24, 2016

The sharing economy has captivated the attention of so many users and participants because services like Uber and Lyft enable more efficiency and convenience than hailing a cab. Have a spare room to rent out? That's done simply and easily with Airbnb or HomeAway.

Technology is making it easier for all of us to be entrepreneurs — and that's a good thing.

What should be the government's role in looking at such services as new opportunity generators? It's simple: Government should stay out of the way, limiting its involvement to the Hippocratic Oath: "First, do no harm."

But instead we're seeing established politicians team up with special interests in an effort to strangle new forms of enterprise and innovation from gaining traction — and threatening those special interests.

Politicians like Hillary Clinton look at sharing services like travel, ride-sharing, finance, staffing, and music and video streaming and see a problem. These "problems" are expected to grow from \$15 billion to \$335 billion in less than a decade, according to PricewaterhouseCoopers. It appears consumers and the marketplace view them more favorably.

Too many politicians pretend to believe companies are luring people to drive cars without giving them real jobs. She's decried this "gig economy" as "raising hard questions about workplace protections and what a good job will look like in the future."

I've got news for those politicians, including Hillary Clinton: The future is already here. It's a future of entrepreneurship.

As an entrepreneur who started a one-man handyman business in 1974, which I grew to be a more-than-1,000-person construction firm, I understand the power of working for yourself. I also shared the profits with my company, creating entrepreneurial opportunity for my own employees.

Millennials understand this mindset better than others. They've grown up in an on-demand world. Is it any surprise that two-thirds of them say that they want to be entrepreneurs at some point in their lives?

Entrepreneurship may be celebrated in the abstract — but too many politicians have no hesitation in using government power to stop innovation. The challenge has become so obstructive that one technology trade group, the Consumer Technology Association, has had to put together a "Disruptive Innovation Council" to specifically fight governments and established companies from strangling new businesses in the cradle.

Sometimes these politicians say they are protecting workers. They use words and phrases like "the hollowness of the Uber economy," in one critique in the *Baltimore Sun*, or "the Sharing Economy is Not Your Friend," from a piece in Vice.

But Uber has enabled hundreds of thousands of drivers to share rides. With its rival Lyft, they've finally brought competition to the regulation-bound taxicab market, where medallion owners enjoy monopoly profit from monopoly rents bound up in a crony-capitalist arrangement that barred people from simply connecting as willing buyers and sellers of a basic service.

And drivers don't necessarily want to be employees. Indeed, the flexibility of the sharing economy is one of the very keys to its success. In fact, more than half of drivers valued that freedom as the most important reason for doing it. About 8 in 10 Lyft drivers choose to drive 15 hours a week or less, and half of Uber drivers are on the road fewer than 10 hours a week.

Here's the dirty little secret: The establishment isn't really interested in making our lives easier or more convenient. To the contrary, their self-interests are best served by protecting us to death. Indeed, the Obama administration's Labor Department is so intent on tightening the classifications of independent contractors that soon there won't be any.

City after city is regulating and outright banning Airbnb — prohibiting homeowners from earning extra cash, much of which, ironically, would be spent in those same communities, providing jobs and, yes, tax revenues.

The same kind of special interest assault on entrepreneurship is happening under the name of occupational licensing. In the 1970s, only 10 percent of workers were subject to such licensing, a number that now totals 30 percent, according to a Morris M. Kleiner report. Lifting restrictions on occupational licensing is one of four keys to unlocking U.S. economic growth, according to the Cato Institute.

The entrepreneurial economy exemplified by companies like Uber and Airbnb is really only beginning. Besides the expected growth in nontraditional approaches to services like travel, ride-sharing and staffing, technology and entrepreneurs will soon take us to places where other services, such as health care, will be similarly transformed — if only government and the politicians will get out of the way.

Being ever an optimist, I am confident that even the government cannot forever stand in the way of an entrepreneurial transformation that consumers and the marketplace are so clearly demanding. And the result of that revolution will be really good for all of us, with the possible exception of recalcitrant politicians and their special interest patrons.