Does the sharing economy increase inequality within the eighty percent?; Findings from a qualitative study of platform providers

Last Modified on 08/05/2019 4:30 pm CEST

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Date Published: Unknown

Why did we select this research?

The sharing economy has generated controversy for its effect on labor conditions, wages and the distributions of income and wealth. This paper presents evidence for a previously unrecognized effect: increased income inequality among the bottom 80% of the distribution.

Key Findings

- Sharing economy participants are highly educated, often professionals, and are using the platforms to increase their earnings. Their activity is crowding out less advantaged, lower educational attainment workers who have traditionally done much of manual work that more privileged sharing providers are now doing.
- At times when employment and income are scarce, standard economic reasoning expects a cascade effect in labor markets, as more educated people take jobs and opportunities that they would not accept in better times
- The common-good discourse of the sharing economy reduced cultural barriers that might impede this downward slide, and lengthened the status distance that middle class whites have been willing to travel for opportunity.
- The sharing economy cannot be separated from the labor market context in which it operates. While most discussion of the sector has considered it in isolation, platforms' ability to attract providers will depend significantly on alternative labor market opportunities.

Reference:

Schor, J. (N.D.) Does the sharing economy increase inequality within the eighty percent?; Findings from a qualitative study of platform providers. *Boston University*

https://www.bc.edu/content/dam/files/schools/cas_sites/sociology/pdf/SharingEconomyInequality.pdf