monthlyreviewarchives.org
DOI: 10.14452/MR-072-06-2020-10_4

The Commodification of Online Cooperation

JOSHUA SPERBER

On June 16, 2017, it was announced that the online retail giant Amazon planned to purchase the Whole Foods supermarket chain. Shocking the financial markets and challenging popular conceptions concerning the range and ambitions of the digital economy, Amazon's buyout showed that the digital economy is not only helping shutter many traditional "brick and mortar" stores, but it also appears to be intent on recreating what remains of the traditional economy in its own image. Analysts were quick to point out that Amazon's entry into the supermarket industry would likely benefit consumers by reducing prices while harming workers through lowering wages and eliminating jobs. While such cost-benefit calculations are structurally inadequate insofar as newly unemployed workers are also consumers, it is equally true—although less scrutinized—that consumers, regardless of their status as wage earners, also perform work. Notwithstanding paeans to Amazon's innovative application of labor-saving (in fact, wage-labor saving) technologies, the digital economy's reduction of consumer prices has been offset not only by a reduction in wages, but also by the systematic incorporation of customers into the production process.

The story of the consumer's involvement in the sphere of production is not new, as consumers have been providing unpaid labor to and otherwise subsidizing capitalism since at least the mid–twentieth century. Yet, as the economy has evolved, so too have the scope and complexity of consumer work. Such work has become especially vital for sustaining today's digital economy in general and the so-called sharing, or on-demand, economy in particular. But while there has been no shortage of analyses of the changing role of the worker—such as new freelance or "gig" workers who use their cars to transport passengers with Uber, or who rent out part of their homes through Airbnb—there has been less discussion of the ways in which these transformations have placed new expectations and demands

Joshua Sperber is an assistant professor of political science and history at Averett University. He is the author of *Consumer Management in the Internet Age: How Customers Became Managers in the Modern Workplace* (Lexington Books, 2019) and has written for numerous publications, including *New Labor Forum*, *Salon*, *CounterPunch*, *The San Francisco Bay Area Guardian*, and *Z Magazine*. He can be reached at jsperber4@gmail.com.

This is an adapted excerpt from his book *Consumer Management in the Internet Age*.

on working people as consumers, or of the ways in which these changes have paradoxically exposed and exacerbated the fundamental structural weakness that has defined consumers since the advent of capitalism.

The On-Demand Commodity Economy

As Karl Marx noted, consumption has always involved production and reproduction—for example, the act of eating reproduces one's body, which is necessary in order to labor—just as production and reproduction have always entailed consumption (procreating, for example, consumes human energy).[1] At the same time, forms of consumption correspond to the different demands of particular economic systems. Marx showed that capitalism is unique, since, unlike all other economic systems, its basis of production is not the use value of items (with a logical endpoint once human needs are met) but their exchange value (with no endpoint at all). The needs of consumers are thereby often a subordinated means to the ends of capitalists' pursuit of the never-ending accumulation of capital. Under capitalism, it is incidental to the system of production that people's needs are met; the driving force of the production system is the capture of consumers' money to fuel further production. That is, capitalism is the only economic system in which consumption serves the needs of production rather than the other way around.

Whether dealing with cable providers, drivers, teachers, servers, bartenders, cellphone companies, apartment management companies, or even doctors and dentists, more and more people are being prompted to rate workers who they have had transactions with. Requesting that customers rate employees is not new in itself. But what is new—an arguably quantitative-cum-qualitative shift—is the conspicuousness, insistence, and frequency with which companies make these requests, to the extent that customers can be made to feel negligent, as if they are shirking their social responsibilities, if they do not submit ratings. What was once truly voluntary and peripheral to the customer-employee transaction has become increasingly coerced and central. Significantly, the most dramatic example of the growing use of customer ratings can be seen in the so-called sharing economy or, more precisely, the on-demand economy.[2]

The on-demand economy has received ample criticism, some of which is focused on the fact that, since the peak of its hype, circa 2010, it has become steadily absorbed into the dominant, decidedly non-sharing, economy.[3] The optimism that predicted a more humane, egalitarian, and environmentally friendly economy less than a decade ago now seems, amid the collapse of countless non-profits and the consolidation of a handful of for-profit behemoths, quaint or naïve. Critics have also looked at the ways in which the dominant sector of the on-demand economy—for example, ridesharing, such as with Uber—has prospered specifically through the mass influx of venture capital and the intensification of labor exploitation.[4] Certainly, for all but the most cynical free-market apologists, it is undeniable that drivers for services such as Uber and Lyft are severely exploited. The putative autonomy that these companies offer their workers—many of whom have been forced into piecemeal, part-time work due to the dearth of well-paying full-time jobs in the conventional economy—is more than offset by what frequently amounts to sub-minimum wage earnings and the requirement that drivers use their own vehicles and pay for their own insurance, maintenance, and gas.[5] These ridesharing companies additionally have little interest in providing any semblance of security or benefits to workers who they self-servingly classify as "independent contractors." In fact, some such jobs may soon become obsolete due to the increasing availability of self-driving cars.

Because labor is a chief cost of business, it is tempting to assume that high levels of labor exploitation, although unfortunate, can at least be partially justified because of the benefits such lowered costs provide to the consumer. Even some critics who have condemned the on-demand economy as a serf-run "concierge economy" concede that companies such as Uber have created new standards of convenience for consumers.[6] However, this bad-for-the-worker/good-for-the-consumer dichotomy can distract us not only from the fact that consumers are, of course, also workers, but also from the ways in which certain business practices can be harmful for both the worker *and* the consumer.

The economic model used by the most successful on-demand companies is substantially based on dramatic cost reduction achieved through the elimination of traditional management. Specifically, these companies have streamlined modern business practices through consumer management, reassigning traditionally managerial duties—including monitoring, directing, and disciplining workers—to unpaid, or crowdsourced, customers. Although consumer management, as noted, is not new, it has historically been a subsidiary and largely informal practice. The on-demand economy has exponentially expanded and institutionalized it, incorporating customers into the production process on a scale that would have been previously unimaginable.

The key mechanism for establishing the trust needed to conduct largely unregulated, peer-to-peer transactions is the production of public reviews commending or condemning potential collaborators, encouraging participants to act honorably if only to safeguard their public reputations and, with them, their ability to continue operating on a given platform. This has moved work from paid managers to unpaid customers. What is more, there is evidence that these ratings are unreliable, suggesting that these companies have less interest in establishing an actual basis for users' trust than in ensuring that users, even if irrationally, have faith that they are entering into safe and dependable exchanges. For instance, Georgios Zervas, Davide Prosperio, and John Byers's study of six hundred thousand Airbnb listings found that over 95 percent are given a rating of 4.5 or 5 out of 5 and nearly none has a rating under 3.5.[7] Noting that nearly 99 percent of all drivers on BlaBlaCar, a French ride-hailing company, have perfect ratings, Tom Slee observes that ratings do not "meaningfully discriminate among drivers or riders."[8] Similarly, Uber and Lyft can deactivate drivers whose ratings fall below 4.7, leading to a system in which nearly every driver is highly rated.

Assuming they are reliable, the existence of uniformly high ratings should not necessarily be equated with good service as such, as accumulated high ratings can in fact provide drivers with the leverage to provide periodically inferior service when they so desire. It is, however, likelier that such ratings are fundamentally unreliable, possibly reflecting the fact that customers are posting their ratings with little consideration other than to complete an imposed, even if not technically required, task. The existence of disproportionately high ratings, Slee suggests, might also reflect a common desire to avoid confrontation, feelings of guilt resulting from presumably harming someone's professional well-being, or retaliation.[9]

Uber, Lyft, and Airbnb (which we might refer to as the *Big Three*) in fact mandate that workers (or "hosts") rate customers, who in turn have to concern themselves with protecting their own reputations lest they are denied future service. It is quite telling that customers are not asked whether they actually want to rate workers and are given no power to opt out of being rated themselves, doing much violence to the notion of the "sovereign consumer." And it is notable that while workers and customers are busily rating one another, neither group is asked to rate the CEOs and investors who are profiting at their expense.

Institutional Discrimination in the On-Demand Economy

In certain regards, the on-demand economy has exposed and intensified the inherent structural weakness that has always characterized consumers under capitalism. As in other industries, peer-to-peer companies are able to determine who qualifies as a customer, and thereby gets to be rated, in the first place. Significantly, there is substantial evidence indicating that the on-demand economy discriminates against customers on the basis of sex and race. Men consistently receive higher prices than women do selling comparable items on eBay, and women are more likely to be overcharged or taken on longer rides than men when using

Uber and Lyft.[10] Meanwhile, studies in Seattle and Boston show that Uber and Lyft drivers are more than twice as likely to cancel the rides of men with African-American-sounding names or pictures (Lyft, but not Uber, shows drivers pictures of prospective passengers) than with men with white-sounding names. It is not unreasonable to imagine that such drivers will give lower ratings to the African-American riders—presumably ones with non-African-American-sounding names—who they do pick up, putting African Americans at even greater risk of being excluded from services in the on-demand economy.[11] As a result, African Americans hailing rides on Uber or Lyft in Seattle wait up to 35 percent longer than do white riders.[12] Similarly, Airbnb hosts are 16 percent likelier to reject guests with African-American-sounding names than ones with white-sounding names.[13]

To be sure, it is well-known that traditional taxi drivers have historically discriminated against Black riders, so Uber and Lyft are hardly unique in this regard. However, the existence of racist discrimination within the on-demand economy—and here Airbnb is more illustrative—points to the ways in which institutional racism can become collectivized and thereby more intractable. Following the 1964 Civil Rights Act, many have, often successfully, sought to curtail racist discrimination by business providers. Attempting to prosecute such discrimination today, not among businesses per se, but their myriad of independent contractors, presents a more unwieldy and onerous task, a virtual game of whack-a-mole in which structural—as opposed to attitudinal—racism has migrated from the institution to the individual.

The case of Black Americans is, again, instructive of the weakness of all consumers under capitalism in general and within the burgeoning on-demand economy in particular. African Americans have historically occupied a uniquely vulnerable position not only within the labor force ("first fired, last hired") but also within consumer society. The persistence of such racism has, among other things, functioned to help conceal the existence of an inherently exploitative economic system by drawing attention to and frequently blaming its victims rather than its structural causes. Racism can thereby mystify consumer weakness insofar as free-market advocates tend to claim that the market would work fairly *if not for* its corruption via exogenous factors such as racism; *it's all of us, not capitalism, that is to blame*. In reality, capitalism's creation of winners (those who have access to seemingly anything and everything) necessitates the production of losers (those who, being excluded themselves, must provide this access to others). Racism, which produces a visible and discrete population whose economic exploitation is likelier to be socially and politically sanctioned, meshes perfectly with such a system.

Consumer Alienation and the Democratization of Poverty

Yet, even in a world in which prejudices such as racism and sexism were eliminated, such an intrinsically competitive economic system as ours would almost certainly engender new discriminatory practices with which to stratify and regulate not only people in general, based on uneven ownership of property, but also people *as* consumers in particular. Similarly, by thinking about those on-demand companies that, unlike the Big Three, have been characterized as "gift economies" (such as Couchsurfing, Hospitality Club, and aspects of Craigslist), we can identify some of the ways in which consumers, even in the best of circumstances, are defined by structural weakness—the central precondition for the increasing workload of consumers today.[14]

It should first be noted that insofar as they are based on anticipated reciprocity, exchanges through "gift economy" platforms are in fact not gifts at all, but instead constitute bartering.[15] David Graeber, following Caroline Humphrey, has shown that, contrary to popular mythology, barter-based societies have never existed in practice, and when pre-industrial societies did barter, it generally took place between groups that considered one another foreign or hostile.[16] Such bartering could be fraught with danger. The fundamental antagonism of interests underlying it was, in Graeber's account, often expressed through ritualized displays of aggression and play. In coordinating our reliance on strangers—individuals who in previous eras would have quite possibly been considered enemies—the "sharing economy" in fact reminds us of both our dependence on extended reliable and trusted communities and their disappearance from much of modern life.

Even hospitality networks—in which travelers and hosts exchange free lodging—exist within a setting that is fundamentally conditioned by capitalism. Such networks therefore tend to reproduce, as much as ameliorate, capitalism's characteristically fraught social relations. For example, some hosts on the Couchsurfing platform decide to share their homes not in return for access to future boarding themselves but because they seek company.[17] Notably, some of these hosts are disappointed to discover that their guests are often less interested in socializing with them than in staying out late and treating their would-be compatriots like random hostel managers, illustrating not only the prevalence of loneliness in our society but also the difficulty in overcoming it.[18] Simultaneously, there are guests, some who have limited resources and are thereby highly dependent on their hosts, who have complained about the social demands that hosts place on them, with one commenting on the *Slow Vegan Travel* blog: "[Couchsurfing] is not free, you are selling your freedom to your host."[19] The "gift" in these cases is therefore exchanged by people in positions of socially produced vulnerability—loneliness and a need for housing, respectively—who, in fact, expect personal benefits in return.[20] Similarly, the existence of child care swapping platforms (for example, Sitting Around) reveals tremendous social want, as it would have been unthinkable in societies with extended families and communal networks (that is, society for the mass majority of human history) that one would have to worry about finding caregivers, strangers no less, to tend to one's children. To be sure, contemporary child care sharing precedes the digital revolution, although much of it notably occurs in poor and working-class communities in which heightened cooperation is in part a response to more limited resources and higher levels of unemployment. The growing popularity of such community exchanges—we should remember that during the Depression struggling families frequently generated income by renting out parts of their homes to boarders—demonstrates not the growth of a socialist or otherwise post-market society, but the democratization of poverty within capitalism.

Indeed, the ongoing impoverishment of the dwindling middle class coincides with the exponential expansion of unfathomable fortunes controlled by a minuscule proportion of the population. Demanding a fairer system, some observers have called for more equal distribution of the on-demand economy's soaring profits.[21] However, the emphasis on more equitable redistribution of profit risks neglecting the circumstances in which these services are being provided in the first place, circumstances shaped by socially produced want and, frequently, economic desperation. There is nothing natural or inevitable about people needing, say, child care, and there is nothing laudable in the fact that so many people are willing to—forced to, we might more accurately say—drive strangers all over town in an effort to make ends meet in an increasingly unforgiving and demanding economy. Such activities, Ivan Illich reminds us, are undoubtedly necessary for sustaining the formal economy (people, after all, have to get to their jobs), but they are hardly necessary for the subsistence or betterment of human beings in general.[22] Meeting these needs through the on-demand economy does demonstrate that we are connecting with one another, but such connections are no less designed to, first and foremost, subsidize a system whose requirement for endless expansion is presently colliding with historic—environmental and other—obstacles to growth. Confronting the exhaustion of territorial expansion and armed with unprecedentedly invasive technologies, capitalism is increasingly turning inward to the frontier of the, for lack of a better term, human soul.

Consumers as a Managerial Tool

While much of the on-demand economy is in fact based on financial or non-financial exchange (such as bartering), there is one area in which it does appear to function as a gift economy. Consumers who go out of their way to write unpaid reviews – for instance on Yelp and Rate My Professors (RMP) – do generally appear to be offering gifts with no expectation of return. The social value of gift giving within gift economies, it has been noted, involves less the substance of the gift than the reinforcement of social connection and mutual obligation that the act of giving cultivates.[23] And such online reviewers – some of whom write reviews of nearly all of their commercial encounters – do frequently participate in online communities of fellow consumers who adopt a shared ethos of duty and fairness and strive to help, or "pay it forward" to, one another by, for example, warning readers of unpleasant meals or stringent instructors.[24] Nevertheless, even if we subordinate the content of the gift to the increased connection that giving it fosters, we still ought to interrogate the basis of such connections.

The sheer ubiquity of the personal computer has turned millions of consumers into "mystery shoppers" or spies, constituting a digital panopticon that works precisely because workers do not know whether they are being watched at any given time. While consumers have been supervising workers since the advent of department stores over one hundred years ago, online consumer management disseminates customer complaints to a massive audience that frequently includes workers' managers, who have fired and otherwise disciplined workers who have received negative reviews, encouraging remaining employees to work harder than before, aware that any and every customer can be a reviewer. For example, servers I spoke with in New York have told me that Yelp "definitely adds stress" and "makes you work harder." Describing Yelp as an "invisible guiding hand," one restaurant hostess observed that employees' awareness of Yelp means that "you were going to perform your best. You don't want something written about you." Other workers noted that the fear of a bad review produces "more pressure to perform" and "makes you more considerate."

There is, of course, no doubt that pre-Internet direct confrontations between workers and aggrieved service recipients could be hostile and unpleasant, but workers nonetheless often maintained some leverage in these encounters, insofar as, for instance, service recipients were dependent on workers to fulfill their immediate needs. Workers could refuse service, even if only by passive aggressively pretending not to see or hear an obnoxious customer.[25] Additionally, as Arlie Hochschild has described, workers could "accidentally" retaliate against unpleasant customers by, for instance, spilling drinks on them.[26] Online consumer management, however, is not only anonymous, but also retroactive. Although reviewers write to "warn others" about unhappy experiences, negative reviews targeting workers can simultaneously function as revenge, moving customer-worker antagonisms from direct, even if unequal, confrontations to unilateral assaults on workers to which the latter are inadequately equipped to respond.

At the same time, consumer management's intensification of workers' stress should not be interpreted as a reflection of consumer power. On the contrary, reviewers' grievances are highly contingent on the discretion of management. While restaurant managers regularly act on reviews that condemn allegedly lazy or slow servers, managers consistently ignore complaints about so-called chasing (in which lingering customers are rushed from their tables), high prices, or menu selection. Management's decidedly selective invocation of the customer's concerns undermines the notion of consumer sovereignty and shows that—notwithstanding the energy that customers put into writing their reviews—customers are listened to primarily insofar as their interests are congruent with management's. In this regard, it is management, not the customer, who is always right.

Online consumer management, albeit in different forms, goes beyond the service industry (or, rather, is helping transform traditionally non-service work into service work). Most adjunct instructors monitor their reviews on RMP, upon which some instructors report "play[ing] to the crowd" and otherwise altering their teaching methods in order to earn positive reviews and maintain high enrollment in their classes, a common prerequisite for ensuring future work. One adjunct notes that "having these reviews floating around definitely creates a 'consumer' mentality, which can cause teachers to second-guess their pedagogical decisions based on what reviews might say," while others assert that RMP reviews encourage them to grade more quickly and generously (the latter observation is supported by Wolfgang Stroebe's 2016 research demonstrating the relationship between RMP and grade inflation) and even to avoid potentially contentious topics.[27] Notably, however, RMP reviews provide no space to protest rising tuitions and student debt or crowded classrooms, indicating, again, that online consumer management and consumer power are distinct, and even negatively correlated, phenomena.

Free Gifts to Capital

Insofar as they are gifts within a sharing economy, online reviews are not offered to just anyone and everyone, to society as such. Rather, reviews are written for the putative benefit of fellow consumers. To the extent that this gift giving generates feelings of warmth and solidarity, then, they are feelings that come at the expense of workers who are regulated and disciplined through these reviews. Such gift giving therefore produces meaning not by increasing the unity of the whole society, let alone by encouraging solidarity among society's most exploited class, but, on the contrary, by exacerbating regressive antagonisms *within* that class. Such gift giving is also frequently profitable for the owners of the online platforms on which it occurs, illustrating another defining characteristic of this form of activity—that is, before it can benefit its recipients, it must provide an expectation of profit to an intermediary, an illustration of the growing practical requirement that, under current conditions, socially organized acts of selflessness and camaraderie be, above all, profitable.

Notes

1. Karl Marx, *Grundrisse* (1939; repr. London: Penguin, 1993), 90.

2. Niam Yaraghi and Ravi Shamika, "The Current and Future State of the Sharing Economy" (Brookings India IMPACT Series no. 032017, March 2017); Arun Sundararajan, *The Sharing Economy* (Cambridge, MA: MIT Press, 2016).

3. See Sarah Kessler, "The 'Sharing Economy' Is Dead, and We Killed It," *Fast Company*, September 14, 2015.

4. See Trebor Scholz, introduction to *Digital Labor* (New York: Routledge, 2013); Avi Asher-Schapiro, "Against Sharing," *Jacobin*, September 19, 2014; Kevin Roose, "The Sharing Economy Isn't About Trust, It's About Desperation," *New York*, 2014.

5. Asher-Schapiro, "Against Sharing."

6. John Naughton, "Meet Tech's New Concierge Economy, Where Serfs Deliver Stuff to Rich Folk," *Guardian*, December 27, 2014. To be sure, critics have also addressed some of the largely unregulated on-demand economy's harmful effects on consumers (see, for instance, Dean Baker, "Don't Buy the 'Sharing Economy' Hype: Airbnb and Uber Are Facilitating Rip-Offs," *Guardian*, May 27, 2014).

7. Georgios Zervas, Davide Prosperio, and John Byers, "A First Look at Online Reputation on Airbnb, Where Every Stay Is Above Average," Social Science Research Network, January 28, 2015; Tom Slee, "The Sharing Economy's Dirty Laundry," *Jacobin*, March 23, 2016.

8. Tom Slee, "Some Obvious Things About Internet Reputation Systems," Tom Slee (blog), September 29, 2013.

9. Tom Slee, "Sharing and Caring," *Jacobin*, January 24, 2014.

10. John Bohannon, John, "Even on eBay, Women Get Paid Less for Their Labor," *Science*, February 19, 2016; Yanbo Ge, Christopher R. Knittel, Don MacKenzie, and Stephen Zoepf, "Racial and Gender Discrimination in Transportation Network Companies" (working paper no. w22776, National Bureau of Economic Research, October 2016).

11. Ray Fisman and Michael Luca, "Fixing Discrimination in Online Marketplaces," *Harvard Business Review* (December 2016); Chitra Ramaswamy, '"Prejudices Play Out in the Ratings We Give'–the Myth of Digital Equality," *Guardian*, February 20, 2017.

12. Ge, Knittel, MacKenzie, and Zoepf, "Racial and Gender Discrimination in Transportation Network Companies."

13. Benjamin Edelman and Michael Luca, "Digital Discrimination: The Case of Airbnb.com" (working paper 14-054, Harvard Business School, January 10, 2014); Ramaswamy, '"Prejudices Play Out in the Ratings We Give.'"

14. Sundararajan, *The Sharing Economy*, 38.

15. Sundararajan, *The Sharing Economy*, 36.

16. Caroline Humphrey, "Barter and Economic Disintegration," *Man* 20, no. 1 (1985): 48–72; David Graeber, *Debt* (New York: Melville, 2011).

17. Dale Davies, "Why 'Couchsurfing Is Free' Is a Myth," *Slow Vegan Travel* (blog), 2014.

18. Davies, "Why 'Couchsurfing Is Free' Is a Myth."; Vicky Steylaerts and Sean O'Dubhghaill, "CouchSurfing and Authenticity: Notes Towards an Understanding of an Emerging Phenomenon," *Hospitality and Society* 1, no. 3 (2012): 261–78.

19. Davies, "Why 'Couchsurfing Is Free' Is a Myth."

20. Whereas profiles and referrals regulate the site, it is difficult to confidently anticipate how guests and hosts will get along in person due to factors such as unreciprocated attraction and situational fatigue.

21. See Juliet Schor, "Debating the Sharing Economy," Great Transition Initiative, October 2014.

22. Ivan Illich, *Shadow Work* (Boston: M. Boyars, 1981), 8.

23. Sundararajan, *The Sharing Economy*, 36–37 (Sundararajan is building on the analysis of Lewis Hyde).

24. As such, reviews on these sites are more reliable than the informally coerced reviews found on platforms such as Uber and Lyft.

25. Greta Paules, *Dishing It Out* (Philadelphia: Temple University Press, 1991).

26. Arlie Russell Hochschild, *The Managed Heart* (1983; repr. Berkeley: University of California Press, 2003); see also Susan Porter Benson, *Counter Cultures* (Chicago: University of Illinois Press, 1988); Robin Leidner, *Fast Food, Fast Talk* (Berkeley: University of California Press, 1993); Linda Fuller and Vicki Smith, "Consumers' Reports: Management by Customers in a Changing Economy," *Work, Employment, and Society* 5, no. 1 (1991): 1–16.

27. Wolfgang Stroebe, "Why Good Teaching Evaluations May Reward Bad Teaching," *Perspectives on Psychological Science* 11, no. 6 (2016): 800–816.