Dependency and Precarity in the Sharing Economy
Juliet Schor, Boston College
Sefton-Williams Memorial Lecture
March 2018
DISRUPTIVE!

- Innovative
- Efficient
- Convenient
- Saves me money
- Kind to the planet

- Breaks the rules
- Invades my neighborhood
- Cuts my income
New Yorkers agree: Airbnb is great for New York City

Airbnb provides supplemental income for tens of thousands of New Yorkers. It also helps the local businesses in our neighborhoods and strengthens our communities. Airbnb is great for NYC.

Join the movement. Visit AirbnbNYC.com
THE SHARED ECONOMY
IS A LIE
Joan Rivers was a BIGOT

New Yorkers agree: Airbnb is great for New York City

Airbnb provides supplemental income for tens of thousands of New Yorkers. It also helps the local businesses in our neighborhoods and strengthens our communities. Airbnb is great for NYC.

airbnb nyc
Join the movement. Visit AirbnbNYC.com
What are the implications of the rise of the “gig” economy for labour?

Uber-exploitation and the “race to the bottom” (example: Uber)

“Gig” labor as an alternate “safety net” (example: Airbnb)

“Micro-entrepreneurialism” as hyper-commodification, neo-liberal subjectification

Algocracy (control by the algorithms)
MacArthur Project: Connected Consumption & Connected Economy

https://tinyurl.com/macschor

Will Attwood-Charles
Bobby Wengronowitz
Luka Carfagna
Connor Fitzmaurice
Isak Ladegaard
Samantha Eddy
Mehmet Cansoy
Time Trade Circle

THE TIMEBANK
THE FOOD SWAP

VEGETARIAN

1. Name & Swap: Haloumi
   - Grilling + Frying Cheese
   - Za'atar Claymore Sumac + Orange Seeds
2. Name & Swap: Haloumi
   - Grilling + Frying Cheese
3. Name & Swap: Haloumi
   - Grilling + Frying Cheese
4. Name & Swap: Haloumi
   - Grilling + Frying Cheese
5. Name & Swap: Haloumi
   - Grilling + Frying Cheese
6. Name & Swap: Haloumi
   - Grilling + Frying Cheese
7. Name & Swap: Haloumi
   - Grilling + Frying Cheese
8. Name & Swap: Haloumi
   - Grilling + Frying Cheese
9. Name & Swap: Haloumi
   - Grilling + Frying Cheese

HOME MADE CHEESE
- Mix of cow's/gate's milk

NAME & SWAP
- Bethany Myrick
- Sophie's Swap

Open Access Education
PEER ECONOMY, ACCESS ECONOMY, GIG ECONOMY, COLLABORATIVE CONSUMPTION, SHARING ECONOMY, ON-DEMAND ECONOMY, CIRCULAR ECONOMY, PEER ECONOMY, SHARING ECONOMY, COLLABORATIVE ECONOMY...
Research topics

“Gig” labor experiences
Status dynamics in non-profits
Moral aspirations of participants
Culture of Airbnb hosting
Racial discrimination and gentrification on Airbnb
Impacts of platform labor on income inequality
Status identity dilemmas among Task Rabbits
New types of vulnerability among Uber and Lyft drivers
Systems of labor control on delivery apps
Dynamics of platform cooperatives
What determines platform outcomes?

**Policy**
Misclassification, employment policy (Dubal 2017)

**Technology**
Algorithmic efficiency (Sundarajan 2016; Horton and Zeckhauser 2016) or Algorithmic control (Stark and Rosenblat 2015)

**Labor market position**
Individual relationship to platform earnings (efficiency wage theory). “platform dependence” (Schor et al 2017)
Platform position in labor market hierarchy
Data and Methods

In-depth interviews (60-90 minutes) plus surveys

Today’s sample: 102 earners on 6 platforms (Airbnb, TaskRabbit, Postmates/Favor, Uber/Lyft)

Data collection from 2013-2016

18-34 age range

At least 5 trades

Recruited through the platform, orientations (or if necessary, online groups or snowball)
## Gender

<table>
<thead>
<tr>
<th>Platform</th>
<th># Respondents</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airbnb</td>
<td>28</td>
<td>10</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(35.7%)</td>
<td>(64.3%)</td>
</tr>
<tr>
<td>Favor / Postmates</td>
<td>26</td>
<td>7</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(26.9%)</td>
<td>(73.1%)</td>
</tr>
<tr>
<td>Lyft / Uber</td>
<td>14</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(21.4%)</td>
<td>(78.6%)</td>
</tr>
<tr>
<td>TaskRabbit</td>
<td>34</td>
<td>13</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(38.2%)</td>
<td>(61.8%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>102</strong></td>
<td><strong>33</strong></td>
<td><strong>69</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(32.4%)</td>
<td>(67.6%)</td>
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</table>
# Race

<table>
<thead>
<tr>
<th>Platform</th>
<th>N</th>
<th>White</th>
<th>Black</th>
<th>Hispanic</th>
<th>Asian</th>
<th>Other</th>
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</thead>
<tbody>
<tr>
<td>Airbnb</td>
<td>27</td>
<td>21 (77.8%)</td>
<td>1 (3.7%)</td>
<td>2 (7.4%)</td>
<td>2 (7.4%)</td>
<td>1 (3.7%)</td>
</tr>
<tr>
<td>Favor / Postmates</td>
<td>26</td>
<td>16 (61.5%)</td>
<td>5 (19.2%)</td>
<td>2 (7.7%)</td>
<td>2 (7.7%)</td>
<td>1 (3.8%)</td>
</tr>
<tr>
<td>Lyft / Uber</td>
<td>14</td>
<td>5 (35.7%)</td>
<td>5 (35.7%)</td>
<td>4 (28.6%)</td>
<td>0 (0.0%)</td>
<td>0 (0.0%)</td>
</tr>
<tr>
<td>TaskRabbit</td>
<td>33</td>
<td>19 (57.6%)</td>
<td>5 (15.2%)</td>
<td>5 (15.2%)</td>
<td>2 (6.1%)</td>
<td>2 (6.1%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>102</td>
<td>61 (61.0%)</td>
<td>16 (16.0%)</td>
<td>13 (13.0%)</td>
<td>6 (6.0%)</td>
<td>4 (4.0%)</td>
</tr>
</tbody>
</table>
## Education

<table>
<thead>
<tr>
<th>Platform</th>
<th>N</th>
<th>Less HS</th>
<th>High School</th>
<th>Some Coll</th>
<th>College</th>
<th>Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airbnb</td>
<td>28</td>
<td>0 (0.0%)</td>
<td>0 (0.0%)</td>
<td>1 (3.6%)</td>
<td>19 (67.9%)</td>
<td>8 (28.6%)</td>
</tr>
<tr>
<td>Favor / Postmates</td>
<td>26</td>
<td>0 (0.0%)</td>
<td>3 (11.5%)</td>
<td>8 (30.8%)</td>
<td>12 (46.2%)</td>
<td>3 (11.5%)</td>
</tr>
<tr>
<td>Lyft / Uber</td>
<td>14</td>
<td>0 (0.0%)</td>
<td>4 (28.6%)</td>
<td>3 (21.4%)</td>
<td>6 (42.9%)</td>
<td>1 (7.1%)</td>
</tr>
<tr>
<td>TaskRabbit</td>
<td>33</td>
<td>1 (3.0%)</td>
<td>0 (0.0%)</td>
<td>9 (27.3%)</td>
<td>15 (45.5%)</td>
<td>8 (24.2%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>102</td>
<td>1 (1.0%)</td>
<td>7 (6.9%)</td>
<td>21 (20.8%)</td>
<td>52 (51.5%)</td>
<td>20 (19.8%)</td>
</tr>
</tbody>
</table>
# Monthly Earnings

<table>
<thead>
<tr>
<th>Platform</th>
<th># Respondents</th>
<th>Less than 500</th>
<th>500-1500</th>
<th>1500-5000</th>
<th>More than 5000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airbnb</td>
<td>27</td>
<td>6 (22.2%)</td>
<td>10 (37.0%)</td>
<td>9 (33.3%)</td>
<td>2 (7.4%)</td>
</tr>
<tr>
<td>Favor / Postmates</td>
<td>23</td>
<td>13 (56.5%)</td>
<td>9 (39.1%)</td>
<td>1 (4.3%)</td>
<td>0 (0.0%)</td>
</tr>
<tr>
<td>Lyft / Uber</td>
<td>14</td>
<td>0 (0.0%)</td>
<td>1 (9.1%)</td>
<td>9 (81.8%)</td>
<td>1 (9.1%)</td>
</tr>
<tr>
<td>TaskRabbit</td>
<td>34</td>
<td>12 (42.9%)</td>
<td>10 (35.7%)</td>
<td>5 (17.9%)</td>
<td>1 (3.6%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>102</strong></td>
<td><strong>31 (34.8%)</strong></td>
<td><strong>30 (33.7%)</strong></td>
<td><strong>24 (27.0%)</strong></td>
<td><strong>4 (4.5%)</strong></td>
</tr>
</tbody>
</table>
Comparing our sample to national surveys (PEW 2016)

PEW asked about “gig labor” (excluding online selling, which is the biggest type of gig labor). E.g., digital labor, driving, housecleaning and errands, shopping and delivery. They exclude Airbnb.

We are

More male (69% v 45%)
More educated. (college + some college = 71.3% to 58%)
More white (61% v 43%)

We are nearly identical on “platform dependency” (“income essential for meeting basic needs” 26.5% v 29%)
<table>
<thead>
<tr>
<th>National Surveys</th>
<th>PEW</th>
<th>Aspen</th>
<th>JPMC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fraction of workforce</td>
<td>8%</td>
<td>14%</td>
<td>1% in any month</td>
</tr>
<tr>
<td>Women</td>
<td>55%</td>
<td>39%</td>
<td>33% (labor platforms)</td>
</tr>
<tr>
<td>White</td>
<td>43%</td>
<td>79%</td>
<td>NA</td>
</tr>
<tr>
<td>Employed Full Time</td>
<td>44%</td>
<td>61.5%</td>
<td>NA</td>
</tr>
<tr>
<td>Method</td>
<td>National random sample phone survey</td>
<td>General Social Survey</td>
<td>Customers’ bank accounts</td>
</tr>
</tbody>
</table>
Platform dependence

**Dependent:** wholly or primarily dependent on the platform for their livelihood; rely on earnings to pay for monthly expenses; roughly equivalent to full-time workers)

**Partially-dependent:** rely somewhat on partially on platform earnings, but either work on multiple platforms or have part-time jobs, small businesses or other sources of income.

**Supplemental:** platform earnings are not part of their regular income source, and are considered extra, or supplemental. Many have full-time employment or activity (i.e., schooling).

**Coded by answers on survey, interview data**
Platform dependence increases precarity and affects a range of outcomes

- Wage rates, financial risk associated with jobs
- Satisfaction
- Scheduling flexibility
- On the job autonomy
- Fear of ratings and deactivation
- Safety and vulnerability
## Platform Dependency

<table>
<thead>
<tr>
<th>Platform</th>
<th># Respondents</th>
<th>Supplemental</th>
<th>Partially Dependent</th>
<th>Dependent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airbnb</td>
<td>28</td>
<td>11 (39.3%)</td>
<td>17 (60.7%)</td>
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<td>2 (14.3%)</td>
<td>11 (78.6%)</td>
</tr>
<tr>
<td>TaskRabbit</td>
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<td>11 (32.4%)</td>
<td>14 (41.2%)</td>
<td>9 (26.5%)</td>
</tr>
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<td><strong>Total</strong></td>
<td><strong>102</strong></td>
<td><strong>33 (32.4%)</strong></td>
<td><strong>42 (41.2%)</strong></td>
<td><strong>27 (26.5%)</strong></td>
</tr>
</tbody>
</table>
Supplemental earners: Airbnb

- Good earnings (> $30,000/year)
- Strong non-pecuniary benefits (sociability)
- Effort bargain favorable (cleaning not onerous)
- Reduces precarity (mostly)
- Enhances lifestyle (travel, wedding)
Supplemental earners: TaskRabbit

Good wages ($25- $150/ hour)
Non-pecuniary benefits (alleviate boredom)
High wages via selectivity
Avoid unsafe/problematic jobs
Flexibility and autonomy
Reduce precarity (earnings as a safety net)
Avoid low-end, exploitative work
Some manage a portfolio of earnings
Supplemental earners: Uber and Lyft

Earnings good
Flexibility and autonomy valued
Use spare time productively
Reduce costs associated with full-time work
Supplement to inadequate compensation of FT job (eg, for savings)
Finance leisure spending
Supplemental earnings: Postmates and Favor

Reasonable extra money
Non-pecuniary benefits (eg exercise)
Ability to avoid unsafe conditions
Autonomy re: ratings
Platforms are de-stigmatizing “low skill” work for middle class providers thereby increasing their earnings at the expense of low income workers.
Dependent earners: TaskRabbit

High wages but inadequate demand: poverty incomes

Lack of flexibility/autonomy. Must take jobs. Yields wage jeopardy

Downward trajectory for platform experiences
Dependent earners: Postmates and Favor

- Job of last resort
- Lowest earnings/bottom of ladder
- Demand erratic
- Need to maintain ratings
- Vulnerability to weather, traffic, etc
- Wage/autonomy tradeoff (Favor’s minimum guarantee but must take jobs)
Dependent earners: Uber and Lyft

Poverty incomes; long hours
Lack of flexibility/autonomy
More personal risk
Changing policies
Concern about deactivation/rationgs

Negative trajectory over time
The Platform Hierarchy

K v L income
Wages
Job control
Race of provider
Implications for Labour

Outcomes are diverse because the platform labour force is diverse (will it stay this way? Can workers achieve solidarity and collective voice?)

For some, platforms offer what they want/need. For others: poverty incomes and poor conditions. Trajectory may be toward less positive outcomes

Evidence of both expanded opportunities (for women, non-whites) but also reproduction of existing inequalities

Platforms are free-riding on W-2 employment

Strong regulation, policies crucial to achieve good outcomes for dependent workers