Disruptive Sharing Pt 1



A couple of phrases that get tossed around pretty casually these days are *sharing economy* and *market disruption*. While these terms have been so overused as to disable any attempt at precise explanation, this same overuse makes it crucial to at least try to scrape some of the barnacles off. Allow me to declare at the outset that though I am likely to fail to penetrate to the hull, I might succeed at knocking away a small part of the encrustation.

Last week, the people of Austin, TX, voted to subject rideshare Leviathans Uber and Lyft to *some* of the same regulatory regulations that govern traditional taxi operations. From the coverage I've seen, we are to believe that this represents the irrational citizens of Austin flipping Uber/Lyft the electoral finger and "forcing" them to leave the riders of the nation's 11th largest city stranded and bereft. Talk about disruption!

Forbes magazine has been especially exercised, with headlines like "By Losing Uber, Austin is No Longer a Tech Capital" and "The Misplaced Celebration of Austin's Victory Over Uber". The *National Review*, in its typically sober and reasoned approach, declared that Austin has "…confirmed its status as a second-rate city by effectively banning Uber and Lyft from offering rides."

In fact, the ballot initiative was sponsored by Uber/Lyft themselves in an attempt to exempt themselves from a regulation that requires drivers to undergo fingerprinting and

background checking. Passed last year, this regulation came in response to multiple sexual assault charges against Uber/Lyft drivers. Uber/Lyft placed an exemption initiative on the ballot and spent around $8M on advertising. Their pitch came down to one simple claim: if the regulations stand, we will be "forced" to leave Austin, so give us what we want or fuck you.

The people – presented with epic corporate arrogance – voted the amendment down, decisively. So Uber/Lyft scarpered. Voluntarily. Nobody forced them.

Now it's easy to see why Uber/Lyft tossed such an insulting ultimatum in the faces of the Austin voters. They're used to getting their way; much as the Wal-Marts and manufacturing concerns extract massive concessions from local governments for the privilege of having them move to their community, Uber/Lyft muscles local governments for favorable treatments. Woe betide any locality that presumes to question the wisdom of the Leviathan.

I've had great luck with Uber. It's a pretty convenient and affordable way to get around. (I have not used Lyft yet.) It's easy to understand how it has gotten so popular, so quickly. Yes, taxi cabs are often slow, run down, expensive. Uber provides prompt, economical, and not-necessarily-sincere-yet-reliably cheerful service.

But.

Their success rests upon a couple of less-than-admirable business practices. One is its absolute insistence that Uber/Lyft be exempt from many of the regulatory practices that have, admittedly, made traditional taxi service so problematic. Worth recalling that this regulatory system arose in response to abuses and safety issues of their own as the network of cabs, hacks, and 'gypsies' grew without curb. There were very real problems that demanded some kind of remedy.

The other is that Uber/Lyft is profiting greatly

by classifying their drivers as independent contractors, thereby evading the basics of employee obligation to its workers. No benefits. No overtime. No job protections. All terms dictated by the employer, upon whom the worker is solely reliant. (Recall as well that labor and employment law has also developed in response to significant abuses and safety issues.) Uber/Lyft claims, more or less accurately, that their drivers enter into this agreement willingly, so it should be up to them and their drivers to sort it out.<fn>One might also suggest that over the years, many other high-risk/lo-pay workers have assumed their jobs "voluntarily". Nobody ever put a gun to a coal miner's head. Unless they went on strike.</fn>

This is the sharing economy at work. As with the low, low prices at WalMart that force smaller businesses to the ground, the cheapness/convenience of Uber lies not so much in the inherent genius of the folks at the top as it does with the ongoing knuckling of the little guy at the end of the chain. The guy who accepts his fate "voluntarily".

Shutting down a hugely profitable operation in Austin simply to avoid a requirement that drivers get a background check seems damn near hysterical, response-wise. Reckon that'll teach the rubes who's boss. Just as when compromise boils down to "giving me what I want", sharing here aligns with a "what's mine is mine and what's yours is mine" equation.

Employment law has pretty well devolved to this condition: you are free to work, or not. But if you want to work, the conditions will be set by the employer with no practical limits to the terms that they wish to impose. That this will often be – especially in fields demanding higher levels of education and expertise – characterized in terms that makes it feel less indenturing<fn>Hey, we're all in this together! Everybody needs to sacrifice for the team! We're a big *family!*</fn>, the reality is no less harsh. Employers know that decent paying jobs are scarce; that most college graduates of the past 10 years are carrying gargantuan levels

of student loans; and that if you won't take that job at half what it costs to live, you can bet someone else will. You are free to stay. Or go. Whatevs. You're just a worker. Workers are commodities. Enjoy the foosball table, widgets.

That's sharing.

Uber/Lyft drivers scramble to deliver an awesome experience, often pleading with the customer to go online and *rate* the worker, which in turn determines whether the worker receives (un)favorable treatment in the future. The key currency in this arrangement is anxiety.

Never mind that Uber/Lyft retain the right to change compensation and rate agreements at any time, without prior notice. The "independent" driver, who is "freely" participating in this out-of-balance arrangement – because jobs and wages have gone to shit – is perfectly free to shove off if she doesn't like it. Perhaps the dissatisfied Uber driver would like to try her luck in one of the farther-down-the-ladder professions, such as chicken processing.

> *Many of them said they were forced to urinate or defecate where they stood or leave the line without permission, because no help arrived. At some plants, workers have come to expect no relief, leading them to take embarrassing measures to withstand the conditions.*

Any guesses what happens to workers who "leave the line without permission"?

On a related tangent, the NY Times continues its series this weekend on the rampant spread of forced arbitration clauses across our society, in this case its widespread implementation among "startup" companies. The gist is this: an employer or vendor like Google, or Verizon (or your doctor) can require you to sign away your rights to seek redress through due process in the courts in the event you have a "dispute".

Often, this clause is buried within multiple pages of 8 pt. type; in other cases, like with a former doctor of mine, they are right up front about what they are doing, and you are invited to piss off if you don't like it.<fn>I pissed off.</fn>

One of the dirty secrets is that the arbitration hearings are conducted by "independent"<fn>There's that word again.</fn> companies who are under contract to the vendor/employer. The party adjudicating the dispute is paid by one of the parties to the dispute. I would urge us to perish the cynical thought that this might lead to bias or partiality, except that the numbers sure do point to a statistical likelihood that the arbitrators will find for the defendant (your boss or doctor, the guy paying the adjudicator) in a disproportionate percentage of cases. Probably just a coincidence.

You are, of course, "free" to decline to sign, at which point your employer (or doctor) is "free" to tell you to go pound salt. It's all free choice!

Except of course it isn't, as any prat can see. The power balance is skewed, making the concept of "freedom" a farce. Won't sign the arbitration agreement? Take your critical illness elsewhere. Find a job somewhere else.

> *The law, in its majestic equality, forbids the rich as well as the poor to sleep under bridges, to beg in the streets, and to steal bread.*
> *– Anatole France*

Freedom, bitches!

But there's always the time-honored option of Bohemianism, of choosing a life of the artist, the writer. Let us embrace the modern-day version of living like Baudelaire or Kerouac, free of the restraints of our perhaps-benevolent overlords.

A terrific essay by artist/critic Hito Steyerl called *Politics of Art: Contemporary Art and the Transition to Post-Democracy* <fn> Thanks to swallowawindchime for the tip.</fn> looks at the role of contemporary art as a reflection of and comforting balm to what our current shorthand calls the one-percent.

As with other willing participants in the sharing economy, our creatives come to the enterprise of serving the one percent with gusto, making the best of a bad situation:

> *Thus, traditional art production may be a role model for the nouveaux riches created by privatization, expropriation, and speculation. But the actual production of art is simultaneously a workshop for many of the nouveaux poor, trying their luck as jpeg virtuosos and conceptual impostors, as gallerinas and overdrive content providers. Because art also means work, more precisely strike work. It is produced as spectacle, on post-Fordist all-you-can-work conveyor belts. Strike or shock work is affective labor at insane speeds, enthusiastic, hyperactive, and deeply compromised.*

As long as it pays (a little) or provides the all-important "exposure", it's all good. Right?

The phrase "strike work" has its origins in Stalinist efforts to induce a jump in production by bringing in "superproductive and enthusiastic" cadres who will deliver a shock to the enterprise.

> *This accelerated form of artistic production creates punch and glitz, sensation and impact. Its historical origin as format for Stalinist model brigades brings an additional edge to the paradigm of hyperproductivity. Strike workers churn out feelings, perception, and distinction in all possible sizes and variations. Intensity or evacuation, sublime or crap, readymade or readymade reality—strike work supplies consumers with all they never knew they wanted.*

“All they never knew they wanted.” And at such low prices.

Steyerl’s invocation of Stalinism as an analogue of current labor conditions is no accident, and represents a vast improvement to the overused, overwrought Overton impulse. (As dense as her prose can be, she offers no shortage of laugh-out-loud relief.) The apropos comparison of latter-day capitalism to the bugaboo of Communist authoritarianism is a telling condemnation of the fantasy of “freedom” in our economic relations.

As with labor in all areas of our economy, the deck is stacked, a situation made worse by the legions of well-meaning and ambitious folks willing to work for little (or nothing) just for the chance to prove their chops, all in the hope that paying work will follow. Alas, the future work is just as likely to go to the next (low cost) ambitious person in the queue. We are all lined up, ready to parade our talents one after the other. We have made a choice, freely. That this condition applies equally to those who choose to string words together, or perfect a performing art, &c., goes without saying. We are all too eager to place our talents in the hands of whatever entity is willing to pay. And we will do so with enthusiastic superproductivity!

<fn>There is a perfectly appalling tv ad these days for some new pharmaceutical. It stars a manic pixie dream girl in leotard as the antic embodiment of a person’s irritable bowel syndrome. (Enthusiastic productivity!) It is likely the best payday this actress has seen (or will) in ages. I’m sure she was grateful for the income and exposure. I wonder how she will feel in 20 years when she’s remembered as “that explosive diarrhea chick”. (Perhaps that offer to star in a porno wasn’t all that bad. At least her parents don’t have to watch “Texas Dildo Masquerade” or “World’s Biggest Gang Bang 2” with the nightly news.) There are any number of female actors portraying gastric distress these days. Why no men? But, I digress. Again.</fn>

Last week, *Jacobin* magazine published “The Entrepreneurship Racket“, a not very favorable look at the hottest trend in higher education. It’s far too much to summarize here, so give it a read. It is basically an examination of how the buzzwords of the “startup” revolution (and we’re back to “sharing” and “disruptive”) have permeated the programs and curricula of academia, with special emphasis placed on the “entrepreneur”, a mythical creature who is part Edison, part Galt, part Savior and Guru. Is it any accident that the highest attainment possible for one of these creatures is to become a Unicorn?

Many universities are plowing huge sums into creating Entrepreneurship programs that reach across the range of what used to be quaintly known as academic disciplines. Partnerships with corporations and private foundations provide funding, often in return for some degree of control over curriculum and, in some especially grim cases, faculty hiring decisions. Programs will be assessed not just on graduation rates, but on job placements and average earnings. Programs that develop patentable inventions – that the University will own and administer – are especially favored as they create revenues for the institution, thereby making them less reliant on taxpayer funding. It all comes down to the Benjamins.

The dynamics of market economies are well understood, and the incentives of this arrangement can lead to both genius innovations as well as clever-but-benighted ideas that, nonetheless, accrue fantastic profits.<fn>e.g., bottled tap water</fn> It’s a little senseless to argue against the logic of a market economy, just as it is blindly optimistic to believe that such an economy can operate absent some set of rules or norms that will curb the excess that is its inevitable result. And yes, these rules will impose conditions that trigger their own market dynamics, which might lead to new efforts to curb excesses, and so on ad infinitum. But in general, the “market” is a more or less effective means of approaching questions of value as long as none of the parties

in the exchange accrue an inordinate advantage of wealth or power. There's the rub, eh?

But where we've managed to get off track – where this exaltation of the Galtian superhero entrepreneur sends us down a blind alley – is our gradual and all but complete adoption of a market *society*, wherein all of our relationships and values are subject to the dictates of the market, the tyranny of the spreadsheet.

Our every decision must establish itself on the ground of market-driven logic. That library? A hopeless money sink. A public park where there could be a private, membership driven club that produces revenue? A violation of the government's duty to optimize taxpayer investments. That museum or small theater operating under grants and subsidies? Sorry, folks, that space could better serve as a venue for Toddlers & Tiaras or a mud-wrestling pit. Hey, the numbers don't lie.

One of the great degradations of the Reagan years occurred when arts advocates agreed to defend the merits of "the arts" on economic grounds. Once "we" ceded the ground of the debate, the game was up. There's no way to make, say, an arts facility more impressive on a spreadsheet than a Jimmy John's or a mattress store. Ergo, the arts are worth less than a cardboardish-drenched-in-mayonaisse-sandwich or a new posture-firm-ortho-tastic dream machine with memory foam and adjustable sleep settings. The numbers are cold and clear.

It's endemic. The calculations underlying the prevailing discourse tilt the game in favor of a gross, libertarian-esque evaluation of our social relations. If someone can afford to buy a state park and demonstrate it's vitality as a commercial concern, who are we to stand in the way of this creative disruption with our soft bromides about natural beauty or stewardship for future generations? Such talk is, well, it's downright irresponsible.

And it will be as long as we accept the tyranny of the market as the arbitrator of what we will hold dear as a society.

And fwiw, your angstifying Narrator is no less complicit in the farce than the sharpies who founded Uber or who opened the fifth mattress store on a single city block. I just got less to show for it. YMMV

COMING SOON: Part 2, a further examination of the language of entrepreneurship and some of its more attractive and positive elements. No kidding.