

## **LABORING IN THE NEW ECONOMY: SHARING OR THE NEW SHARECROPPING?**

By Jules Bernstein<sup>1/</sup>

Back in the early 1960's when I first started practicing labor law in Washington, D.C. for the Teamsters Union, if I needed to file a brief the next day in Los Angeles, here's what I would do. I would dispatch someone from the mailroom to the airport who gave a flight attendant about to leave for LA my package and a \$20 gratuity. The flight attendant delivered the package to a waiting Teamster at LAX who transported my brief to the courthouse for filing.

This was before the fax machine was patented and commercialized by Xerox in 1966. And it also was before FEDEX was founded by Frederick Smith in 1971. (Smith by the way who is Yale, 1966, conceived of Federal Express in an economics paper he wrote while there. He remains FEDEX's CEO today.)

And needless to say, the Postal Service did not have overnight delivery then.

When I file my briefs these days from my office in Washington, we do it with a quick click of a mouse online to any federal courthouse in the country. And we can obtain papers that have been filed in courts across the country online through a system called PACER. Who can possibly oppose such innovation and productivity increases, notwithstanding that they may disrupt or replace some earlier technologies as well as jobs. We are not Luddites.

This is not new. After all, between 1910, when our population was 92 million, and today, when it is 321 million, the absolute number of farm workers declined as the result of technological change from 12.8 million, or 33% of the workforce, to under half a million, or .4% of the workforce.

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And this happened notwithstanding 3-1/2 times as many mouths to feed in the United States today, and even more elsewhere. Our farm workers migrated from those sun up to sun down 7 day a week jobs in the fields, ultimately to 5 day 40 hour jobs in factories. (Remember the bumper sticker slogan, “Unions - the People who Brought You Weekends.”) More recently, further changes have reduced our production jobs from 15 million to about 9 million between 1998 and today.

Of course the impact of invention and innovation upon employment is that in the wake of the disruption, a heavy price is paid by working people and their families who are ill-prepared by our society to absorb the losses because of the absence of coherent education and labor policies and economic planning. We leave it mostly to the market. Aside from the millions of farm workers who were displaced, consider the millions of miners, garment, textile, shoe, and other manufacturing workers who struggled through disruptions like the Great Depression. But ultimately there were gains too. Better jobs were created, hours were reduced and income rose after World War II.

More recently, technological changes have taken a huge toll on the once robust American Labor Movement. The United Mine Workers of John L. Lewis and Walter Reuther’s mighty United Auto Workers are shadows of their former selves.

This is not to say that the decline of American Labor is solely the result of innovation and technological change. Modern union busting, starting with President Reagan’s discharge of 11,000 Air Traffic Controllers in 1981,<sup>2/</sup> a determined corporate effort to undermine the operation of the National Labor Relations Act and Board, and the persistent instilling of fear of reprisal among workers for their unionization efforts, have contributed significantly to Labor’s decline. Indeed, in

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<sup>2/</sup> Wisconsin Governor Scott Walker recently said that “this was the most significant foreign policy decision” of his lifetime.

1980, I wrote a law review article entitled “From Brass Knuckles to Briefcases,” describing the then emerging deunionization industry. Demonizing, villainizing and busting unions is still as American as Scott Walker. As one of my union official clients once told a Senate investigating committee, “You red-baited me in the 50's, and now you're mob-baiting me in the 80's.”

I spoke here 2 years ago on Labor's decline and its adverse consequences for our democracy and our people (who after all are our most valuable resource), and I won't repeat myself. Instead, I propose to discuss several aspects of the so-called new economy and how Labor and its friends are trying to cope with its disruptive impact.

Recently, technological innovation has taken a new dislocating turn with the development of what is the misnamed “sharing” or “gig” economy, with its so-called “on-demand employment.” The “sharing” consists, for example, of people driving their own cars during odd hours hauling passengers, packages and meals for fees, and renting their apartments and spare rooms to strangers who are traveling away from home. (As some preschoolers recently told a Washington Post reporter, “It's trading, not sharing.” Sharing, these youngsters saw as giving away what you had and really didn't need. ) Two of the most familiar current examples of the “gig” economy are Uber (which has landed on the Vineyard), and the adjunct invasion of college campuses. More on these developments later.

To begin with, the decline of unions, employee job insecurity and weak or indifferent governmental regulation of the workplace have permitted employers to accomplish at least three of their major objectives viz-a-viz the workforce over the last 35 years. First is the stagnation and suppression of wages and benefits, including private pensions, by, among other things, failing to raise the federal minimum wage, and undermining unions and collective bargaining. Secondly, by

misclassifying workers as independent contractors rather than treating them as employees, and finally depriving employees of overtime pay by treating more and more of them as salaried rather than as hourly employees. Alone, or in combination, these three conditions may be described as common wage theft, inflicted by the employing class and its mercenaries upon the working class.

### **FLSA**

While the nature of work and employment appear to be changing, the law that principally governs the workplace continues to be the Fair Labor Standards Act (FLSA).

As you will recall, in 1938, as a major part of the New Deal, Congress enacted the FLSA as a minimum wage law which started at 25 cents an hour. It also outlawed child labor and provided that workers would be entitled to time-and-one half for work performed in excess of 40 hours in each workweek. One of the major motivations for this overtime premium during the Great Depression, with its continuing high unemployment rates, was to encourage employers to hire more workers rather than paying for overtime, and to reduce overwork. Of the FLSA, President Roosevelt said in his 1938 State of the Union message that “We are seeking, of course, only legislation to end starvation wages and intolerable hours; more desirable wages are and continue to be the product of collective bargaining.” This was an acknowledgment of the union perspective that the FLSA was enacted simply to establish a floor for wages and was not intended to create a standard.

From its adoption over three quarters of a century ago, until today, the FLSA has been a center of continuing contention. It has struggled to survive through many Congresses, Supreme Courts, administrations and administrators, for whom it has been a central focus of competing and conflicting interests and interpretations. Indeed, it continues to be one of the most heavily litigated statutes on the books. Just ask the jurists and lawyers in our midst.

Efforts to improve and update it have also been at the center of controversy.

First, is the minimum wage itself. It has remained at \$7.25 for the last six years. The Obama administration sought to raise it to \$10.10 in three stages but was thwarted by Republican opposition in the Senate. Indeed, as you know, many Republicans are free marketeers who oppose a minimum wage in principle, preferring to leave wages to the “invisible hand.” In my view, others are simply indifferent.

So what does the failure to increase the national minimum wage since 2009 mean for those it was intended to protect. For each year since 2009, during which the minimum wage has remained unchanged, rising prices and inflation have reduced the buying power of wages. Thus the \$7.25 minimum wage today buys at least 10% less than it bought in 2009, so that minimum wage workers suffered a significant decrease in real wages, purchasing power and quality of life. Based upon fifty 40 hour weeks, \$7.25 yields \$14,500 before deductions. The federal poverty guideline for a family of four is \$24,500. Over 3 million workers, or about 4% of hourly workers earn the minimum wage or less, because of exemptions. And millions more earn under \$10 an hour.

Clearly, the continued stagnation and depression in wages in general serve to exacerbate the problem of increasing inequality in the United States which I discussed here last summer when we considered Thomas Piketty’s book, *Capital in the Twenty-First Century*. Things appear to have gotten worse since then.

In April 2015, Senator Patty Murray (D-Wash.), and Congressman Bobby Scott (D-Va.), introduced the Raise the Wage Act of 2015, which would increase the minimum wage to \$12 in 5 steps by 2020. The minimum would thereafter be indexed to the growth of the median wage. The bill would also gradually increase the subminimum wage for tipped workers, which, incredibly, has

remained at \$2.13 an hour for almost a quarter of a century, principally as a result of the lobbying efforts of the National Restaurant Association.

Not to be outdone, a couple of weeks ago Democratic Presidential candidate Bernie Sanders introduced legislation proposing a \$15 minimum wage by 2020.

As usual, opponents emphasize the potential job losses of such increases while proponents minimize or deny them.

The failure of Congress to raise the national minimum wage since 2009 has had a significant impact at the state and local level in causing a push toward higher minimums. Under the Fair Labor Standards Act states and municipalities are not preempted from adopting minimum wage laws that exceed the federal law's bottom line. And pressure for these increases has come from below.

In November, 2012, a limited strike of about 200 fast food workers took place in New York City. This was the opening shot in a continuing nationwide struggle by low wage workers and their allies which has come to be known as the "Fight for \$15."

Sponsored principally by the million and one-half member Service Employees International Union (SEIU), in the interim there have been many successful statewide and municipal campaigns to raise the minimum wage. The first of these was in the Seattle suburb of SeaTac, but major cities like Seattle, New York, Los Angeles, San Francisco, Washington, D.C. and a number of states have since then increased their minimums. On April 15 of this year there were over 200 demonstrations across the country by more than 60,000 low wage workers seeking to raise wages. And these protests appear also to have caused some employers of low wage workers to grant increases.

Another area in which there has been significant slippage in upholding wage and hour standards has related to workers' entitlement to receive pay for work performed in excess of 40 hours

each week. Under the FLSA, employees who perform true executive, supervisory and/or administrative functions are generally subject to exemption from the overtime provisions of the law. This means that their salaries cover all of their working hours so that they do not receive any extra compensation for work in excess of 40 hours per week as hourly employees do. However, the law also provides that even if someone qualifies for this so-called white collar exemption, if they earn less than an amount established under regulations adopted by the Secretary of Labor, they are entitled to be paid for overtime at time and one-half. Since 2004, this amount has been \$23,660 per year or \$455 per week. Thus, otherwise exempt employees who earn less are entitled to overtime but those who earn more are not.

For example, a retail store manager who might earn \$35,000 per year today is not entitled to any extra pay for hours worked in excess of 40 per week but may nevertheless be required to put in many unpaid hours in excess of 40. In many instances, non-supervisory employees who are entitled to overtime earn more than their supervisors, which is often a cause of discontent.

A problem with the system is that because of inflation, the number of managerial employees entitled to receive overtime pay has decreased significantly since 2004.

To remedy this problem, on July 6 of this year Secretary of Labor Tom Perez announced that he proposed to increase the overtime threshold to \$970 per week, or \$50,440 per year effective next year. A public comment period on the proposed regulations closes on September 4, 2015. It is estimated that 13.5 million workers would benefit from the proposed new regulations.<sup>3/</sup> It should be remembered that the original purpose of a premium for overtime was to inhibit overwork and

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<sup>3/</sup> Ross Eisnebrey and Lawrence Michel, “The New Overtime Salary Threshold Would Directly Benefit 13.5 Million Workers,” *Economic Policy Institute*, (Website), August 3, 2015.

encourage additional hiring and job creation. Employers of course are in high dudgeon<sup>4/</sup> over the proposal.

### **Independent contractor**

Within the last decade or so a new development has occurred within the business community, described by some analysts as the “fissured workplace.”<sup>5/</sup> Under this scenario workplaces have been splintered into component parts so that when you enter a hotel, for example, the doors and parking garage, concierge, newsstand, restaurants, gym and spa, security, window cleaning, management, hiring, reservations, etc., may be contracted out and operated by entities other than the owners of the hotel who may themselves run nothing at all. Employees are often at a loss to identify their actual employer within this corporate shell game. Indeed, many employees receive their paychecks from labor brokers like Manpower who lease them to other companies who then direct their work. All of these sophisticated maneuvers have as an immediate object avoiding unionization, and making more money for owners and investors, at the expense of rank and file workers and society. David Brooks speculated on this recently in the *New York Times*, saying that “The virtualization of ownership insulates the privileged from the ‘devastating consequences’ of their decisions. . .,” including their lacking any concern about the living and working standards and futures of their employees.

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<sup>4/</sup> Hudibras, by Samuel Butler, part 1, canto 1(1663):

When civil dudgeon first grew high, And men fell out, they knew not why,  
When hard words, jealousies, and fears, Set folks together by the ears,  
And made them fight like mad or drunk, For Dame Religion, as for punk...[prostitution].

<sup>5/</sup> See David Weil, *The Fissured Workplace* (2014).

One might compare the indifference of these unseen virtual employers with the signatories to an agreement entered into recently by the owners of the unionized Waldorf-Astoria which was sold for \$1.9 billion to Chinese interests who plan to downsize it and turn much of it into condos. The optional severance pay settlements for the long-time Hotel and Restaurant Employee Union members average about \$149,000 each. Similarly situated employees in a comparable non-union hotel would have be entitled to nothing more than a pink slip.

An additional ploy in this employer structural shift has been increasingly to designate *bona fide* employees as so-called “independent contractors.” Indeed, the U.S. Department of Labor estimates that from 10-30% of the workforce presently is misclassified as independent contractors. And it has begun a crackdown under Wage and Hour Administrator David Weil.

On July 15, 2015, Weil issued a Wage and Hour Administrator's Interpretation that reiterates the prevailing court decisions, established administrative standards and rules for determining employee versus independent contractor status.<sup>6/</sup>

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<sup>6/</sup> The 15-page single spaced document is available online. Briefly stated, among the factors that must be considered in their totality, are:

1. Whether the individual is dependent on the employer or is engaged in a business of his own;
2. Employees are not permitted to waive employee status, and self-serving statements of independent contractor status is not controlling;
3. Whether what the individual does is integral to the employer's business;
4. Whether the individual's managerial skills affect his opportunity for profit and loss;
5. How the individual's investment in the job compares with the employer's investment;
6. Whether the work involved requires special skill and initiative; and
7. The nature and degree of the employer's control over the individual and the work.

The totality of these “economic reality” factors must be considered in each case, and it is well-established that a narrower pre-existing common law “right-of-control” test does not apply.

Shortly after the Weil memorandum issued, on July 30, 2015, the *Wall Street Journal* reported that “[h]undreds of startups that rely on freelancers to clean houses, run errands, deliver food and ferry people are under siege. . . . Lawsuits are threatening to reclassify their contractors as employees, which could drive up labor costs an estimated 20% to 40%. That has put an investment chill over these startups and prompted some founders to switch their business models.”

Among the companies mentioned by the *Journal* are Luxe Valet, a national urban car parking service, delivery startups Shyp and Instacart, and Homejoy, a home cleaning company. Sadly, Homejoy threw in the towel on July 31. But Luxe Valet, Shyp and Instacart appear to have switched to the “employee” model.<sup>71</sup> Personally, I find it incredible that venture capital firms, including Google Ventures and Andreessen Horowitz, could have invested in such firms in the face of such obvious and major legal exposure.

But as the *Wall Street Journal* commented:

Entrepreneurs and venture capitalists alike developed a fondness for “1099 workers,” referring to the tax form they file, because they don't require costly outlays such as health insurance, payroll taxes, travel reimbursement, training programs or severance pay.

A *Wall Street Journal* consultant estimated that 17.9 million people worked as independent contractors in 2014 for fifteen or more hours per week.

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<sup>71</sup> Carolyn Said, “Employee vs. freelancer? Choice is based on outdated laws,” *San Francisco Chronicle*, August 8, 2015.

## UBER

So now let's look specifically at Uber. As you may know, it was started in the summer of 2010 in San Francisco by a couple of inventive startup entrepreneurs with a few cars and a handful of drivers and an app. After permanently entering your credit card information on the app, you are able to summon a car to your location with the press of a button. The cost of the trip with tip included is charged to the passenger's credit card so you don't have to reach for your wallet as you exit the vehicle.

Venture capital began flowing in and Uber started expanding to other cities, and countries. Five years later it operates in 311 cities in 58 countries and provides more than a million rides each day. It has also begun to provide lunch and other delivery services in certain cities. The company was recently valued at \$51 billion.

As stated recently by *The Economist*, (June 13, 2015):

Over time, Uber hopes to become so popular and ubiquitous that many city dwellers give up their cars and all the cost and hassles of parking, maintenance, insurance and the like. In several cities Uber is trying to entice people to use its carpooling service instead of public transport and is subsidizing the cost of it, to entice drivers to join. Currently, San Franciscans can use Uberpool to go anywhere in the city for a mere \$7. [My wife used it recently to get from downtown San Francisco to the airport.] Like Google, Uber is taking an interest in driverless cars, hoping one day to dispense with drivers and offer its services even more cheaply.

The Nietzschean übermensch of Uber is Travis Kalanick, one of its two founders and its CEO, who just turned 39. He is quoted as saying that “As an entrepreneur, I try to push the limits. Pedal to the metal.” Forbes estimates his net worth at \$3.5 billion.

During Uber’s 5 year life, it has intentionally ignored municipal taxicab and other regulations and fought efforts to inhibit its growth. As for its drivers, they are recruited with their cars and they receive the proceeds of their fares from Uber minus Uber’s 20% cut. Uber sets the fares which generally are lower than those of taxis, but sometime fluctuate based on traffic conditions. I assume some of you, like me, have been hit with its “surge” rates.

The drivers are treated as independent contractors by Uber rather than as employees. Indeed, it claims to be a technology rather than a transportation company. Thus, no deductions are made from fees paid to drivers for federal and state income and payroll taxes, workers compensation and unemployment insurance, social security and Medicare, and Uber does not pay the employer share of such levies.

Understandably, Uber has raised the ire of states, municipalities, taxicab commissions, taxicab owners and drivers in many cities here and around the world. And it has been banned in many cities and countries including Spain.

Recently it defeated an effort by New York City Mayor Bill de Blasio to limit its growth in New York where it already has some 20,000 drivers on the streets.

It hired David Plouffe, who was President Obama's campaign manager in 2008, and was later a White House advisor, as its Senior Vice-president for Policy and Strategy. Plouffe has been running interference for Kalanick in his campaigns against his many public and private adversaries

and detractors. And Uber is said to employ about 160 lobbyists in the United States. Kalanick views its growth and expansion much like a political campaign.

As a matter of fact, while I was drafting my presentation, I received an email from Uber asking me to Speak Up for Uber in Massachusetts because in Uber's view, "Taxi special interest groups are trying to pass a statewide law to force Uber out of Massachusetts." I have attached the email to my paper. Needless to say, I did not sign on.

The critical issue of whether Uber's drivers, and those of its principal competitor, Lyft, are employees or independent contractors is presently in litigation and can be expected to be in that limbotic state for a while. The first ruling on this issue came in June of this year in which the California Labor Commission held that a single Uber driver was its employee and awarded her \$4,000 in expenses. Under Uber's model its drivers are responsible for gas, auto maintenance and insurance. If they are employees, under California law these expenses would be Uber's. The case is on appeal.

Two other cases raising the employment issue are presently pending in the United States District Court in San Francisco. Both cases have been brought under California rather than Federal law but were removed to Federal court by the defendants. In these cases the plaintiffs' lawyers (who are from Boston) represent a handful of drivers of Uber and Lyft and seek certification of the cases as class actions. In these cases two federal judges have ruled that the litigation could not be decided by the courts on motions, but require jury trials. Also, the class action issues remain to be resolved. Trials are expected to commence early next year. I might add that efforts by FEDEX to treat some of its drivers as independent contractors have been challenged successfully in court in recent years

resulting in a \$228 million judgment. And these decisions are being relied upon by the plaintiffs in the Uber-Lyft litigation. Stay tuned.

In my view Uber and its competitors represent an important innovation and addition for providing needed transportation services to the public which is not being well served by existing underfunded, unreliable and outmoded public transportation systems which are vital to our people and our economy. Think train wrecks, bridge collapses and commuting delays.

This is all the more reason why Uber and its peers cannot be permitted to avoid responsibility for paying taxes, providing their employees with well-recognized rights and benefits of employment, insuring the safety of vehicles and providing safe and efficient transportation services to the public. These enterprises clearly are “affected with a public interest,” and like other public utilities they must be subjected to rational and intelligent governmental oversight. Legal gimmickry cannot be permitted to frustrate public and national interests. It remains for communities to develop and impose appropriate standards and regulations<sup>8/</sup> for these newly emerging enterprises.<sup>8/</sup>

Please don't misunderstand me. I too have and use an Uber app. And I am not against Uber or other part time flexible work or freelancing in principle. There is nothing that says that all employment must consist of full-time regularly scheduled jobs, often involving unwanted compulsory overtime, and without personal, family, or sick leave. Part time work has provided much that is beneficial to workers and their families in terms of flexibility of schedules and providing income over the centuries. And making greater use of personal resources like cars makes sense too in terms of economy and efficiency. The problem comes when part time work is used as

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<sup>8/</sup> For a fuller discussion of these and related infrastructural issues see Rosabeth Moss Kanter's latest book, *Move-Putting America's Infrastructure Back in the Lead* (2015).

a method for undermining regular full time employment, living wages, and predictable schedules, as well as vital public programs and benefits like social security, Medicare, unemployment compensation, workers compensation and the like, and providing meager substandard compensation for people's time. Hopefully, pending litigation and possible legislation may remedy some of these problems and regulate and rationalize this part of the new economy. Senator Mark Warner of Virginia has been discussing such issues recently. *See Washington Post*, June 18, 2015.

One might contrast the perspective of Uber and its ilk toward its employees with Starbucks which has about 135,000 full and part-time employees in the United States. Under its CEO, Howard Shultz, it provides those employees who work 20 or more hours per week with fringe benefits, including health coverage for employees and their dependents and domestic partners, 401(k) matching, and adoption assistance. More recently it has created a program for its employees to obtain a bachelor's degree online through Arizona State University, with substantial, and in some cases, total tuition reimbursement. This benefit has great attraction since obtaining a B.A. has become a critical element for economic advancement in the United States. And there are other perks, like discounts and a weekly free pound of coffee or its equivalent.<sup>9/</sup>

There is a Freelancers Union of some 250,000 members that seeks to address many of these questions. *See* its website. It has conducted a survey recently that shows that about 53 million Americans engage in some form of freelancing.

Finally, government involvement in facilitating and regulating casual irregular employment is being tried in England and elsewhere in the world. A pressing need to make irregular work more accessible, rewarding and legitimate has been recognized especially among people living on the

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<sup>9/</sup> *See* Amanda Ripley, "The Upwardly Mobile Barista," *The Atlantic*, May, 2015.

margins of society and the economy such as single mothers or the elderly and the partially disabled. A study commissioned in England by the government has shown there to be 13.7 million people, 22% of the population, who desire, and could provide, odd hours of work each year. A pool or virtual hiring hall of such casual on-call workers might be created and provided to employers under regulated conditions, which might include education and training that would lead to more regular employment.<sup>10/</sup>

### **ADJUNCTS**

The recent shifts to new structures in employment relationships have not bypassed academia. The growth in the number of adjunct, part-time, non-tenure track, limited contract faculty has grown dramatically in recent years because of higher educational costs and a reduction in public support. There are now well over one million contingent instructors, and growing. This does not include those at for-profit institutions. The adjuncts now constitute a majority of college and university faculty. Full-time tenure track positions are presently 30%, and in decline, while “just-in-time” part-time faculty are being hired at a rapid clip. By way of comparison, in 1969, only about 3.3% of faculty appointments were off the tenure track.

As one observer of the adjunct scene has written:

Their jobs are defined by low pay, limited instructional resources, tenuous employment security, and a complete lack of institutional

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<sup>10/</sup> See Wingham Rowan, “Irregular Work in the 21st Century: A Model from Britain,” *The Aspen Journal of Ideas*, Nov.- Dec. 2014.

support for their own research and writing. Contingent faculty has become a subset of the new working poor--the subset with Ph.D.s.<sup>11/</sup>

Adjuncts often have to cobble together a meager living out of separate courses taught at different institutions for which they are paid very little. Too often their office is in their car.

I should mention by the way, that Uber commissioned a recent study of the demographics of those who drive for it. It was done by Alan Krueger, a Princeton economist and former chair of the President's Council of Economic Advisors. Krueger found that 10.8% of Uber's drivers had postgraduate degrees, so it may be that some of them are adjuncts who are moonlighting for Uber. Incidentally, Krueger found that forty percent of Uber's drivers have college degrees.

It is then no wonder that adjuncts are turning to unions for help in improving their lot. For example, the SEIU won an NLRB election at George Washington University in Washington, D.C. a few years ago, and after the usual legal battles, a contract was agreed upon raising compensation for teaching a single course from \$2700 to around \$3400. The contract also included provisions protecting job security. Success at GW paved the way for union victories at American University, Georgetown, Howard, UDC and other area schools.

Other unions like the American Federation of Teachers, United Auto Workers and the United Steel Workers are actively engaged in adjunct organizing on college campuses across the country. Hopefully, unionization may be able to provide adjuncts with better pay, benefits, including health care, job security and greater professionalization of their working academic and intellectual lives.

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<sup>11/</sup> Justin Miller, "When Adjunct Profs Go Union," *American Prospect*, Summer 2015, 46.

## CONCLUSION

In George Orwell's novel, *1984*, he imagined that by the year 2050, the language, Newspeak, would have been fully adopted in the fictional totalitarian state of Oceania, as a tool to limit and distort freedom of thought and speech. Newspeak terms often are transposed to reverse their meaning. Thus, "freedom" would mean "slavery," and "more" would mean "less." So what can we say now about the "sharing economy?" Is it not simply Orwellian Newspeak, meaning "greed is good" and "sharing is grabbing?"<sup>12/</sup>

I am distributing with a draft of my paper a copy of the Summer, 2015 issue of the *American Prospect*, a favorite publication of mine. It deals in greater depth with many of the subjects I touched upon this morning. See especially a piece by Professor Jeffrey Sachs of Columbia University in which he said:

With a growing pie, the winners in the new machine [and robotic] age including capital owners of the new machines plus the skilled workers - could readily compensate the losers and still leave everybody ahead, (a bargain that economists call a Pareto improvement [Vilfredo Pareto, 1848-1923] relative to the situation without the new machines). Yet our political systems now drenched in special-interest campaign financing and the lobbying of self-

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<sup>12/</sup> See Natasha Singer, "Twisting Words To Make 'Sharing' Apps Seem Selfless," *New York Times*, August 8, 2015.

interested billionaires, has increasingly rejected the idea of redistribution. Today's mega-winners tell the losers, "tough luck, that's just progress."<sup>13/</sup>

However, if work in America is to be satisfying, productive, remunerative and meaningful, as some of us believe it ought to be, we will have to find a way of making true sharing of the fruits of our labor a reality in the years to come.

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<sup>13/</sup> Cf., Peter Georgescu, "Capitalists, Arise: We Need To Deal With Income Inequality," *New York Times*, August 7, 2015.

**Where Americans Work (in millions)**

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|---------------------------------------|------|
| Office and Administrative Support     | 21.6 |
| Sales and Related                     | 14.2 |
| Health Care and Support               | 12.0 |
| Food Preparation and Serving          | 12.0 |
| Management, Business and Financial    | 11.0 |
| Production                            | 9.0  |
| Transportation and Material Moving    | 9.0  |
| Education, Training and Library       | 8.5  |
| Construction and Extraction           | 5.3  |
| Installation, Maintenance and Repair  | 5.2  |
| Building and Grounds and Maintenance  | 4.4  |
| Personal Care                         | 4.1  |
| Computer and Math                     | 4.0  |
| Protection                            | 3.2  |
| Architecture and Engineering          | 2.5  |
| Community and Social Service          | 2.0  |
| Arts, Entertainment, Media and Sports | 1.8  |
| Life, Physical and Social Sciences    | 1.1  |
| Legal                                 | 1.0  |
| Farming, Fishing and Forestry         | .5   |

Source: *U.S. Department of Labor, Bureau of Labor Statistics (2015)*