Technology and the Changing Nature of Low-Wage Work

July 2018
Please use the “Questions” feature to submit any questions to presenters. We encourage you to submit questions throughout the presentation.
Presenters

- Julia Ticona, *Postdoctoral Scholar, Data & Society* and *incoming Assistant Professor, University of Pennsylvania’s Annenberg School for Communication*
- Alexandra Mateescu, *Researcher, Data & Society*
- Ceilidh Gao, *Staff Attorney, National Employment Law Project*

Moderators

- Pronita Gupta, *Director of Job Quality, CLASP*
- Tanya L. Goldman, *Senior Policy Analyst, CLASP*
Beyond Disruption: How Tech Shapes Labor Across Domestic Work & Ridehailing

Julia Ticona (PI), Alexandra Mateescu, Alex Rosenblat
Data & Society
Thursday, July 12, 2018
About the Study:
Methodology & Research Questions
What does “gig work” look like to workers?
Marketplace vs On-demand

**Marketplace**
- Job matching & hiring.
- Subscription based (freemium).
- E.g., Care.com, SitterCity, UrbanSitter, Thumbtack, Fiverr.

**On-demand**
- Matching, Hiring, Dispatching, Task, Payment.
- Fee based.
- E.g., Uber, Lyft, Postmates, Instacart.

**Hybrid**
- Matching, hiring, dispatching, Payment, worker profiles, ltd. choices.
- Fee based.
- E.g., TaskRabbit, Handy, Hello Sitter
### Shifting Risks & Rewards: Marketplace / On-demand

<table>
<thead>
<tr>
<th>Marketplace</th>
<th>On-demand</th>
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<tbody>
<tr>
<td>• Dating apps!</td>
<td>• Efficient &amp; opaque</td>
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<tr>
<td>• Profiles: photos, videos, work history, personal narrative, scheduling availability, location, reviews, ratings, badges, social media.</td>
<td>• Offloads inefficiencies &amp; hidden costs onto workers.</td>
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<tr>
<td>• Incentivizes workers to invest heavily in self-branding, and disadvantage workers without competitive new media skills.</td>
<td>• Invisible work strategies</td>
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<td>• Privacy implications</td>
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Standing out in the “crowd” on marketplace platforms

“I mean, my mom is like sixty something. She didn't grow up in this technology age, so she's not that familiar with it. So I do most of it for her, I put her information, take her picture, upload it, I fill in everything. When [prospective clients] contact me, most of the initial contact goes through me unless when it gets to that stage when they have to call her and they call her and then she talks.”

-- Interview with “Gloria” (elder care companion, Care.com/Carelinx)
Standing out in the “crowd” on marketplace platforms

Where do you start? From wherever you are.

1. I’m a Newcomer
   Welcome to Care.com. Finish your profile so you can move up a level and families can find you.

2. I’m in the Careforce
   Great job! Now that you’ve completed these steps families can see you in search.
   - Uploaded a photo
   - Applied to a job
   - Verified email

3. I’m a Carepro
   The extra effort paid off—you’ve earned your CarePro badge! Keep up the good work by maintaining a high response rate and review average.
   - Opted-in to mobile alerts
   - Received good reviews
   - Verified phone number
   - Responded quickly to families
   - Background check on file
   - Accepts online payments
Making trade-offs on on-demand/hybrid platforms

Left: Handy’s cancellation policy for workers.

Right: a Handy worker’s pay log, including $65 in outstanding fees. Penalty fees are subtracted from workers’ future earnings.
Making trade-offs on on-demand/hybrid platforms

“IT's bad when you get fees and you haven't made any money, which is my situation now. I'm in the negative even before I started for the week because there's been so much going on this week. First of all I'm fighting the $15 payment for the person that claimed that I was late but then canceled, then I had another fee for $40 where I had to cancel because my daughter wasn't feeling good. I am $55 in the hole, so they are automatically going to take that. So if I take a four hour job at $60, I really only made $5 because they are going take that.”

-- Interview with ”Takarah” (Handy)
Navigating Risk & Safety

• On-demand platforms - client self-reporting to describe services.

• Workers unclear about platform policies regarding safety.

• Rating systems pressure workers - poor ratings affect access, pay rates, or lead to deactivation.

• Workers leverage weak accountability to ensure safety & resolve challenges.

• Disputes w/platforms take time and energy; some workers avoid conflict, absorb costs.

• Platforms collect data, but workers also collect own documentation.
"If you don’t feel comfortable, you have the right to say no, you’re not okay with that. Which is what I did. That was the first time I was like, to a client, I’m like yeah, no. I will do this and you do that, but I’m not going to do, I’m not touching any of that, even though I had gloves and everything."

-- Interview with “Diana” (TaskRabbit)

“That's one of the things that you want to keep within the text because that's our transcript of everything, that's the invoice, that's any proof, you shoot screenshots in there...You can send before and after pictures in the chat, some people do, some people don't, but just have them on file because down the line if there's any sort of discrepancy, if the client's credit card doesn't run, anything, the client says the toilet wasn't cleaned, you have the ability to say "Well, look at the transcript."

-- Interview with “Rob” (TaskRabbit)
Conclusion

• It’s not all about “Uberization”; different contexts and histories of industries matter.

• Labor platforms intervene at different points in relationships between workers and clients.

• Platforms shift risks and rewards for workers in different ways.

• Platforms create hard trade-offs between safety and reputation.
Misclassification & Industry Efforts to Rollback State Worker Laws

Technology and the Changing Nature of Low Wage Work, July 12, 2018
Now:

- 1) The Context
   - Independent Contractor Misclassification
- 2) The Threat
   - Industry’s Push to Rewrite the Rules
The Context: Independent Contractor Misclassification
What is independent contractor misclassification?

- 1099 v. W-2
- Why misclassify?
  - Economic incentive – it’s cheaper!
  - Avoid workplace protections, e.g.
    - Wage theft
    - Race/sex harassment
    - Union rights
    - OSHA
    - Retirement/health
“Independent contractor or employee?”

- **Context for app-based companies**
  - Litigation
  - State agency decisions
    - Oregon (Uber)
    - California (Uber)
    - New York (Uber, Taskrabbit, Postmates)
    - Alaska (Uber)
The Industry’s Response

"What is ultimately a better business decision? To try to change the law in a way that you think works for your platform, or to make sure your platform fits into the existing law?"

- Lobbyist for Uber and Handy (CNN)

The industry-backed laws “would definitely help with some of the litigation that’s in play.”

- Oisin Hanrahan, CEO of Handy (Bloomberg)
The Threat: Industry’s Push to Rewrite the Rules
Aggressive Lobbying and Spending
“Marketplace Platform” Bills

- Introduced since January 2018
  - Tennessee
  - Florida
  - Indiana
  - Colorado
  - Utah
  - Iowa
  - Georgia
  - Alabama
  - Kentucky
What these bills do:

“marketplace platform”*  
+ “marketplace contractor”  
= no employee protections, as a matter of state law

* This term does **not** have the same meaning as used in the report!
Why is this such a problem?

• Lowers standards
  • Eliminates existing worker protections
  • Changes regulatory background even where independent contractor classification is proper
• Unfair advantage
  • Downward pressure, race to the bottom
“Marketplace Platform” Bills

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  - Kentucky
Moving forward, Moving backward

- Wage boards
  - Portland
  - Seattle
- Expanding existing statutes
- Portable benefits
- Collective bargaining for independent contractors
Thank You For Joining!

Contact Information

Aiha Nguyen  
Email: aiha@datasociety.net

Julia Ticona  
Email: julia@datasociety.net

Alexandra Mateescu  
Email: acmateescu@datasociety.net

Ceilidh Gao  
Email: cgao@nelp.org

Pronita Gupta  
Email: pgupta@clasp.org

Tanya L. Goldman  
Email: tgoldman@clasp.org