Diversity or Convergence in the Platform Economy?
Juliet Schor, Boston College
INAPP Workshop, Rome, June 2018
The Sharing Economy was introduced with multiple common good claims

- increase economic efficiency
- reduce ecological and carbon footprints
- increase social interaction, build new dense and durable social ties
- provide economic opportunity for all
- reduce wealth and income inequality
- create cultural diversity

Our research calls all of these into question as automatic features of platforms, whether they are for profit or not for profit. These outcomes can be difficult to achieve.
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
Sharing platforms quickly became controversial

Unfair competition (ignored regulations and broke laws)

Externalities (housing supply, rents, neighborhood quality)
#DeleteUber: gig labor platforms accused of “race to the bottom” “Uberworked and Underpaid”
MacArthur Project: Connected Consumption & Connected Economy 2011-18

https://tinyurl.com/macschor
Open Access Education
What is the sharing economy?

Peer economy, access economy, gig economy, collaborative consumption, sharing economy, on-demand economy, circular economy, peer economy, sharing economy, collaborative economy...
The Sharing Economy refers to Consumer Goods and Services, not all platform businesses

Recirculation of used goods
originals: eBay, Craig’s List
Freecycle, Yerdle, Swapstyle

Loans/rentals of durable assets
lodging shares or rentals, car shares or rentals, neighborhood borrowing platforms

Labor service exchange (gig work)
ridesourcing, Postmates, Task Rabbit, timebanks
[what about Uber!!??]

Very varied sector with many types of entities;
Although only a few platforms are large
Ownership models

Peer to Peer (P2P) Sharing Economy Classico.
Peers own the assets. Providers and customers are “peers,” i.e., non-commercial entities. Examples: Airbnb, BlaBla Car, Neighborgoods

Business to Customer (B2C) Not typically sharing
Business owns the assets, ”rents” to customers. Examples: Zipcar, Car2Go

Municipality to Citizen (M2C)? Sharing?
Municipality owns assets and makes available to citizens/visitors (eg, bikeshare) [the old version is the library]
<table>
<thead>
<tr>
<th>PEER TO PEER</th>
<th>FOR PROFIT</th>
<th>NOT FOR PROFIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airbnb</td>
<td><img src="image1" alt="Airbnb" /></td>
<td><img src="image2" alt="Community" /></td>
</tr>
<tr>
<td>TaskRabbit</td>
<td><img src="image3" alt="TaskRabbit" /></td>
<td><img src="image4" alt="Creative Food" /></td>
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<tr>
<td>RelayRides</td>
<td><img src="image5" alt="RelayRides" /></td>
<td><img src="image6" alt="Time Trade Circle" /></td>
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<tr>
<td>Postmates</td>
<td><img src="image7" alt="Postmates" /></td>
<td><img src="image8" alt="Boston Food Swap" /></td>
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</tbody>
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<table>
<thead>
<tr>
<th>BUSINESS TO PEER</th>
<th>FOR PROFIT</th>
<th>NOT FOR PROFIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zipcar</td>
<td><img src="image9" alt="Zipcar" /></td>
<td><img src="image10" alt="Bike Sharing" /></td>
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Does exchange of money preclude sharing?

Yes: Common view (eg Russell Belk) “Sharewashing” by companies

Maybe not: Sharing has many meanings
Avoid simplistic view that money is profane

No: Many relationships of sharing involve mutual gain, transfers of resources
Sharing before the internet: among kin and neighbors, within communities
What's new is stranger sharing
(enabled by crowd sourcing of ratings and reputational data)
labor market experiences and outcomes: platform dependence

Platform workforces are highly diverse. Most work few hours; a minority are full time.

**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**
What are the experiences of "providers" on sharing economy platforms? Findings from seven for profits (from “Dependence and Precarity” paper)

<table>
<thead>
<tr>
<th>Outcomes</th>
<th>Earnings are supplemental</th>
<th>Earnings used for living expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction</td>
<td>Mixed/low</td>
<td>High</td>
</tr>
<tr>
<td>Autonomy</td>
<td>High</td>
<td>Limited</td>
</tr>
<tr>
<td>Wages</td>
<td>Can be selective to earn highest wages</td>
<td>Must accept all/most trades/wages lower</td>
</tr>
</tbody>
</table>
## Assessing precarity

<table>
<thead>
<tr>
<th>Case</th>
<th>Is platform activity a response to precarity?</th>
<th>Do platform earnings mitigate precarity?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airbnb</td>
<td>Generally not</td>
<td>Yes</td>
</tr>
<tr>
<td>TaskRabbit</td>
<td>Generally not</td>
<td>Not for dependent earners</td>
</tr>
<tr>
<td>Uber/Lyft/Postmates/Favor</td>
<td>Mixed</td>
<td>Not for dependent earners</td>
</tr>
</tbody>
</table>
The Platform Hierarchy

Capital v Labor income
Wages
Job control
Race and socio-economic class of provider
Diversity or convergence?
Neo-liberalization or a path to deeper cooperation?

The context of austerity and the argument for neo-liberalization
Sharing platforms within the technology eco-system

Participants’ views
Limits of deep cooperative forms
Is Europe different?
Is it just Airbnb and Uber?
Arguments for convergence:
Sharing platforms as a response to austerity and downward mobility

Emerged from the financial collapse of 2008 and subsequent austerity

Innovators are young adults (many face limited economic opportunity)
Platforms are de-stigmatizing “low skill” work for middle class providers thereby increasing their earnings at the expense of low income workers.
sharing platforms as tech companies

“We are in the midst of a reorganization of our economy in which platform owners are seemingly developing power that may be even more formidable than was that of the factory owners in the early industrial revolution” (Kenney and Zysman 2016, 62).
The public sees “divergence” i.e. a new model

What Americans Think of the Sharing Economy

Nearly 1 in 3 Americans would like to SHARE MORE THINGS like tools and household items

64% of Americans think sharing lowers ENVIRONMENTAL IMPACT

76% of Americans think sharing SAVES MONEY

72% of Americans think sharing BUILDS RELATIONSHIPS

In 2014, the Center for a New American Dream conducted a national survey to determine American attitudes on wealth, sharing, materialism, and more.

View the complete results: www.newdream.org/poll2014
participants also feel that their participation is deepening cooperation

Domesticating the market: moral exchange and the sharing economy *Socio-Economic Review*
a cautionary example: durable goods borrowing and renting platforms

I do not need a drill. I need a hole in the wall
the failure of the renting/borrowing platforms

CNAD survey: Would like to share more things, like tools and household items? Only 32% agree. About same disagree.
A good idea versus an economically compelling model
Is Europe different?

European sharing initiatives have more solidaristic aspects, and may be achieving more common good outcomes.

Municipal governments are promoting commons and sharing initiatives (eg of Ghent)
Is it just Airbnb and Uber?

Other platforms not scaling. Many have closed. Airbnb being regulated. Will it be confined to one-property hosts? Uber lost nearly $5B last year. Does it have a viable business model?

How prevalent will these practices eventually become?
A bi-modal future?

A few large platforms scale and dominate, converge to “business-as-usual”

A smaller true sharing sector grows, especially where local governments support alternatives and where capital is scarce

Public policy should regulate the big actors and foster the small
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