The Real Cost Of The Gig Economy

Ross: Welcome to Renegade Inc. In a rare moment of candour, the then Federal Reserve chairman, Alan Greenspan, gave us an insight into what he feels are the optimum conditions for workers. The so-called healthy economy that he presided over, owed its success to what he called growing worker insecurity. You see, workers with precarious existences are not going to make demands. And it's this compromised position, coupled with diminishing wages, that is the cornerstone to the global gig economy.

Ross: Shannon Walsh, welcome to Renegade Inc. Great to have you on the programme.

Shannon Walsh: Thank you so much for having me.

Ross: Shannon, your film, The Gig is Up. It's all about the gig economy, precarious employment and exploitation of workers. Just give us a brief summation of the film and why you made it.

Shannon Walsh: Yeah. So The Gig is Up really gets behind the technology to take a look at the people who actually arrive at your doorstep and do the things behind the app that you tap so easily on your phone. So I really wanted to tell the story of who are those people? Because so often they're written out of the story of technology. And so the film is kind of a global expose that looks at people all over the world who are doing this kind of work.

Ross: And what was the impulse to make it? Because it's surprising to me that this film hasn't been made before now?

Shannon Walsh: Yeah, myself, I was even surprised as I started on the journey to think, wow, people haven't focused in on the people doing the work behind technology. My own fascination had started. I'd been interested in the evolution of fourth wave capitalism and what did it look like to think about our techno utopianism? So my last film I'd really thought about, how does that look when we think that technology is going to save us from environmental crisis and lets us kick it down the road? This kind of illusion that technology will save us. And so in this film, I was thinking that through human labour and what did it look like when we thought technology hides and gives us an illusion of magic that's happening by a bunch of guys in button up shirts, when actually it's everyday people who are often working under conditions that would be unacceptable even 100 hundred years ago. So I was really, really curious to kind of unpack how also technology sometimes is a foil that allows certain kinds of practices and illusions to hide behind.

Ross: Films, of course, always change filmmakers. You start at a point you don't really know where you're going to get to by the time you get to the end of it. What changed most during that journey, if I can put it that way, for you personally?

Shannon Walsh: Yeah, for me, I definitely understood the gig economy as something resembling more like what I did at the beginning, you know, understanding it a bit more of like precarious work that is piecemeal work like what we lost at the early turn of the century. Through researching the film and understanding that the platform economy presents an whole

new type of mechanism for how work is organised across the board, it's not only in these tiny bits of of occasional work. As someone delivering food to your house or helping a guy, that was a real revelation for me and understanding what algorithms had to play the way that labour laws had really rolled back. I learnt a ton about that, and definitely that 80 percent of this work is happening behind screens is invisible, what Mary Gray, calls Ghost Work. That was incredibly fascinating to me, and I veered quite a bit in the film to try to cover some of that, and I didn't know that in setting out on the project.

Ross: Isn't it fascinating that the vast majority of these companies, and certainly ones that you cover in the film, all of them lose money hand over fist on an annual basis?

Shannon Walsh: Absolutely. I mean, you know, as Nick Schnik says in the film there's something deeply wrong with contemporary capitalism, if we can be watching people making millions of dollars at the same time as saying that their companies are losing money and people are being deeply exploited. There is a whole story to tell around VC capital companies not going public, like the way that this type of business model is set up that creates the deepest kind of exploitation, has no accountability for creating actual revenue as a normal business would. I'd often talk to my mom about it, you know, my mom of a different generation and you know, you can't get your head around, what, wait, the business doesn't actually make money, like why wouldn't it just fail? And yet they're celebrated. They're on the Super Bowl. You know, they're putting money in every event and presenting themselves as these real innovators where in fact, they're failing business models that are only propped up through people looking for fast money through really nefarious means and exploiting workers in the process.

Video clip: If you wake up on a Castra mattress and you work out on a Peloton bike and then Uber to your office at Wework and you DoorDash lunch at Wework, you come home on an Uber Lift, maybe you Lime Scooter to your actual door and then you use some other delivery service like Postmates in order to have dinner. You've then interacted with eight companies that this year are probably going to lose somewhere between 10 and 15 billion dollars. I mean, that is an unbelievable fact about the semi-permanent subsidisation of our habits. And you have to think, how long can this go on? It is not in capitalism's long term interest to simply subsidise the average habits of your typical urban, upper middle class millennial. I call this the millennial lifestyle subsidy, right? Every single time that you're using DoorDash or using Uber, you're getting a little bit of money back from these companies. They're saying, we're never going to charge you as much as this service actually costs. So I think it's ironic. I think it's interesting, and I also think it just can't last.

Ross: It's incredible, isn't it, in so-called capitalist America that there's this form of sort of start up socialism where they just keep cash burn going and everyone's trying to outspend each other and your sort of ego and your reputation becomes all about how much of other people's money you can spend and how quickly?

Shannon Walsh: Yeah, it's it's quite incredible when you think it's almost like this, you know, the Marcel Mauss book, The Gift, where you actually to show your wealth, you burn wealth itself, you know. It's like we're in this kind of backwards type of time and the subsidisation, I think the idea of network effects and what it takes to get dominance means

throwing money basically into the wind to sort of take over. But what is the actual real world impacts of that? I think that that's something that people don't take into account almost at all, and especially environmental impacts like these businesses are not without impacts on the physical world. This isn't just happening in an app. This is real people's lives and their real physical objects, physical impacts on the planet.

Ross: There has to be in this story a, let's say, really underhand way that tech companies go about recruiting their products. And when I say their products, I mean people, because if you don't know what the product is, the likelihood is that you're the product, right? And what they do and what you've covered is that if they have a monopoly, they'll give away to workers at reduced rate, subsidised rate, at the beginning. And then once workers are signed up and have all sorts of dependents and liabilities, they'll then start pulling back those benefits and leaving that worker totally exploited. Were you amazed at the scale of this?

Shannon Walsh: I was honestly shocked by this kind of bait and switch method that I didn't realise that was happening myself, you know, and it's happening at the consumer side, too. So we can also see it at the consumer side where you're given sort of bonuses, freebies. You know, think about the times where they're like, Oh, you get the first three for 50 percent off or, you know, you get these huge rebates to becoming part of it and you know that there's no way that you're paying what it's actually worth. And then on the workers side, because of the lack of regulation, because of this slippage between people being employees and independent contractors, the idea that you can pull back rates entirely of what people are being paid without any oversight. You don't even have to notify the customers. You don't have to notify the workers themselves that that's happening. And you can pick and choose what you decide to pay different workers at different times as well. It's beyond the pale that 100 years of labour organising is just being erased in the snap of fingers through the illusion of some kind of innovation here. And the innovation is just greater terms of exploitation. And I think we really have to wake up as a society that if this is going to be the new way we organise work, there's got to be a totally different type of conversation on the kind of legislation and the kind of regulation that needs to be behind it to be able to stop this type of deep exploitation happening and give some support to workers.

Video clip: Platform Capitalism is the emergence of a new sort of business model becoming increasingly dominant across the economy. Platforms are intermediaries between a number of different groups. Uber is a platform, Amazon is a platform. So they're all connecting all of these different groups and allowing them to interact in various ways and make money in various ways. So one of the unique things about digital platforms is their use and dependence on network effects. So the more people who use a platform, the more valuable that platform becomes for everybody else. So network effects lead to the sort of winner takes all model. This has driven Facebook. It's driven Google. It's driven Amazon and it's driving Uber right now as well. So there's a number of ways to sort of get network effects going. One way, which is what Uber has done for instance, is provide subsidies. When Uber first moves into a city, they'll offer discounts to riders and they'll offer sort of very high pay for drivers. So this means drivers flock to the platform. Riders flocked to the platform and you get those network effects going, and then eventually Uber decides, well, we're going to start cutting the pay, we'll cut back the discounts, we'll start charging higher prices. So once they've got network effects growing, they've got a quasi monopoly position. They can then dictate the terms of the market.

Ross: You mentioned before we played that clip that it's the oldest trick in the book, isn't it - bait and switch. But it's a lot worse than that now, isn't it? Because if you are a single mom or a father, you have a family and you have dependents and you have outgoings, actually, there's no recourse to justice or there's no recourse to going back to the company that you're working for and saying, actually, this is exploitation. You just have to sit down and take the medicine, don't you?

Shannon Walsh: Yeah. I think that one of the the tricky parts of this type of work, the way it's organised, is that it's harder than ever for workers to organise collectively. But I think that we are seeing around the world that people are being able to do that. But to your point of what work can you go back to? I mean, one of the things I found all over the world is there's people that are outside of formal employment, not only because there's less and less of formal employment, but also because of various types of reasons that people are excluded, whether that be caring for sick parents or being single parents themselves or perhaps having a disability or, you know, in the US, a felony and you see that people are either shut out or they're migrants, for example, people that are working without documentation that are cast out. And as those categories grow, the companies are more and more able to exploit people in which they know that they are stuck with this kind of work and that there's not another option waiting for them on the other side. And often the retort is why don't people just quit if it's not a good job? And I think that really misses the bigger picture of the economic situation that we're facing both globally, but also as these categories of folks who are completely shut out from whatever jobs that do remain, also exist. And there's also a way in which the companies get their hooks in by having workers have to pay for the externalised costs, whether that be your car, your phone, all of the things that you have to invest into. Many of the drivers, for example, invest in higher end vehicles because it gets them the higher paid wages at first. Those wages get cut. They still have the leases to pay. You get trapped into a cycle in which you're also constantly needing to be hyper vigilant for the next job that comes in, and it doesn't really afford you the time to say, OK, let me like now go back on the job hunt. So it sort of sinks its claws into you, and it becomes very difficult to accept from as well. So there's a huge combination of factors that work against workers in this case.

Video clip: I pay a lot of attention to the rate and I can just tell within six months that my money was declining. I can make a possible 2000 a week to now, I mean, hopefully a thousand dollars, so that's 50 percent. My car's running down to the point where I just don't know one day I'm going to go to my car and it's just not going to start.

Video clip: Uber has managed to externalise the cost of workers to workers themselves. They force workers to basically be independent contractors and then try and take revenue through the transactions that occur on the platform. That is effectively their business model.

Video clip: Uber and Lift they pay the most intelligent people in the world - professors, programmers, every thing you can imagine and they forgot about their drivers. We have no voice to these companies at all. I was making a dollar ninety five a mile. Now I'm making sixty to sixty six cent. It doesn't make any sense. I was an activist when I was in my country and when I came to this country, I know a lot of people they're going to need me. When we want to do an action, some people they didn't want to be in the media. Some people, they just get scared over. At Uber they are going to know about me and deactivate. If you are four

point seven and less they deactivate your account, by the way, if you are the driver. Deactivate means fired, means no money for your family. So how can I work all that stress? It's not good. We consider it as a subcontractor, but we cannot refuse passengers. We cannot do certain things. You have to go or you are going to be deactivated.

Ross: Shannon Walsh. Welcome back to Renegade Inc. In that first half, we really run over the problems that you cover in your film, The Gig is Up. And in that break, we were just talking and you promised that there's going to be some optimism at the end because actually we need a bit. When you were making the film, when the film crystallized, did you understand the scale of the exploitation, not just in America, but globally? I mean, because it's breath taking.

Shannon Walsh: Absolutely. And you know, the short answer is no, I didn't really totally get my head around that how deeply global it is. One of the revelations I had while making the film was, you know, I came up during the era when we had a kind of anti-globalization movement and we thought a lot about where, you know, this outsourcing of jobs into places where there was lower wages and whatnot. And one of the things I saw with the platform economy is a kind of flattening globally where you can see that this type of work, literally the same job on Mechanical Turk or something like that for the same wage, is happening in Nigeria, in India, in the south of the U.S., in Britain. So you've got this kind of flattening happening. And I think that that kind of global have and have nots is quite phenomenal. And I think it is different.

Ross: The mechanism there is one of inequality and it's not going away is it? By creating this film, how much sort of succour and and support have you given to what were basically ghost workers? I mean, no one was looking, were they? You must have a lot of emails from people who are in the precarious gig economy, saying, thank you very much, this is our plight and you've highlighted it?

Shannon Walsh: Absolutely. People are literally, especially for the ghost workers and I'm sure people watching this show right now, some of them will say, Oh yeah, I did some of that type of work. I've done some of that work. It's very ubiquitous now, much more so than we understand. And I think that I hope with the film, one of the things we've really been able to capture is what it looks like for people because it's been totally invisible. Other than Mary Gray's book, Ghost Work, I really hadn't seen almost any representation of this type of work. And it's not that new, you know. It has been happening in anything you have that has to do with an algorithm or AI or anything like that, has absolutely had people that have contributed creative intelligence to it.

Video clip Driver 1: Mourad gives me the strength to say, Damn you, we won't ever give up. People order and things suddenly appear. But how do we get there? We go through red lights and put ourselves in danger. We pass trucks and trams and ride up mountains. We don't just appear. We don't teleport. We're not ponies. We are humans. Yes, there's algorithms, but we are actual people.

Video clip Campaigner: It's unfortunate that we have to be here. But they say societies only make progress through their disasters which wake people up to a situation. The algorithms

are inhuman. With a boss at your office, you see him at the coffee machine in the morning, but the algorithm is their every second. It's always in your pocket. We no longer have the boss on our backs. The boss is now in our pocket. And that is much more precise with by-the-second data about your distance, your speed, your direction. They know everything about us. The speed at which we accept an order defines the hunger we have in our desire to work. So the people who accept orders and who never turn one down, they're hungry and so are offered lower rates than anyone else. Those who are more selective and take their time, we spoil and cajole them. And the more this happens, the more delivery orders come from the lowest strata of society. They're migrants, minors, refugees.

Shannon Walsh: The companies know, they absolutely know, that they've got workers, you know, they've got a stranglehold on workers and that people are stuck, and that's why they're taking these types of low pay jobs and footing the bill for all the costs. And let's face it, who of us doesn't want to have flexibility in our work? I think that that is a really an OK desire. Like that's something we should fight for. Isn't what we want to fight for a situation in which flexible work could be possible and what are the structures that need to be in place for that to be possible? You know, a basic income is one thing. Universal protection for health care is another. Like, what would it actually look like if we could have flexibility, if we could have a decent wage in which we could also make time for our families? And I think post-COVID, I think that a lot of young people who have gone through this are saying just no way. Like, I'm not going to work this type of wage slavery with no option at all. And you know, on the bright side of this, I think maybe there is a world we can continue to fight for that would look fair and equitable. And perhaps that work that is parceled out in smaller chunks may be part of it. I mean, I think we have to remain optimistic that what we are fighting for is decent work for everyone that is decently paid. And I think we see movement building all across the world right now. Literally every place where this type of work is happening, there's workers movements growing, especially post-COVID. And you know, my optimism remains with the idea, like what I see of cooperatives that are using platforms to organise work amongst themselves, like taking back some amount of the means of production. There is openings, cracks, within what the technology can enable that, I think can still point to a direction that could be salvageable. Like, you know, I think we can say, like, burn it all down is number one best thing to happen. But is there cracks in which we can find ways for more to take back some of that power to organise collectively? And I think there still are.

Ross: Shannon, one of the things I really love about the film and also this interview is that you can sense your optimism here. And what you've done with the film is you've asked a fundamental question and that is what is it to be human? What do we really want from the workplace? How can we interact with each other? And just by stoking that debate, you get people thinking, and that's what we need now. How optimistic are you for the workers who see your film that they'll start talking to one another and think, actually, this exploitation has to stop and we are so important to this business, we need to be treated as such?

Shannon Walsh: Well, I have to just say, from the experience of showing the film alone, even workers who like Al, in the U.S. or like Leila in France are already organising seeing the film, and that other people were organising in different places, made a huge impact on them and connecting to each other. So to me, that was really, you know, you maybe were organising in your own place with your with the particular app you're working for. But seeing that people are asking the exact same questions in multiple different places, I could see the

sparks going off and people starting to connect with each other across borders as well, and I think that's going to be essential. So to me, these stories absolutely need to be told if we're going to build that higher level of organising that, because, you know, in Canada here we had some big wins against Fedora. Workers organised and they managed to win some rights and Fedora just left the country, you know. So we still have to face the fact that these are multinational companies, that one country alone is not going to entirely solve it. But I believe that everything in our world has been created by people and people's power. You know, capitalism itself is created by people and so has been all of the rights that we've won around labour have also been created by people and people's actions. So I am a firm believer in that we create the world in which we live and all of us contribute to that. And I think we can't lose sight of that. This isn't an abstract machine, it's a machine built by people. And there's people at every nook and cranny of it, and those people are humans, too. And so I think that there is real potential always, you know. As dark as it can seem, I think there is always still potential for us to change the situations in which we live through our collective power.

Ross: And what you've done as a filmmaker is you've depicted this precarious employment, the exploitation within it and, most importantly, given these workers their own language. You've given them examples in their own language so they can now organise and begin to redress this balance.

Shannon Walsh: Yeah, I mean, I would say that I haven't given it to them. I've just reflected back what they're doing and hopefully brought it to a bigger audience. And I hope for the people who aren't organised, or haven't imagined that they could be seeing the folks that are doing the same type of work as they are, articulating what the struggles are, will be catalysing and be the beginning of what I think is going to be a long conversation around what this type of work is going to look like. And I think every sector will be impacted by task-based work like this. It's not only delivery folks and drivers and people working for AI. It'll be every sector you can imagine, from people taking care of your ailing parents on call, to the medical profession. We're already seeing tasked turned into tasks, so there's a lot of thinking we need to do collectively on what that should look like.

Ross: Shannon Walsh, congratulations on your film. The Gig is Up, really wonderful, and thank you also for your time.

Shannon Walsh: Thank you so much. It was great talking to you.