



Collateral Damage

Services like Uber and Airbnb are in full swing and not showing signs of decline. Its time to consider the impact of the gig economy

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One Monday in early February of this year, a livery driver named Doug Schifter shot himself in the head outside City Hall in Manhattan. His public suicide prompted headlines in the *New York Times* and discussions on NPR, largely because of a desperate Facebook post he put up earlier that day. In it, Schifter explained that as a professional driver he had driven over five million miles, sometimes through deep snow and hurricanes. He'd driven celebrities and diplomats, and acquired a solid reputation in the industry. But in recent years, he had lost his health insurance, and despite working in excess of a 100 hours a week, was plunging further into debt. "It is too late for me," he signed off ominously in his Facebook post, "who is next?"

The *Times* called Schifter "a casualty" of the gig economy. Since 2013, the number of drivers in New York had spiked from fewer than 47,000 to more than 100,000 – two-thirds of whom work for Uber (for decades that figure was under 13,000). With less work to go around, some of those drivers have ended up destitute, or suffer from crippling depression. Bhairavi Desai, executive director of the New York Taxi Workers Alliance, told the

Times that in the last 21 years, she has never seen anything like the despair she was witnessing now.

But, if you already use Uber, hearing this probably isn't going to change that.

Last year in Toronto, taxi drivers staged massive protests at city hall and slowed traffic to a near-stop on one of the city's major arteries. Local news filmed a taxi driver banging on an alleged Uber driver's window, and then hanging off the side mirror as the frightened driver tried to drive away. Another driver was shouting that Uber was ISIS into cameras. The public was more irritated or preoccupied with the sideshow than interested in what these drivers were upset about. Reactions ranged from "a little competition would be good" to "good riddance."

Even in the comments section of Schifter's post, few people were entirely sympathetic. While the notion of "a little competition" now seems quaint, it doesn't seem to bother most people that Uber has made it impossible for people like Schifter to compete. It's a better, cheaper alternative after all. Unfortunate as that may be for some, it's just business. Isn't it?

The gig economy isn't new. Actors, independent accountants, house maids, and other professionals and tradespeople have long worked in the gig economy. "The difference is now it's encroaching on a lot of other industries," said Linda Nazareth, a Toronto-based economist who studies the labour

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force. Nazareth's fourth book, *Work Is Not a Place*, looks in part at the future of the gig economy – a marketplace in which she counts herself both a consumer and participant.

For example, the online book jacket for her third book was illustrated by someone she found on a site called Fiverr, a digital platform originally intended as a place to buy and sell services for five dollars. (Now, people can charge whatever they want.) Nazareth had her digital book cover in her inbox in less than one day. “Actually a lot of people were willing to do it within the day,” she said. It cost her 40 dollars, and she said the services were solid. She even found the editor of her next book, a former executive at a prominent Canadian publishing house, the same way.

There are plenty professionals like this who prefer to work on their own, or who take advantage of gig opportunities to supplement their income. About 70 percent of the workers in the gig economy fall into this category, according to a McKinsey Global Institute survey of about 8,000 people in the US and Europe. But the other 30 percent aren't there by choice, and half of them are reliant on these gigs for the entirety of their income. Right now, between 20 and 30 percent of Canadians work in the gig economy, but as Nazareth pointed out, that's going to change. In another survey conducted by the staffing company Randstad, 85 percent of Canadian companies said that over the next few years they'll increasingly move to an “agile workforce” – the euphemism deployed by companies that aren't interested in a long-term relationship with new workers.

“Income inequality will get somewhat worse under the gig economy,” Nazareth said. “We can't minimize that.” But she also cautioned that it wasn't just companies driving this shift. “There are larger economic forces pushing everyone” – companies and workers – “to be more competitive and technology that enables people to do things they couldn't do before,” she said. Work habits are evolving, as are consumer habits. Trust between employees and employers (or vice versa) is waning. Whether one bears the

lion's share of the blame for the pervasiveness of precarious employment is a question of your personal politics. Regardless, Nazareth said that most attempts to legislate these companies is doomed to lead to more and more suffocating laws. If people want Uber, laws written to revive the taxi industry will fail.

When asked about Schifter's case, Nazareth, like many others, wasn't sympathetic. “First of all that guy declared bankruptcy 10 years ago before Uber was even a thing, so I'm not sure I take him seriously. Second, by that token, everyone who worked for Kodak should have killed themselves. I don't mean to sound cold, but industries change and unfortunately people get caught up in it.”

Do these disruptive companies owe anything to the people they've displaced? This is a difficult question because the extent of that displacement is still being revealed. Recently, researchers from McGill University conducted a three-year study of the impact of Airbnb on New York City real estate and found that the room-sharing app was a massive driver of gentrification. About 13,500 units of housing were taken off the market by Airbnb hosts (more than half of them illegally, but that's another story). As a result, rents in the city jumped by a median of \$380 dollars.

Despite the fact that many of these residents are now facing unaffordable rent, one might be inclined to argue that the money being made on these rentals actually enriches many more of these residents. It's not an accident that Airbnb plays up the perception that most hosts are kind folks opening up their own homes to strangers and making a little extra money, but the study found that's not true. Airbnb's fastest growing neighbourhoods – particularly Harlem and Bedford-Stuyvesant – are predominantly black, but the researchers found that in all of 72 of New York's black neighbourhoods, the host was five times more likely to be white. There was an equally startling divide along class lines, where 10 percent of hosts earned half of all the Airbnb revenue in the city. The kicker is that most members of this percentage are commercial operators, not the independent homeowner we so often associate with Airbnb.

It's not just bystanders who can become unwitting victims of these company's practices. If you look at Uber, you don't have to dig very deep to find some pretty egregious examples of mistreatment among their employees because, of course, they aren't really employees. That means they don't enjoy the same protections as employees.

This is a problem because they're under many of the same stresses. Last March, the *New Yorker's* Jia Tolentino wrote about a number of PR campaigns for gig economy companies. In one example, Lyft shared the story of a pregnant woman named Mary who completed a trip as she was going into labour rather than go into the hospital. It was a “ghoulishly cheerful” post written as an exemplar of Mary's hard work and dedication. Even Fiverr, the site at which Nazareth bought her digital book jacket, had come under fire last year for a campaign called “In Does We Trust,” which glorified those who skipped meals and sleep in order to get more done.

As consumers, we don't really think about this because working for these companies is supposed to be all about freedom – about choice. Because Uber or Lyft drivers make their own hours and can stop to eat, sleep, or go to the bathroom, we don't see how many drivers feel they *must* skip meals, sleep, and bathroom breaks to earn a livable wage. Taxi drivers faced similar conditions for years, of course, but they at least had unions to advocate for them.

These workers do not. That's the new reality of work. It's just business. ■