Regulating the Platform Economy: The Problem of Popular Representation

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Argument

1. World of Work: Labor platforms *accelerate* a longer-term change in the world of work and *compensate* for the pathologies of the off-line labor market. It raises worker and public interest issues.

2. Democracy 2.0: Labor platforms reinforce shift in popular interest regime. Collective action problems lead to demobilization of productionist issues.

While the platform economy is disruptive in many ways, it continues a longer-term trend toward

1. Contingent work
2. More complex, mediated employment relations; the fissured workplace (David Weil)

Raises work, social policy, public interest issues.
Low-wage dynamic of labor platforms

1. Crowdsourcing Platforms
   Construct an international labor market that integrates high and low wage economies. Requesters are businesses.

2. On-demand Platforms
   Grow by making cheap services available down the social hierarchy. Requesters are customers.

Labor Platforms: technology makes the market not the worker more efficient.

Income increases with more gigs IF the greater number of gigs “outrun” the lower price per gig. A bigger problem with on-demand platforms.
Mediated Labor Relations

Fissured workplace:

Lead firm $\rightarrow$ outsourced firm (franchised firm) $\rightarrow$ worker

Labor platform triangle:
Popular Interest Regime

Democracy 1.0: Onset of mass politics
- Growth of factory production/work force
- Labor unions predominant

Democracy 2.0: End of 20th c.
- Growth of atomized contingent work force
- Unions on the defensive
- More pluralistic: many kinds of organizations
## Popular Interest Regime

<table>
<thead>
<tr>
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<th>Unions</th>
<th>SMOs, CSOs, Think tanks, Foundations</th>
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<tbody>
<tr>
<td><strong>Organizational traits</strong></td>
<td>Party-affiliated, members, dues, in-person meetings, peak/hierarchical</td>
<td>Staff-centered, dispersed sympathizers/constituencies; networks</td>
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<td><strong>Issues</strong></td>
<td>Micro &amp; macro productionist</td>
<td>Rights, risks, consumptionist, distributive, corruption/accountability</td>
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<td><strong>Repertoire of Action</strong></td>
<td>Wide: economic and political; workplace to national politics; strikes to institutionalized negotiation</td>
<td>Contention, lobbying, policy analysis Collective action problems</td>
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Uber in the US: Disruptive Regulation

1. Elite-driven politics among concentrated interests
   Challenger vs. Incumbent (Uber vs. Taxis)
   Substantial regulatory capture by Uber

2. Surrogate representation of dispersed interests
   A. Drivers: job creation, labor issues
   B. Consumers/public: hi supply, lo cost, consumer protection, safety
Surrogates Representation of Dispersed Actors

Customers

- Aligned on hi supply, lo cost

- Aligned on consumer benefits, safety

Uber

- Aligned on hi supply, lo cost

Drivers

- Aligned on market presence

Taxis

- Aligned on consumer benefits, safety

Labor issues: depend on unions, regulatory agencies, courts