



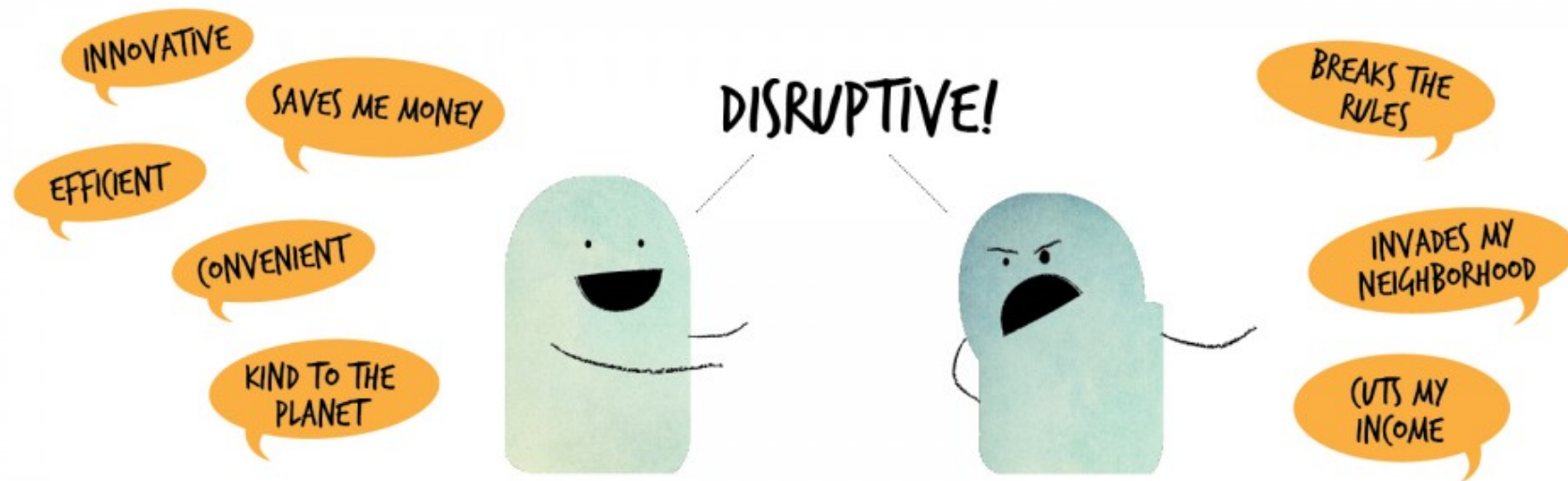
## Dependency and Precarity in the Sharing Economy

Juliet Schor, Boston College

Sefton-Williams Memorial Lecture

March 2018





# 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](https://airbnbNYC.com)

182-825



THE SHARED ECONOMY  
IS A LIE  
~~Joan Rivers was a BIGOT~~

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322-055

# 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



[illegible]



# THE MAKERSPACE







airbnb







**task**rabbit

*Life is busy. We can help.*

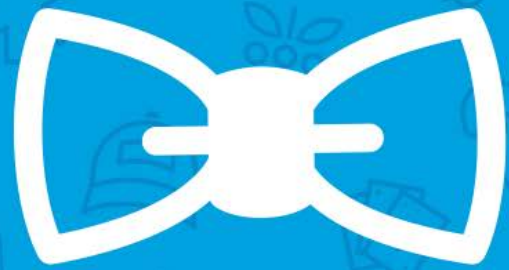
# Open Access Education





**POSTMATES**





**FAVOR**



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

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

# Race

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

# Education

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

# Monthly Earnings

Platform	# Respondents	Less than 500	500-1500	1500-5000	More than 5000
Airbnb	27	6 (22.2%)	10 (37.0%)	9 (33.3%)	2 (7.4%)
Favor / Postmates	23	13 (56.5%)	9 (39.1%)	1 (4.3%)	0 (0.0%)
Lyft / Uber	14	0 (0.0%)	1 (9.1%)	9 (81.8%)	1 (9.1%)
TaskRabbit	34	12 (42.9%)	10 (35.7%)	5 (17.9%)	1 (3.6%)
Total	102	31 (34.8%)	30 (33.7%)	24 (27.0%)	4 (4.5%)

# Comparing our sample to national surveys (PEW 2016)

PEW asked about “gig labor” (excluding online selling, which is the biggest type of gig labor). Egs, 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%)



<div>  National Surveys </div>	PEW	Aspen	JPMC
Fraction of workforce	8%	14%	1% in any month 4% cumulative 2012-2015
Women	55%	39%	33% (labor platforms) 49% (capital platforms)
White	43%	79%	NA
Employed Full Time	44%	61.5%	NA
Method	National random sample phone survey	General Social Survey	Customers’ bank accounts

# 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

Platform	# Respondents	Supplemental	Partially Dependent	Dependent
Airbnb	28	11 (39.3%)	17 (60.7%)	0 (0.0%)
Favor / Postmates	26	10 (38.5%)	9 (34.6%)	7 (26.9%)
Lyft / Uber	14	1 (7.1%)	2 (14.3%)	11 (78.6%)
TaskRabbit	34	11 (32.4%)	14 (41.2%)	9 (26.5%)
Total	102	33 (32.4%)	42 (41.2%)	27 (26.5%)

# 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

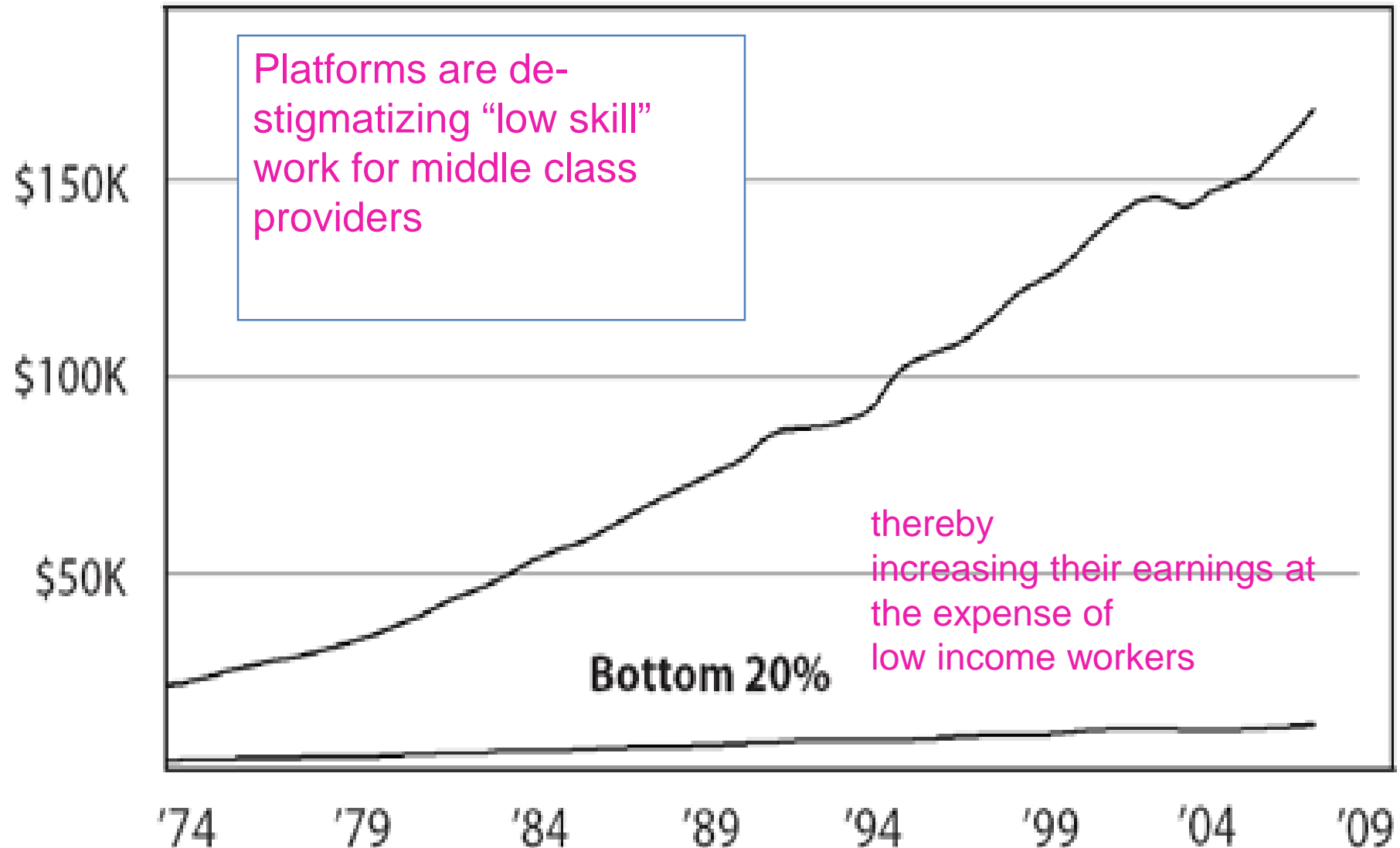
Non-pecuniary benefits (eg exercise)

Ability to avoid unsafe conditions

Autonomy re: ratings

# Platforms can be Income Inequality -enhancing

Mean household income: top 20% and bottom 20%





# 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/ratings

Negative trajectory over time

# The Platform Hierarchy



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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