Reading Between the Lines:
Blueprints for a Worker Support Infrastructure in the Peer Economy

by

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Submitted to the
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ABSTRACT

Look around you. What unassuming skills or assets are just bursting with potential? Meet the peer economy, where people monetize skills and assets they already have using online, peer-to-peer marketplaces. Lyft, Shapeways, Etsy, Skillshare... these platforms enable strangers to transact confidently. Instead of education, reskilling or being network rich, new marketplaces emerge everyday to reconfigure people's existing assets and skills into income generating opportunities. Airbnb, TaskRabbit, KitchenSurfing, Postmates... From small-scale manufacturing to space sharing to personal services, amateurs and professionals alike can easily jump in.

As an alternative to full-time employment with benefits—a 20th century model worn thin—the peer economy (sometimes called the "sharing economy") is setting imaginations on fire. At its best, the peer economy can reintegrate people who are defined out of the traditional workplace and, therefore, the traditional economy (the elderly, homemakers, those with varying physical and mental ableness, those at risk for human trafficking, etc.). At its worst, it exploits human labor and degrades human dignity. Between positive and negative speculations, I have identified five particularly sticky issues:

1. Can peer economy opportunities comprise a livable work lifestyle?
2. Who is accountable when something goes wrong?
3. Do legal classifications override social relationships?
4. Can providers cultivate a collective voice?
5. How do peer economy actors historically contextualize the model?

The thesis begins with a historical overview of how we have arrived at this moment of possibility. The second act brings readers up to speed on conversation among investors, startups, cities, policy makers, entrenched interests, media, scholars and critics, and labor advocates. As antecedents to the peer economy, I introduce marginalized movements in the third chapter that could inform how the peer economy develops; I believe that this space can be a distributed network that matchmakces providers' needs with capacity across the sector. From 2013-2014, I conducted ethnographic field research to suss out emergent needs among peer economy providers, and I summarize the results in chapter four before finally tying together why the peer economy—regardless of speculation—has been so captivating.

This thesis is a confluence of historical analysis, economic theory, sociology, rhetorical analysis, qualitative and ethnographic fieldwork, and legal precedents that culminates in interventions for the peer economy. First and foremost, it considers whether the peer economy is a livable work lifestyle. The peer economy is a charismatic and rapidly spreading concept that is fundamentally transforming the way many people think about employment.

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ACKNOWLEDGEMENTS

It's odd to think that I'm on this side of the thesis now. Two years ago, I was deeply immersed in the future of journalism. I was all about helping others experience media creation as a path to deeper civic engagement. But to me, it makes sense that I've come to this point. In pursuit of my journalism career, I moved from one place to the next, and as I did, it occurred to me that there was an even deeper structural problem than what I was trying to address (or at least more urgent).

And so, I want to thank all of the magnificent people who have stuck with me through these years. First, to Comparative Media Studies at MIT for giving me an intellectual home. And in particular, thanks so much to Andrew Whitacre, who has always been happy to nerd out over Arduino projects and to share updates on his experiments in crowdlending. Thanks to Heather Hendershot for her emotional support, to TL Taylor for helping me come into my own as an ethnographic researcher. Thanks to Fox Harrell, who epitomized applied research (artificial intelligence for identity politics, executed through interactive media such as games and storytelling portals). Thank you to Shannon Larkin; no doubt her unwavering support for the CMS14 cohort is why we have made it to the finish line.

To my family at the MIT Center for Civic Media, I'd especially like to thank Lorrie Lejeune, who made my research adventures in San Francisco and New York City financially possible. Nick Grossman was invaluable in getting me started: connecting me with folks in the sector, pointing out new considerations, and brainstorming together about the peer economy's civic applications. Thanks to Rahul Bhargava, who acted as my emotional support on the other side of E15. The sassiest lassy, the magical Ms. Jessica Goldfin who is the definition of a "soul twin." And to my Media Lab family, I have learned so much from you.

Meriting their own paragraph, thank you, thank you, thank you to my thesis advisors, Edward Schiappa and César Hidalgo. Ed probably took one look at me and knew I was a neurotic, perfectionist copy editor, and so he took on a metered advising approach. One of my lasting memories of CMS will be my defense on May Day. In the month leading up to the defense and after I had handed in a full thesis draft, I continued to fine-tune the thesis. Ed said, "I want to pick at this point in chapter one. Now, it's on page six of my copy. What page is it on yours?" I answered with a sheepish "eight." Meanwhile, César gave me a home with his Media Lab group and took on the hefty role of thesis co-advisor. He knew that I'd be doing different work from his other Macros (the MacroConnections posse), who are deep into quantitative research, but he gave me the same attention and care as with his other students. And because of César, I am on to a fascinating way of understanding human dynamics: economic sociology. I can't tell you how excited I am about that as a journalist-anthropologist who once considered studying economics.

On another personal note, thanks to my friends and family, who have been urging me for years on two points:

1. Go to grad school!
2. Move back to California already!

And of course, a mighty thank you to my cohort—Rodrigo Davies, Erica Deahl, Julie Fischer, Alexandre Gonçalves, Jason Lipshin, Eduardo Marisca, Chris Petey Peterson, and Lingyuxiu Zhong—which I love very much. **CMS14 4 EVA!**

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INTRODUCTION

Americans' normative understanding of work is imploding. Throughout most of the twentieth century Americans equated landing a job to a lifetime of smooth sailing. Now, Americans anxiously anticipate the next round of layoffs. The wealth gap is widening, many people are underemployed, and as more people seek out social service—from unemployment checks to food benefits—the U.S. welfare system[1] is flattening under its own weight. The familiar American equation of full-time work for a living wage is increasingly out of reach.

And yet, the era of rugged individualism never ended. As the fairy tale goes, Americans pull themselves up by their bootstraps and create their own perfect jobs. This happy ending always closes with economic success, and the promise of plentiful jobs is baked right in. Being industrious is core to American identity—while counterparts in Europe take month-long holidays, Americans strap themselves to their desks and scoff away their vacation time—and it follows that as national economic wealth increases, so should the wealth of individual citizens. Of course, this is not true—otherwise, I would not be writing this thesis.

My nomadic professional life has taken me to many places—the West Coast, the Pacific Northwest, the Midwest, the East Coast, and New England. In all of these places, I have seen work's imprint on the way people value themselves. Underemployment, exploitation, and ageism—some of the darker sides of a functioning economy—leave behind lasting scars. I have held on to these portraits with each move. Over time, I saw that some people were not just making do with what they had; they were putting the things they had to work. Some people sold handmade goods on Etsy. Others used Airbnb to rent out parts of their living space to travelers. Ordinary people could use their own cars to become private car drivers for a few hours a day. I learned to identify these as bits and pieces of the peer economy. At its base are online, peer-to-peer marketplaces that enable people to monetize skills and assets they already have. Peer economy platforms equip suppliers or providers with tools that empower them to transact with strangers and, in turn, depend on these transactions for ongoing income.

No doubt seasoned, independent professionals in any of the peer-to-peer service categories are well-positioned to benefit immediately. But what buoys this model is that amateurs can also jump in. As

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[1] U.S. social welfare framework is grounded in an outdated understanding of household expenditures. Federal income eligibility for nutritional aid requires that a household's annual income does not exceed 130% above the federal poverty line. The federal government's calculations for nutritional aid was designed under a 1950s understanding of household income and expenses. At the time, the cost of housing rarely exceeded 30% of a household's yearly net income, and the assumption was that nutritional aid supplemented whatever households could budget for food (keeping in mind other subsistence needs). This is no longer true for many Americans, especially those in urban areas whose housing can cost upwards of 50% of household income.

marketplace categories proliferate, there will be a platform fit for every individual. Accessibility is the most attractive aspect of the peer economy, and marketplace categories play one part. Peer economy providers also choose when to work, and often they can choose where to work. Startup costs are relatively low compared to other independent ventures, and those who have been defined out of a traditional workplace—due to such things as domestic care or physical and mental ableness—join the productive economy from wherever they are.

However, sunlight and shadows come hand-in-hand. In my immersion in the peer economy space, five issues continually bob up:

1. **Can peer economy opportunities comprise a livable work lifestyle?** While it may lower barriers to income generation, providers do not earn much money for all of the life concerns they must cover. As independent contractors, providers must pay their own self-employment tax, local taxes, and provide for their own benefits. All of these scramble for their paycheck, and yet providers work under pricing that is competitive with the traditional market. Under these conditions, would providers have to hustle to make a decent living (if it is even possible)?
2. **Who is accountable when something goes wrong?** Private technology companies and private citizens team up to provide services to clients. Companies build transaction tools and a reliable brand experience. Meanwhile, everyday people—providers—are the delivery mechanism, and their humanness is key to the brand promise. The peer economy framework is a business partnership between companies and providers that culminates in an intimate exchange between providers and clients. Is the company-as-matchmaker or the independent service provider ultimately responsible when things run afoul?
3. **Do legal classifications override social relationships?** This is an indictment of workers' legal status under U.S. employment laws. Company employees—which providers are not—enjoy certain protections and benefits guaranteed by state and federal laws. Meanwhile, independent contractors are entirely responsible for their own welfare. However, how people understand themselves in relation to a company has a direct impact on how vigilant they are about their wellbeing. Employees have the luxury of being dependent on a company infrastructure while independent contractors who do the same would be leaving themselves incredibly vulnerable. And yet, some peer economy companies cultivate a provider community, are highly responsive to providers, and their providers feel like they are part of the team.
4. **Can providers cultivate a collective voice?** As an emerging space, the peer economy has riled traditional regulations around quality control, and it is blurring legal distinctions between the private and the commercial. Government regulators, companies, strategists, and scholars are duking it out, but absent from the legal arena is a genuine embodiment of workers' interests. History shows us that workers are left holding the bag if they do not have a hand in shaping the economy. As a nascent space, it becomes even more important to create mechanisms from the outset that give rise to a collective voice.
5. **How do peer economy actors historically contextualize the model?** This is a common critique of the peer economy ideology. Marketing rhetoric would have us believe that the peer economy is something new, and the result is a human-centered economy, Critics and journalists jump on this, pointing to the mismatch between a utopian vision and the lack of material benefits and true public ownership—struggles that all have historical precedents.

Any exploration of the peer economy must nod to historical precedents and foreshadowing by other transactional practices. Current economic policies and governmental resource allocation regard gainful employment as a point of stasis, and I want to dig up the roots of this mentality. To open, I trace the full-time work formula to the industrial revolution and the work model pioneered by Henry Ford. Among the captains of industry, Ford pioneered the model I call gainful employment, which consists of full-time work and loyalty to a company for dependable, livable wages. I locate gainful employment within a larger paradigm known as the principal-agent relationship. Once the definition of gainful employment has been clearly articulated, I argue that within American history, there have been at least three distinct narratives mapped onto this framework: the factory floor, the office, and a shift in responsibility as corporations transferred risk to individuals. In recent decades, faith in gainful employment has faltered, and other models are emerging to fill the void. The peer economy is one such model, and it is well positioned to become a common work lifestyle. Since people monetize skills and assets they already have, the barrier to entry is lower. Peer-to-peer marketplaces reflect pieces of the gift economy and cooperatives, but the peer economy companies behind them were incubated in the preeminent U.S. technology scene. Early media features on the peer economy portray its earliest adopters as young, middle-class, and well educated—a group that is highly visible in American society—but as the gainful economy grows weaker and the peer economy grows stronger, it is unlikely that this demographic will remain the same. Fading and emerging economic opportunities, the peer economy's similarity to other economic models, and demographics of participation are all puzzle pieces. My thesis begins by trying to assemble these puzzle pieces, and I explain the abundant hope that enthusiasts have placed in the peer economy. I suggest what a work lifestyle might look like as people rely on increasingly on employment alternatives to cobble together a livable income, and I meditate on the upward bounds of growing from an independent contractor to an independent business.

The next chapter is a literature review in an unconventional sense. Academic literature reviews usually paint the conversation in a space—what has been said, who said it, and where there is room for contributions. The space is relatively new, but it shares similarities with the solidarity economy, gift economy, and commons-based peer production. All of these traditions have rich academic literature to back them up, but stitching together academic literature and news stories would only be a partial understanding of the conversation; a comprehensive literature review would require getting to know all the stakeholders in the space on top of what is already written. I spoke with providers, investors, incubators, scholars, consultants, analysts, lawyers, working groups, foundations, city employees, labor advocacy groups, cooperatives, and journalists. I learned from founders, community managers, policy analysts, product managers at many well-known startups in the space, and I refer to several of them throughout the thesis. A handful of companies appear often throughout this thesis because either they have been around long enough or their success has required them to set up frameworks rapidly. The peer economy is a young space, and while I talked to some early stage companies, the companies that I use as anchors have a longer history and tried frameworks with which to work. This chapter maps out the stakeholders and conversations, which is necessary framing to understand the five problems that I identified. These are the peer economy actors who will influence the space, whether it is in social regard, participation, or regulatory frameworks. I review intricate relationships between actors, complicated by rhetoric that obscures stakeholders' responsibilities to one another. I lay out interrelated terms and common misunderstandings of the space: peer economy, distributed workforce, crowdsourced work, sharing economy, collaborative economy, gig economy, etc., and trace the distance that sharing economy rhetoric has traveled. I suggest that inaccurate terminology leaves the peer economy vulnerable to criticism and providers in limbo when shaping policy. I contrast blue-sky rhetoric with known problems in the space, which include taxation, regulation, liability and insurance, and operational costs. As a distributed network, various stakeholders are trying to remedy some of these problems, and I outline those efforts by investors, companies, and advocates.

One of the most urgent problems in the peer economy stems from providers' legal worker classification, and this comes back to ultimate accountability when something goes wrong (question two). Because of their independent configuration, workers of the peer economy are often left outside of much of the protections that were advanced during the gainful employment era. Chapter three presents three corresponding models to the peer economy, and I contextualize the peer economy on a historical level through case studies. Each of these three case studies present action blueprints for peer economy advocates, who must identify providers' needs to develop a grounded plan and to deploy worker support. It begins with the history of domestic work in colonial America to the present day. I claim that the peer economy workforce is vulnerable for many of the same reasons as domestic workers: They are atomized workforces and are not protected under federal labor, workplace safety, and anti-discrimination laws. In essence, both domestic workers and peer economy providers have no legal safety nets. The second foray is a dissection of what it means to be an independent contractor. I review the legal tests to distinguish employees from independent contractors—the common law of agency, economic realities test, and hybrid test—and explain what the stakes are in worker classification. This legal distinction has a direct impact on who is accountable, the company or the provider, when things go wrong. I present FedEx Ground's ongoing conflict as a case study in which suits are continually filed on behalf of thousands of independently contracted drivers across 19 states who believe they have been misclassified. This legal tango has been going on for at least a decade, and state district courts and circuits courts have ruled in both directions. The case study teases out the thin line between an independent contractor and a misclassified employee, and I map the circumstances onto UberX, a transportation network company (TNC) in the peer economy that enables screened drivers to connect with passengers for private, point-to-point car service. Together, the considerations in this section drive at the need for a new worker classification as a middle ground between being an employee and being an independent contractor. Providers already see themselves in this middle, but legal worker classification currently overrides however they might understand their partnership with companies. I argue that the franchise model could lend a common language for providers and companies to talk productively about their obligations to each other. Both franchisors and peer economy companies rely on franchisees and providers to deliver a quality service or good under their brand. Both franchisees and providers view their respective models as a reliable template for independent income generation. Although the franchising model predates the peer economy by 50 years, franchisees have not necessarily figured out a check-and-balance that puts them on equal footing with franchisors. However, the peer economy is struggling to articulate basic assumptions that are widely acknowledged in legal terms in the franchising world: the implied covenant of good faith and fair dealing, and the contract of adhesion. The covenant is shorthand to mean that franchisees and franchisors should engage honestly with each other and act for each other's mutual benefit. It is implied because this covenant is supposedly so obvious that it goes without saying in any partnership agreement. The contract of adhesion questions whether one party had coercive power in negotiating a contract, and whether the weaker party could realistically intervene in the negotiations. In the digital age, the terms of service contracts share similarities with the contract of adhesion.

The fourth chapter is an amalgam of qualitative field research. Based on interviews and focus group research with community managers and peer economy providers, the chapter maps out providers' emergent needs. Since known problems were covered in chapter two and affirmed through the research, I focus instead on conveying how providers perceive their role, and I make recommendations on how companies and community groups can cultivate provider longevity as well as tips to increase providers' business savvy in this economy.

This thesis is my start to draw lines between labor practices, humanization and the peer economy. Since it endeavors to build a foundation for further research, I close by suggesting future questions that merit exploration. Through these questions, we can explore the interplay between a livable income in the peer economy and meaningful independence. Finally, I suggest that societal integration of the peer economy indicates a necessary shift in understanding as to what a human-centered economy means. Says writer Miya Tokumitsu:

> No one is arguing that enjoyable work should be less so. But emotionally satisfying work is still work, and acknowledging it as such doesn't undermine it in any way. Refusing to acknowledge it, on the other hand, opens the door to the most vicious exploitation and harms all workers. (Tokumitsu 2014)

"Devastating" is an evocative word, but I have not found a better word for what I saw along my travels: gainful employment is not the linchpin—or even a universal first step—to happiness. Two years ago, I set out on an inquisition about the future of work in the U.S. and how it configures into a meaningful and full existence. The peer economy was my rabbit hole, and I hypothesized that the space is a distributed network of stakeholders, full of symbiotic promise and just waiting to be activated. This thesis is a culmination of qualitative field research, historical analysis, sociology, political economy, and rhetorical analysis. Two years later—and on this side of the thesis—things look more tangled, but my hope has not wavered that work can play a supporting role in personal fulfillment. Many researchers and idealists dream up work models that proffer meaningful independence, and as it applies to the peer economy, one of the most important steps is matching providers' needs with capacity in the network. In interacting with this ever-growing galaxy of stakeholders—advocates and critics alike—I have learned that everyone is coming from the same place: Work can be more than a system that just happens to free people from the tyrannies of fundamental needs. Human-centered economies are possible.

Onward!

CHAPTER 1

Setting the stage – The great recession and the emerging peer economy

There is a shortage of dependable work. For decades, the standard bargain of a full week's work for a dependable and livable income has been crumbling, begging the question: If the American Dream does not start with gainful employment, then has our path to the American Dream been closed?

As a model, gainful employment takes its place alongside other work models under the principal-agent relationship, a paradigm to envision power dynamics. In a principal-agent relationship, agents (workers) must be incentivized to act in the boss' best interest. Throughout most of history, the principal-agent relationship was not particularly humane. Pharaohs, feudal lords, and plantation owners set the working conditions. As a result, agents' incentive was to pass through life relatively unscathed. At the turn of the twentieth century, however, the principal-agent relationship underwent a makeover, which began with the captains of industry. A century later, U.S. society is once again coming upon new understandings.

In this chapter, I offer a historically situated description of the rise of what is being called "the peer economy." I begin by tracing gainful employment to Henry Ford, whose influence reconfigured the principal-agent relationship as an exchange of labor and loyalty for a steady, living wage. I trace its iterations throughout the twentieth century, from the assembly line to the office. This long-running framework seeded the normative understanding that "work" means full-time effort in exchange for a salary and benefits, or what is called gainful employment. The prelude to the peer economy began in the 1980s, when clarifications to IRS tax codes relieved corporations of their social obligation to employees. The mobile 401(k) replaced pensions, and employees paid a bigger percentage of their paycheck directly into healthcare. Staring there, I graph out how the current principal-agent relationship started to corrode. The symptoms: polar extremes in wealth, increasing unemployment and unshakeable college debt, crippling America's most educated generation. This unraveling has set the stage for the peer economy. I round out the chapter with an overview of the peer economy. I lay out the vision that the peer economy offers to demonstrate why it is such a captivating work model. One of this thesis' main questions is whether an peer economy opportunities comprise a livable work lifestyle. Its most vocal supporters would answer in the affirmative.

Henry Ford's template: The three assemblages of gainful employment

Famous industrialist Henry Ford did not invent the car. He was not the first to make use of the assembly line or the first to pay a living wage; he was just the first to standardize them. "One's own employees ought to be one's own best customers," Ford said, publicly positioning himself as a friend to workers. Ford's real motivation in offering a $5 daily pay was to reduce worker turnover and hold on to human capital, but workers benefited from the tactic as other industrial age companies scrambled to keep up (Christian Science Monitor Editorial Board 2011). Together, they ushered in a work paradigm that resulted in the growth of the middle class, an age where workers received dependable wages for a full week's work. I refer to this as gainful employment. It is the framework on which American institutions have been built—legal definitions and protections between employee and employer, curricula for youth and workforce development, higher education[2], vocational training, labor legislation—all of them driving toward a full work week and employer contributions as the keys to a comfortable life.

Ford's ethical wage and benefits were the first incarnation of gainful employment and led by example to set expectations for the century that followed (see figure 1). The knowledge workforce relied on major firms, who were the principals in this iteration of the paradigm. Stability came with decent wages and career ladders that seem legendary today. Employees were proud to be "organization men" (Whyte 1956): "The employee who can plan his economic future with reasonable certainty is an employer's most productive asset," said Earl S. Willis, a manager of employee benefits at General Electric in the 1960s (Hendrick 2012:A19). Organization men exchanged years of service for defined benefits: steady pay, a pension, health benefits, guaranteed safety conditions and more. Underpinning these organization men's allegiance was the belief that their firm would take care of them.

Firms grew in wealth, and as long-term employers, corporations were extensive distributors of social welfare benefits. This excused the federal government from having to legislate the bulk of welfare benefits and resource distribution; instead, it reified this de facto employment through streamlined tax processes and services eligibility. The American Dream now looked like a stable job, and other countries coveted this picture of wealth, making gainful employment into a cultural export[3]. In the decades that followed, local and national governments promised tax breaks and other benefits in their courtship with corporations. Host countries coveted the opportunity for greater wealth, and that gave corporations incredible bargaining power. A common sentiment at the time, stemming from corporations' political sway and their role in social welfare, was that corporations were the new nation state.

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[2] In 2010, the "Gainful Employment Rule" was submitted as an education reform proposal to keep private colleges accountable. Under the rule, private colleges could only disburse federal financial aid if they graduated students who were equipped enough to secure the gainful employment that would make it possible for them to repay their tuition loans.

[3] Some definitions of "informal economy" riff off this understanding. "Formal economy" would mean any job with employer contributions (in other words, what I have been referring to as gainful employment). Anything that falls outside of this definition would be part of the informal economy, including those who are self-employed and provide their own benefits. That would mean the majority of the world's workers are informal while the minority of the world is classified as the formal economy (Women in Informal Employment: Globalizing and Organizing 2014).

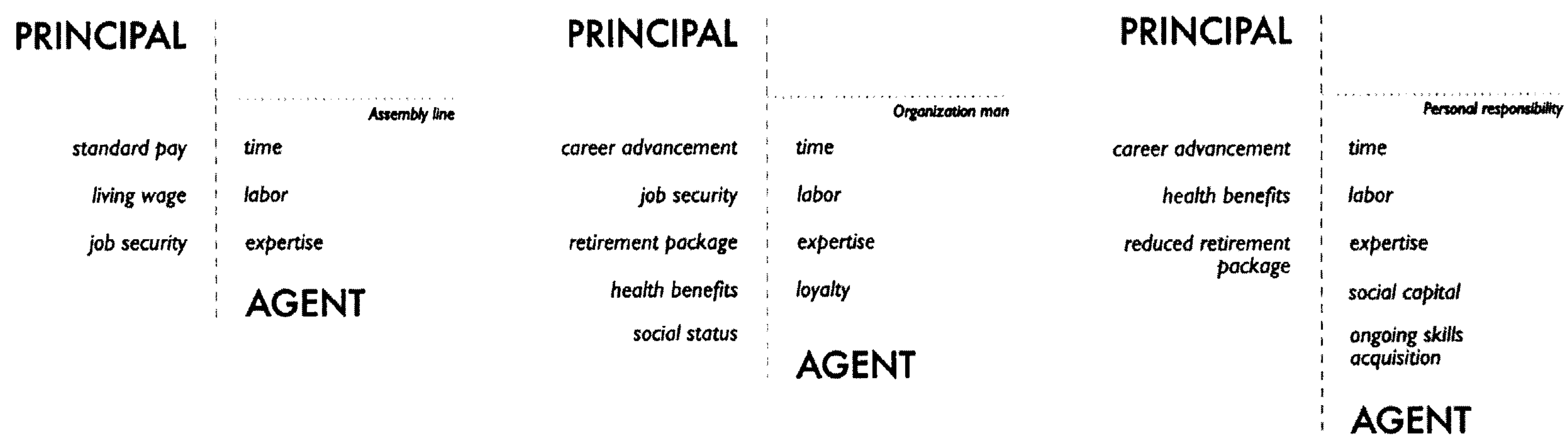

Figure 1. *The principal-agent model is a way to envision power dynamics between management and workers. The gainful employment model is a modern configuration of the principal-agent relationship, and it underwent three iterations during the twentieth century.*

We began to awaken from this American dream in the 1980s, when the IRS made clarifications to the tax code. The clarifications allowed corporations to slough off or offset the most expensive benefits. Corporations moved away from pensions toward the 401(k). They packaged the 401(k) as a mobile retirement tool: From corporation to corporation, employees could manage and take their retirement portfolio with them. Shedding the pension was also a way for corporations to shed responsibility of defined benefits, transferring the onus to the individual employee. Corporations rationalized that with freed up funds, they would be more dynamic and competitive against other firms (Davis 2009). Gainful employment was still undeniably the backbone of American society, but a pivot was taking shape—gainful employment entered its third iteration. Political scientist Jacob Hacker calls this transition in the 1980s and 1990s "the great risk shift." Instead of the corporate manor, economic risk was shifted "onto ordinary Americans in the name of enhanced individual responsibility and control" (Hacker 2006:8). Hacker describes this rhetorical shift as the "personal responsibility crusade," a campaign driven by both corporations and government.[4]

Beginning in the 1990s, the terms "globalization" and "outsourcing" became part of everyday discourse. On the one hand, ever-improving technology made anything we want just a click away. On the other, jobs that were once bound by supply chain costs to specific localities were now off-shored for cheaper labor.

> The implication of this new 'flat world' frontier is that perhaps 40 million jobs in the US are at risk of offshoring... Notably, it is not the level of skill that distinguishes 'offshoreable' jobs, but the means of their delivery, which implies that—unlike in the past—a high level of human capital is not sufficient to provide job security. (Davis 2009:198)

Besides making it easier to tap cheaper labor markets, economists Erik Brynjolfsson and Andrew McAfee believe that technology goes beyond connecting worlds; technological progress is displacing human workers across the board. As time goes on, fewer tasks can be considered uniquely human: the self-driving Google car[5], 3D printers, data entry replaced by optical character recognition (OCR)—the list goes on. EdX, a massive open online course platform, uses artificial intelligence to grade student essays (Markoff 2013). Layoffs quietly happened pre-recession, but they visibly accelerated during the late 2000s. "Economic history teaches that when companies grow, earn profits, and buy equipment, they also typically hire workers," writes Brynjolfsson and McAfee, who underscore that GDP has actually returned to

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[4] Bill Clinton signed a piece of legislation in 1996 entitled the "Personal Responsibility and Work Opportunity Act."
[5] Google has been testing its self-driving car on public roads since 2010. The car can be in automated or manual mode, and there is always a driver in the passenger seat who is ready to take over (Simonite 2013). As of the submission date of this thesis, the Google self-driving car has not been the cause of an accident when in automatic mode. However, there have been at least two times (once in Mountain View, Calif., once in Bogor, Indonesia) when the Google car has been in fender-benders while humans were behind the wheel (Stebner 2013). It is important to distinguish that while Google lauds its self-driving car, the lack of accidents does not mean that the car is accident-proof; it merely means that it may be a safer navigator than humans.

and exceeded pre-recession levels. "But American companies didn't resume hiring after the Great Recession ended ... the number of new hires remained severely depressed. Companies brought new machines in, but not new people" (Brynjolfsson and McAfee 2012:3).

At the turn of the century, still holding tight to the organization man narrative, more Americans than ever aimed for higher education degrees. Over time, even a college degree was not sufficient human capital investment to land a job. In pursuit of greater marketability, students stacked on internships, extracurriculars, and graduate degrees. The excess investment was costly as young Americans bet on their future. In 2011, the average American university student graduated with $26,600 of debt (Reed and Cochrane 2012). However, as Brynjolfsson, McAfee, and Hacker all point out, basic human capital investment—the correlation between quality of work and acquired competencies—is no longer the golden ticket (see figure 2).

> Educated professionals may comfort themselves with the thought that they are more financially stable than the check-out clerk who never finished high school. But compared with educated professionals in the past, they are experiencing much greater income swings—swings in fact comparable to those experienced by less-educated workers in the 1970s. (Hacker 2006:15)

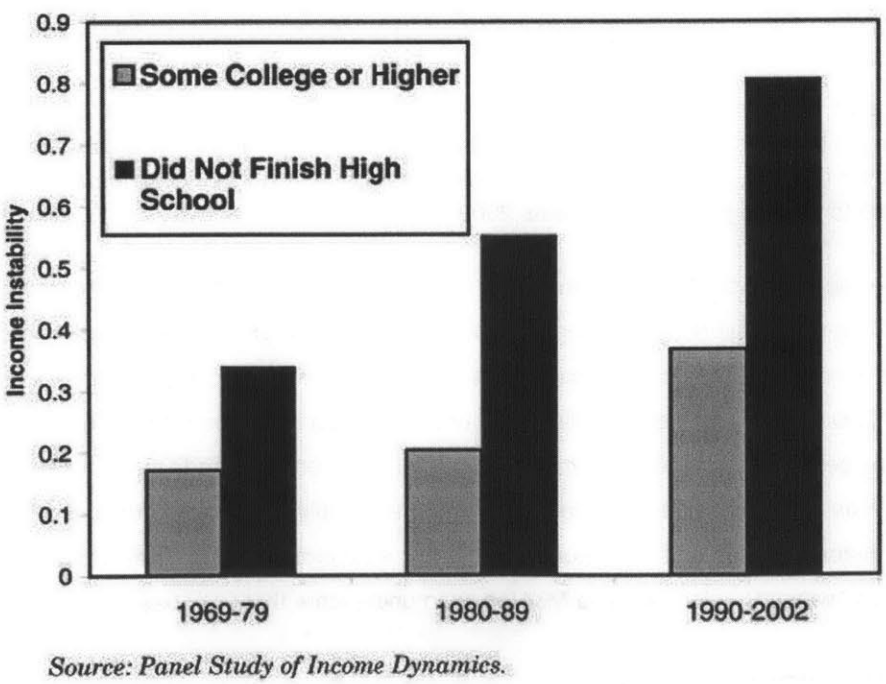

Figure 2. *Jacob Hacker used this graph to illustrate that while instability has increased each year across education levels, the percentage difference between the two groups rose about the same. In 2004, nearly half of young Americans surveyed by The Roper Center for Public Opinion—many of them fresh college graduates—agreed that economic security in the U.S. had changed, and another 20 percent believed it would be true down the road (Hacker 2006:29).*

For Brynjolfsson and McAfee, the megafirm era is over. The level of technological progression will lead to a proliferation of "micromultinational firms" where employees and machines complement each other so efficiently that just a few employees need to be utilized to pull off a worldwide operation—"micro-experts for macro-markets." Their declaration necessitates a reconfigured outlook on human capital: offload configurations to machines and, instead, invest in highly specialized human capital that is not redundant of technological equipment. In Brynjolfsson and McAfee's vision, the prerequisite for Americans to luxuriate in gainful employment will be an aggressively entrepreneurial spirit[6] (Brynjolfsson and McAfee 2012).

Communications scholar Gina Neff researches the spread of entrepreneurial characteristics. She has interviewed hundreds of employees from Silicon Alley's[7] 1990s dot-com startups, asking them to interpret their experiences. After extensive ethnographic research, Neff observed a pattern of "venture labor:" "the investment of time, energy, human capital, and other personal resources that ordinary employees make in the companies where they work. Venture labor is the explicit expression of entrepreneurial values by nonentrepreneurs." Among her subjects, this manifested as earning stock in place of income and excessive sweat equity by promoting "products and services in their off-hours as a way to support firms' goals and generate new demand. As I saw in my field research in the New York-based Internet industry, **employees spent many of their off-hours marketing their firms at industry networking events, and they talked about the interpersonal connections that they made at such events as a form a social capital for themselves and their companies**" (Neff, 2012:16—emphasis mine). Traditional human capital had depreciated significantly, and to establish both their indispensability and maintain marketability, employees subconsciously exploited their qualitative value, right in tune with the 1980s "personal responsibility crusade."

"People's desire and need to take economic risks stemmed from a lack of job security and an increase in employment flexibility—not the other way around. Because work in general became riskier, people became more willing to take more risks" (Neff 2012:10). Individuals now internalize "economic downturns, company layoffs, booms and busts—these are collective phenomena, but people attribute managing these risks to individual pluck" (Neff, 2012:7).

Writer Miya Tokumitsu frames this internalization in more insidious terms:

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[6] Of course, this is problematic because it perpetuates inequity in our current society. Those who are already ahead due to privilege and socioeconomic advantage may have a shot at getting farther ahead while those who are already behind would be even more likely to fall off the track.

[7] Silicon Alley is the epithet for New York City's tech scene. Its name is an allusion to Silicon Valley, which is widely acknowledged as the technology and development hub of the United States.

> By keeping us focused on ourselves and our individual happiness, [the "Do What You Love" mantra] distracts us from the working conditions of others while validating our own choices and relieving us from obligations to all who labor, whether or not they love it. It is the secret handshake of the privileged and a worldview that disguises its elitism as noble self-betterment. According to this way of thinking, labor is not something one does for compensation, but an act of self-love. If profit doesn't happen to follow, it is because the worker's passion and determination were insufficient. Its real achievement is making workers believe their labor serves the self and not the marketplace. (Tokumitsu 2014)

Brynjolfsson, McAfee, and Neff all point to entrepreneurship. Even though Neff makes the case that individuals may demonstrate more entrepreneurial characteristics as a symptom of job insecurity, all three scholars are considering highly educated populations. However, the minimum requirements to qualify for a job have risen as fast as jobs with defined benefits have dropped away. Today, it takes a cascade of privileges—culminating in education and extensive work experience—before a candidate ever sits before an interview board. Tokumitsu cuts to the chase: "It is the secret handshake of the privileged and a worldview that disguises its elitism as noble self-betterment ... 'Do what you love' disguises the fact that being able to choose a career primarily for personal reward is an unmerited privilege, a sign of that person's socioeconomic class. Even if a self-employed graphic designer had parents who could pay for art school and cosign a lease for a slick Brooklyn apartment, she can self-righteously bestow DWYL as career advice to those covetous of her success."

Ford's statement that laborers should be able to afford the goods that they manufacture is becoming less achievable, and this is where the gap is widening. "...While instability and inequality have both risen substantially, instability has actually risen faster and farther than inequality" (Hacker 2006:27). Americans feel the instability; "we are the 99%" was a popular slogan during the Occupy Wall Street movement, an international protest in 2011 that lasted several months. Inversely, the top 1% refers to those who can afford equipment and control capital frameworks that perpetuate their wealth (see figure 3). Also tired of the instability, hundreds of thousands of FedEx Ground drivers joined together to file a class action lawsuit, accusing FedEx of misclassifying them as independent contractors so as to avoid hiring permanent employees[8].

[8] More on this in chapter three.

EXCERPT FROM ONPOINT

TOM ASHBROOK (HOST)	*95% of the gain since the recovery began has gone to the top 1%.*
CHRYSTIA FREELAND	*Even more in some measures.*
TA	*How much more is there?*
CF	*I brought some data points myself, and between 2009 and 2011, the 1% got 121% of the gains and incomes. And you may say how can you get 121%? And that's because the 99% went down. They went down by 0.4%.*

Figure 3. *In October 2013, NPR show* On Point *organized a forum examining inequality and American democracy. Host Tom Ashcroft shared the stage at Harvard Kennedy School with Chrystia Freeland (Liberal Party candidate for Canadian Parliament, journalist and author of* Plutocrats: The Rise of the New Global Super-Rich and the Fall of Everyone Else*) and two other political science and history professors (On Point 2013).*
Similarly, scholar Gar Alperovitz presents the statistic that "400 individuals in the United States now own more wealth than the bottom 180 million Americans taken together" (Alperovitz 2013).

Many scholars will argue that technology is replacing both the complex and simple in labor, manufacturing, and processing. Brynjolfsson and McAfee describe the GDP bounce-back as a "jobless recovery." Meanwhile, the number of Americans matriculating into the labor market has (and will continue to) outstripped available jobs (Aronowitz and DiFazio 1994). Frank Levy and Richard Murnane write that the knowledge sector cannot absorb all of the displaced workers across manufacturing, agriculture, service sectors and the growing pool of knowledge workers (Levy and Murnane 2005). All of these scholars point out the paradox of technological progress:

> The ancient Greeks would have seen the current moment as a turning point in human history, where only a tiny fraction of the population's hours are needed to produce all of the food, clothing, shelter and material goods people need to live comfortably. Surely we were on the verge of a society devoted to a life of art, literature, and contemplation. (Davis 2009:249)

Across the three iterations of gainful employment, risk has shifted increasingly from the firm to the individual. Technology could possibly be replacing complex human labor and creativity, or it might also be that population growth is outstripping job growth. Whether the plentiful supply of college graduates has caused human capital to inflate on a macro level or depreciate on an individual level, the result is the same: People cannot land the jobs they had expected for themselves. Workers in the knowledge sector feel personally responsible for their employment status, and it has become standard to let work needs bleed into personal, uncompensated time. Class mobility has decreased, and job insecurity has shot up across socioeconomic classes. GDP continues to rise while the rate of employment stays the same. Although it is not about to disappear, gainful employment is flagging, and in its wake, other paradigms are bubbling up.

Stepping out of the decline: The peer economy picks up steam

Gainful employment has not kept peace with the number of people graduating into the workforce who expected those jobs to exist. Although the GDP count has bounced back, long-term jobs remain depressed, and this sort of misleading indicator has very poignant consequences. To out-of-work Americans, a powerful social contract is broken, and they are left wondering if investing in human capital—apprenticeships, internships, education, experience and technical know-how—was a smart use of time and personal resources.

The future of work gives rise to many questions and work models. Some of these include the equivocation of entrepreneurship and high-growth enterprises, challenging the 40-hour unit as a full-time workweek (scholar Juliet Schor recommends the 21-hour work week (Schor 2012)), and if permitting employees to work remotely will increase productivity (sometimes described as the purpose-driven workforce or knowledge economy (Leberecht 2014)). On the work model front, progressive thinkers are revisiting the cooperative model (also known as a T Corporation) and advocating the triple bottom line[9] while scholars continue to ask whether crowdsourcing—volunteerism that collectively progresses a goal or project—is an expression of passion or an exploitation of laborers who deserve to be paid. Media are plastered with technocratic language and ideology; one evangelizing CEO goads students to drop out of college in exchange for $100,000 to pursue a startup idea[10] (Knight Randolph 2011), and programming skills are being elevated as the master key to a viable livelihood. Some of these questions demand policy shifts,

[9] The traditional bottom line of a company is profits for its investors. Double bottom line refers to a focus on profits and social responsibility. The triple bottom line means that the company invests in profit returns, social impact and environmental impact. Progressive consultant Rachel Botsman's "collaborative consumption" has become a core tenet in the sharing economy. It captures the triple bottom line; instead of creating more output, collaborative consumption emphasizes reuse. This looks like trading, consignment sales and shopping, or buying something once to be sold hundreds of time (i.e.: ZipCar or city bikesharing programs such as Citibike in New York City and Hubway in metropolitan Boston).

[10] A trope in technocratic storytelling is that many founders of the best-known technology companies are college dropouts: Facebook's Mark Zuckerberg and Microsoft's Bill Gates both dropped out of Harvard. Apple's Steve Jobs and Steve Wozniak dropped out of Reed College and UC-Berkeley respectively. Michael Dell of Dell Computers dropped out of UT-Austin. There are numerous lists of the most famous tech millionaire dropouts, and their success are often portrayed as testimonies to the absurdity of investing in a college education.

each of these possibilities deserve examination, and many of these will require decades of cultural campaigning to bear fruit. The peer economy is not the only model in the future of work, but it is jumping the line because it upsets the principal-agent relationship and clashes with legal frameworks on the local and federal level. In a world of fledgling models, the peer economy is a straightforward proposition to its providers: Have a skill? Have an asset? Why not sell it, and then sell it again?

THE PEER ECONOMY

TASKRABBIT	*"rabbits" bid to complete customers' errands and tasks for pay*
SKILLSHARE	*instructors offer online courses, complete with projects, on various skills and specialties*
ETSY	*artisan and vintage items marketplace*
AIRBNB	*hosts rent out extra living space to travelers for income*
KITCHENSURFING	*home diners book chefs and talented home cooks crafting unique menus for in-home cooking*
RELAYRIDES	*private owners set a price to lend out their vehicles to prospective drivers*
SHAPEWAYS	*A 3D printing service that manufactures suppliers' designs and provides a marketplace for those products*

Figure 4. *The peer economy includes verticals such as ridesharing (legalized by the California Public Utilities Commission as "transportation network companies"), skillsharing, small-scale manufacturing, space sharing, and personal service for hire. New peer economy companies and verticals pop up everyday.*

The peer economy is a framework of online, peer-to-peer marketplaces that enable people to monetize skills and assets they already have (see figure 4). To a provider, the peer economy is immediate relief. It provides an income stream while also freeing providers to choose when to work, what to do, and where to complete the work. Providers sidestep traditional constraints such as geography or rigid work schedules. Those who did not find inclusion in a traditional workplace—stay-at-home carers, the elderly, those varying in physical and mental ableness—suddenly have an empowering way to generate income.

The peer economy is also a beacon of light in the technological doom-and-gloom. The darkest view of technology is that automated processes will one-day master all human tasks. In contrast, the peer economy represents technology's power to be a humanizing force. The digital divide is still very real, but Internet access is taking on qualities of a basic utility (thereby underscoring the urgency around the digital divide). Where once networked communication was only possible through private, expensive infrastructure, whole worlds are now accessible to private citizens at the cost of Internet access. In commerce, expensive infrastructures are one of the highest barriers to entry and innovation, but when it comes to communication, the Internet is bulldozing that cost. The ease of communication, lowered startup costs, and rapid scalability are all affordances of digital technology. Companies that have taken advantage of these lowered barriers—peer economy companies included—can test their concepts in the marketplace with very low costs. Additionally, code—the scaffolding for these marketplaces—is far less expensive than tangible equipment. These affordances cross many scales; with marketplace tools at their disposal, peer economy providers can try out the income opportunity without a cost-prohibitive, upfront investment.

In addition to its accessibility, vocal supporters praise the peer economy for its role in reducing consumption (and, inversely, reducing demands on industrial manufacturing that contribute to environmental degradation). Consultant Rachel Botsman often uses the example of a drill (Botsman and Rogers 2011). The average drill only gets a few sessions of use. A person who remodels a house may buy a drill, and once the remodeling is complete, the drill sits around indefinitely. Meanwhile, plenty of people would like to use a drill for one-time projects, but they may not want to invest in a drill that will end up in their own equipment purgatory. Lending via the peer economy means one-timers invest only what it costs to rent a drill, drill owners earn some money, and the drill has now been revived with a purpose. Peer economy enthusiasts would point out another layer to this transaction: connection between strangers. Because the drill owner lent the drill to a one-time user, a connection is forged. This connection could stay as simple as that transaction, but it has the potential for people to exchange stories: Why did the owner buy the drill? What project is the one-timer working on? Perhaps a friendship will grow out of this transaction. Even if it does not, two strangers have glimpsed each other's lives, which might be different than their own.

This aspect of connection, solidarity, and humanity is a selling point for peer economy companies, seeing as the peer economy business model is built on an inherently inefficient "inventory." There are boundaries to optimizing human performance—including physical limitations, societal values, and quality of life—before it is outstripped by automated performances. However, as a selling point, every transaction with a provider is a tailored and irreplicable experience. Therefore, the emphasis is on assets and basic skills, which frees people from the vicious cycle of human capital investment. Peer economy companies boast about the communal nature of peer-to-peer transactions. By doing so, they position their weakness as a strength. Ultimately, though, the peer economy's great innovation is systematizing trust and reliability between strangers. The mechanisms behind this include:

- **Screening process** - It is de rigeur for some peer economy companies to perform background checks and conduct interviews with potential providers. Transportation network services and personal service fulfillment are verticals that require the provider to be present throughout the service delivery period (for example, to transport a passenger, a driver/provider must be at the wheel, or the car will not move). The screening process begins with a background check. If a candidate clears the check, that candidate will be interviewed by someone associated with the peer economy company. The final stage of the screening process is a performance test that varies depending on the vertical.
- **Reputation systems** (ratings and reviews) - During an interview in which economic sociologist Mark Granovetter summarizes his 1985 landmark paper, Granovetter says, "people's economic activity is embedded in networks of social relations, and whether or not people can trust each other—which is a big problem in any economic set of outcomes—depends on what kind of social network and social relationships they have" (R&O Multimedia 2011). To fully unpack Granovetter's point, let us begin at Craigslist. Craigslist is a peer-to-peer marketplace where anyone can post physical items for sale, and transactions happen directly between buyers and sellers. Many people who sell items on Craigslist are occasional sellers; they have something to get rid of and want a quick sale. They may post pictures and a description, but the amount of information is up to the seller. This presents an information asymmetry: sellers have very little incentive to be honest about their item, and a buyer has no real way of verifying the seller's description before reaching a transaction point. If a seller presents an item in one light and the item does not match the description, then too bad for the buyer! Meanwhile, the buyer cannot warn future buyers of the seller's duplicitous behavior. And—alas!—malicious sellers do not suffer the consequences because creating a Craigslist account is simple; there are no considerable hurdles for malicious sellers to repeat the process with a new buyer. "One thing I didn't say that people often make the mistake of attributing to me or attributing to economic sociology is that people's social relationships always lead them to trust one another," Granovetter continues. "This is a mistake; whether there is trust is a complicated issue. It depends on how the network of social relationships is set up. In fact, it's important to keep in mind that when you trust other people, you are much more vulnerable than if you didn't."

  Peer economy companies try to rectify this information asymmetry, and the strongest line of defense is a reputation system. If malicious sellers decide to portray their service or product inaccurately, consumers have immediate recourse. Since there are plenty of providers to choose from, reputation matters. A gussied up profile, a personal brand, a collection of good reviews, a considered product portrayal—all of these together take significant effort. This significant effort is a sunk cost—an anchor that keeps people from abandoning ship because they would lose everything they have invested up to that point. Try convincing a life-long Microsoft Windows user to switch to a Mac operating system. It is just as tough to convince a Flickr user that another photo storage service might be better when that user has spent countless hours uploading photos, captioning photos, tagging photos, curating photos, and drumming up attention for those photos.

  In reputation systems, ratings are like compound interest; the more positive reviews a user has, the more worthwhile it is to engage with that user on a monetary level.

- **Intermediated monetary transactions** - Unlike Craigslist, users do not transact directly. Rather, the platform processes all monetary exchange—taking a commission for creating tools to mitigate the risk—so that users never have to worry about being cheated.
- **Design as a placemaking tool** - Today, design cohesion within a web site is taken for granted. It is hard to remember a time when it was not standard practice. To implement cosmetic changes, web administrators once had to update code manually for each page within a website—every minor style change on one page had to be replicated manually for every other page. Site administrators probably cheered when cascading style sheets (CSS) became a web standard, and it plays a key role in placemaking on the Web. Websites typically deploy just a few templates that are replicated across the site—the main page, content page, profile page, etc.—and these templates share common branding and layout elements. When something needs to be tweaked, site administrators work with the CSS, which automatically makes site-wide changes. Instead of letting users customize their profile page or service offerings, every web-based peer-to-peer marketplace replicates the same layout across providers. The only difference between providers is the content[11]. This uniformity creates a fluid brand and shopping experience for visitors. The marketplace—rather than particular providers' storefronts—becomes the destination. This is an affordance of Web technology. As visitors acclimate to the layout, it becomes invisible, and the familiar structure makes it easier to navigate through the plenitude of shops and goods.

With this transactional trust in place, verticals abound, and new peer-to-peer marketplaces—pet sitting, delivery services, neighborhood tourism, etc.—appear everyday. Various consultants and analysts have put together comprehensive charts and taxonomies that map out this sector, and many of the vertical divisions overlap (see figure 5). Additions or differences are often due to the broadness of an individual's definition of the sector.

[11] A classic example of layout deployment is the design cohesion within Facebook and that of MySpace. Both began as general social networking sites, and they were viewed as competitors. MySpace granted users the flexibility to play with the style sheet behind their profiles; profiles differed from user to user in text colors, fonts, background images, and more, which led to a disjointed experience. Meanwhile, Facebook's heavy-handed approach translated into a reliable experience for users on the social network. Today, MySpace is no longer seen as a general social networking site.

Figure 5. *To the left is a categorization of what Crowd Companies' Jeremiah Owyang, chief catalyst of a brand council, calls the "collaborative economy." The right is a screenshot of Collaborative Consumption's organization scheme. (Owyang, Samuel, and Grenville 2014; Collaborative Consumption 2014)*

However, I want to stretch the space's division of services as categories that enable providers to scale their efforts. The distinction between peer economy opportunities is not only in the service industry but also in the career trajectory: What are the levels of engagement that users can start with, stay at, and where can they matriculate to (see figure 6)?

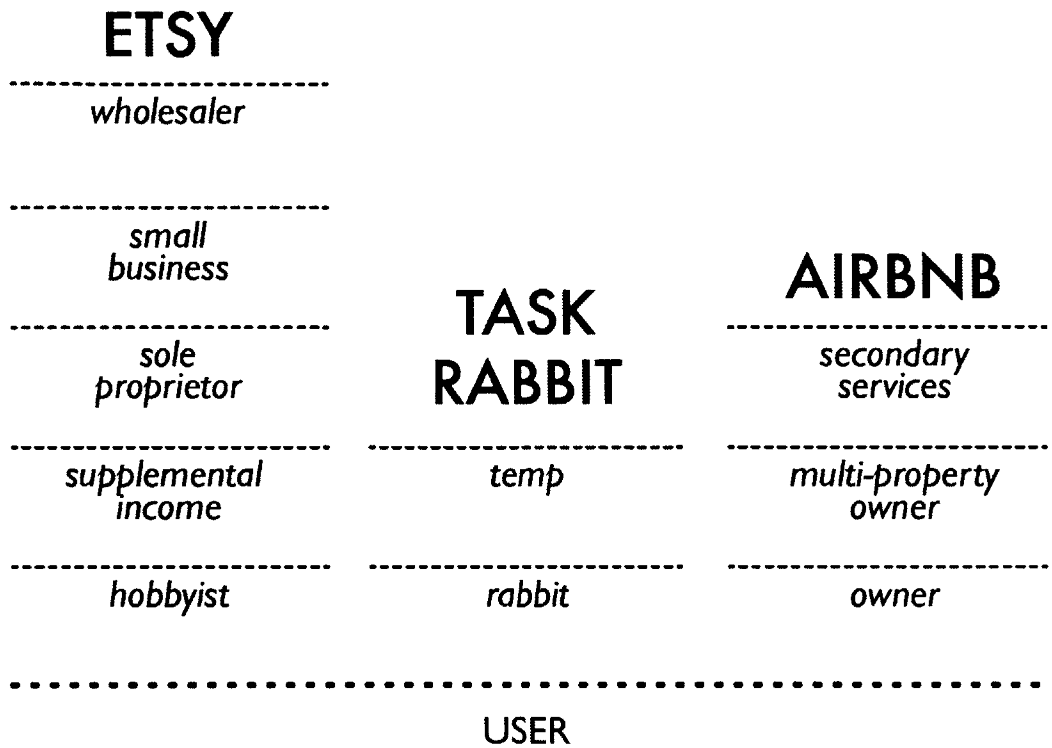

Figure 6. *Above are hypothetical engagement levels on peer economy platforms. Each peer-to-peer vertical varies in room for growth.*

Scaling in the peer economy is not symmetrical. The competitive charm of peer-to-peer services is that everyday people provide goods that are comparable in price and quality to other market options. As demand for services and products grow, companies can scale by adding to their supply-side—in other words, onboarding more providers. Providers can continue to optimize their individual efforts in order to take advantage of the demand for their service, but there are limitations to fine tuning. The "verticals" I want to focus on start from here. Providers monetize skills and assets they already have, but some platforms require more assets than others (I will refer to this as category one, or C1). Transportation network companies and personal service platforms, for example, require providers to commit time, equipment and presence for each paying gig. Other platforms, such as shared space platforms or small-scale manufacturing, give their providers more room to work with; providers who have access to multiple properties could monetize each space with a relatively minimal increase in effort. Etsy sellers can tweak production methods to increase product output (knitting, for example, would require the same formula as TNCs and personal service platforms. However, given the same amount of time, a printmaker will have a higher product output than a knitter). This second platform category (C2) has room for fine-tuning the process as demand increases. If the service is priced correctly, the demand also generates enough wealth so that when a provider has hit the limits of production, the provider can hire another person. Thus, the provider can keep up with demand while growing a profit margin. These differences are important because they spell out the technical framework that separates a low-wage, independent worker from a provider who can realistically grow into a small business.

Even though category one is more asset intensive, it is easier for providers to get started. Think of peer economy opportunities as basic income templates. Some of these templates are more prescriptive than others—some C1 platforms set the rate for providers' service. In general, providers do not have to distinguish themselves from one another because these C1 platforms act as the dispatcher. Some of these platforms include TNCs and courier services (i.e.: Postmates, a personal service platform, guarantees small deliveries from point A to point B—the consumer's location—within a certain time frame), and the platform sets the price. An exception is TaskRabbit, in which Rabbits determine what paid tasks they are willing to undertake. Meanwhile, KitchenSurfing looks a lot like this first category because it requires multiple asset utilization, but chefs must also create a unique narrative about their food and skills that speaks to the consumer—this storytelling is how chefs justify their price. Ultimately, what distinguishes platforms that look like they belong in C1 is the level of creativity involved. Providers in C2 platforms compete within the peer-to-peer marketplace, which calls for more calculated moves (flexibility, creativity, opportunism, etc.).

There is also osmosis between platforms. Optimistically, peer economy providers could cobble together their livelihood through a combination of various opportunities. A seller on Etsy may have her hands full, but perhaps someone who is on TaskRabbit is also likely to be on RelayRides. In fact, the peer economy can be a multimodal experience. Imagine that engagement with each vertical is made up of various coordinates, which would give us a multidimensional perspective of each vertical opportunity. These coordinates represent various assets: the provider's equipment, the provider's invested time, and the necessity of a provider's physical presence to execute the service. It also includes the valuation of the service or product (the price, which translates into earned income). Assuming that providers already have the asset and a fixed price is in place (determined either by the individual or the platform), the remaining variables are time invested and earned income. Every vertical will have a baseline of invested time; on the most basic level, providers must maintain a platform account. The time required will branch from there: Lyft or Uber drivers invest chauffeuring time, Airbnb hosts invest in making their living space clean and enjoyable, Etsy sellers invest the amount of time it takes to craft a product by hand, and TaskRabbits take whatever amount of time they need to accomplish a task. Barring seasonal fluctuations in demand, these examples demonstrate that the relationship between invested time and earned income is not one-to-one. Providers might spend different amounts of time on each platform to earn the same amount of income. Where little time is invested, providers can more flexibly use multiple platforms. In a few cases, such as if providers run a small manufacturing business out of their home (and 97% of Etsy sellers do (Etsy and GfK, 2013)), renting out on Airbnb would make sense as a maximization of their time.

This chapter began with a historical overview of normative work in the twentieth century. I identified key characteristics—employer-contributed benefits, reliable income, employee loyalty—under the umbrella of gainful employment. As a framework, gainful employment has undergone three facelifts. It began on the factory floor, where laborers were awarded living wages. Mid-century, the model was preserved in the form of the knowledge workforce. By the end of the twentieth century, employer-contributed benefits and job security had ebbed. As a result, workers took on an individually deterministic approach to work. Neff describes this out as a coping strategy to manage risk. As part of this outlook, workers poured more assets into their work—not just their education, but also building personal-professional social networks and leveraging that social capital for work. Instead of clearly delineating work from personal lives, the two began to blend. Although this iteration of gainful employment is still in swing, more and more young Americans have failed to benefit from it. Meanwhile, other generations who were once part of the knowledge workforce have had trouble regaining access to gainful employment since the Great Recession.

With such a setting, alternative work models can take on prominent roles. The peer and sharing economy is one of those work models. People—from amateurs to professionals—need only utilize their existing assets and skills to earn income through online, peer-to-peer marketplaces. Types of marketplaces include transportation, retail, small-scale manufacturing, personal services, and food. This emerging space has ignited excitement around a just and cooperative future. By relying on assets and skills they already have, providers would be giving a second life to underutilized assets. On a bigger picture, demand for new products would decrease, which reduces pollution and the irreversible use of nonrenewable natural resources. Meanwhile, this type of lending and borrowing fosters bonhomie among strangers—peers—and promotes an appreciation of the human touch.

Startups and their investors fuel this space; many of the peer economy companies are just shy of three years old. Due to this, my thesis hones in on a few platforms as representatives of the peer economy. The majority of these platforms—Airbnb, Etsy, Lyft, Uber, KitchenSurfing, and others—have operated long enough to have a stable infrastructure. In all, companies across the peer economy are explicit that this work paradigm is here to stay, and one day it will be just as preferable a career path as gainful employment.

In the next chapter, I catch the reader up on current discourse in and around the space. I introduce a cast of characters—the companies, providers, investors, entrenched interests, strategists, regulators, local governments, labor advocates, scholars, critics, and media—and their perspectives and stake in the space. After outlining their intentions in regards to the peer economy, I catalogue known problems and conundrums within the sector, including unresolved questions around taxes, insurance, liability, and—on the other side of one of this chapter's questions—whether a patchwork of peer economy gigs can truly be a coherent work lifestyle.

CHAPTER 2

A charismatic solution? Rhetoric, criticisms, and known problems in the peer economy

Why is the peer economy such a media darling? After all, history is lined with alternative work models. Some of these work philosophies and infrastructures have stood the test of time, just waiting to be activated in mainstream society. To answer why the peer economy is the source of such commotion, we must ask, "what is happening now?" As illustrated in the previous chapter, a confluence of factors has pushed Americans to the brink of urgency. In a little more than a century, the gainful employment model rose, grew, and is now wearing thin. Concurrent to this model is American businesses' love affair with efficiency. From assembly lines and scientific management theory to technological delegation and displacement, activities thought to be uniquely human have moved to the machine realm, and the simple tasks that should have been taken over by machines are still filled by a cheaper supply of human labor. In these operational schemes, unrelenting algorithms orchestrate human activity even though humans do not function the same way as objects[12]. However, these conditions only account partially for why attention is shifting to other work models: media portrayals have had an enormous influence on society's normative understanding of work.

> [In 1893] a Hungarian engineer started ... a news service in Budapest and expanded it into a comprehensive entertainment service with outlets in the homes of its 6,000 subscribers, each of whom had a timetable of programs including concerts, lectures, dramatic readings, newspaper reviews, stock market reports, and direct transmissions of speeches by members of Parliament. It focused the attention of the inhabitants of an entire city on a single experience, regulated their lives according to the program schedules, and invaded their privacy with an emergency signal that enabled the station to ring every subscriber when special news broke. An English journalist imagined that this service, if introduced in England, would ... diminish the isolation of individuals in cities and make it possible for one voice to be heard simultaneously by the six million people of London. (Kern 1983:70)

Each breakthrough in the history of communication technology has been a force for synchronization. The printing press reduced the cost of production, and the affordability and proliferation of texts eventually led to widespread literacy (Springhall 1999). The postal service transformed separations between loved ones from unremitting silence to manageable long-distance relationships (Henkin, 2006). The telegraph enabled newswire services to fill news spreads with national news (Cheng 2007). Radio and television broadcasting made it possible for an entire country to experience information simultaneously (Kern 1983).

[12] In 2012, reporter Mac McClelland wrote about her experience working in a workhouse. She had procured a job for the purposes of writing an expose, which was published in Mother Jones. The warehouse stored inventory for major online retailers, and the warehouse was responsible for fulfillment (shipping a customer's order once an order has been placed). McClelland saw firsthand the health and injury risks that come with such a low-paying job. Her piece struggles with a deafening tension: at least fulfillment centers create jobs, however, can that be justified against the long-term health detriment they cause their employees? (McClelland, 2012) The piece was revisited in 2014 by Radio Lab, a popular WNYC educational radio show.

Every consequential media technology has reduced the distance between people. As a way of spreading information, media have had a resounding effect in the U.S., an expansive country with a relatively small population. This is why "media" and "journalism" are often used synonymously, and institutional journalism has faithfully put people on the same page since the invention of the telegraph. However, alongside Ford's gainful employment, institutional journalism—professional journalism buttressed by media houses, journalism think tanks, academic curricula and similar institutions—is a twentieth century product. Few voices could afford to rival major media houses since production and distribution were expensive endeavors for most of the last century. Says scholar Yochai Benkler:

> Mass media structured the public sphere of the twentieth century in all advanced modern societies. They combined a particular technical architecture, a particular economic cost structure, a limited range of organizational forms, two or three primary institutional models, and a set of cultural practices typified by consumption of finished media goods ... The technical architecture was a one-way, hub-and-spoke structure, with unidirectional links to its ends, running from the center to the periphery. A very small number of production facilities produced large amounts of identical copies of statements or communications, which could then be efficiently sent in identical form to very large numbers of recipients ... There was no return loop to send observations or opinions back from the edges to the core of the architecture in the same channel and with similar salience to the communications process, and no means within the mass-media architecture for communication among the end points about the content of the exchanges. (Benkler 2006:178)

Opposite-the-editorial page, or "op-eds, " were once written by a select few. Editors courted thought leaders and prominent individuals for their opinions at a rate of one op-ed per issue. Benkler continues:

> Communications among the individuals at the ends were shunted to other media-personal communications or telephones-which allowed communications among the ends. However, these edge media were either local or one-to-one. Their social reach, and hence potential political efficacy, was many orders of magnitude smaller than that of the mass media. (Benkler 2006:179)

Now, opinions are everywhere. Coupled with streamlined manufacturing that has made media making tools affordable, Internet adoption has severely weakened mainstream journalism's place as the herald and tastemaker of American society. Online distribution channels—from blogging to Twitter to Instagram—have multiplied. Even prominent news and information outlets such as Harvard Business Review court guest bloggers to flesh out their daily yield when they are in between print editions. Amateur observations can now rival time-honored media houses. In the midst of so much noise, news organizations have had to embrace diverse voices in order to retain audiences. Technology has disrupted more than just journalism; the Internet has disrupted museums and galleries, music and television production, fabrication and manufacturing, and dethroned other gatekeepers. Combined with powerful do-it-yourself/ourselves media platforms, the media scene has become a fractured plurality where no institution has totalizing power.

> The networked public sphere, as it is currently developing, suggests that it will have no obvious points of control or exertion of influence-either by fiat or by purchase. It seems to invert the mass-media model in that it is driven heavily by what dense clusters of users find intensely interesting and engaging, rather than by what large swathes of them find mildly interesting on average. (Benkler 2006:177)

In the case of work, this means no one institution will set the de facto portrait of work. On an even more micro level, no one actor has complete control over the perception of specific work models.

Media are truly pluralized now, and this trickles down to sector conversation. Even before peer-to-peer marketplaces grew into their collective name as the peer economy, there were news features and academic theses sussing out just how deeply the model would sink in. Many focused on the earliest peer economy platforms, eBay and Etsy, and scholarship tended toward peer production. Today, the space has banded together under the popular but loose term "sharing economy," with echoes of the "peer economy," "collaborative consumption," "collaborative economy," and some less than positive names. The "peer economy" specifically carves out peer-to-peer transactions, and it is the operative term for this thesis. Organized here by similarity, its constellation of stakeholders include:

- **Peer economy providers** - Acutely aware that they are the "inventory" in this service equation, peer economy providers want to know that as companies scale, the growth in wealth will also apply to them. In the peer economy, providers' human dignity must be recognized. This means that peer economy providers must feel that their services are fittingly priced, and solicited jobs must be interesting and/or meet whatever minimum justifies a provider's time.
- **Companies** - As mentioned in chapter one, startup companies have hinged their business model on an inherently inefficient "inventory"—humans—to fulfill services and deliver products. Company survival and growth is predicated on market forces, but typical growth practices in the business world could potentially be at odds with caring for their providers. This means that the ability to scale inventory is lopsided; companies can onboard more providers, but providers can only improve efficacy to an extent before they are hustling between gigs. Businesses are negotiating the line between growing their operations and considering their providers' needs.
- **Investors** - Investors, especially the venture capitalists who fuel the space, have an obligation to generate a return on their portfolio of companies. VC firms that focus significant effort in this space are curious about the power of networks to disrupt institutional structures as well as whether this societal change is actually monetizable. Therefore, these investors take an active role in shaping the peer economy, whether as guest speakers on the conference circuit, providing supplemental services such as forming an insurance company or as active participants in public policy.
- **Corporations and entrenched interests** - The incumbents in the game, corporations know that they have steadily lost touch with the public, in part due to practices associated with a top-down model. Corporations are threatened by the peer economy and take on one of two stances:
    - Corporations pour more money and resources into political action to stymie the peer economy.

    - Corporations are interested in how to incorporate peer economy practices to work for their businesses.
- **Consultants and strategists** - Consultants and strategists range from focusing on policy to advising corporate brands. In general, they advise the "grasstops" of public stewardship (local, regional, and national governments), early stage startups that want to be the next big thing, and traditional companies looking for a foothold in the peer economy.
- **Policy makers** - Policy makers must juggle a long-term outlook with what feels fair to stakeholders in the space. This affects the speed at which policy and regulations are set and how flexible the eventual set of rules will be.
- **City governments** - As of the 2010 census, more than 80% of Americans lived in cities (Lambert 2012). Charged with orchestrating daily goings-on, cities have seen a spike in social issues that can be traced to economic insufficiency. In the midst of housing crises, shrinking social services on the city, state and federal level, and the fickle courtship to draw companies into city boundaries (as mentioned in chapter one, companies also add fewer new positions than in the past because of technological displacement), workforce development ranks high on the city agenda. The peer economy presents a self-generating economic force that operates outside of the gainful employment model.
- **Labor advocates** - Advocates are interested in how to make sure that as people work toward their livelihood, they feel enough economic security to attend to other quality of life matters (i.e.: family, education, civic participation, etc.). Advocates contemplate and fight for mechanisms that balance power dynamics between laborers and management, federal protections and consumer expectations. In the future of work space, which includes the peer economy, labor advocates look at worker-management legal obligations, and how to decouple the perception that financial compensation should be directly correlated with the way productivity is unevenly valued.
- **Scholars and critics** - As an emerging area of study, scholars are interested in building their reputation as experts. The current wave of scholars focus mostly on business implications of the peer economy. Popular questions address market size, regulatory impact and collaborative consumption. Meanwhile, critics point out the precarity for peer economy providers and the lack of a protective framework.
- **Media** - The most consistent coverage around the "sharing economy" has either been media features that try to convey a basic picture of the peer economy or journalists who "go undercover" to make a living using only peer-to-peer platforms. The motivation behind this second coverage category is explained at the outset of these articles: The singers of praise claim that the peer economy is empowering, putting people to work on their terms, and these journalists want to find out if the claims are true. Within this media trope, undercover journalists always discover that they cannot make a reasonable living—or break even on their work and personal expenditures—as peer economy providers.

This chapter is a panorama of popular rhetoric and analogs to build traction for the sector, known problems within the sector, and the loudest ideas and questions in the space. It fills in three of the key questions that I detailed in the introduction:

- Can peer economy opportunities comprise a livable work lifestyle?
- Who is accountable when something goes wrong?
- Do legal classifications override social relationships?

Investors, peer economy advocates and companies tout similar points: a greater sense of solidarity through peer-to-peer commerce and reduction in carbon footprint because access trumps ownership. With these positives promoting a closed loop and local support, how could this growing ethos known as the "sharing economy" be anything but progress? Remarks about "triple bottom lines," "the sharing economy has always existed," "disruption," and "social capital" punctuate the conversation. Cobbling together creative-commons licensed photos for a photo essay, Airbnb CEO Brian Chesky writes:

> Imagine if you could build a city that is shared. Where people become micro-entrepreneurs, and local mom and pops flourish once again. Imagine a city that fosters community, where space isn't wasted, but shared with others. A city that produces more, but without more waste. While this may seem radical, it's not a new idea. Cities are the original sharing platforms. They formed at ancient crossroads of trade, and grew through collaboration and sharing resources. But over time, they began to feel mass produced. We lived closer together, but drifted further apart. But sharing in cities is back, and we want to help build this future. We are committed to helping make cities stronger socially, economically, and environmentally. We are committed to enriching the neighborhoods we serve. We celebrate the cultural heritage of cities. We are committed to being good neighbors. We are committed to supporting local small businesses. We are committed to working with cities to share with those in need. We are committed to fostering and strengthening community. We believe in bringing back the idea of cities as villages. We are committed to illuminating the diversity, arts, and character of cities. We believe cities thrive best with micro-entrepreneurs. We are committed to the safety of neighborhoods and their homes. (Chesky 2014)

His words (and photos) paint a lovely picture, and I describe this as the sharing economy ideology. As an emerging space, a common trope in the peer economy is connection. Lyft drivers fistbump their passengers at the beginning and end of each ride. Various food platforms emphasize cultural exchange by coordinating ethnic cuisine dinners (monetized), or products sourced locally from the best chefs and home cooks. Until recently, Etsy aligned itself unabashedly with the handmade movement. In 2007, it spearheaded the Handmade Consortium, an alliance of nine DIY forces that encouraged consumers to take the handmade pledge: "I pledge to buy handmade this holiday season, and request that others do the same for me"[13] (Stinchcomb 2007).

No one would argue that human connection is a new and distinguishing feature made possible only through the peer economy, and the peer economy should not be held to the magnitude of a revolution. Rather, the peer economy is a repackaging of familiar traditions; homesteading and sharing are aspects

[13] In 2013, Etsy announced that it would no longer require every item to be handmade. Instead, it gave Etsy sellers the leeway to hire employees or contract out the production as long as the items were still "authored" by Etsy sellers—the original idea and design originates from the seller (Dickerson 2013). The decision has been controversial in the Etsy community.

of survival and kinship. Homesteading was once highly visible in mainstream culture; during World War II, Americans planted 20 million "victory gardens" to supply more than 40% of the country's food (Walbert 2014). As a technological advancement, peer economy companies are also not churning out new coding languages or groundbreaking technologies; they are managing sophisticated content management systems. As stated in the previous chapter, the peer economy's great innovation is systematizing trust and reliability between strangers.

Regardless, the peer economy's debut in the mainstream has sparked dreams of a more utopian society. The celebration and wonder have culminated in the term "sharing economy." It is a concise term, and it is a sexy term. However, it is important to unpack the "sharing economy" as a piece of rhetoric because its broad coverage and ambiguity have implications beyond how the term catches with the public. Most praise refers to the overarching sharing economy (the umbrella term) and collaborative consumption, and while the peer economy is a subsection of the sharing economy, the intent to discuss that particular business model is often obscured by use of liberal use of its umbrella term (see figure 1). The equivocation of terms has made it difficult to distinguish whether cross-sector stakeholders are publicly conversing about the same.

TERMINOLOGY

industry	COLLABORATIVE CONSUMPTION	*Popularized by Rachel Botsman in What's Mine is Yours, "collaborative consumption" is an economy where there is net-zero production. On a company level, this looks like the upfront cost of equipment that will be rented out countless times, what Botsman calls a "product service system" (think car sharing or bike sharing). On an individual level, this could be renting out a spare room or other idling asset. In both of these situations, continual production is avoided.*
	COLLABORATIVE ECONOMY	*Why "collaborative economy" when there are terms such as "collaborative consumption" and others that use "economy?" According to CrowdCompanies' Jeremiah Owyang, the other economy terms favor startups and individuals. Incumbent corporations and brands such as Marriott and Daimler are jumping in, and "peer/sharing economy" are not inclusive enough.*
	PEERS INC	*Coined by Robin Chase of BuzzCar and ZipCar, Peers Inc is a business model that leverages both business acumen and peer-to-peer networks. Corporations achieve high growth and resilience through cooperation with crowds, who bring scalable distributed action and unexpected creativity. Peers Inc is a synergistic relationship between businesses and users.*
	THE MESH	*Investor Lisa Gansky uses "meshiness" to refer to the networked nature of people, societal values and more in this economy. Like "sharing economy," it is a term that casts a wide net.*
academic	PEER PRODUCTION [COMMONS-BASED]	*Eminent scholar Yochai Benkler defines commons-based peer production as "collaboration among large groups of individuals, sometimes in the order of tens or even hundreds of thousands, who cooperate effectively to provide information, knowledge or cultural goods without relying on either market pricing or managerial hierarchies to coordinate their common enterprise." One of the most obvious examples would be the open source software movement.*
	GIFT ECONOMY	*As ServiceSpace explains it, "in its simplest form, the gift economy is not hard to comprehend: it is an arrangement for the transfer of goods or services without an agreed method of quid pro quo. Indeed, there may be no expectation or mechanism of exchange whatsoever; hence, the "gift" aspect of the interaction." Terms such as "reciprocity," "kinship," and "gift exchange" often accompany explanations of the gift economy*
	SOLIDARITY ECONOMY	*According to SolidarityNYC, "The solidarity economy meets human needs through economic activities–like the production and exchange of goods and services–that reinforce values of justice, ecological sustainability, cooperation, and democracy. From credit unions to worker cooperatives, Community Supported Agriculture to time banks, or community land trusts to participatory budgeting, solidarity economy organizations are controlled by community members.*
	INFORMAL ECONOMY	*There are multiple definitions for the informal economy, but it is widely regarded as economic activity that is neither regulated nor taxed. On a broader level, it is economic activity that falls outside of the defining characteristics of a formal work model: employer-contributed benefits.*
popular criticism	TEMP LAND	*ProPublica and Time partnered on an editorial series and Twitter conversation to explore the increasingly transient and bite-sized nature of work. The series' scope encompasses much more than the peer economy, but it does touch on it. Most importantly, this series outlines many of the age-old obstacles faced by "Temp Land" denizens that the peer economy will inherit.*
	GIG ECONOMY	*Freelancers Union's Sara Horowitz employs "gig economy" in many of her media pieces. Gig economy refers to the multiple microtasks people take on to cobble together an income.*

Figure 1. *As a nascent space, terminology is increasingly important. Popular and adjacent terms are collaborative consumption (Botsman and Rogers, 2010), collaborative economy, (Owyang 2013), Peers Inc. (TED Global 2012, 2012), the Mesh (Gansky, 2012), peer production (Benkler, 2006), gift economy (ServiceSpace, 2014), solidarity economy (SolidarityNYC, 2014), Temp Land (ProPublica, 2013), and gig economy (Horowitz, 2013).*

While the peer economy refers to online, peer-to-peer marketplaces, the sharing economy is much wider (see figure 2). Sharing economy stars include ZipCar, a company that parks its fleet of rental cars all over urban areas. Users buy a membership to access these cars as needed. Bikesharing is a similar model in which a company owns thousands of bikes and strategically places bicycle docking stations around urban centers. Members can borrow bikes and park them from dock to dock. Other models include coworking spaces, time banks, crowdfunding sites such as Kickstarter and Indiegogo, crowdlending groups such as Kiva, cooperatives, co-housing, and more. All peer economy endeavors fall under the sharing economy. The sharing economy encompasses frameworks in which large networks of people maximizes use of a limited pool of assets, or come together in [transactional] support of one another.

Figure 2. *These companies and concepts are just a sprinkling of what counts under the sharing economy.*

Across several co:NYC meetings during summer 2013—a working group of peer economy companies, thought leaders, and investors in New York City—participants debated whether "sharing" or "peer" was the more appropriate label for this emerging model. I sat in on these debates as a participant observer. The group ultimately decided that "peer" was a more accurate description for the economic framework.

After all, Etsy sellers were not sharing their products with buyers—they were selling them.

Figure 3. *A reminder of common categorizations of peer economy marketplaces.*

During the June 2013 national conference of mayors, San Francisco Mayor Edwin Lee invited representatives from co:NYC and Bayshare (viewed early on as the west coast analog of co:NYC; the group adopted the term "sharing economy") to introduce the sharing economy concept. Following the conference, the mayors adopted resolution 87, known as the shareable cities resolution. While the shareable cities resolution considers the planning implications of more than just peer economy business models, it cites the success of "models such as car- and bicyclesharing" (Lee et al 2013). These are companies such as ZipCar or Bixi, which sell memberships to the companies' point-to-point vehicles that are placed strategically around a city. They are an intrinsically different business model than the "sharing economy companies [that] have proven to be engines of innovation and job creation, driving economic development in the hearts of American cities, where joblessness is still most pervasive" (Lee et al 2013). The problem in articulating these brave declarations with mixed concepts is that the declarations encompass a mixture of business models and operational frameworks (see figure 4). This can make it difficult to have a productive conversation or to set policies around peer-to-peer transactions when it is unclear which models are included in the discussion.

Beyond politics and regulations, the ambiguity of the sharing economy's scope means it has been difficult to assess market size and valuation. Very rarely, there are floating numbers that suggest valuation, but they are shaky because the range is unclear. Having clear numbers for these metrics would show the impact of peer-to-peer marketplaces on national wealth. These metrics could go on to suggest shifting values around work and also provoke questions of how we measure national wealth.

Figure 4. *The resolution inspired a spreadable media graphic. (Collaborative Consumption team 2012)*

In addition to its all-encompassing nature, the "sharing economy" raises questions about appropriation. Its ambiguity claims traditions such as tool libraries, cooperatives, community-supported agriculture and other similar structures when those constituencies might not identify with or even support the idea of the sharing economy. Companies and advocates alike boast that the sharing economy fosters camaraderie among strangers, reduces environmental waste and enables work flexibility, and companies refer to peer economy providers as microentrepreneurs. I have heard peer economy providers echo all of these qualities (except for identifying as microentrepreneurs) as reasons they continue to use specific platforms. However, the volume of praise drowns out darker and unresolved questions about the peer economy. The use of the term "sharing economy" can be disingenuous; the rhetoric serves marketing purposes better than it serves providers on these peer-to-peer marketplaces. In a few of the focus groups, participants instinctually challenged the term. "[It is] not literally shared economy to me because it is big corporations and big capital ... millions and millions of dollars" (Focus group interviews. (January 2014))[14]. The term also obscures the relationship between the provider and the peer economy company. Users are referred to as drivers and passengers (Uber, Lyft, SideCar), rabbits and posters (TaskRabbit), sellers and buyers (Etsy), hosts and guests (Airbnb). These are accurate descriptors of real relationships and are used as global terms within platforms, but they describe peer-provider to peer-consumer relationships, not necessarily provider-to-platform relationships. Peer economy providers are already confused about what they can expect from companies, and companies have found it difficult to get across to providers that they are not employees (Castor 2014).

On another rhetorical front, the fuzzy scope of "sharing economy" makes it vulnerable to easy criticism. "Sharing" suggests an equitable split in wealth and responsibility, but the investor model fueling the peer economy does not resemble sharing, and peer economy providers are the front lines when someone must answer on a legal level. When Airbnb became a source of contention in New York City, the attorney general issued a subpoena to Airbnb for its 15,000 NYC hosts' names and prosecutable data. The attorney general wanted to send a powerful message to Airbnb by holding Airbnb hosts accountable for operating as unregistered hotels, and the attorney general was perfectly within legal purview since providers are technically independent contractors (Tam 2013). In April 2014, police officers in Madison, Wisc. and Pittsburg, Penn. hailed rides on Uber and Lyft. When the drivers arrived, the police officers slapped them with $25-$300 fines for operating without a proper commercial license. Although the two companies committed to paying the fines on their drivers' behalf, these law agencies used individual drivers as the way to send a message to the companies (Truong 2014). Critic Tom Slee is particularly scathing when he points out these dissonances:

> When should the sharing economy be treated as part of the real economy, and when should it not? Are you confused? Here is a short guide for the perplexed.
> When the sharing economy should be excluded from the formal economy:
> - taxation
> - regulation
> - job protection for service providers

[14] In January 2014, I facilitated several focus group interviews across four verticals. In chapter four, I describe these group interviews and their results in greater detail.

> - platform-owner liability when things go wrong
> - limits on platform-owner freedom of action regarding their "community"
> - when a site's design enables racial discrimination on the part of its users.[15]
>
> When the sharing economy should be part of the formal economy with all its protections and benefits:
>
> - recognition of positive economic contribution
> - legitimacy of platform-owner revenue
> - terms of service that protect the platform-owner
> - IPOs
> - when a site's design makes racial discrimination on the part of its users less likely
>
> I hope that is clear. (Slee 2013)

Slee's criticisms underline the precarity of being an independent worker. While the peer economy is celebrated for enabling peer economy providers to work on their own terms, providers also weather seasonal fluctuations in demand, ambiguity around who is liable if something goes wrong, and platforms' power in enabling or blockading community solidarity. These levers make up power dynamics. In the current arrangement of peer economy companies to peer economy providers—companies subcontracting to independent contractors—providers are in the weaker position.

Janelle Orsi, a lawyer who takes on cooperative cases, also challenges sharing economy rhetoric. The rhetoric embraces the power of networks and solidarity. When solidarity and business come together, the most natural configuration is cooperatives.

> But the companies made one fatal error: You can't truly remedy today's economic problems by using the same business structures that created the economic problems. Because of their current ownership structure, Airbnb, Lyft, Über, and TaskRabbit could be bought out by ever larger and more centralized companies that won't necessarily care about the well-being of people using the services, or about the overall abundance of jobs in our economy.
>
> There is only one way to ensure that a company will make decisions in the interests of the people it serves: Put those people in control of the company.
>
> ...
>
> So this is a call to action for the companies, for their customers, for advocacy organizations like Peers, Collaborative Lab, and for anyone feeling hopeful about the sharing economy: Commit to a sharing economy. Commit to cooperatives. Think of these two commitments as one and the same. (Orsi 2013)

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[15] Slee is referring to a working paper by Harvard Business School professors Benjamin Edelman and Michael Luca. "In an effort to facilitate trust, many platforms encourage sellers to provide personal profiles and even to post pictures of themselves. However, these features may also facilitate discrimination based on sellers' race, gender, age, or other aspects of appearance." As the fodder for their paper, the researchers scraped visible information from NYC hosts' online profiles, including their picture, rental prices, and any listed property features. They hired two sets of workers on Mechanical Turk, one to assess the race of the host, and the other to review scraped information alongside the determined race. This second group used a seven-point scale to indicate how much they would want to stay at that residence. Say Edelman and Luca, "we find that non-black hosts are able to charge approximately 12% more than black hosts, holding location, rental characteristics, and quality constant. Moreover, black hosts receive a larger price penalty for having a poor location score relative to non-black hosts" (Edelman and Luca 2014).

Orsi's call to action demonstrates how the term "sharing economy" hinges excessively on a linguistic and interpretive understanding rather than a distinct definition. Slee claims that the sharing economy co-opts language from the far left, and I have heard echoes of this from cooperative movement members. The "sharing economy" is sexy to politicians and new recruits, but it also opens up the peer-to-peer economic space to unproductive criticism because participants are talking about different models under the same term.

Although ideology can be an important way that for people to interpret societal forces in their lives, peer economy enthusiasts can easily miss the larger point. In order for this paradigm of work to really take off, the peer economy needs to appeal to the majority of people who do not arrive by way of ideology. Platforms must pull from multiple identities. For example, a number of people buy into Etsy's mission, but Etsy also attracts people who could care less. Etsy's user base might include fashionistas who chase after the most unique style, tastemakers who have a following to impress; Etsy presents a chance for hobbyists to indulge their craft, antiquers to offload their findings so they can collect more things, and another avenue for artists. Similarly, digital fabrication platform Shapeways might pull from the maker community, DIY-ers, entrepreneurial prototypers, and fan communities. During an interview, Marie Ternes, political consultant to Airbnb, shared a lesson from her extensive political experience. She remarked that people's reason to join something and their reason to stay committed are rarely one-in-the-same. People join to fulfill a need, but if the opportunity is worth it on a material level, then other reasons to stick around might eventually be incorporated into their narrative (Ternes 2014).

If the peer economy appeals to more segments of society with its material benefits, then there is a chance to raise awareness among consumers of their peers' working conditions. Across conversations and research of various peer economy startups, I noticed that a community spirit was more often cultivated on the provider side. Communities across the provider-consumer divide are rare, and only providers who are also consumers seem to straddle that line.

KNOWN PROBLEMS

Plenty of investors, startups, politicians, critics, and enthusiasts tap a fount of language to talk about the peer economy. All of these stakeholders are also quite aware of some of the very real issues in the peer economy. To begin with, each platform has its own terminology to describe user roles in peer-to-peer marketplaces. As mentioned before, dichotomies such as seller and buyer, driver and passenger, chef and foodie, Rabbit and poster are all accurate depictions of the relationship between peers but not the relationships between the provider and the company. The sector has struggled with how to refer to income generating users, often gravitating toward "microentrepreneurs."

> ...let's distinguish between three different constituents: platforms (marketplaces), entrepreneurs (small businesses, micro-entrepreneurs) and consumers. The platforms are the person-to-person marketplaces which facilitate the exchange of goods and services between peers. The entrepreneurs are the individuals or small businesses that supply goods and services in these marketplaces. The consumers are the individuals who demand: buy, rent, consume. (Both the entrepreneurs and the consumers are often referred to as 'peers'.) Typically, the payment from the consumer to the entrepreneur is mediated by the platform, which often charges a commission to one or the other trading party. (Sundararajan 2014)

"Microentrepreneurs" and "small businesses" have not been adopted uniformly across the sector. Till recently, Airbnb intentionally steered clear of this language because its providers do not think of themselves as entrepreneurs. In general, peer economy providers do not view themselves in an entrepreneurial light (Turner 2013). Rather, just like consumers, they regard themselves as users of the platform's services; they just happen to bring assets to the table. The term "microentrepreneur" has also been interpreted as a public relations term. In reality, providers' overwhelming expectations of most peer economy platforms reveal a dependency that is out of step with entrepreneurship.

Known problems stem from the hazy relationship between platforms and providers; platforms do not own providers' businesses, but they must factor in providers' de facto understanding as they move forward. Therefore, known problems really come down to which party should own the business considerations of an archetypal freelancer. Archetypal freelancers are independent professionals, and they are aware of the basics for setting up an independent business. These include how to file taxes as an independent, upfront capital costs to set up operations, sorting out personal and professional insurance, liability in both predictable and unforeseen circumstances, and legal restrictions that apply to their products and services. As independents, they know that when they enter into client relationships, conditions around deliverables are ensured by law.

PROBLEM #1 - The many facets of taxes

Taxes can be divided into two areas. One has to do with accounting and the other relates to how cities collect business taxes that fund public services. When it comes to the 1099 tax status, most providers have never been independents. Prior to becoming peer economy providers, most participants earned the bulk of their income as company employees, and those companies were responsible for withholding taxes on paychecks. However, as independents, providers are now responsible for reporting earnings regularly and withholding their own taxes on earned. Archetypal freelancers know to set aside for taxes at the end of the year; some even report earnings on a quarterly basis to avoid writing a big check to the federal government during tax season. Meanwhile, as fresh independents, many providers do not realize that a substantial tax bill is on the horizon. Additionally, independents can write-off business expenses, but providers do not know what they can write off because wear and tear on their assets are due to both private and commercial use. Since providers are technically independent contractors, peer economy companies are forbidden by law to give independent contractors tax advice. Realizing the friction to success for their portfolio companies[16], venture capital firm Collaborative Fund published a first step in 1099.is, an online primer on taxes for peer economy providers (see figure 5).

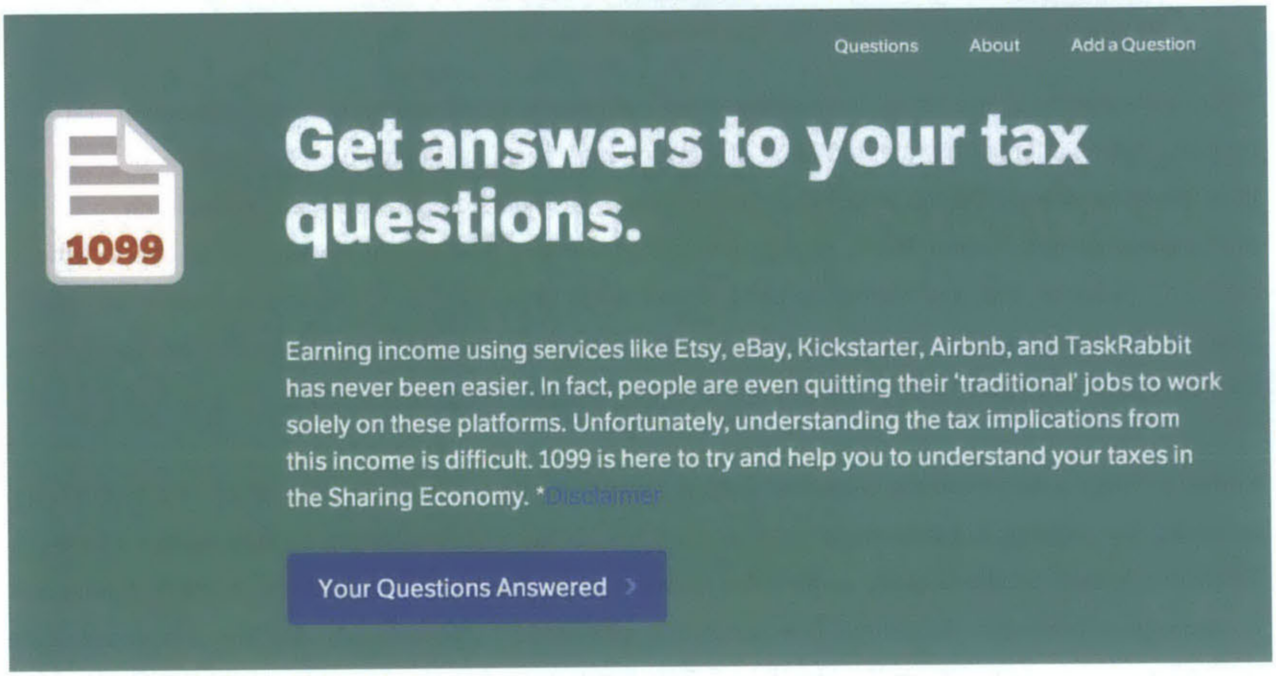

Figure 5. *1099.is is a primer on taxes produced by Collaborative Fund, a venture capital firm. The disclaimer reads: "Tax and accounting info is extremely complicated and in a lot of situations — case-specific. Therefore, it is critical to consult with a tax professional before making any final decisions.*
Our hope is that this site simply lays some groundwork for people to better understand the landscape and be better informed when they consult with a tax professional. The foregoing is not intended to be, and should not be construed to be, tax advice. This website offers general answers to general questions based on information obtained from www.irs.gov and other publicly available information. Collaborative Fund cannot be held responsible for the results of any position taken on a tax return by any user of this site. Users should always obtain independent tax advice from a qualified tax professional to determine the tax consequences applicable to such user's personal situation (Collaborative Fund 2013)."

Taxes also benefit cities and municipalities. In this space, taxi and hotel lobbies' stand accused of trying to protect their interests by coaxing politicians to push out peer economy providers. There are multiple concerns entangled in regulations:

1. **Public services** - Each city funds public services through combinations of taxes, drawing from property tax, income tax, sales tax and business tax. Currently, it is difficult to collect taxes on

[16] Companies are aware that providers need tax help because many of them are navigating an independent contractor status for the first time. Some companies want to help, but due to their position as the contracted client, they are legally forbidden to give tax advice.

peer economy services because transactions occur online. Online services are only taxed by the state in which the business physically operates, but not where the consumer lives unless the consumer lives in the same state as the business. Many major internet retailers such as Amazon eschew tax entirely, and states miss out on significant revenue that could go toward public services.

In a blog entry, Etsy's policy director Althea Erickson gave the Marketplace Fairness Act center stage. The act was proposed to capture revenue from those retail giants and will have a much bigger ripple effect:

> We at Etsy support the intent of the legislation, to help states reap the tax they are owed, but feel it will unnecessarily burden small businesses. Most Etsy sellers work from home and don't have the administrative resources to comply with the law. That's why the "small seller exception" included in the bill is so important. We believe in pushing that exception as high as possible, not only to protect sellers now, but to give their businesses room to grow down the line. (Erickson 2013)

The bill passed in the U.S. Senate and is pending review in the U.S. House of Representatives. Since Erickson's post, the bill was amended to require online retailers bringing in upwards of $1 million to remit state sales taxes. According to Melissa O'Young, who organizes meetups around the full sharing economy, the entire industry was on schedule to generate $350 billion in transactions in 2013 (Hull 2013). Although that $350 billion encompasses a multitude of models, it is potentially a lot of tax for cities to miss out on.

2. **Microbusinesses as an exit strategy?** - As Mayor Lee pointed out, cities also struggle with high unemployment rates. Foundations also focus on the future of work, especially for "communities of concern." Although cities are concerned about the welfare of all of their residents, cities' and foundations' shared communities of concern also include the formerly incarcerated, those at risk of human trafficking, the formerly addicted, women, and youth of color. Time has shown that lack of work significantly increases the risk of relapse for these populations. Microbusinesses take many forms, but peer-to-peer marketplaces represent a source of income generation with a relatively low barrier to entry.
3. **One provider's decision, many people's situation** - Peer economy platforms such as Airbnb both enable their hosts to earn money and also have a ripple effect on others who share the space. One city employee told me that during a gathering around the peer economy, some attendees expressed concern. Despite an understanding among tenants and residents around noise levels and use of commons, they are faced with the uncomfortable task of confronting their neighbors' guests when those guests violate community understandings (Ly 2013). The complaints are not uncommon. "If you live in a house and you want to take the risk of allowing a stranger into your home, fine. But if you live in an apartment building, you're effectively allowing that stranger into every home. That should be a shared decision," one blogger summarizes. (Jeffries 2012)
4. **Standards and reasonable expectations** - Tax classification and permitting are intricately linked. Hotels and taxis must meet certain standards in order to operate, and if they fail to adhere, their licenses and permits could be revoked. Regardless of whether these standards are reasonable or complied with, they stem from consumer safety and confidence assurance. This could range from safety precautions and fire codes in residential layouts to materials in handcrafted children's toys. Since peer economy providers do not obtain permits nor pay specific business taxes, they are not held to baseline standards. However, providers are subject to market

demand, and their online reputations can help them capture some of that market. Market demand and online reputations are strong enforcement mechanisms, but are they enough to keep providers from performing below quality standards?

PROBLEM #2 - Who is responsible for insurance and liability?

On the eve of 2014, a six-year old girl stepped off a curb in San Francisco. Half a head-turn later, she lay lifeless on the pavement. An Uber driver had hit her while toggling on the mobile application between passengers.

> The suit, filed in San Francisco Superior Court, alleges that the driver of the vehicle - who was at that time an Uber contractor - was logged on to the company's UberX app when he fatally struck Sofia Liu and was waiting to receive and accept a ride request. The driver's attorney has also said he was between fares.
> The company, which takes a cut of every ride booked through its system, declined to comment... In the past, Uber officials have said the driver, 57-year-old Syed Muzzafar of Union City, was not providing services on the company's basic UberX system because he did not have a passenger with him. (Williams and Alexander 2014)

According to the *San Francisco Gate* article, the family's suit against both Uber and the driver states "...that use of the fast-growing online app runs afoul of California's distracted-driving laws."

Figure 6. *Alongside Uber and Lyft, SideCar is one of the best-known transportation network companies (TNC). As of 10 February 2014, the above was one of their information tiles on their safety page, which is written to assure*

passengers. The million-dollar policy is standard across the three TNCs. (SideCar 2014)

"Let's bring the elephant into the room. That little girl who was killed on New Year's Eve, that could have been any of us," said one driver during my research group interviews. "I will not let them hide behind their office building, their office walls, and tell us, oh we're working on it day and night when there is a solution already for passengers. The passengers are covered for a million dollars? We should be covered a million dollars."

Peer economy companies are anxious about insurance (see figure 6); they are aware that providers may drop out due to insecurity around liability. In 2013, Collaborative Fund announced Guild, an insurance group that negotiates between major insurance companies and peer economy companies. Because the staff comprises successful startup founders and insurance experts, they have a collectively nuanced understanding of the insurance problem. Guild understands that insurance companies are not interested in underwriting risks for each individual person; the cost in operations outweighs the return. Instead, insurance companies see a worthwhile return by directly serving peer economy companies. Additionally, while some peer economy companies toe the line that providers are technically independent contractors, Guild believes that regardless of the terms of service and tax status details, companies will get sued if something goes wrong. In all, insurance companies are willing to consider how to insure the peer economy, but Guild founder Greg Golkin says that insurance is a slow-moving space. The moving parts include algorithmic models to determine risk for high value assets and differences in verticals. In order to determine those models, insurance companies need data.

> If I open up a new traditional car rental place, all of the insurance carriers know how to price rental cars because they've done it for years and years and years. If I open up this new business model, they don't know what to do yet so it's going to take some time to get it over the finish line where they have a pricing model in their head and are comfortable with underwriting the risk. (Golkin 2014)

Peer economy companies can hold up the process by refusing to share data, and they do so out of a default startup mentality to guard their data.

> We've found in working with [peer economy] companies on this issue that, when push comes to shove, most will offer the data that's necessary to help the insurance companies, if they're tracking it. But it's certainly something that there is this comfort level where entrepreneurs are trained not to unlock their data, but it's necessary. More importantly than that, there is a "rising tide lifts all boats" here, which is the more data that's out there on the risk associated with any of these sharing economies helps every company in the space.
> The companies with coverage now—rightly so—view this as a competitive advantage. So they don't want to help the other company that's competing against them that doesn't have coverage ... This is a limited window of that existing in my opinion because of the fact at some point, this

> will look like every other industry where the data will be out there and insurance carriers will be able to calculate the risk. I can't imagine that this [competitive advantage] lasts forever. There is too much at stake here for the data to not get to the carriers and for them not to be educated on how to price these things.

While insurance for the peer economy is on its way, Golkin acknowledges that some assets are just too risky to interest insurance companies. "Plane-sharing," for example, may never take off since insurance companies would have to underwrite unscreened pilots. Meanwhile, some verticals are not high risk enough. Companies are not interested in underwriting bike-sharing because it is not worth their time to pay out on every dent.

PROBLEM #3 - Overhead and supply chain costs

Users generally become peer economy providers because they need the money. The peer economy offers multiple templates to monetize providers' existing assets, so startup costs are relatively low. However, as Etsy pointed out with state taxes, many providers either do not have the capacity or high enough profit incentive to juggle the duties of a full-fledged enterprise. Besides overhead, this also comes down to supply chain costs.

Incumbent companies in the same service categories have an advantage over peer economy providers: economies of scale. The cost to manufacture each product line is relatively low because companies manufacture products in bulk. This type of mass manufacturing reduces the cost of every component, ordered en masse, that serve as labor and raw materials for the final product. From there, companies choose how much to mark up prices and, to stay competitive, they have the flexibility to slash prices just above manufacturing costs. Meanwhile, peer economy providers are competing individually and directly with depressed pricing without the benefit of economies of scale. This means that not only are independent contractors accounting for the cost of self-employment tax and subtracting the cost of operations, they are also eating a significant discount in order to attract consumers away from incumbents.

I spoke with Simran Jaising, KitchenSurfing's director of New York's chef community, about what she was seeing on the ground. Jaising pointed to pricing inconsistency and commercial kitchens as some of chefs' biggest obstacles, most of all due to cost (Jaising 2014). The more gigs that KitchenSurfing chefs book, the more important it is to obtain raw ingredients for their menus at a reasonable price. Profits need to rise commensurate to the growing gig schedule in order for chefs to justify their efforts. Additionally, chefs participating in food-based marketplaces must comply with cottage industry laws. Across the U.S., these laws require food production to happen in a commercially licensed kitchen. Commercial kitchens pass state standards, but they usually have expensive membership fees that are difficult for small businesses and independent chefs to afford.

There is guesswork in the sector of what collective bargaining could look like in the age of a distributed workforce. Instead of the traditional model where workers collectively bargain with employers, a group of peer providers could bargain with a gas company for bulk fuel purchases. In a phone interview, the executive director of US Federation of Worker Cooperative's suggested that shared ownership—a cooperative core principle—could look like a group of peer economy providers all chipping in to buy machinery that they may take turns using (Hoover 2013). There has yet to be movement in this area, but it is being deliberated.

PROBLEM #4 - The mismatch between company structure and a human-centered economic model

The business structure of peer economy companies is a hot-button topic. When it comes to what the peer economy most resembles, comparisons include unions, cooperative models and networks, and even how the language echoes that of multi-level marketing companies. Unions are attractive because they represent strength in numbers. Cooperatives bring to mind empowered workers. Even multi-level marketing companies refer to their recruits as consultants (i.e.: Mary Kay) or independent business owners (i.e.: Amway). All of these models only work if people are connected to one another, and this characteristic also rings true of the peer economy.

These striking similarities have led to questions about whether the peer economy is well-suited to be a cooperative model. Cooperatives are a force of empowered workers who have taken their economic well being into their own hands. As a framework, cooperatives have existed for hundreds of years. Rural cooperatives, some of the oldest cooperatives in the United States, are often utilities providers. Their existence was a response to major utilities providers who did not envision enough return on investment to build infrastructure in hard-to-reach areas. Still in need of these utilities, individuals came together under the cooperative model to provide for their communities. Meanwhile, housing cooperatives and labor rights are associated more with urban cooperatives. Atomized individuals realized that by working together, they would not only build a community but also more than meet their individual needs.

In a distributed way, the sharing economy reflects several of these defining characteristics. As a retroactive term, the sharing economy mirrors many aspects of cooperative life, from coworking to credit unions. A recent phenomenon is "co-housing" among young professionals who live in large houses in dense urban areas that they otherwise could not afford. This has been just one of many topics that mainstream media has included in its exploration of the sharing economy, but when examined against communes and housing cooperatives, cohousing does not look as much like a phenomenon as it does a mainstream embrace of "commune" or "housing cooperative."

There are a multitude of cooperative structures, from worker-owned to consumer-owned, all of which are member-based. Most cooperatives are for-profit producers, and studies have suggested that cooperatives are a highly resilient business model. In articulating what makes cooperatives tick, many cooperatives around the world adopted the International Statement of Cooperative Identity:

1. **Voluntary and Open Membership** - Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
2. **Democratic Member Control** - Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organised in a democratic manner.
3. **Member Economic Participation** - Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.
4. **Autonomy and Independence** - Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.
5. **Education, Training and Information** - Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.
6. **Co-operation among Co-operatives** - Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.
7. **Concern for Community** - Co-operatives work for the sustainable development of their communities through policies approved by their members.
   (International Cooperative Alliance 1994)

Most cooperatives embody these seven principles, and every cooperative starts with shared ownership as its base. Following closely behind is the principle of one member, one vote. Individual members earn money based on the effort they put in, but no matter the financial stake, all have equal weight in the decision making process.

No wonder the cooperative model is so attractive in the peer economy. It seems like the groundwork is already in place: Providers are independent operators who not only generate wealth for themselves, but their efforts pool into a collective effort embodied in peer-to-peer marketplaces. Together, companies and providers build reliable quality and a brand name. When consumers use peer economy platforms, they are at least somewhat aware that their transaction ultimately corresponds with fellow users' livelihoods. Other aspects that are associated with cooperative values include collaborative consumption—rather than each person owning the same type of asset, a finite number of key assets are collectively owned, maximizing the utility of an asset and reigning in negative environmental impact. Shared ownership partially contributes to cooperatives' reputation of being more resilient than traditional business models because each worker-owner or consumer-owner has a financial stake in the business' success. As sustainable business models come into greater demand, cooperatives have been highlighted as the quintessential sustainable business model. According to Orsi, the peer economy lends itself to a human-centered business model, and "there is only one way to ensure that a company will make decisions in the interests of the people it serves: Put those people in control of the company."

> Lyft, Airbnb, TaskRabbit, and similar companies are now worth a LOT of money. But, if you think it's too late for them to convert to cooperatives, remember that the value of the company is totally dependent on the customers. (Orsi 2013)

As a thought exercise, the peer economy-as-cooperative is ideal, and Orsi advocates a buyout. Various appealing models include the worker-owner model, the consumer-owner model, or a mixture of the two. Barring a buyout, Orsi believes that passionate peer economy providers could band together to build their own platform. Peer economy companies have already identified the mechanisms to a consumer-provider marketplace, and the ultimate change is in the business structure. Keeping tried-and-true mechanisms in mind, building a platform from the ground up makes it possible to incorporate a cooperative business structure from the get-go.

However, the confluence of programming ability, business savvy, a high level of engagement from all potential owners, and long-term commitment on the part of the cooperative architects could appropriately be described as a perfect storm. Peer-to-peer marketplaces are not easy to build. The seamless experience comes from sweat equity and millions of investment dollars, which pays for the expertise of programming craftsmen and marketing professionals. While coders are all the rage, coders who can handle the level of complexity, write and pass legible code back and forth, value and test user experience (crucial for platform adoption), and have foresight are hard to come by. They are especially rare when speaking about coders with cooperative values and the ability to commit long-term when there are probably many other cooperative-based initiatives clamoring for their talents (in startup speak, coders who commit long term without being compensated immediately with market pay do so because they expect payoff for their sweat equity). Coders may come at the highest premium, but peer-to-peer marketplaces tick because of a variety of efforts—public relations, community builders, policy, etc.—within a company.

Additionally, massively distributed cooperatives are rare. REI is an outdoor retailer, and it is a member-based cooperative. As of the submission of this thesis, a lifetime membership is $20, and members receive a dividend each year. The dividend is a return based on 10% of their eligible purchases from REI. As a proxy to the one member-one vote ethic, members can cast ballots for cooperative board representatives. Meanwhile, geographic proximity is a common characteristic of worker-owner cooperatives. Worker-owner cooperatives also require high engagement levels because each worker-owner has a powerful influence on the business. Daily proximity reinforces worker-owners' mutual responsibility to one another. The peer economy is a distributed workforce, and assuming that a worker-owner model is possible, providers would have to build equivalencies to geography and other socially reinforcing mechanisms present in cooperative models.

Most peer economy providers sign on because they need the extra income, whether to pad their lifestyle or to make ends meet. The longer providers have used these platforms, the more likely they are to appreciate the ideology of collaborative consumption and peer-to-peer camaraderie. Money initially motivates the engagement, and if providers cannot bring home a worthwhile income, they will leave the platform (Focus group interviews [January 2014]). An accessible way to think about the tension between peer economy platforms and providers is a de jure versus de facto understanding. These are two legal terms to distinguish between operations "concerning law" and operations "concerning fact." Operating under a de jure outlook, providers are independent contractors, and companies simply connect two sides of the market. Since companies are not employers, they do not need to guarantee defined benefits or protections for providers. However, companies have had such a tough time conveying this to providers because the de facto understanding—how things really are, which results in people's behavior and expectations—is that all users of a peer economy platform are customers. When providers sign up, they do not think of themselves starting an independent business. As users, peer economy providers expect companies to take care of them, too.

In the next chapter, I explore this tension between de jure and de facto understandings. While the principal-agent dynamic is hazy in the peer economy, franchises and domestic workers are two similar principal-agent relationships that offer extractable lessons. The next chapter also revisits the independent contractor conundrum, but while this chapter focused on the pragmatics, the next asks an even larger question: Instead of shoehorning providers into an independent contractor status, do the differences in obligations and protections between employees and independent contractors suggest a dire need for modified worker classifications?

CHAPTER 3

Platform-worker co-evolution – Borrowing pages from antecedents of the peer economy

As many people will say, sharing is not new. To illustrate this point, one peer economy analyst started his web conference with the story of King Frederic of Denmark. As European empires tumbled, King Frederic willingly ceded rulership to the commons. Denmark's monarchy is now ceremonial, but King Frederic's move to share power has made it one of the longest lasting monarchies in history (Owyang 2013). Glimmers of sharing are everywhere, and hitching to handsome examples is affirming. However, there are also plenty of examples in recent history, and recognized analogs in the space include cooperatives and unions. I discussed cooperatives in chapter two and I briefly examine the discussion about unions in this chapter, but there is room to expand the peer economy family. I propose three other relatives to the space: the domestic workers movement, employment classification, and the franchise dilemma. These three strands co-evolved with institutions that now affect the peer economy.

This chapter results from a combination of historical research and conversations with cooperative network leaders, community managers from peer economy companies, and labor advocates. Between surveying these threads and conducting historical analyses, I suggest that these additional movements, predicaments and models hold important lessons for peer economy action. I consider similarities between U.S. domestic workers and peer economy providers. I summarize the legislative history affecting domestic workers and make the case that the domestic workers movement has identified human needs shared by peer economy providers. I build upon the connection by recommending the incorporation of applicable domestic workers movement tactics for peer economy organizing, or in cooperation with domestic worker organizations. As a second movement, I illustrate the fine line between employee and independent worker through a case study of misclassified FedEx workers. Meanwhile, franchises mirror peer economy opportunities in striking ways: Franchisors and companies both offer an economic opportunity, they both provide training, manage the supply chain, and create consistent branding. Franchisees and peer economy providers are technically both independent businesses, they invest assets—franchisees in the form of property and providers in the form of labor and equipment—and they provide a reliable brand experience as the direct interface with consumers. However, this model also faces its own dilemma—the franchising dilemma—and this 50-year old space has developed language that the peer economy could utilize to discuss some of the more difficult ethical issues in the space.

This chapter tackles one of the main questions threaded throughout this thesis: How do peer economy actors historically contextualize the model? Peer economy advocates do not have to reinvent the wheel, and my intervention is to suggest tactics from historically similar movements and issues. The chapter also looks at two other main questions:

- Can peer economy opportunities comprise a livable work lifestyle?
- Can providers cultivate a collective voice?

This analysis bears fruit in organizing tactics, a provocation to complicate worker classifications, and in emphasizing the power of language.

Domestic workers and peer economy providers as vulnerable workforces

In order to understand the future of peer economy providers, it is important to understand the struggles of the domestic workers movement. Despite its long presence in U.S. history, it has been a marginalized movement. Domestic work can broadly be defined as household work, or work that must occur in the home, and it is ubiquitous. This workforce has been present since the beginning of U.S. history, yet domestic work has remained largely invisible to the general public. In its centuries-long presence, the dregs of society made up the domestic workforce—minorities, immigrants, and the working poor—most of whom were women. According to a joint study by the National Domestic Workers Alliance (NDWA) and University of Illinois, Urbana-Champaign (UIUC), even today, 98% of domestic workers are foreign born. Many are undocumented immigrants (Burnham and Theodore 2012).

Given this profile, it would seem at first glance that domestic workers and peer economy providers have little in common. Since they are legally obligated to issue earnings tax forms, peer economy companies must verify work status as part of the screening process. Prima facie, peer economy providers as a whole appear to be better educated, have more economic options and flexibility, and are well-integrated and accepted as members of American society. It is because of this last reason that peer economy providers are also more visible to the general public than domestic workers. However, domestic workers and peer economy providers face the same organizing obstacles, especially providers who complete their work in someone else's home. They are both atomized workforces with individual clock-in times, and their performance is easily substituted. They also have to plan around the same concerns—sick days, safety conditions, retirement provisions, health insurance, losing out on indispensable income because of last-minute cancellations—concerns that have long been identified by the domestic worker movement and that peer economy advocates should take as suggestions in planning any worker support agendas.

Domestic work has a deep, multidimensional history in the U.S., more than this chapter can and will tackle. Instead, what follows is the history of domestic work as it relates to the peer economy, and this begins with reproductive labor. Labor is categorized broadly into two types: productive labor and reproductive labor. These two terms exist as counterpoints; Karl Marx and Friedrich Engels differentiated them as "production of goods in the economy and the reproduction of labor power necessary to the maintenance of that productive economy" (Duffy 2007:315). Reproductive labor is underrepresented by Gross Domestic Product (GDP) because it has an indirect market impact; GDP only captures national productive output that results in a point of sale. Reproductive labor includes such activities as caregiving, home maintenance, food preparation, and the time to purchase necessary goods and services (notably, activities that are traditionally performed by women). Domestic work is the term for monetized reproductive labor, and its workforce includes nannies, companions to the elderly, home care workers for the disabled or ill, house cleaners, and other work that holds up domesticity. The NDWA describes domestic work as the work that makes all other work possible, and because it is the fortifying layer beneath a market-based economy, the domestic worker plight has been easy to shrug off. Yet in the late nineteenth century, Atlanta got a dose of what it means to go without domestic help. Black washerwomen in Atlanta formed a critical mass that gave way to one of the first important and successful strikes in U.S. domestic worker history. Known as the "Washing Society," these laundresses refused to provide service till they won higher wages. The city came to a halt—nearly every white household in Atlanta relied on their services. Seeing this as a market opportunity, enterprising men discussed how to replace the women—and the inconvenience they caused—with technological advances to laundry washing. But ten days later, Atlanta had to give in[17] (Boris and Nadasen 2008).

Conversations about how to displace the Atlanta laundresses through technology is only one example of how this vulnerable population has historically been marginalized. As excluded workers—a classification that includes farm workers—domestic workers have been left out of labor rights legislation throughout the twentieth century. The 1935 Fair Labor Act is the foundation for federally protected labor rights. This New

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[17] The washerwomen inspired many short-lived collective efforts. Prominent women's suffrage organizer Susan B. Anthony formed the Working Women's Association of America. (Graff, 2005) The group immediately came up against the difficulty of organizing a fragmented workforce; employers typically only hire one domestic worker who could be easily replaced, and with irregular work shifts, it was nearly impossible to call together all stakeholders in one organizing effort. After only enrolling 300 of Chicago's 35,000 domestic servants, the group disbanded. (Boris and Nadasen, 2008)
The Domestic Workers Union formed on the heels of the New Deal legislation that unilaterally excluded domestic workers. One of their offshoots, Local 149 in Harlem, could claim 1,000 members—more than any other union of its kind despite that it was just a sliver of New York City's domestic worker population. Local 149 encountered the same organizing problem as WWAA, but for the women who knew of it, it became a place to go when they could not find employment for the day. Local 149 took a standards approach to labor, pushing general standards for private employment instead of advocating case-by-case. However, between difficulties organizing, challenges in collecting membership dues from an already impoverished workforce, and the parent organization's lack of funds to help out, Local 149 eventually closed its doors. (Boris and Nadasen, 2008)
A concurrent organization, the National Committee on Household Employment, operated from 1928-1945. NCHE also advocated standards, proffering a voluntary Code of Ethics to housewives. It was to become a theme; voluntary standards and contracts are tools to this day. NCHE and other organizations never became full-fledged unions. They could not generate enough funds to sustain organizing efforts, and they were shrugged off repeatedly by other national union organizations.

> Unions failed to sustain themselves—given that neither the American Federation of Labor's (AFL) craft model of organizing nor the Congress of Industrial Organization's (CIO) workplace industrial model addressed the fragmentation of domestic labor or the needs of the women who toiled for other women. The AFL did not recognize domestic labor as skilled or possessing craft attributes. The CIO focused on mass manufacturing and never considered the home a workplace. (Boris and Nadasen 2008:419)

Deal act capped the working week at 44 hours, established minimum wage, outlined overtime pay as part of compensation, set the standard seven-day workweek, protected collective bargaining and forbade child labor. However, the legislation did not extend to domestic workers and farm laborers, who were mostly black (Jahn 2014). The act systematized discrimination, and subsequent acts and amendments were built atop that foundation. Even the 1964 Civil Rights Act, which barred discrimination based on race, color, religion, sex and national origin, did not right wrongs. As a fragmented workforce, domestic workers could not benefit; the act only applied to firms with 15 or more employees. Soon after, age discrimination was outlawed, but that act only compelled firms with 20 or more employees to abide. To cap off late twentieth century exclusions, domestic workers were also excluded from protections afforded by the Occupational Safety and Health Act in 1970. OSHA required businesses with 15 people or more to provide a safe work environment through necessary safety gear and other protections. "With no clear standards or laws to ensure basic rights, workers have to negotiate the terms of their employment individually, day by day, in situations where they lack any real bargaining power," says Ai-Jen Poo, president of the National Domestic Workers Alliance (Poo 2011:52). Peer economy providers are also compromised in the lack of rights, especially providers on personal service platforms (i.e.: TaskRabbit, KitchenSurfing). Personal service providers correspond closely with domestic workers. The shifting dimensions of task completion transactions result in atomized provider-consumer relationships and a geographically fragmented workforce, just as with domestic workers. Personal service providers also do not have consistent workplace safety standards since the task could be anything from saving a place in line, picking up sundries, house cleaning, or yard work. Research showed that 38 percent of domestic workers suffered work-related health problems[18]; their exclusion from OSHA keeps domestic workers from asking for safety gear such as cleaning gloves or safer working conditions to protect from unreasonable requests (i.e.: dusting the vertex of a high ceiling). "As a result, chronic exposure to chemicals, contagious illnesses, and other health risks is an uncompensated 'cost of doing business' in the domestic work industry." (Burnham and Theodore 2012:32) The study reinforced domestic workers' precarious situation as working poor who are captive to potential employer abuses.

Tom Slee, a peer economy critic, points out potential abuse meted out by peer economy consumers. Both peer economy companies and providers rely on quality assurance for business, and reputation systems form the bedrock. In my conversations with peer economy enthusiasts and skeptics, they credit companies for having operationalized and scaled trust. Companies initialize the process by screening would-be providers. After a user becomes a provider, reputation systems take over: Consumers rate TaskRabbits, buyers rate Etsy sellers, passengers rate Lyft and UberX drivers. These rating systems usually take the shape of multi-point scales and optional reviews. The rating system goes both ways:

[18] More than 50 percent of their interviewees work with toxic cleaning supplies, and of those, "29 percent of housecleaners report suffering from skin irritation, and 20 percent have trouble breathing" (Nadasen and Williams 2010:30).

consumers can rate providers, but providers can also rate consumers. Despite this, Slee points out that rating systems can lead to an imbalance that disadvantages providers. "How about banding together to protest when a TaskRabbit customer posts a job to do four loads of laundry and it's actually 10 or 15 loads covered in cat diarrhea?" Slee asks snidely. "No: if you do that, you're fired" (Slee 2013). Besides firing personal service providers, TaskRabbit customers could also rate them poorly, thus hurting future procurement. A few platforms have recognized this. If UberX drivers dip below the median of a five-star rating, they are called in to regional headquarters and potentially kicked off the platform. However, UberX drivers can also rate passengers, and other drivers may choose to ignore passenger requests based on that passenger's reputation. While this has created a positive feedback loop, providers can only rate consumers upon service or product delivery. The rating system is still weighted in favor of the consumer; if a consumer cancels a transaction, providers have no recourse.

In 1974, the Fair Labor Standards Act of 1938 was amended. Domestic workers were now accorded minimum wage and the right to unionize, but this did not include caretakers such as nannies, elderly companions, and babysitters. Additionally, since a large number of domestic workers are undocumented, many women were not better off. Only those employed by public government would benefit: "Unionism has reached only those domestic laborers who come under public payment systems because these workers can be found either through social welfare determinations regarding clients or third-party vendors who hold contracts with the state" (Boris and Nadasen 2008:424). In fact, the Internal Revenue Service (IRS) deems companions as statutory nonemployees: "Companion sitters who are not employees of a companion sitting placement service are generally treated as self-employed for all federal tax purposes" (Internal Revenue Service 2013b).

The difficulties in unionizing legally should point out that, as a tactic for group negotiations, unions do not simply begin when individuals band together. Unions are essential to U.S. labor history; they were a force in procuring worker benefits and protections within corporate and federal structures. However, there are other circumstances that make unionizing a logical next step: Unions only exist as natural adversaries to employers, brandishing the collective power that results from a critical mass of employees. The majority of unionizing efforts failed during their early history; it took many small wins before unions gained power and co-evolved with institutions. Now, employees have legal protections that buttress their collective bargaining power. Collective bargaining by peer economy providers and domestic workers will have to look different from the traditional union model. As an idea, unions have a lot of traction in the peer economy space. When I convened peer economy providers across platforms, providers compared experiences and concerns. Someone would inevitably observe that peer-to-peer communities contain all the raw materials for a union. Yet "union" is not just a name for people who have joined forces—it also exists within a set of circumstances. It is unclear how this organic tension would take root in the peer economy because peer economy providers are technically their own employers. Meanwhile, since home employers do not usually hire domestic work staffs that might band together, the collective power is lost to the employer-by-employer arrangement.

Both domestic workers and peer economy providers are under-documented in different ways. Companies keep data sets under lock and key—data that might broadly reveal who providers are in terms of ethnic identity, socioeconomic standing, education, and other factors that could inform development resources and programming. Meanwhile, in the absence of solid numbers, the NDWA and UIUC produced the first ever survey of U.S. domestic workers. Collected data show that "85 percent of undocumented immigrants who indicated their working conditions are problematic did not complain because they feared their immigration status would be used against them" (Burnham and Theodore 2012:34). The anti-immigration sentiment sweeping through American politics only further disempowers this workforce. Undocumented or not, 91 percent of domestic workers keep quiet for fear of employer retaliation.

The two workforces straddle dualities. The home is perceived as a space beyond government and public prying.[19] Domestic workers' are especially disadvantaged because there is a cognitive division between home and public spaces. Some peer economy gigs—personal service providers, chefs for hire—also work in this legal gray zone, and the dearth in legislative consideration puts all of them at risk. Although domestic work clearly demonstrates that commerce crosses the public-private boundary, politicians have argued that legislation would hypothetically be difficult to enforce.

> Congressmen and policymakers who had the power to make the decision cast minimum wage for domestic workers in terms of the rights of domestic workers versus the rights of housewives. Legislators suggested that passing such a bill would be tantamount to "bringing the federal bureaucracy into the kitchen of the American housewife." (Nadasen 2012:81)

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[19] During the early twentieth century, there was a push across class boundaries to credentialize domestic work. In establishing this "women's field," vocational groups and teacher associations lobbied Congress in the early 1900s to fund youth vocational development. It was even integrated into collegiate education, and domestic work was an acceptable career for middle class women before they married. Subjects ranged from dietetics to laundry to developing a repertoire of recipes for multi-course meals. (Palmer, 1989)
Partnering with the YWCA, the Works Progress Administration funded training through the 1930s. "During the New Deal, agencies trained girls and women, depending on the assessment for their best hope of income and support, to see housework in one of three ways: as a housewife - manager directing an employee, as a solitary housewife doing the work of her own family, and as a domestic working in others' homes." (Palmer, 1989:100) At first, training was structured as work-study, with students completing domestic work in the daytime and taking courses in the evening.

> During the course of the 1920s, an emphasis on education for the vocation of homemaking gradually took over in courses offered during the regular day curriculum. Contrary to Henrietta Roelof's hope that vocational education would clarify the industrial status and improve the labor standing of domestic workers, in much of the country vocational home economics became equated with preparation for a woman's keeping her own house. (Palmer 1989:95)

New Deal relief programs ended in 1942, and despite the temporary support, Palmer asserts that New Deal programs did not help to distance women's work from nurturance and sacrifice. She cites the lack of protections and benefits for housework as the reason that many women, especially white women—the most visible—dropped out of that workforce.

Peer economy providers are caught in a slightly different but related limbo: The independent contractor status means that companies can pass the buck when it comes to who is the employer, so it is unclear who is the responsible party for setting adequate safety conditions. Domestic worker advocates have had to help employers see themselves as and understand their legal obligations as employers, not as customers. But when it comes to the peer economy, is the platform the employer? Is the consumer the employer? Are independent contractors their own employers? The platforms offer products and services, fulfilled by contracted workers. TaskRabbit posters might unwittingly post tasks that put Rabbits in danger, and Rabbits might accept tasks without realizing the dangers—tasks that would not pass OSHA's guidelines. Whoever is the true employer, consumers do not see themselves as employers, and peer economy providers do not see themselves as small business owners.

The absence of regulations is a double-edged sword for both workforces. Due to its centuries-long history, however, the domestic workers movement has identified and fought for rights that will emerge as critical areas for peer economy providers, too. The 1990s marked the beginning of the contemporary domestic workers movement, and I have culled several strategies and tactics that are applicable to peer economy advocacy.

STRATEGY #1 - Recognize emergent needs that the domestic workers' bill of rights already outlines.

Domestic worker organizations have traditionally formed along roles and ethnic lines—Brazilian, Latino, Nepali, Filipino, refugees, care workers, and house cleaners. Every group wants respect and enforced rights for domestic workers, but the populations they serve have nuanced differences in their daily circumstances. Recognizing this, 13 organizations joined forces at the 2007 U.S. Social Forum as the National Domestic Workers Alliance. NDWA approaches activism and organizing from a big picture perspective. Instead of targeting specific employers or fighting for one right at a time, NDWA goes after state legislation to pass a domestic workers' bill of rights. Among the demands are:

- The right to associate freely, join organizations that advocate for workers' rights, choose representatives, and create frameworks to bargain collectively.
- Inclusion in the minimum wage standards in all states where domestic workers are currently excluded.
- Equal rights to state and federal overtime pay that other workers enjoy,
- Equal rights to meal breaks, rest breaks and rest days to which other workers in their states are entitled.
- Right to adequate hours of uninterrupted sleep for live-in domestic workers.
- Inclusion in all state-level workers' compensation and unemployment insurance programs under

all state and federal anti-discrimination laws.
- Protection from discrimination, abuse and harassment.
- Inclusion in state and federal health and safety protections.
(Burnham and Theodore 2012: 36)

Peer economy providers and the domestic workforce work under different structures, but those structures have enough similarity to tip off peer economy advocates to needs that will eventually surface. Providers will also need to be able to make a wage that warrants their time and resources, find a way to procure social security since no employer is paying into unemployment or health insurance, and protect from discrimination, abuse, and harassment. Peer economy providers are not protected from discrimination for the same reason that domestic workers are excluded: Only businesses that employ 15 or more employees must comply with the Civil Rights Act of 1964. There are rarified court cases where non-employees have been classified as employees in order to extend legislative protections, but these cases are extraordinary[20].

Employees and independent contractors are both workers, and they share the same life needs. Under the gainful employment paradigm, employers covered many social welfare needs including health insurance, worker's compensation, vacation and sick days, and retirement packages. While benefits have steadily fallen away, independent contractors must earn enough to pay for all of the same benefits on their own. Since independent contractors' services may be subject to seasonal fluctuations in demand, they have less of a reliable safety net. The domestic workers movement is seasoned enough to know special needs that are particular to atomized agents, and—as exemplified through the domestic workers' bill of rights—they are ahead of the peer economy space in articulating those needs.

STRATEGY #2 - Leverage prominent figures for media attention.

In the last three decades, snippets about domestic workers have percolated in American media. In 1993, then-President Bill Clinton nominated Zoe Baird as the United States Attorney General. It came out that she employed two undocumented domestic workers, and she did not pay into social security. Congressional buzz was against Baird, and Clinton withdrew the nomination. His next choice, Kimba Wood, also employed an undocumented domestic worker for child care. Although she paid into social security, political sentiment was high, and Clinton again withdrew the nomination. This succession of

[20] In Diggs v. Harris Hospital—Methodist, Inc., a black female physician filed action under Title VII of the Civil Rights Act of 1964 against the hospital where she was a provisional staff member. The title bars discrimination based on race, sex, or religion. Although an independent contractor, Diggs received staff privileges, and she filed suit when they were terminated. Before the court could pass judgment, they had to determine whether Diggs even had the right to file under the act. The US Court of Appeals for the Fifth Circuit ruled against Diggs "because we find that Diggs failed to prove the existence of an employment relationship with which the hospital allegedly interfered." (United States Court of Appeals - Fifth Circuit 1988)

failed nominations was known as Nannygate. In the same period, it came to light that several high-level, international officials and diplomats were abusing their domestic workers (often sexually) (Neubauer 2012). However, diplomats enjoy immunity and cannot be prosecuted.

Visible allies also generated episodes of public attention. Shirley Chisholm, the first African-American woman elected to Congress, publicly stated her support for domestic worker rights in the 1970s. Her mother was a domestic worker. AFL-CIO president John Sweeney's mother was also a domestic worker, and he declared that "the ten million workers who are part of the AFL-CIO support the Domestic Workers Bill of Rights" (Poo 2011).

At times, mainstream media reminded the public of domestic workers' ongoing plight. News outlets reported on common abuses, but it took the entanglement of high-level politicians for these abuses to be publicly visible. Prominent figures lent their spotlight by stating their support for legislation and standing as examples of what success looks like with the help of care work. "If it weren't for the women who work with me in my home, there's no way that I would be the person that I am today," says Maria Hinojosa, an award-winning journalist who anchors Latino USA on NPR. "And so I like to hand that back to them not only with the good wages I pay, and with the security of a job, and with the fact that I'll pay them even when we're not in town—they're going to have a salary. I wouldn't be who I am if it wasn't for them, and I'm hoping one day in the future, they can look at their daughters and say, my daughter couldn't be who she is if it wasn't for Maria Hinojosa who also opened the dream a little bit bigger. So we're all connected" (Barnard Center for Research on Women 2009).

It takes ongoing media coverage to keep domestic workers visible. While the peer economy enjoys media visibility, many pieces focus on how company operations and local regulations butt heads. Coverage about peer economy providers either extolls wildly successful providers or providers who feel victimized by their participation on these platforms. Focusing on these extremes means that a middle swath of peer economy providers—partial income earners are the largest group in the provider workforce—are not part of public consciousness, and so these stories do not move a worker support agenda forward. Since so many protective needs are similar between the two workforces, bringing public and pop figures on board as advocates would help keep the collective needs of peer economy providers and domestic workers close to the forefront of public attention.

STRATEGY #3 - Recruit diverse partners and allies.

Dozens of organizing groups emerged in the 1990s, and these organizing groups developed tactics outside of the union model. Among their allies were faith-based groups, neighborhood associations, the legal community, women's organizations, academic institutions, other excluded workers, and immigrant worker hubs. Together, these groups brought more resources to the movement and could also reach domestic workers across different spheres of their lives.

> Whereas Dorothy Bolden lingered at bus stops to find Atlanta's domestic workers, today organizers go to playgrounds and ethnic stores, hoping to catch workers when performing tasks of child care and shopping. Because of the distrust or lack of familiarity with American culture and politics, as well as the frequency with which workers changed occupations and employers, the neighborhood associations proved to be a more viable and effective organizing strategy. (Boris and Nadasen 2008:425)

Additionally, DWU has collaborated with activist scholars, sympathetic media firms, and the migrant labor movement to create awareness projects. Once the Domestic Workers Bill of Rights' passed in New York, several groups collaborated on New Day New Standard, a hotline to educate New York live-in workers and their employers about rights. "Equal parts advice and humor—think NPR's 'Car Talk' for nannies—users can call in with any kind of phone and at any hour to listen to different humorous episodes about topics such as overtime wages, paying your taxes, slavery and trafficking, and more. But this is no drab and dry reading of the law. When you call the 'New Day New Standard' hotline number, you hear what sounds like a radio talk show 'hosted' by Christine Lewis, a real nanny in New York whose charisma landed her a guest spot on *The Colbert Report*" (REV- 2012). The program was designed to sidestep the isolation that keeps live-in workers from support networks that could affirm their rights (Hurwitz and Burd 2012).

Figure 1. *Nannies in Boston crowd together during the 2014 National Nanny Training Day for a picture in front of the NannyVan (photo by Denise Cheng).*

NannyVan is another such project (see figure 1). Billed as public art, a bright orange van travels the country. Inside is a design and sound studio that folds out into a crafting cart and recording booth. The public art spectacle announces itself with the "nanthem," an anthem played over loudspeakers as the van pulls into its target location. Ai-Jen Poo, director of the National Domestic Workers Alliance, ties all of these efforts together:

> Rather than framing our work as a narrow workers' rights campaign that was focused strictly on the issues of domestic workers, we intentionally built the campaign around broader notions of structural inequality … Our message to "Respect the work that makes all other work possible" allowed us to build relationships with women's organizations, mothers, and longtime advocates for gender justice and women's equality. Our "Reverse a long history of discrimination and exclusion" message allowed us to build with farm workers, homeless people, guest workers, and millions of others excluded by the legal system that's currently in place. And "Standards benefit everyone" allowed us to build relationships with unions, employers, faith leaders, and thousands of others." (Poo 2011:55)

STRATEGY #4 - Effectively demonstrate for legislative change.

As a marginalized workforce, domestic workers have used creative demonstration tactics to catch public attention. Throughout the 2000s, DWU recovered more than $450,000 in unpaid wages from recalcitrant employers. At the worst, domestic workers are captive to potential employer abuses. Wages are unregulated, one-to-one negotiations, and some employers pay under the table. This might make it possible for undocumented workers to work and for domestic workers to keep pay that would have gone to taxes, but it also enables wage abuses. Non-English speakers and undocumented workers suffer significant wage penalties—much lower pay than documented and semi-fluent domestic workers would receive—because they are afraid to or cannot negotiate. Worst of all is wage theft. To recover those wages and to bring attention to wage theft, domestic workers came together. Organizing tactics included picketing in front of employers' homes and other shaming tactics. Sympathetic employers also joined demonstrations, and the ones who employ child care workers brought their cute children. Using legal pressure, DWU also successfully lobbied New York City to compel domestic worker employment agencies to educate workers and employers about rights (Poo 2011:53).

> ...domestic workers sponsor testimonials, create support groups for isolated workers, hold public "shaming" demonstrations to embarrass abusive employers and push for protective legislation ... And because their constituency is predominantly women of color, many of whom are immigrants, domestic workers have integrated an analysis of race, culture, ethnicity, nation, and gender into their organizing strategies. Their international potluck dinners and multilingual chants are evidence that culture, language, and ethnicity are essential elements of their bonds of solidarity. (Nadasen and Williams 2010:10)

Domestic workers and their allies have turned up at public meetings to appeal on a more intimate level. New York, New Jersey, California and Hawaii have passed the bill of rights in varying degrees. Besides legislation, the movement also counts on employer advocates to stand in while bills move through the system. NDWA encourages employers to adopt a voluntary contract. The contract, which should be a clearly written agreement, includes:

- Paying proper wages including overtime pay, annual raises and payment when work is cancelled on short notice.
- Providing adequate breaks for meals, rest and days off.
- Health coverage to full-time employees.
- Paying into Social Security or an alternative retirement plan, workers' compensation, and unemployment insurance.
- Providing full-time employees with paid sick days.
- Providing advance notice of termination.
- Providing employees with protective gear and the option of using nontoxic cleaning supplies.

(Burnham and Theodore 2012:37)

The NDWA knows that their asks on behalf of domestic workers comes off as incredible. The devaluation of domestic work, its invisibility in economic measures, and societal expectations of gender roles make it difficult for both politicians and the public to recognize the urgency for legislative protection. Past organizing groups, the NDWA and domestic workers have linked rights to dignity, framing labor protections as a national public issue. What has always been just beyond the movement's reach is also its greatest and most pressing challenge: humanizing domestic workers to the mainstream population.

Although peer economy providers operate with a similar ambiguity, they are in a distinctly better position than domestic workers: They are in the public spotlight. This is due in large part to the presumed demographic of peer economy providers. While companies may veil the income and racial demographics of their participants, conversations and shared data affirm that providers participate for supplementary income. Many providers took on peer economy gigs when they were laid off during the Great Recession. Luckier individuals take on peer economy gigs to earn income in between jobs, or as pocket money or savings in addition to other jobs (GfK 2013; HR&A 2012). Peer economy providers who have been profiled by media tend to be individuals with high human capital investment. These are recent college grads who have accrued an average of $26,600 in debt. (Reed and Cochrane 2012) These millennials are sometimes maligned as the "Peter Pan Generation," who do not want to achieve traditional adult milestones when, in fact, they cannot afford to do so. Similar to domestic workers, the peer economy draws its provider population from different constituencies, and advocates must be able to speak to these different groups. Peer economy providers are also retirees, recent immigrants, the disabled, laid-off workers for whom the social contract—full-time labor for a dependable, livable wage—has been untrue. In other words, providers are people in whom believers of the American Dream can see themselves, and this gives them great political visibility.

The common law of agency and misclassification of workers: Stretching the simplicity of worker classifications

There are many terms to describe the independent worker: contingent worker, freelancer, microentrepreneur, and small business. Perhaps the independent works at a company but is a leased employee, temporary employee, permalancer, provisional staff, or an on-call worker. In parlance, there are myriad ways to describe a worker, but through legal goggles, there are only two: the employee and the independent contractor. Employees are nestled in a company structure and independent contractors are individuals who offer services for pay. When it comes to legal obligations, think of the independent contractor as akin to a company. On a basic level, both are responsible for operating licenses, payroll tax and property tax (any equipment used for business purposes). Both are responsible for state and local taxes. Whereas a company subtracts the cost of business from its employees' paychecks (known commonly as withholding), the independent contractor takes on the full brunt. While the employer pays half of payroll tax and passes the rest onto employees, the independent pays the full amount in the form of self-employment tax (Internal Revenue Service 2014). Withholdings and self-employment taxes both pool into the funding base for social security, unemployment, and other federal services. However, if independents go under—either by failing to sustain sufficient revenue or folding entirely—they are not entitled to the unemployment subsidies that they pay into. As individuals, independents also pay personal income tax. To recap, clamoring for each paycheck are payroll tax (known as self-employment tax), property tax, state and local taxes, operating licenses, personal income tax and, finally, take-home pay (never mind benefits such as health insurance, sick days, time off, and retirement). All of these requirements and benefits—or lack thereof—hold steady for peer economy providers, many of whom are caught off guard when tax season rolls around. Since companies handle many of these taxes behind the scenes, the average employee only sees take-home pay that is subject to personal income tax. When the average person earns money outside of this system, independent contracting then appears to come with many strings attached, and being independent might not be as attractive if individuals knew to read the fine print. The independent contractor status privileges the archetypical freelancer, who is a skilled professional with moxie. Archetypical freelancers are aware of the hurdles, and they know at least to expect the unexpected. This sort of mental preparation makes all the difference.

In a formal economy that favors gainful employment, the leap from being an employee to an independent contractor is sudden and stark. Peer economy platforms appear to be a good holding strategy; as income generating templates, they offer baby steps into independent work. The prefix of "micro-" is everywhere: microentrepreneurs, microjobs, microbusinesses and microenterprises. The peer economy fits into a capitalist framework, and just as water will seek its own level, the market mash-up of the growing provider population, the demand for their services, and selection for quality will eventually settle into a comfortable price point. The price point is precisely why so much is at stake in the "employee" classification. In addition to the platform's commission, will that price point cover the layers of financial obligations tussling for each payment?

"Generally, the totality of the circumstances—that is, all the conditions under which a person is working—governs the characterization of that person as an employee or an independent contractor; the label a company places on the worker has no bearing on the matter," writes lawyer Charles J. Muhl for the *Monthly Labor Review*, the U.S. Bureau of Labor Statistics' publication of record since 1915. He explains that the rise in the "independent contractor" label might be "perceived to be a result of employers' desire to reduce labor costs and employees' desire to increase their flexibility, among other things." (Muhl 2002:3)

Reduced labor costs are built into the peer economy company model because the opportunity for income generation is the business' product. That is just one product—the other is the consumer good or service. Ambiguity arises from the two sides of peer economy companies' customer base, and on one of those sides, companies and peer economy providers team up to deliver a product or service to the consumer side. Companies cultivate a reliable brand experience through marketing, user experience design, and selecting providers via screening processes. Peer economy providers rightly recognize that they are inventory ("the front man," as one focus group participant put it). As Etsy policy director Althea Erickson often says, "when our sellers succeed, we succeed" (Erickson 2013).

Yet not inconceivably, there lurks the specter of a race-to-the-bottom market. Since most of these income opportunities require relatively little human capital investment (an economic term that refers to intimate knowledge such as a college education or experience in order to turn out a product), it is easy to sign up. As more people become providers, the natural economic conclusion is that labor will outstrip demand and drive prices down. Both investors and startups recognize the possibility but hold out that to consumers, the best bargain does not always look like the lowest price. As the market grows in both providers and consumers, however, the schism in abilities—companies' interest in scaling available service and product against providers' ability to scale their efforts—can be profound. Slee criticizes just what a raw deal he thinks the peer economy is (he also unknowingly hits on the similarity between peer economy providers and domestic workers, perhaps demonstrating the invisibility of domestic work in American society):

> The sharing economy is not an alternative to capitalism, it's the ultimate end point of capitalism in which we are all reduced to temporary labourers and expected to smile about it because we are interested in the experience not the money. Jobs become "extra money" just like women's jobs used to be "extra money", and like those jobs they don't come with things like insurance protection, job security, benefits – none of that old economy stuff. (Slee 2013)

In every focus group I facilitated, providers said that their interest began with money. There are other reasons for participation sandwiched in between, but their ultimate retention also ends with money. Providers sign up on peer economy platforms because they need the income; for some people, it has helped them stay in their homes or live independently. Some have earned enough money to justify quitting other jobs. Platforms stay sticky by cultivating community on the provider side. The provider community is the easiest to nurture; consumers come to peer-to-peer marketplaces because they need something, and the quality is competitive with other market offers. Consumers identify with providers inasmuch as they may value the sincerity of peer-to-peer production or buy into the concept of collaborative consumption, but these are secondary[21]. In a follow-up survey, we asked providers what they discuss when they meet one another.

> Really anything. When in person, it's usually about 50% Lyft related (stories) and 50% about ourselves. Of course, it depends on the person and how well you connect with them. Lately a small group of us have been seeing a lot of movies and going out afterwards for lunch. We usually talk about weird situations, what we want out of life. Honestly, the topics are very broad, mainly because we've gotten to know each other really well and are really close.

Money comes first for providers, but community makes platforms particularly sticky. The more a platform controls both the brand experience and how providers execute their services—pricing, etc., the more that providers feel like they are partners with the platform. "I also like to send emails to staff members with ideas of mine in hopes that they'll help the company grow. This usually results in getting some information from those staff members in regards to my ideas and what Lyft is currently working on that is related ... I stay because I've met a lot of people that I consider friends, mostly drivers ... John Zimmer, one of the founders, is also a great retention tool because he constantly talks with drivers and attends some events, which really helps with morale and shows that he knows what he's doing. That last part makes me feel happy to be with this company."

Platforms that give providers more latitude to set prices for their goods and services seem to cultivate a more realistic outlook. When providers on Airbnb and TaskRabbit find themselves in the same place, they compare strategies rather than bonding over their mutual experiences. In a sense, companies reduce their labor costs by creating forums where providers can answer one another's questions. These relationships are less likely to make their way past the platform once a provider hops off for good. The companies that tightly control service delivery to maintain a reliable consumer experience come dangerously close to misclassification. "Note that the employer does not actually have to control the work process: the mere ability of the employer to take control is sufficient to create an employer-employee relationship." (Muhl 2002:5)

Uber exemplifies the ambiguity around classification. The transportation network company offers three services: UberBlack, Uber, and UberX. UberBlack and Uber are independent livery services in which Uber matchmakes drivers with passengers. UberX is the company's peer-to-peer extension, in which providers put their personal cars to work. Across the country, transportation network companies are at the

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[21] Our focus group research did show that providers on peer economy platforms were also likely to be consumers of that platform. These crossover users had more sympathy for other providers, which made it more difficult for them to rate a provider poorly even if the good or service were not up to snuff.

center of ferocious debates on local regulations. Some cities have tried to ban Uber from entering their domain entirely (Vaughn 2014) while others have tried to limit TNCs to a maximum number of drivers in the city (Brooks 2014)[22]. Similar transportation network companies include Lyft and SideCar, in which passengers and drivers use the platform's app to find each other. Each of these companies take a commission, and each of the companies set uniform prices across their drivers. Uber has been especially controversial because it has cut rates for drivers in order to increase demand among riders. Company founder Travis Kalanick asserts that Uber's decisions come from rigorous analyses. Temporary pricing experiments in various cities have shown that decreases in price means that UberX drivers do not idle for long without passengers. However, this has led to consternation among UberX drivers. In fall 2013, rumors circulated that UberX drivers in Boston were planning to strike. Uber had just cut fares, and while the company claimed that average driver income would go up, a considerable number of UberX drivers were unconvinced.

> Uber brought all the drivers together to the Boston office to announce the change, in an open "townhall-style" meeting format.
> Prior to this meeting, none of the UberX drivers knew who each other were, so they had no way to collectively organize and coordinate their actions/requests. Occasionally they'd see each other around town and discover they were both using Uber, but since there is no centralized pool where cars are returned at the end of the shift, there's no easy means of getting to know your fellow drivers.
> This meeting announcing the fee change was the first time the drivers all got to meet each other in person. So, one driver started passing around a paper to collect names and emails of everyone in the room. Then, this leader-driver created a FB group after the meeting ended which now has hundreds of members. There is now chatter in the FB group about how best to respond to the fee change (switch over to Lyft? organize a "strike"? collectively bargain to reverse the fee change?). (Parker 2014)

The strike did not happen, but with every unilateral fare cut, drivers become more distrustful of the company[23]. Various drivers have also told me that Uber is neither particularly accessible nor responsive when its drivers have questions, and an interviewee who uses both UberX and Lyft prefers Lyft for its supportive community[24]. These drivers' grumblings merit consideration. The distinction between employees and independent contractors comes down to three tests: the common law of agency, the economic realities test, and a hybrid of the two previous tests. A worker could be deemed an employee by one test and an independent contractor by another, but the common law of agency is the prima facie

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[22] Meanwhile, transportation network companies and temporary stay companies have accused local governments of being beholden to taxi and hotel lobbies.
[23] Uber does not provide on-platform communication channels for its drivers. In that absence, some Uber drivers communicate via UberPeople.Net, an independent forum, or attempt to contact one another through subreddits (a forum for user-generated content). (UberPeople.Net; uberdrivers)
[24] Lyft drivers often communicate during their drives, using a walkie-talkie smartphone app called Voxer. There are also active, drivers-only Facebook groups in every city where Lyft has been deployed.

determinant for whether a worker is an employee or an independent contractor. In summary, the test asks whether the worker or the company has control over how the work is done. The IRS determines this classification through a checklist of 20 factors (see figure 2):

20 Factor Common Law Test For Classifying An Individual As An Employee Or Independent Contractor

("Yes" answers generally indicate Employee. "No" answers generally indicate Contractor.)

Yes	No	
☐	☐	1. Must comply with employer's instructions about how to do the work (when, where, how).
☐	☐	2. May receive training from or at the direction of the employer.
☐	☐	3. Has a continuing working relationship with the employer.
☐	☐	4. Provides services that are integrated into the business.
☐	☐	5. Provides services that must be rendered personally.
☐	☐	6. Hires, supervises, and pays employees for the employer.
☐	☐	7. Must follow set hours of work.
☐	☐	8. Works full-time for an employer.
☐	☐	9. Does the work on the employer's premises.
☐	☐	10. Must do the work in a sequence set by the employer.
☐	☐	11. Must submit regular reports to the employer.
☐	☐	12. Receives payments of regular amounts at set intervals.
☐	☐	13. Receives payments for business and/or travel expenses.
☐	☐	14. Relies on the employer to furnish tools and materials.
☐	☐	15. Works for one employer at a time.
☐	☐	16. Lacks a major investment in facilities used to perform the service.
☐	☐	17. Cannot make a profit or suffer a loss from performing the services.
☐	☐	18. Does not offer the services to the general public.
☐	☐	19. May quit work at any time without incurring liability.
☐	☐	20. Can be discharged by the employer.

Since these tests are subjective, an individual need not meet all, or even most, of these tests to be classified as an employee, since the IRS may give more weight to a certain factor depending on the individual occupation or other facts and circumstances.

Figure 2. *The IRS' checklist of 20 factors to determine whether a worker is an employee (University of Texas – Brownsville 2014).*

The economic realities test overlaps with some factors of the common law, but the reality of the worker's economic vulnerability overshadows its common law similarities (see figure 3). "The economic realities test, while similar to the common-law test, focuses on the ultimate concern of whether the economic reality, as illuminated by several factors, is that a worker depends on someone else's business for his or her continued employment, in which case the worker is an employee," Muhl explains (Muhl 2002:9).

Exhibit 3. Factors used to determine a worker's status under the economic realities test

Factor	Worker is an employee if—	Worker is an independent contractor if—
Integration	Worker provides services that are a part of the employer's regular business	Worker provides services outside the regular business of the employer
Investment in facilities	Worker has no investment in the work facilities and equipment	Worker has a substantial investment in the work facilities and equipment
Right to control	Management retains a certain type and degree of control over the work	Management has no right to control the work process of the worker
Risk	Worker does not have the opportunity to make a profit or incur a loss	Worker has the opportunity to make a profit or incur a loss from the job
Skill	Work does not require any special or unique skills or judgment	Work requires a special skill, judgment, or initiative
Continuing relationship	Worker has a permanent or extended relationship with the business	Work relationship is for one project or a limited duration

Figure 3. *Muhl lays out aspects of the economic realities test (Muhl 2002:8).*

One participant in our focus group talked about a car accident while on his way to pick up a TNC passenger. A ZipCar driver had dinged his car. ZipCar's insurance would cover the damage, but the TNC asked the provider to stay off the road for a few days till everything could be settled. "They want to convey a certain type; your car needs to be clean and, physically, the body needs to be intact. So I just sent them a picture—it's just a small ding—it's a frustrating thing for me to have to get fixed. Luckily they're like 'oh that's okay you can continue to drive.' Well it's been a month and a half now; if I had to wait for ZipCar to pay for this, that's a month and a half of income that I'm forgoing."

In my own experience, I hailed an UberX and had a stimulating conversation with the driver. He expressed his discontent with the fare cuts; as a former cabbie, he was very good at strategizing so that he never found himself without a passenger. For him, the decrease in fares did not mean he would get more jobs because he was already at capacity. Instead, the fare decrease really did mean a decrease in income. I wanted to hear more, but the ride had come to an end. I asked if there was some way to get hold of him. Nervously, he told me that Uber forbids its drivers to share their contact information. In general, peer economy companies discourage disintermediation (users transacting directly instead of negotiating through an intermediary) because they lose their commission. However, the driver's reaction was in tune with a general pattern of anxiety that providers have around the extent of companies' policies.

TNCs map neatly onto the case of FedEx Ground. Throughout the 2000s, state lawsuits—19 lawsuits representing thousands of drivers—were filed against FedEx. The heart of the issue: The company classified all of its FedEx Ground drivers as independent contractors but required those drivers to bear its logo and colors on their trucks (which are owned by the drivers) and drive specific routes, which they had bid for the right to service. Ground drivers were required to purchase and wear FedEx uniforms despite that they were not employees. Ground drivers each covered certain routes but kept to grueling schedules to deliver on FedEx Ground's promise of an expedient delivery timeframe. Drivers' vehicles had to be available for deliveries from Tuesdays to Saturdays. These drivers received no overtime, no company benefits, and no compensation for business expenses. FedEx claimed that the independent contractors were their own employers, and they had the right to hire others to drive the route as they would like. Thousands of FedEx Ground drivers protested their circumstances, and in at least one region, the International Brotherhood of Teamsters stepped up as the collective bargaining representative. However, since the FedEx Ground drivers were not employees, FedEx refused to recognize the legitimacy of their collective bargaining union.

> But were the FedEx contract drivers really in business for themselves? Or was their status as "independent" drivers more of a useful myth that enabled the company to protect itself against unionization, to avoid paying benefits, and to win more business by being able to charge less? (In 2005 it was estimated that this contractor model enabled FedEx to deliver packages at an average rate $1.35 lower than its main rival, United Parcel Service (UPS), which uses unionized, salaried drivers.)
> Over the years, that question was the subject of protracted legal battles, with rulings going both ways. In some states, for instance, FedEx now requires drivers to incorporate as businesses, and sometimes to "merge" their businesses with other drivers in order to ward off lawsuits demanding they be put on salary. (Lynn and Kahn 2012:17)

FedEx Ground drivers were granted class action status to file suit against FedEx (Fraunheim 2008). The National Labor Relations Board stood in as the plaintiff, but the case failed to move past the U.S. Court of Appeals in the D.C. circuit. Early in the court opinion, Judge Janice Rogers Brown writes that the Supreme Court precedent "teaches us not only that the common law of agency is the standard to measure employee status but also that we have no authority to change it" (United States Court of Appeals - 12th District 2009). FedEx Ground still makes appearances in the legal ring. In 2013, five years after the circuit court ruling, a Massachusetts district court ruled in favor of FedEx Ground drivers.

> Under Massachusetts law, an individual is considered an employee, rather than an independent contractor, unless the putative employer proves all of the following: (1) the individual is free from control and direction in connection with the performance of his or her service, both under his or her contract and in fact; (2) the service is performed outside the usual course of the business of

the employer; and (3) the individual is customarily engaged in an independently established trade, occupation, profession, or business of the same nature as that involved in the service performed. On a motion for summary judgment, the FedEx drivers challenged FedEx's ability to establish the second and third requirements. (Fetner 2013)

A lot rides on worker classification. It determines whether providers have a security net. In a convening at Harvard's Berkman Center for Internet and Society with Uber's CEO, I raised the comparison of FedEx Ground. He responded that technically, Uber is a client who has contracted with an independent to deliver a service (Kalanick 2014). Let us suppose for a moment that this is undisputable. It contradicts providers' perception that they, too, are users and customers of the peer economy platform. "We as the people delivering the service, we have every right and need to be covered as much as the people who are using our service," said one focus group participant, whose expectation goes against the typical responsibility that independent contractors' bear for their own safety. If the independent contractor is a third-party who fulfills services, then are consumers also implicated? Why is there such a schism in perception? "...there is no shorthand formula or magic phrase that can be applied to find the answer, but all of the incidents of the relationship must be assessed and weighed with no one factor being decisive," reads a 1968 Supreme Court decision (Supreme Court 1968).

Providers see themselves as customers and product users, and companies acknowledge that their platform is a two-sided service. In the face of so much risk, however, critics regard peer economy providers as serfs, servants, free agents, hustlers, and dupes. The independent contractor conundrum extends far beyond the peer economy: wrapped up in that classification is the assumption of a business structure. A business structure would take into account payroll taxes, property taxes, operating licenses and more. A business would file quarterly tax reports or hire a professional accountant. A responsible business would make sure that incoming revenue could cover all of these costs. In a world where every person is either an employee or an independent contractor (and all that it implies), people are punished for taking initiative. Without a business structure in place, workers drop abruptly from employee safety nets to independent, low-wage workers.

These potential low-wage independents also compete against formalized collective power, commonly known as companies. Companies can leverage economies of scale and spread out costs, which is why their end consumer product does not always reflect the true cost of production. These depressed prices become the marketplace norm, and providers compete at the same rates, not taking into account the market levers that privilege companies.

Political pleas around the peer economy have centered around reducing regulations and letting the free market take shape. Arun Sundararajan, a business professor at New York University, is a leading voice in the peer economy around regulations and market forces. In a piece for *The New York Times*, Sundararajan says, "there's a real danger that today's misalignment between newer peer-to-peer business models and older regulations will impede economic growth." The piece is entitled "Trusting the 'Sharing Economy' to Regulate Itself." "If this gap—between the old regulations and the new models—isn't closed soon, there is a real risk that the impending economic growth could be stifled." (Sundararajan 2014)

Sundararajan's warning encompasses more than just the peer economy—an argument for intermediary steps is not necessarily a free market plea for reduced regulations. The extreme of being an independent contractor is also an obstacle as cities try to nurture micro-entrepreneurship among their communities of concern: public housing residents, the homeless, the formerly incarcerated, minorities, immigrants and refugees, and at-risk youth. Alongside the disappearance of jobs, workforce curricula are increasingly outdated as technology becomes more efficient. Cities such as San Francisco are trying to groom microenterprise as one track in workforce development because they see microentrepreneurship as an exit strategy. However, if the independent contractor status starts people at a disadvantage, then how likely are these already disadvantaged groups to succeed? After all, the peer economy will not be their saving grace; a recent Harvard study shows that short-term housing sites such as Airbnb only perpetuate systemic inequalities because market forces reinforce how people in less advantaged neighborhoods devalue themselves and their environment as they try to price competitively (Edelman and Luca 2014). Since peer economy companies also control for quality through various screening processes, the formerly incarcerated are unlikely to get the go-ahead as providers.

Peer economy providers do not see themselves as small businesses. The night-and-day of being an employee or independent contractor disadvantages many people on the fringes of economic security, whose alternative is to take part in an informal economy. Creating an intermediary status between an employee and an independent contractor—which we currently equivocate with independent business—would not only benefit providers who are dipping their toes in entrepreneurial waters but also anyone who is testing out their disposition for entrepreneurship, testing whether they are truly ready to take the plunge.

Learning from the franchising dilemma: Language to capture providers' and companies' mutual expectations

What is the difference, structurally, between Subway and Quiznos? Founded in 1965, Subway has 16 years on Quiznos and—at 26,500 restaurants—more than five times the number of Quiznos locations in the U.S. To prospective franchisees, Subway and Quiznos embody the popular idea that franchises are a reliable pathway to owning an independent business while skipping the risks of starting a new business.

Franchisors lend their brand impact and—in theory—they offer support through training, marketing and leverage economies of scale in the supply chain. Both are the leading franchises in the U.S. for submarine sandwiches, but according to the Small Business Administration (SBA), Quiznos has a 38.83% failure rate in the U.S. while Subway comes in at 9.13%. According to Robert Purvin, the CEO of American Association of Franchise and Dealers (AAFD), the low failure rate is because Subway structures its supply chain through a purchasing cooperative while Quiznos controls the entire supply chain (Commercial Real Estate Radio 2013). It also has a track record for retaliating against its franchisees[25].

Outside of initial investment, franchises and the peer economy are structured similarly: A brand offers an income-generating template with lower barriers to entry than an independent enterprise. It builds on its brand credibility, promises a reliable customer experience, and lends marketing support to its participants. Some peer-to-peer platforms and franchises give their participants the right to price products and services, and as long as the assets utilized meet minimum requirements, participants are free to choose what to use or whom to buy from to outfit their enterprise.

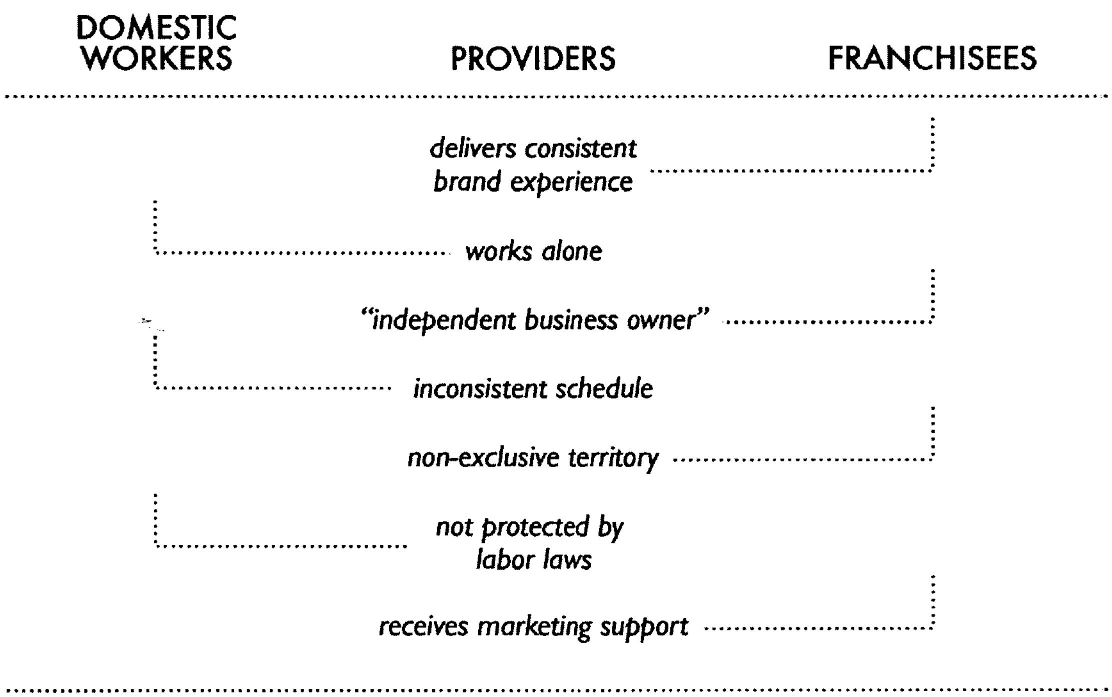

Figure 3. *A rundown of similarities between domestic workers and providers, and franchisees and providers.*

[25] In 2006, the owner of two Quiznos franchises stopped by one of his shops, holed up in the bathroom and killed himself with three bullets to the chest. He left a note, blaming the sandwich chain for the distress that led to his suicide. (Creswell 2007) Whie extreme, many Quiznos franchisees also expressed their desperation because Quiznos' continually refused to hear their pleas. The Toasted Sub Franchisee Association, an independent alliance of Quiznos franchisees, published the suicide note on their website, and Quiznos proceeded to terminate eight members' franchise agreement before a lawyer stepped in (Arellano 2006; Klein 2008).

In reality, however, the scales tip in the brand's favor. Franchisees are legally business owners, but their protection is cobbled together from portions of various laws, which differ by state. At its most extreme, franchisors wield control over captive franchisees, which begs the comparisons: Is the franchisee technically a consumer of the franchise, does the franchisor treat the franchisee as an employee, or is the franchisee a business partner in the franchise[26]? These comparisons are easily mappable to legal technicalities and power dynamics in the peer economy. Meanwhile, even if franchisors do not choose to exploit it, most contracts are written to favor franchisor control over their franchisees.

> "Other lawsuits contend that the licensing agreement forces [Quiznos franchisees] to buy everything — the meat and cheese for the sandwiches, the soap in the bathrooms, the music played in the stores, and even the payroll and accounting systems — through designated suppliers and distributors owned by Quiznos that charge the franchisees higher prices while paying tens of millions of dollars to the corporation, according to interviews with franchisees and court filings."[27] (Creswell 2007)

A franchisee's interests are best protected before they buy a franchise. The Federal Trade Commission publishes an advice guide for prospective franchisees. The Small Business Franchise Act of 1988 requires all franchisors to provide a disclosure document that includes financial statements, various franchisee fees, litigation history, each party's obligations, whether the franchisee is entitled to be the only operator in a market territory, the rate of franchisee terminations, nonrenewals and cancellations once the franchising process was initiated, and more. The act views franchisees as investors, and the disclosure is a crucial document for franchisees to determine whether to invest. Prospective investors can have lawyers look over the disclosure. When investors make the jump to franchisees, they sign a contract that locks down operations for several years.

"Disclosure laws have not only not solved that problem, they've exacerbated it because they give the implication that all is well without it being factually true," Purvin asserts in a podcast with other franchise lawyers. "It's time to wake up and realize that there are hundreds of thousands of people that buy franchise businesses and they believe that they're protected by a framework of regulations that [we] know

[26] Carmen D. Caruso explains:

- The franchisee as employee - "Whether franchisees are comparable to employees is frequently an issue in litigation over covenants [for the franchisee] not to compete [by buying another franchise after a franchise agreement has terminated], is the franchisee a consumer?"
- The franchisee as customer - "Franchisees may also continue to argue that they are analogous to 'consumers,' since the Federal Trade Commission arguably treats franchisees as consumers for purposes of its regulation of the sales process, and franchisees typically have standing under state consumer fraud laws."

[27] In April 2014, Uber announced to its drivers that it would begin charging a $10/week subscription fee for dispatch smartphones. All Uber drivers maintain a smartphone specifically devoted to Uber service. These phones are provided by Uber, however the company has unevenly charged deposit fees in its different operating cities. Some Uber drivers have expressed discontent on UberPeople.net, an independent Uber driver forum. ("Seinfeld" 2014)

are only disclosure laws. So there isn't really any basic, baseline protection in the franchise industry." The expectations expressed in our focus groups indicate that peer economy providers take for granted that their human dignity is baked into the peer economy equation; they see themselves as users and independents, but not independent businesses.

Franchise ownership advisors and advocates have variably argued the unconscionability of the contract of adhesion. Reminiscent of the Internet Age's terms of service, "contract of adhesion" is a descriptor for a standardized form contract prepared by a stronger party and signed by a weaker party with no opportunity for the weaker party to negotiate terms (Steinberg 2009). The contract of adhesion improves efficiency for franchisors by limiting negotiations before the contract is signed (Seid 2011). "In the typical mode of franchising, a franchisor goes to an attorney...and says 'I need to create a franchise system and my interests need to be protected,' and [a lawyer] correctly writes a franchise agreement that protects the interests of that franchisor, not interested in protecting the interests of the guy that will buy the franchise but protecting his client's interest with the expectation that when that franchise gets offered, the person who is going to buy it is going to turn around and say, well my interests need to be worked out and lets have a conversation. As a practical matter, a franchisor can't have that conversation with a thousand different owners; they need a uniform agreement," Purvin explains. The contract of adhesion is not necessarily bad in and of itself, and Purvin acknowledges as much but believes there must be a counterbalance that keeps franchisors from acting opportunistically: "So unless there is a collective bargaining effort, there isn't going to be a negotiation in that agreement, and in the absence of collective bargaining, the only way to protect that class of people is through a legislative minimum that says at least the parties have to deal in good faith, or the more aggressive matter, which most of these statutes would impose, identifying specific practices and saying these practices are unlawful as unfair business practices"[28] (Commercial Real Estate Radio 2013). Lawyers Bethany Appleby, Carmen Caruso, and Griffith Towle offer a few factors to determine unconscionability:

- Whether the franchisor had superior bargaining power and, if so, how much "superiority" is needed for the unconscionability doctrine to play a role.
- The level of the franchisee's business experience, and whether the franchisee was represented by counsel.
- Whether the franchisor was willing to negotiate any of the agreement's terms, or whether the franchisee even attempted to negotiate.
- Whether the challenged contract terms are widely used in franchising.
- Whether the franchisee had a meaningful choice among different franchise investments with different contract terms.
- Whether the challenged contract terms have any business justification.

[28] Renewing franchisees are sometimes confronted with the "franchisee dilemma" terms of service.

(Appleby, Caruso, and Towle 2006)

"There may well come a day when franchisee collective bargaining efforts provide the death knell for unconscionability in franchising, but that day has not arrived," the lawyers write (Appleby, Caruso, and Towle 2006). In the meantime, arguments on franchisees' behalf invoke another dubiously enforceable doctrine. This second doctrine is the implied covenant of good faith and fair dealing, which assumes that agreeing parties will engage honestly with each other, and in their mutual interests. Since this is implied only through historic precedents, however, the AAFD pushes for its legal codification. Franchise lawyer Keith Kanouse believes there are many reasons that franchisees might accept intrusive terms but implies that it is not enough for franchisees to have "faith and trust in the franchisor that the franchisor, notwithstanding the terms of the franchise agreement, would not do something to hurt them" (Kanouse 2000). Corresponding with this sentiment, a participant in the one of the focus groups said, "I do think that if something substantial were to happen, I believe [the company] would make it right. I think there's such a community feel there, and there is a lot of venture capital money...but I think they would make it right. Somewhat for self-preservation, and secondly, because it's the right thing to do."

On the other hand, franchisor advocates point out that legalizing the implied covenant may open a floodgate of disputes. Sometimes franchisors make unilateral business decisions based on market analysis and other tools that they use for regulating franchisees. These can include fixed pricing, software compatibility across the franchise network, and how to wield purchasing power with supply chain companies. Similar to Uber's fares quandary, if an individual franchisee feels that the decision was made in bad faith, they may file an action without understanding the intricacies behind the decision, which may actually benefit the franchise as a whole.

In cases such as these, the disputants (the franchisor and an individual franchisee) may approach the National Franchise Mediation Program (NFMP). Franchisor members agree to a minimum of two years to work out the issue through mediation, but the NFMP can only mediate between that single franchisee and the franchisor. Unless the franchisor agrees to resolving issues with a group of plaintiffs, mediation results will not apply outside of the aggrieved franchisee.

The similarities between the franchise model and peer economy model are striking: Both brands rely on independent partners to expand. Both brands need to guarantee consistent consumer experiences. Both franchisees and providers see these brand opportunities as a way of operating independently; for providers, they do not have to depend on a traditional corporate structure for income, and franchisees supposedly buy into a tried-and-true independent business. Reliable brand experience means certain uniformities across all providers of a vertical (an aesthetically presentable car, a clean home) and franchise locations (brand colors, uniforms, menus).

The more exacting a brand is, the more confused franchisees are as to their status: Did they actually buy a "rent-a-business?" Are they an employee? Or are they a business owner who is the consumer of a franchise? Meanwhile, car services Lyft and SideCar require drivers' vehicles to be 2000 models or newer, and UberX requires 2006 models or newer (Rodriguez 2013; TNC driver 2014). Determining the status has consequences for policy because different regulations govern employees, business partners and business owners. Each of these statuses has its own rights and obligations. As previously discussed, how providers understand themselves as users and their actual status as independent contractors has consequences for their safety, the potential to generate a livable income, and the responsibilities that all parties have to one another. In the peer economy, that feeling without a name—that the company would do the "right thing," and what I have sometimes described as human dignity—has a name in the franchising world: the implied covenant of good faith and fair dealing. Since the only stronghold for this covenant is precedent, peer economy stakeholders must also decide whether an implied covenant is good enough. If it is not, then they, too, need to determine the factors that will make up its legal enforcement.

What is the bell curve distribution of peer economy providers? No one outside of a company and its investors knows those numbers for certain, but media coverage of the peer economy often questions whether—as it is now—the peer economy is a realistic path to full livelihood. The in-depth features all read the same: reporters listen to founders and thought leaders proselytize the peer economy. They put those grand visions to the test by becoming providers for a limited time, and then they write their experience up as the reality of peer economy existence:

> For one month, I became the "micro-entrepreneur" touted by companies like TaskRabbit, Postmates, and Airbnb. Instead of the labor revolution I had been promised, all I found was hard work, low pay, and a system that puts workers at a disadvantage. (Kessler 2014)

The grand vision of a worker revolution would encompass more than a livable income, but taking livability for the baseline, what are the crossbeams that would make the peer economy a livable work lifestyle? In approaching that question, I pulled some pages from recent American history. This chapter ventured several corresponding movements, their organizing tactics, identified needs, and useful language. Domestic workers and peer economy providers are similarly fragmented as lone operators due to their schedules and shifting workplaces. Their organizing tactics are to humanize domestic workers to the mainstream population, pulling in public figures, commissioning public art projects, and collaborating with community-based organizations to reach domestic workers in every walk of their lives. Since domestic workers' working conditions are similar to peer economy providers, relevant technical needs include localized safety measures and fair warning from the employer if a job will be cancelled.

There is a drastic legal division between an employee and independent. Let us revisit the Supreme Court brief: "There is no shorthand formula or magic phrase that can be applied to find the answer, but all of the incidents of the relationship must be assessed and weighed with no one factor being decisive." The Supreme Court said that no one factor—neither the common law test, the economic realities test nor the hybrid test—should be the single determinant of worker classification. Neither should two legal classifications—and their accompanying resources—fit all work realities.

Franchises, too, have something to contribute to the advocacy arsenal: the contract of adhesion, and the implied covenant of good faith and fair dealing. Although this legalese is a mouthful, "good faith" and "fair dealing" nail down feelings that providers have toward companies, which explains both their trust in companies and the tension they feel when they do not understand a company's actions.

In the next chapter, I turn my attention from historical clues to current realities. I review focus group research and interviews with providers that reveal additional needs and concerns among providers. Whether a new taxpayer classification ever comes, these marginalized movements and problems point out the gaps in resources and support that peer economy providers desperately need.

CHAPTER 4

Toward a thick description – How do peer economy providers see themselves?

> *As interworked systems of construable signs, culture is not a power, something to which social events, behaviors, institutions, or processes can be causally attributed; it is a context, something within which they can be intelligibly—that is, thickly-described ... Understanding a people's culture exposes their normalness without reducing their particularity. It renders them accessible: setting them in the frame of their own banalities, it dissolves their opacity. (Geertz 1973:14)*

Cultural anthropologist Clifford Geertz says, "culture is public because meaning is" (Geertz 1973:12). In winter 2014, I endeavored to take a step toward baseline, public knowledge. The peer economy is a young space that lacks significant academic research. While data sets exist, they are locked up within companies who fear that sharing data would be like giving up competitive advantage. Additionally, quantitative data may not yet be ripe for analysis because the nature of venture capital funding sets a pace of rapid prototyping and rapid iteration. Besides companies such as eBay and Mechanical Turk, startups do not have enough consistent data to show the type of long-term social patterns I would want to investigate. In the meantime, media assertions about the peer economy range from the romantic to condescending, but few assertions are based on substantial and thorough conversations with multiple providers. The meatiest accounts are first-hand articles written by providers[29]. They are valuable, but they take on disproportionate cultural significance because there are so few.

What follows are results from a series of group interviews that I facilitated as part of my ethnographic research. These studies provided insights into how peer economy providers see themselves in relation to companies and to consumers. The insights also underscored the tension baked into one of the main questions: Do legal classifications override social relationships?

Laying out a research protocol for group interviews

In November 2013, I partnered with Peers to plan group interviews with providers that represented four categories: shared space, manufacturing, private transportation service, and personal services (see figure 1). We settled on San Francisco in part because Peers is based there, but also because the majority of company headquarters are clustered in New York City and San Francisco. I had already conducted qualitative field research in New York City that summer, and many of the most seasoned peer economy companies are in San Francisco, the earliest peer-to-peer testing ground. These platforms are mature

[29] Some first-hand accounts are written by journalists who go "undercover" to see if they can cobble together peer economy gigs into a full income. They often compress the experience into a one-month time frame, and while their exposés do shed some light, I am not referring to their accounts here.

enough to have years-long users. I worked with Sam Witherbee, Peers' director of community.

Figure 1. *A reminder of common categories for peer-to-peer marketplaces.*

In November 2013, Sam and I began to craft documents around the research frame, reach out to community managers at various peer economy companies, and prepare questionnaires to 10,000 San Francisco-based providers from which we would select our participants. As the only user advocacy group in the peer economy, Peers has what is arguably the biggest aggregation of contact information for providers across peer-to-peer marketplaces, even if they must self-select to be Peers members. We prepared an initial survey narrowing providers within that member pool to those who use the platforms in our study (for each category in our scope, we chose one company with a years-long track record). The questionnaire then asked whether providers use that platform for full, partial, or occasional income, and whether they used the platform for most of their time, some of their time or occasionally. We then asked if if providers participated on any of the other platforms that were part of our focus, followed by the same organizing questions. The responses helped us structure the balance of focus group participants across frequency of use and income.

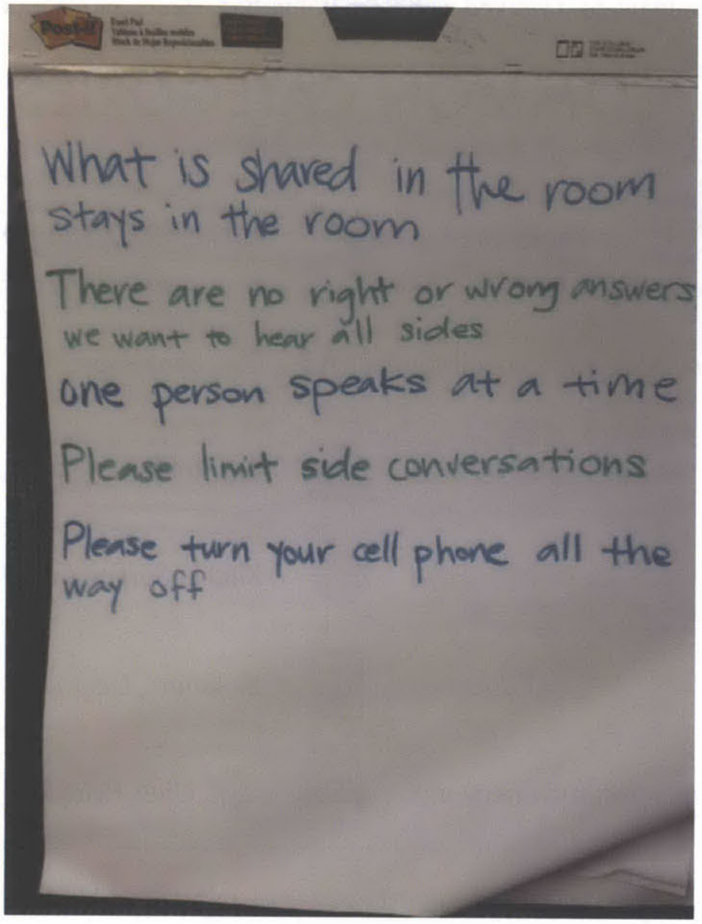

Figure 2. *We set ground rules to frame the social dynamics of the group interviews. We introduced these rules at the beginning, opened them up for comments, and asked participants if there were other things would like to add (photo by Sam Witherbee).*

We framed the qualitative research as a needs assessment, and the group interviews were intentionally small to encourage participant interaction (see figure 2). Preceding each group interview, I explained to participants that while there is vigorous debate in media about the peer economy, no aggregated data back up claims and arguments. We set expectations, explaining that we would focus on basic questions to construct the groundwork on which other primary research questions could be built. The broad areas we wanted to fill in were:

- technical barriers—worker's compensation, insurance, tax literacy, legal protection, paid leave, startup capital etc.—to participating effectively in the peer economy
- human needs such as camaraderie, stability, and access to information to maintain happiness while working in the peer economy

Peers provided the location and coordination for the focus groups. I conducted the interviews while Sam took down notes. In the interest of our line of inquiry—drawing out how peer economy providers understand their opportunities and their relationship to commercial actors—we knew we would get the richest data by setting up an environment for providers to answer questions together. I kept to a semi-structured interview format, with enough time for any off-roading. Participants were empowered to ask one another questions, pull on threads, and stay afterward to chat with the Sam and me, and with one another. By creating room for providers to compare notes, we knew that we would collect rich interaction data that we would not discover through one-on-one interviews.

Data materials included audio recordings of each group interview and in-situ notes that Sam took down. In order to develop a coding schema, I listened to each recording three times. Instead of establishing pre-determined and discrete categories, listening to the recordings provided basic categories to begin devising a coding schema. The code list is based on statements generated in the focus groups, and the schema made room for statements to fit several codes at once.

In the fourth listening round, I analyzed the interview content through qualitative coding, in which I categorized the sentiment behind responses according to theme. The analysis broke down answers minute-by-minute, and several statements cut across thematic units. The responses fell across 24 categories. While I was watching for frequency in codes, I was also attentive to clusters, patterns, and significance. Although any analysis would naturally be weighted toward the most frequent patterns and clusters, I did not rely on tallies to determine the significance of a code. Even sparsely populated codes signified nuanced relationships (code linkages, emergent practices, modes of construction) that deserve further plumbing in future inquiry revisions.

My data corpus also included field data that I collected throughout my tenure with MIT. I spent summer 2013 in New York City, meeting mostly with founders, community managers, public relations representatives and policy analysts in peer economy companies. These are the standard setters—since some of them work on the ground with providers, they can spot trends before anyone else. I wanted to learn how they see the impact of their decision making, and whether companies are building an ecosystem of support for their users through collaborations with other like-minded institutions.

Across my field research, I visited New York City startups including Etsy, Skillshare, Shapeways, Quirky, KitchenSurfing, and Krrb. In San Francisco, I visited Airbnb, Lyft, RelayRides, and TaskRabbit. I talked with venture capital firms Union Square Ventures and Collaborative Fund. I was a participant observer at co:NYC meetings, a working group of policy and community management staffers, scholars and investors across the New York City peer economy scene. I interviewed providers, analysts, lawyers and journalists. I connected with advocates such as the Freelancers Union, Peers, National Domestic Workers Alliance, Coworker.org, cooperative networks, Not For Sale, and the Open Society Foundations. I met city employees from San Francisco, Boston, and New Orleans whose interest in the peer economy ranged from workforce development to architectural design to bridging safety gaps with improved public services.

General observations from the focus group interviews

Across the board, money bookends why providers begin using peer economy platforms and why they continue to use them. Cooks on KitchenSurfing can make more as their own head chef than as an aid in a restaurant kitchen. Since mobile applications are a major component of many of these platforms, providers who already planned to travel from point A to point B or want to take vacation could keep up their income by squeezing in gigs along the way.

The peer economy is an appealing form of income generation not just because monetizing assets lowers the barrier to entry. Time and engagement are also extremely flexible, so participants who have other commitments—care work, multiple jobs—can access these income opportunities. Sometimes providers use multiple platforms within the same vertical. There are currently three prominent competitors who offer point-to-point car service. As long as these relatively similar options coexist, drivers will identify more and want to drive with the one they feel is most "fun." Strong community participation can be a competitive advantage for a peer economy company in retaining providers (instead of "customer lifetime value," think of "provider lifetime value"). Some people participate because they like the idea of maximizing something that is used sporadically. Others take it a step further to philosophize about collaborative consumption. I asked focus group providers how they describe their participation to friends and family. Most platforms are fairly straightforward, but when it comes to platform opportunities that are more difficult to sum up—for example, personal service platforms such as TaskRabbit that range in requests—strong communities also become a rallying point for professional identity.

As long as money is dependable, providers grow to appreciate other benefits to their participation. Across both provider-to-provider and provider-to-consumer relationships, social capital is the common thread. In the provider-consumer experience, all of the providers I interviewed mentioned at least one of two aspects of connection: professional networking and personal value exchanges.

On the professional side, benefits include networking opportunities, personal branding and a visible portfolio. Skillshare, a membership platform for online education, courts promising and prominent industry professionals to craft courses in design, business, programming, and more. Once the courses are up and running, they are relatively independent of an instructor's active effort. Students can work through these courses at their own pace while industry professionals can point to their Skillshare offering as a badge of their expertise. Some Etsy sellers use the platform both as a selling outpost and a portfolio site. Our focus groups took place in the context of Silicon Valley, and a few of our participants had moved to the San Francisco Bay Area to be part of the startup scene. By being providers, they have connected with startup employees, become early adopters of new platforms, and met consumers who became their tech scene mentors. Says one TaskRabbit provider who bids on tasks posted by companies, she "got to sample some really crazy work cultures." If consumers trust the provider's reliability, these relationships sometimes move off the platform, and by disintermediating, each group sidesteps the platform's commission.

These peer-to-peer exchanges also lend themselves to sharing. Home sharers were consistently the most empowered providers whom I came across. Airbnb offers three booking options for guests: crashing in a shared space such as a living room, a private space within a shared space such as a bedroom in a residence, and renting out a space entirely. Hosts are aware that the marketability of their space is based on proximity to public transportation and space details. Beyond these baseline amenities, providers are proud of how unique their space is: guests who step into their space can be temporary tourists to a lifestyle or can experience what it is to be a local. Interviewees told me that since many guests have some component of pleasure to their visit, they love planning a budget-based itinerary for their guests and recommending restaurants that have escaped media buzz. They let guests in on city quirks and advise them on what *not* to do in the area as their way to protect guests from tourist traps. "It's like you're staying at your favorite aunt's house, and she says 'go do this, go do that.'" Since composting and recycling are widespread sustainability practices in San Francisco, one host loves the surprise on her guests' faces when she teaches them that the item they were about to throw away is actually compostable or recyclable. Guests come from all over, and for hosts who offer some level of shared space, it is like "viewing their little cultures in my apartment." Said another host, "if we're not teaching them, they're teaching us. It's like doing volunteer work; you think you're going to be that big volunteer, go do all of this for other people, and then you're the one that gets ministered to." Some conversations and interactions are so enjoyable that one provider calls them "friend crushes." Lyft's tagline is "your friend with a car," and the glimpses of community across the provider-consumer divide happen during these momentary service interactions.

However, most platforms are weighted toward the consumer—the client of both the company and the provider. Peer economy platforms offer comparable quality and prices to traditional market options, and sometimes they are even more accessible (i.e.: transportation network companies changed the private car scene in San Francisco, where it was notoriously difficult to flag down taxis). This makes peer-to-peer marketplaces a painless choice; just as providers sign on for money and realize other value-adds over time, consumers expect adequate service, and anything else is a value-add. Some companies portray services as professionally and transaction-based as possible. Since they are not licensed professionals, providers are taking a risk by participating in peer-to-peer marketplaces. Consumers do not necessarily approach peer-to-peer services any differently than traditional services, and their actions may unintentionally cause consequences for providers. Drivers, for example, may arrive at a pick-up location in a high-traffic zone, and although passengers had a count-down clock to arrival, they are not actually ready to go.[30] Guests may have unrealistic expectations that there should have been low-cost parking near their Airbnb residence even though hosts never listed parking as a residential feature (while this could be a fair expectation in a mid-sized city, it may not be reasonable in a dense, urban setting)[31].

There are numerous verticals in the peer economy space, and many providers use multiple platforms. Providers recognize that their services are the business product, but the accessibility to multiple platforms breeds more than just a supply-demand relationship; for providers, it cultivates the expectation that there should be a layer of enjoyment for them. On platforms that let providers set their price, providers learn how to value the demand on their time and efforts against the demand in the market. Practiced rabbits will comment publicly on tasks posted by first-timers, encouraging them to rethink how they estimated price and time. Rabbits can sense when a price undervalues their time or effort, so conditions that play into why Rabbits might make a lower bid or take on low-paying tasks include being new to the platform, proximity to the task poster, whether they have anything else to do that day, or if the task would give them a chance to learn new skills. "I like to find things that are worth my time. I'd rather do a task where I think I'm getting paid the right amount for it than do a bunch of tasks that are low-pay," says one Rabbit. "I'd rather not do a task than do a task where I'm not getting well paid for it." Across platforms, this savvy translates into how providers set their boundaries. Combined with the documentation that a company keeps—provider and consumer screenings, personal information, transaction information, live tracking when it applies—providers do not worry too much about their safety.

On platforms that encourage community, providers are more likely to trust the company. The providers from our focus group research demonstrated a sense of familiarity when they referred to CEOs by their first name, sometimes referring to them as "our CEO." This may be specific to the San Francisco Bay Area, where many peer economy companies got their start. As companies scale the peer-to-peer product,

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[30] Pick-up requests can be cancelled either by passengers or drivers, and passengers who cancel a ride within five minutes will not be charged a $5 fee that would go to the driver. Drivers understand that sometimes a call may be an honest mistake, or that their passenger may have accidentally snagged another passenger's ride. However, as long as the driver is servicing that pickup, the driver cannot get requests from other passengers. If the driver must cancel the ride after five minutes, the driver does not receive the incidental $5 fee.
[31] In one instance, one host recommended against a tourist trap. Her guests did not heed her advice and were so appalled by their experience of San Francisco that they checked out the next day.

providers—especially long-time providers—sympathize, but they might still resent changes that they do not understand, disadvantages them, or that feel like a breach of good faith. Speculatively, platforms that build outlets such as forums for community members likely cultivate providers who are organically more informed than they otherwise would be. These providers can self-organize, and they also have a direct channel to community management staff. It is in their self-interest to be as informed as possible about changes to income opportunities, and forums that are politically activated are also likely to try to get their facts straight. Meanwhile, platforms that do not create avenues for provider-to-provider communication result in providers who do not feel any special connection to one another. I asked providers what they talk about when they meet, and those who had no access to community channels said that they compare work experiences but do not stay in touch afterward; it does not occur to them—before or after—to seek out other providers for advice. "Google" was one provider's answer when I tugged on that thread, asking how providers get advice for participating on the platform. Whether it is the company's responsibility to foster community is debatable, and when a company does take on the responsibility, other ethical issues get tangled in the initiative. However, peer economy companies that devote time and resources into community building will have proactive providers. These providers may start with on-platform social tools, but they will also burgeon into off-platform social tools, and they have a strong sense of identity.

I also noticed "micromoves" among providers on platforms with a strong community identity. These were providers who were not doing as well as their peers (or so they believed). "Micromoves" is my term to capture the endless things a provider could do that might increase sales. This includes building out a personal brand through social media outposts, social media mentions by other users, in-platform networking, features in popular blogs, etc. It could include building and beautifying a personal website, and testing for search engine optimization. For example, an Etsy seller could spend time with the site's product search engine, entering search terms to see whether her product shows up and where it ranks. The fine tuning could go on for hours. The same Etsy seller might reach beyond a social media and web presence to court lifestyle bloggers into featuring her product. That Etsy seller might also favorite every treasury list that includes her product as a signal to potential customers (treasury lists are themed shopping galleries that Etsy users assemble by mood or color. Each list has a maximum of 16 items, and when a user favorites a list, an alert is sent to the original curator). It is common for Etsy sellers to include a handwritten note with each purchase, but our Etsy seller might also send a bonus item to encourage patronage. One Etsy team leader called this the "mythology" of Etsy. She described this mythology as the idea that if only a seller did one more thing, took just another step, that could be the linchpin to success, and a seller could "quit your day job"[32]. Micromoves cost time and effort, and it did not occur to one seller I

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[32] "Quit Your Day Job" is a prominent Etsy blog series that has been running since 2007. Each week, Etsy profiles one Etsy seller who has managed to generate enough income to quit her day job and grow her business.
Etsy uses its blogs and newsletters to walk sellers through possible small business routes. The content covers accounting, taxes,

spoke with to weigh the cost of her micromoves.

RECOMMENDATION #1 - Incorporating financial literacy into workforce development training.

In order to set the scene, a city employee said to me that workforce development training was an outdated model. How would a workforce development curriculum look moving forward? Based on the collected data, there are at least two branches I would recommend for any workforce training: personal financial literacy and navigating return on investment.

The providers I interviewed acknowledged that there are seasonal rhythms that affect their work frequency. Etsy sellers experience a spike in demand during the holiday season. Airbnb hosts have more business during vacation season and conference season. TNC drivers receive more requests during long weekends. But valleys happen just as often. A traditional employee is accustomed to a steady paycheck because companies smooth over the peaks and valleys. As independent contractors, providers must manage the same extremes for themselves. Providers who rely heavily on the peer economy may be able to coast off savings or projected earnings. However, to weather the feast and famine, providers need to develop personal financial literacy. These include such basics as distinguishing between revenue and income, setting aside earnings for taxes, and record keeping as a planning tool to set minimum work hours across seasons.

Return on investment is another critical planning tool. Providers appreciate the flexibility of their work because they value their time. Time is a valuable asset that can be divided between due diligence and return on investment. Due diligence is the minimum amount of time for upkeep, but return on investment is the ability to weigh whether something is worth more time and effort. TaskRabbits already have a sense of this, and Airbnb prices account for the amount of work that hosts are willing to put into the experience. However, providers are playing the long game when it comes to platforms such as Etsy, Shapeways, or KitchenSurfing. Since there are endless micromoves to make, providers must weigh whether the probability of their desired outcome is worth their sweat equity, which might be better spent elsewhere.

RECOMMENDATION #2 - As companies grow, they need to convey the growth in wealth for their providers.

The best-known peer economy companies have closed on several rounds of venture capital funding. With

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self-promotion, distribution, and more. These tips encourage sellers to put in due diligence and they also provide roadmaps to go above and beyond. In February 2012, Etsy alerted selelrs to a new feature via its blog: Shop stats. Shop stats track visits to Etsy sellers' specific shops, showing common key search terms that led buyers to shops and traffic sources from both within and outside of Etsy (Stephens 2012).

this increase to companies' coffers, providers want reassurance that their wealth will also increase. In the cooperative world, this is called co-wealth generation, and it makes cooperatives attractive. When co-wealth is mentioned, the easiest examples to point to are equity or dividends. The cooperative model could be worth working toward, but in the meantime, there is room for other types of co-wealth generation. Companies or peer advocacy groups can build programs that have real material benefits for providers. The focus group participants made no mistake that peer economy companies are backed by venture capital. In the San Francisco Bay Area, there is a normative understanding that the typical venture capital agreement requires rapid business scaling. This has led to suspicion and discontent among some provider communities—TNC drivers question whether social media advertisements boasting up to $35 per work hour are realistic when the company aggressively onboards new drivers (long-time drivers perceive this as an oversupply), and some long-time Etsy sellers oppose Etsy's move to allow more than just handmade and vintage products[33]; they believe that when faced with questions of growth, Etsy chose the side of their star sellers rather than remaining the champion for small vendors.

Scaling in the peer economy is not symmetrical. As demand for services and products grow, companies can recruit more providers. Providers, on the other hand, can only scale their individual efforts to a point. Some services require an exchange of time, equipment, and presence for a single transaction (i.e.: TNCs and personal service platforms). Others have more room for scaling (i.e.: multiple property management on shared space platforms and production methods on small manufacturing platforms). It is more crucial for platforms whose providers cannot scale indefinitely to create a sense of co-wealth generation. While equity and member dividends are highly unlikely, there are ways to leverage collective might for material benefit. As mentioned in a previous chapter, collective bargaining could make supply chain costs more affordable (for KitchenSurfing chefs, this is the market price of seasonal ingredients). There might be a tiered benefit program for active providers who are striving to earn a full livelihood. Whatever the avenue and whatever they might be doing already, companies must clearly communicate co-wealth generation.

RECOMMENDATION #3 - The value of fostering community between providers and consumers

Platforms can create a more pleasant work atmosphere if they foster mutual respect between providers and consumers, and they should make those efforts visible. Providers think of themselves as more than

[33] In October 2013, Etsy CEO Chad Dickerson announced changes to the Etsy seller policy. "When Etsy started, we relied on one word to carry all our values out into the world: handmade. Almost immediately, that was a problem. Many of us felt we knew handmade when we saw it, but that was hard to put into enforceable policy ... When we rethought these policies, we went back to the heart of Etsy: the people in the community ...we realized that handmade on Etsy could never be defined as a single method or process. Instead, handmade was about values we as a community prize: authorship — the idea that your handmade item begins with you — and responsibility, because Etsy sellers are deeply involved in how their items are made and accountable for their buyers' experiences. When we began to think about giving sellers greater choices for staffing, shipping and making items, the third value was evident: transparency. The Etsy community places a premium on knowing the person and the story behind a handmade item" (Dickerson 2013).

just a service. Hosts who also use Airbnb as guests (crossovers) think of it as a better and more personable stay than the typical hotel experience, and they expect their guests to feel the same and act accordingly. TaskRabbits may need the money, but they want the tasks to be more than just a transaction. Providers are aggravated when they perceive that consumers are neither considerate nor respectful in kind. TNC drivers stressed the need for passenger education; the focus group participants were particularly worried about how passengers rank them on a five-point scale. Their perception was that Headquarters (HQ) read anything lower than a five as a red flag, even though HQ had not done a sufficient job communicating their five-point understanding to passengers. Due to territorial tension with taxi drivers and public transportation, drivers worried about idling in high-traffic areas while passengers take their time to make it to the car[34]. Meanwhile, most consumers certainly do not intend to be the source of concern, especially repeat users who appreciate peer-to-peer marketplaces. Drivers and passengers need to be gracious with each other, explains Emily Castor, Lyft's director of community relations. When Castor knows she is running late, she asks her idling driver to start the fare (Castor 2014).

Aside from crossovers, community is scant across some provider-consumer platform divides. Community potential on providers' side is strong; when I first began my field research and asked community managers to point to signs of the community, these materialized in providers' relationships with one another. Consumers come to peer-to-peer marketplaces to fulfill a need; community is secondary to them. Consumers are a constituency—a group of people who have the same interest but not necessarily a mutual and lasting bond because of that interest. There is kindling for a provider-consumer community, and the sparks are visible in individual transactions (it is reflected in what our previous provider calls "friend crushes"). However, critics and skeptics perceive a power dynamic between providers and customers that reifies class divides. In terms of income, consumers are typified as the "haves," and providers are the "have-nots." This speculative tension between providers and consumers has yet to manifest in any explosive way, but to maintain respect beyond the few crossovers (those who are both providers and consumers on the same platform), companies should invest official effort to harmonize the two groups. Growing these embers into something more may grow the compassion and graciousness that distinguish a human-centered economy.

In the end, we harvested rich qualitative data, but we take our results with a grain of salt. There were obstacles to our recruitment methods; we wanted to reach out to providers who ranged in time spent on peer economy platforms to the percentage of income they earn from those platforms. Time and income

[34] Drivers did not feel like they could idle on the side of the road because if the passenger arrived at the pickup location while the driver was circling, they might get dinged for not having been on the spot.

correlate with community participation, and reaching out to occasional peer economy providers proved difficult. The focus groups took place in January 2014, but we began publicizing and outreach in November 2013. Even with two months' lead to target what is presumably a wired population (peer-to-peer platforms are optimized for mobile transactions), we still did not have sufficient channels to reach people who are not interested in the peer economy for camaraderie or philosophical interest. Since we sourced participants primarily from Peers' 10,000 members in the San Francisco Bay Area, we were aware that these providers were self-selecting, eager to stay on top of peer economy developments and probably subscribed to the ideology of the peer economy. In *Ethnography - Step-by-Step*, David M. Fetterman explains this ethnographic approach:

> One of the most common assumptions of inferential statistics is that the sample is random. Typically, ethnography uses stratified judgmental sampling rather than a truly randomized selection. The use of parametric statistics requires large samples. Most ethnographers work with small groups, however. The issues of expertise and appropriateness raise further difficulties. (Fetterman 1998:106)

Since we found our focus group participants using a convenience sample and the snowball recruitment method (we asked providers and community managers to put us in touch with more providers), I must end the chapter by stressing the scope of the study again. As a company's competitive asset, private data is not commonly shared in this budding sector. There was no publicly accessible data anchor, so I endeavored to substantiate a starting point through data collection. The study results reflect how providers navigate their work and how they experience company-provider dynamics. This recruitment approach attracts the most impassioned and reachable people. We do not know whether there are any significant correlations between providers' income generation and participation level with the likelihood that they would hear of or volunteer for a group interview. The focus group research also took place in Silicon Valley, which has a prominent tech scene. This context plays out in factors such as access to numerous peer economy income options, professional networking potential, a deeper than average understanding of the venture capital model, and—since San Francisco is the birthplace and testing ground for many companies—the level of a platform's community engagement. Ideally, several more focus groups would be conducted to form an even fuller perspective.

That said, the field research affirmed that providers are anxious about the legal ambiguity around their work, and some do not know how to manage the risk of being an independent. Money is the single-most important thread to provider longevity, but providers deeply enjoy being the source of a good customer service experience. Companies that cultivate community have a long-term competitive edge in retaining providers, and these communities eventually grow into their own and set up community hubs independent of the platform. However, the more assets (including time and presence) and skills (including effort) that are required for financial participation, the more expectations the provider has of the company.

When I first began my research, I was eager to dive into certain questions: What is an onboarding process for marginalized and underprivileged communities to take advantage of the peer economy? What particular support and resources do these communities need? Immediately, I ran into walls asking some of the questions I was most excited about. Before answering any of them, I had to sort between popular assertions as either speculation or substantiated studies. Finding very little to stand on, I took on qualitative fieldwork as an intervention. This chapter summarizes the findings of my intervention, and my hope is that it is a clear enough starting point for researchers to tackle more questions. That said, other questions I would have hoped to investigate include:

- Do certain platform combinations lend themselves to a better patchwork income? If so, what is the combination of platform characteristics that make these combinations work well for providers?
- If quantitative data flowed more freely, where would we see seasonal fluctuations that could give providers a sense of rhythm?
- What is currently the proportion of full-income users, partial income users, and occasional income users?
- Do early adopters earn more money when the platform is young? If so, will peer economy providers have to hustle from platform to platform as early adopters to sustain a decent income?
- What is the conversion rate for those who sign up as users to become active providers? What is the latency period between being a consumer and becoming a provider?
- To date, what linear events have had an effect on the peaks and valleys in conversion (i.e.: dramatic changes to job rates, national events, natural disasters)?

"The idea that anyone can benefit is a common sentiment within the Sharing Economy," write Dorian Commode and Jules Bentley about the peer economy's presence in New Orleans. "But while the internet may have potential as a democratizing force, it has in common with democracy itself that it does not serve all its constituents equally" (Commode and Bentley 2014). Questions in this branch to investigate include:

- If there is a way to visualize a provider heat map across demographics and local geographies, what are the opportunities to approach practicing providers from underprivileged communities to codesign an inclusive onboarding process?
- What would guarantee a baseline of economic security for people to feel confident about working in the peer economy? Secondarily, do countries that invest more in universal social welfare turn out more confident peer economy providers?
- As the tide changes, how far outward is the peer economy's legitimacy penetrating? For example, would peer economy providers be fine with their children aspiring to be peer economy providers as part of their fluid work careers?

Qualitative fieldwork is a rewarding but drawn out process. Although I now hang up my hat as an MIT researcher, I hope other researchers will consider these additional questions and adopt some of them in their own studies.

CONCLUSION

Getting at a human-centered economy

> *...certain ideas burst upon the intellectual landscape with a tremendous force. They resolve so many fundamental problems at once that they seem also to promise that they will resolve all fundamental problems, clarify all obscure issues... The sudden vogue of such a grande idee, crowding out almost everything else for a while, is due, [Susanne Langer] says, "to the fact that all sensitive and active minds turn at once to exploiting it. We try it in every connection, for every purpose, experiment with possible stretches of its strict meaning, with generalizations and derivatives."*
> *After we have become familiar with the new idea, however, after it has become part of our general stock of theoretical concepts, our expectations are brought more into balance with its actual uses, and its excessive popularity is ended ...if it was, in truth, a seminal idea in the first place, [it becomes] a permanent and enduring part of our intellectual armory. But it no longer has the grandiose, all-promising scope, the infinite versatility of apparent application, it once had.*
>
> *—Clifford Geertz, The Interpretation of Cultures (Geertz 1973:3-4)*

Work is complicated. I was privy to the personal experiences of a journalist and an entrepreneur discussing their work with cities. "When you talk to city departments, do you get pushback?" the journalist asked. "Do you ever find that cities clam up when they think you'll pitch something to streamline their work?"

"We've definitely come across that sort of resistance," the entrepreneur replied. "Our product would make the work less painful and more reliable so that city employees can focus on other things. But behind closed doors, department heads have told us, 'that's great, but I'm not willing to do anything that will cut City jobs. These are people's livelihoods.' And that's a legitimate concern. There's agony in both direction; there's agony that city employees are overworked, but there are also too many people for how much the City can pay. If the load looks lighter, their budget could get reallocated, and jobs would get cut."

These groups are in a tough position. They both value people's wholeness, which includes work, and they need the human capacity. However, department heads have learned from experience that those who control a tight budget read efficiency gains as reason enough to cut departmental spending. Jobs—and therefore effective people—are caught in the crossfire.

The gospel of efficiency has saturated business and operations for the last century. On the whole, streamlining processes did not cut the absolute number of gainful employment jobs; it just rebalanced them. However, technology is encroaching on the human domain of skills and processes, leading to a gospel of razor-sharp expertise: delegate the most burdensome tasks to automated processes and let people do the best, most enjoyable parts of their work. As technology improves over time, those skills will be harder for people to reach, and reaching them requires a ladder made up of acumen, tenacity, home life stability, education, access to resources, power, wealth, etc. In a world that requires such expertise, how many people will move ahead, how many will be pulled along, and how many will be left behind?

The peer economy is by no means a perfect model nor an equal opportunity work provider. But it represents another side of technology. In a sense, the Internet is just one small step in media history, but it is a giant step for facilitating human connectedness. Small kitchen businesses that produce artisan goods—jams, pickles, cheese—existed under the radar long before the peer economy. Their formal counterparts, farmers markets, are peer-to-peer marketplaces that predate megamarts. As acts of kinship and reciprocity, people hosted relatives, friends, and friends-of-friends for long-term stays. They knew that these social bonds might one day care for them.

Improvements to mass manufacturing infrastructure created impersonal but reliable systems, and traditions of kinship and homesteading became distant memories. While automated technology plays catch up to humans to perform repetitive tasks, the peer economy represents technology's power to be a humanizing force. Although it is not legally categorized as such, the Internet is a basic utility. It has lowered the cost to cross-cultural, cross-economic, business-to-business communication. This overhead reduction—a barrier to entry in a traditional economy—generally means that people do not put as much on the line to experiment with financial endeavors. Peer economy platforms offer tools to transact seamlessly, and it has refreshed people's perception of their assets. Instead of more things catching dust in the attic or ball-and-chains called houses and cars, they now see abundance. Individuals' assets and skills are abundance that someone else needs, and lending them brings about greater abundance for providers. Peer economy platforms enable economic activities that were always just looking for a more visible outlet.

My curiosity about the peer economy began with how it looked as a whole; it seemed more societally accessible than the current job reward system, and that was a step in the right direction. There is a vanity in having conversations that are philosophically distant from possible next steps, so I started down this path wanting to turn out a working document. I hoped that my thesis would serve as groundwork to bigger questions and smarter action. As framing, I laid out five quandaries in the peer economy space. I fleshed them out across four chapters, proposing my own interventions along the way:

1. Can peer economy opportunities comprise a livable work lifestyle?
2. Who is accountable when something goes wrong?
3. Do legal classifications override social relationships?
4. Can providers cultivate a collective voice?

5. How do peer economy actors historically contextualize the model?

This thesis began with a visit to the early twentieth century, when industrialists began to see gainful employment as a prudent practice. The first chapter traces its workplace shifts from the factory floor to the office to companies that now offload risk to employees. Gainful employment is taken for granted as the outcome of adequate education, to the point where education reform policies invoke the term to regulate private colleges. It has been the crown jewel of policies, institutions, and individuals' societal credibility (apartment applications, mortgages, car ownership all come easier for the gainfully employed). Globalization offshored jobs, and some scholars see technological displacement as a threat to conventional jobs. As gainful employment falls behind, many people will continue to be defined out of the workplace and with it, social welfare coverage. Symptoms include high college debt, the widening wealth gap, and a high U6 unemployment rate[35]. The most optimistic scholars think of this as a time for reskilling: delegate tedious tasks to machines and let humans spend time doing what humans do best. While no one would debate the versatility that comes with new skills, the focus on reskilling masks the underlying issue: Access to gainful employment is not keeping pace with expectation.

Having arrived at this starting line, I introduced the various actors—the ones who talk most about the peer economy: companies, providers, investors, strategists, cities and governmental regulators, labor advocates, critics, scholars, and media. Some of these actors question whether the peer economy model can be a sustainable work lifestyle. They challenge whether companies can truly be human-centered when their providers own none of the business. Both critics and supporters alike tackle questions around liability, technical support, and collective action. As a distributed network, there are promising signs that stakeholders will match providers' needs to capacity within the sector. Known problems include the legalities of operating within the peer economy, tax literacy for a relatively new and independent workforce, and who holds insurance and liability if something goes wrong. We see a venture capital group funding an insurance company, and labor advocates contemplating how to give rise to a collective provider voice. In the same vein, I disambiguate rhetoric around the peer economy. Rhetoric has implications for three of the framing questions—can peer economy opportunities actually comprise a livable work lifestyle? Who is accountable when something goes wrong? Do legal classifications override social relationships?

- Positive rhetoric obfuscates whether providers can make a meaningful living if they subsist purely off of the peer economy.
- Although providers are technically independent contractors, rhetoric suggests social responsibilities between parties,

[35] U6 is the official unemployment rate—U3—plus discouraged workers, marginally attached workers, and part-time workers who want full-time work.

- and because the social responsibility is not clear, rhetoric also enables providers to depend too much on companies. This puts providers in a vulnerable position and causes legal problems when trying to assign liability.

The sharing rhetoric leaves the peer economy open to criticisms about exploitative labor practices, especially because companies that embrace the term "sharing economy" are not necessarily committing to its underlying principles. These underlying principles stem from predecessors of the peer economy, and conversations in the space often reference unions and cooperatives. Instead of rehashing these arguments, I add three more antecedents: the domestic workers movement, legal classifications for American workers, and the franchising dilemma. Each of these holds lessons for peer economy advocates in rousing a collective provider voice. Both domestic workers and providers are atomized workforces, and neither group is protected under fair labor and safety acts. In the last 30 years, the domestic worker movement has gained momentum and pushed forward with concise demands in the political realm. Says Ai-Jen Poo, who heads up the National Domestic Workers Alliance:

> We also learned that just about everyone is connected, in one way or another, to a domestic worker. New York City Council members and New York State Assembly members reflected on their mothers' experiences as domestic workers. Other allies relayed that they had been raised by a domestic worker or had done this work, and these personal connections became a key mobilizing force of the campaign. Over time our consciousness also shifted. Although the bill is called the Domestic Workers Bill of Rights, we came to see that our collective humanity was at stake. (Poo and Kim 2011:7)

The needs outlined in the domestic workers' bill of rights and standard contract—such as days off, safety measures, and employer-worker dynamics—are human and technical needs that providers have in common. While providers may not be able to expect this of their consumers or even the platforms, these needs are key to a livable life, and advocates who hope to support this workforce must acknowledge them. In the same chapter, I dove into misclassification in order to criticize the bifurcation of workers into one of two legal classifications: employees or independent contractors. Independent contractors are equivocated with self-employed, small businesses owners, and microentrepreneurs. There are other terms, too: contingent worker, permalancer, temp and on-call worker. Peer economy providers are technically independent contractors. Rather than shoehorning non-employee workers into an independent contractor status, classifications should be modified to reflect working realities—that not everyone who is an independent contractor thinks of or approaches work like an entrepreneur (nor should they have to). These modifications would have greater impact than just peer economy providers; they could bolster programs designed around self-employment as an exit strategy for communities of concern (i.e.: the homeless, those at risk of human trafficking, and the formerly incarcerated). They could set the scene for more appropriate resource planning to help independent contractors. Finally, in conversations about franchisors and franchisees, the implied covenant of good faith and fair dealing is a recurring theme, and the legal term is equally useful in articulating companies' and providers' accountability to each other. By understanding both legal worker classification and franchising dilemma, peer economy providers have an initial framework and language to sort out whether legal classification trumps social understandings.

After contextualizing the peer economy in history and extracting tactics for peer economy advocates, I summarized general findings from my qualitative field research. I conducted individual and group interviews, and I approached the work as a foundation on which to ground future research questions. The insights from the research revealed how providers think of themselves and consumers, how they approach their work, and how they think about their relationship with companies. It is by no means an exhaustive portrait but rather an anchor point. The insights spawned recommendations around workforce development training that is useful in both the peer economy and other self-starting employment. Firm grasp on financial literacy and return on investment will help self-starters maximize their assets, which come in the form of equipment, time, and effort. The final two recommendations are based on community dynamics. As companies grow, they must communicate to providers that they are also benefitting. This is called co-wealth generation, and co-wealth needs to have a tangible, material benefit. Companies should also cultivate a provider-consumer community, as peer-to-peer marketplaces intentionally have a human face to them.

A software engineer and a journalist are competitively productive. A journalist, a teacher, and a sales associate are also competitively productive. Each one has work to fill their time, but a pecking order has formed along valuation. Jobs exist because productivity is what makes things happen, but people are awarded adequate income based on how much market value they produce, not how productive they are. In such a world, the only way to get ahead is not to be at the bottom, but someone will always be at the bottom.

Stability is no longer engendered by a full-time job. Moving away from this century-long paradigm is frightening, and media coverage reflects the scramble to locate the next incarnation of stability. In the mêlée, measures have taken on a distorted influence. Scholar Juliet Schor, who advocates the 21-hour workweek, might say that the 40-hour workweek is a distorted way to ensure productivity (Schor 2012). Systems are created to execute a vision. They are formulated to reach an intended result, but by oversimplifying measures, the original intent of the system becomes distorted. The power of distorted measures is that instead of aiming for the original intent, people aim for the standard. I see this in the way that gainful employment is valued for its defined benefits. We have distorted wellbeing with defined benefits. While these two are intimately connected, wellbeing is not only defined by benefits and whether we have them. The 1990s trope of corporate drones and soul-sucking jobs reflected that there was more to wellbeing than just job security. A common distorted measure today is to assess national job security by the unemployment rate. By itself, unemployment decreases would be a misleading indicator. Janet Yellen, vice chair of the Federal Reserve Board, also considers other indicators to gauge economic health. Says Yellen, "a pickup in the quit rate, which also remains at a low level, would signal that workers perceive that their chances to be rehired are good—in other words, that labor demand has strengthened" (Yellen 2013). Americans are staying put because they fear that they will not find work with equivalent pay and benefits; that these Americans are employed does not mean the job market is getting better.

In the scramble to find the new face of stability, we are looking for what we are used to as a society: an all-eclipsing framework with defined benefits attached to it. And so the peer economy has been both the object of praise and target of criticism. As peer economy critic Tom Slee has pointed out, peer economy gigs do not come with the benefits that line a real livelihood in the United States. I do not dare diminish the importance of these benefits but only to point out that benefits are not the only measure of wellbeing. Just as benefits are not the key to wellbeing, a single job model is not the only way to a productive, healthy society. The excitement that I have observed around the peer economy—even when it is naïve—is a recognition that now is a chance to do things better.

Before we say goodbye, I want to bottle up for you just why I found the peer economy so fascinating. Two years ago, my imagination ran wild with the possibilities for meaningful independence. I grew up in Silicon Valley, where there is a strong emphasis on the quality of career. I was one of its believers, and as I moved from region to region to chase that career, the price for the sort of career I wanted often came at the expense of quality of life. In Portland and in Grand Rapids, I met people who valued their quality of life, and this manifested in the form of arts, volunteering, family time, neighborhood involvement, and community building. They knew what made them feel good, but without gainful employment as a joist, their ecosystem was fragile. They knew that, too. The key to this, people would say, was to figure out what you love and get paid to do it. Meanwhile, I met forces of nature who did what they love, and I watched passionate staffers spend more hours at work than they were paid to be. Like the average American, the people I met were saddled with debt, and those whose love found a job outlet were the easiest to exploit; they were basically paying to work. This is to say nothing of all the people who hardscrabble to make ends meet, who only hope to work hard and go home with a semblance of security.

Gainful employment is not the linchpin to success, and the peer economy might not be the answer, either. Technology plays a role in today's circumstances, and American society has reached a sufficiently critical turning point: Technological improvements are streamlining operations, cutting out inefficiencies, and displacing workers. Inversely, if advances in technology means that efficiency is at a peak, can we now put people at the center of our calculations? To revisit Gerald Davis' quip from chapter one:

> The ancient Greeks would have seen the current moment as a turning point in human history, where only a tiny fraction of the population's hours are needed to produce all of the food, clothing, shelter and material goods people need to live comfortably. Surely we were on the verge of a society devoted to a life of art, literature, and contemplation. (Davis 2009:249)

Near the beginning of my thesis planning, one of my thesis advisors and I were discussing the role that technology would play in this document. Good with analogies, César Hidalgo described technological impact through the analogy of toilet paper. It is nice that innovation in manufacturing technology made it possible to produce two-ply toilet paper instead of one, but it is not a technology that changed the world. "Technologies that change society are technologies that change interactions between people," he said.

In step with the rest of media history, the affordances of the Internet have connected humans at a level that we had not imagined. Technological changes are coming quickly, and with it, the opportunity to place humans at the center of rising work models. Now is an opportunity to try to do it better, and old and new models alike are rising to the mainstream surface, trying to do just that.

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