Homo Varians: Diverse Earner Behaviors in the Platform Economy

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Abstract

developing new theorizations of it as an economic form. One important feature is a heterogeneous labor force with respect to hours of work. In this paper, we identify another type of heterogeneity, which is the diversity of economic orientation of earners. Using in-depth interview data from 102 earners on three platforms (Airbnb, TaskRabbit, and StocksyUnited) we find that even within individual platforms, earners have different behavioral models. We have identified three the maximizing *homo economicus*; *homo socialis;* and *homo instrumentalis*. We present evidence of these three types. We then discuss platform policies and how earner diversity aligns with their imperatives for growth.

1. Introduction

T , and researchers have investigated a wide range of platform outcomes, including inequality, trust, and racial discrimination (For a review, Author 2021.) There are also particularly on lower-paid apps such as ride-hail, shopping and delivery (Ravenelle 2019; Griesbach et al. 2019; Robinson 2017; Cameron 2018; Author 2018). However, there has been a tendency to describe a common platform experience, typically that of highly committed workers. Author (2020) have argued that the literature has not sufficiently addressed how unique features of the platform model low barriers to entry, choice of hours, and the ease of working for multiple platforms at once produce a heterogeneous labor force. In this paper, we argue that there is another dimension to the heterogeneity of the platform workforce, which is the diversity of economic orientation of earners, or to use a term from economics, their s

Using in-depth interview data from 102 earners on three platforms (Airbnb, TaskRabbit, and StocksyUnited) we find that within individual platforms, earners have different behavioral models. We have identified three. Some are maximizers, engaged in the kinds of activities ascribed to *homo economicus*, rational actor. A second group displays a more social orientation, and although these earners are also interested in money, they are not optimizers on the financial margin. They have other goals, including sociability. But they also draw ethical boundaries around their platform work, reject opportunities that do their social preferences, or act to gain recognition. We call this type *homo socialis.* A third group, which we term *homo instrumentalis*, displays neither maximizing behaviors, nor strong social preferences. They merely aim to earn, and do so in casual, habitual, or targeted ways.

To sociologists, the presence of multiple behavioral models, especially among professionals or the self-employed, is not a novel finding (Fridman 2020). However, Beckert (1996, 2003) notes that sociologists have failed to theorize . We contribute to that task by providing an account of three models through our analysis of platform behaviors. We discuss platforms tolerance for the heterogeneity we find by discussing how earner diversity aligns with their imperatives for growth. This allows us to contribute to theorizing on questions such as whether platforms represent something different from conventional businesses and the extent to which they are novel forms. The paper proceeds with a discussion of theories of the platform firm, a brief discussion of the three types of earners we discovered, our methods, findings, and a section on platform responses.

2. Theorizing the platform firm

focus on the heterogeneity of the labor force other than considering variations in levels of precarity. While some accounts do note that earners fall into different categories (Ravenelle (2019), the focus is on the common worker experience of bearing costs and risks. Similarly, while ethnographic accounts describe differences among people, this approach generally avoids theorizing behavioral models and has not provided a distinctive ana

The third genre sees sharing platforms as novel entities on account of their ability to control labor via algorithms (Aneesh 2009; Rosenblat and Stark 2016; Griesbach et al. 2019). Algorithmic control is enhanced by information asymmetries that enhance the power of the platforms over workers. While this view does not deny the precarity of workers, its view of the firm/market continuum emphasizes top-down authority, the idea of the firm as an all-powerful Panopticon collecting user data (van Doorn and Badger 2020) and a break from previous methods of control. The algorithmic approach does not typically address issues of socio-economic, demographic, or behavioral heterogeneity among the workforce, at least not from the perspective of what it might mean for understanding the platform firm. In this literature, the key variable is the power that technology affords to the platform. A related view focuses less on labor control but on the ways in

Willingness to allow worker freedom of choice over schedules and total hours is a unique feature of platform management. It produces a consequential aspect of platform work, the heterogeneity in when and how much earners choose to work on the platform.[1] There has been relatively little attention to how workforce heterogeneity might manifest in other ways. (A notable exception is Manriquez (2019)). In our research we discovered that within and across platforms, earners exhibit different modes of earning. This finding adds another aspect of distinctiveness to platform firms, which we explore below.

3. Models of economic behavior

How do economic actors behave? While economists have historically produced varied answers to this question, by the 1970s, they had coalesced around a single model the rational maximizer. However, nearly as soon as they had, behavioral economists came along to trouble that fiction, with a wealth of empirical findings
revealed time inconsistency in preferences, loss aversion, and non-linear probability weighting of alternatives. (For a summary of this work, see Kahneman 2011). These developments revitalized ideas such as income targeting and Herbert Simon (1957) bounded rationality and satisficing. Among economic sociologists, whose project began as a critique of the neo-classical model, the focus has been on how structures inhibit maximizing behavior. Approaches
(1984) *habitus*, social networks (Granovetter 1973), Polanyian embeddedness (Block and Somers 2014), economic sociology (Zelizer 2013). However, given the diverse ways economic sociologists have explained economic outcomes, they have generally not focused explicitly on models of economic behavior. Indeed, Frank Dobbin (2007) has made the point that economic sociologists have generally accepted the view that agents seek profits. And Jens Beckert (2003, 1996) has argued that economic sociologists have generally not constructed their own

As noted above, our data led us to describe three distinct behaviors, or *homo varians*, a varied economic actor. Before discussing them, however, it is important to note that all the people we studied are active on the platforms in order to earn money. If there were not, they would be more likely to be participating on gift exchange sites such as Couchsurfing (a free alternative to Airbnb) or time banks (multi-lateral barter service exchanges). Therefore, our analysis does not replicate well-worn tropes such as altruism versus self-interest, money versus love, or similar divides (Folbre 2001). What we find is that among a financially-motivated group, there are major differences in how people think, .38 Tm0 d real estate assets, sub-contracting tasks or services, or investing in their platform activities, which they think of in largely commercial terms. Ultimately, they understand themselves, and others, through a lens of idealized rational action.

Noting the shortcomings of the *homo economicus*

otherwise explained by the rational actor model (Granovetter 1973).
is the claim that economic activity has a social dimension that is integral to understanding why actors make fiscal decisions. Building on this insight, Zelizer argued that economic relations were not merely embedded in social

(Zelizer 2012: p 146). Zelizer defined this as a relational package in which actors balance four unique elements: distinctive social ties, a set of economic transactions, media, and negotiated meanings. This framing suggests a robust social actor who will weigh social incentives in their economic decisions. We term this category *homo socialis*.

Homines sociales have varied motivations and behaviors, such as meeting people and socializing, building community or avoiding status threats. They are unified by strategies that are guided, first and foremost, by relational incentives and social considerations. They value income, but instead of spending energy tinkering with the bottom line, *homines sociales* turn their attention towards maintaining personal ethics, seeking validation, and fostering social connections. While a good number of *homines sociales* are prosocial, this category also includes individuals who draw strong boundaries to avoid particular interactions, such as tasks which involve status insults or hassles Some engage in discriminatory behaviors, even at the expense of making money. In short, *homines sociales* do not prioritize income maximization. Nor are they particularly oriented to searching for market information or calculative completeness. Predictably, these earners are happy to participate in economic transactions that can coexist with their social specifications. However, *homines sociales* abstain from economic opportunities that violate their .

The third type we have identified, the *homo instrumentalis*, is less well-described in the literature, either in economics or sociology. Like *homines economici*, this group is strongly oriented to making money, rather than to social relationships or social goals. However, their relationship with money is largely instrumental. Some earn for a specific purpose, such as for rent, debt payments, vacations or even beer. Others operate with a target income when it is reached, they reduce economic activity.[2] Our *homines instrumentales* lack a coherent strategy, using simple heuristics and resisting pressures to do more, or to optimize their participation. They often settledven aW* nBT/F4 12 T on the characteristics of the home, they might spend time with their guests, e.g. as they share a kitchen or a living room. TaskRabbit is a platform for a wide range of tasks, but most are either cleaning or manual labor tasks such as moving. In the first version of the platform, workers used an auction model to bid on posted tasks. In 2014, the site replaced the auctions with a model that let customers search

5. Findings

Homo economicus

Homines economici are not distinguished from others by

Rich, a white tasker in his 40s, struggled with poverty on

taskers,
optimization sometimes means a focus on travel distance, time, and costs. Ralph, introduced above, lives about an hour north of Boston and typically gets tasks that require significant driving. He explains his p

it's worth it. Then,

the distances down and instead will
but his larger orientation is calculative.

s end-of-year profit-sharing for all members. This leads to *homines economici* trying to get other members to sell more. Some use the community forums as a space to espouse best practices in the hopes that it will encourage maximizing behavior. The majority of *homines economici* are critical of members who fail to adopt their data-driven strategies. Derrick, a commercial photographer who specializes in industrial photography, argues that he has found a niche and always strives to become more adept at his specialization to increase his earnings. However, he resents pee are not

how you build a successful agency. You cannot build it by holding

have enough people who can put up with the bullshit.

Almost all earners in this group invest significant time and resources into their platform activities. Taskers buy new tools and build up their skills, Airbnb hosts renovate and decorate their properties, Stocksy members invest money into their equipment and shoots. Consider Juan, a full-time accountant and active tasker who has a keen understanding of the platform, including the diversity of available tasks, the skills and education levels required, the factors that affect the length of time a task will take (e.g. He started a small translation business, securing tasks on TaskRabbit and subcontracting the work to translators he found on Odesk. I1 bussk. I1

Unlike *economici, homines sociales*

will never forget. There was this one German man who was in his probably his
n.
I
super high maintenance. I ran into that again with another Eastern European older

s just really cool meeting people, talking to people, and learning from them, and trying to share things with them that I may know. It s really a cross-pollination- some of his interactions evolved into personal relationships. For this group,connectivity is not merely a characteristic of the work but a boon that encourages further involvement.

Homines sociales often frame their engagement on the platforms in terms of wider networks of helping, aiding those in need of their services, which is its own reward. For some, feelings of usefulness countermand the frustration from their primary jobs. Hope is a 29-year-old white tasker who enjoys feeling productive and appreciated on the platform. Though she had an MA in International Relations, she works as a substitute teacher in the public school system and expresses dismay . els as though her work has more of an impact
doing well and helping people, which

parents, feeling humiliated by the loss of a previous nanny job and the need to ask her parents for money for bus and subway fare. She uses her earnings to see her boyfriend who lives in another state a -thousand dollars to go to Israel for a month. a long way off.

Earners in this group do not generally articulate an overarching strategy for how they pursue this

For some people in this category, attachment to the platforms is tenuous. On Stocksy, this lack of commitment translates to a lack of engagement with the cooperative aspects of the platform. Christina, introduced above, puts it best:

very, very small interaction.

6. **Platform behaviors**

An obvious question raised by our findings is whether platforms will continue to tolerate diverse earnings strategies. Given that platform investors and operators generally prioritize growth and then profitability, will they continue to accommodate providers who do not maximize? If they do, it lends credibility to the view that they represent a new kind of hybrid firm. To find out how platforms adapt to provider strategies and to what extent they modify these behaviors, we draw on

complained that compared to early adopters, recent guests are less interested in social connection, actions may be exacerbating this trend. We also find that Airbnb stringent demands are less compatible with a *homo instrumentalis* approach. However, automatic pricing and instant booking features do support th hands-off approach to hosting.

Surveying platform actions over the first decade, we find that platform earners are managed from afar, sometimes with a firm hand, but more often in subtle ways that sustain autonomy. For instance, Airbnb tells hosts how to increase their margins by using its pricing and booking tools, rather than helping them use the affordances for sociability. These efforts arguably nudge participants towards adopting a double-entry-bookkeeping perspective on hosting, but do not mandate it. Opportunities for maximizing are further enhanced by a growing list of auxiliary services associated with platforms. These include taskers subcontracting out work, Airbnb hosts hiring professional cleaners, or Stocksy artists employing assistants. The *sociales* and *instrumentales* in our sample might resist pushes towards maximizing behavior especially on Stocksy and Airbnb, where occasional participation is still acceptable.

Of course, there are also larger, external factors which are affecting platform changes, such as regulatory policies and competition from other companies. On-demand services have seen increased pressure from labor activists and politicians to classify workers as employees, in order to grant them essential rights that independent contractors lack, such as a minimum wage and unemployment benefits. This is not an immediate threat to any of our platforms, but is already changing conditions for platform work. However, competitive pressures and market conditions are relevant to all three of our study sites. TaskRabbit faces strong competition from other on-demand labor sites, and has moved away from deliveries, at least in part due to the emergence of major courier and food delivery apps. -op apart from Getty and Alamy, those industry giants have begun to imitate the Stocksy brand. In an attempt to counter these moves and gain economies of scale, Stocksy partnered with Adobe Stock in 2017. Stocksy has increased membership in order to meet the demands of an expanding clientele. However, this has resulted in unintended competition among Stocksy photographers as more members flood into existing niches. Airbnb, by far the largest of our three platforms, grew in part

classification helped market actors escape taxes on their income, making it more profitable and

dominant position in the home-sharing market gave it ample time to experiment with how to operate a platform with a plurality of participant motivations. Increased regulatory pressure might change this. In 2019, Airbnb commenced automatic collection of State Sales Taxes and Local Occupancy Taxes in Massachusetts, where our participants reside, and similar initiatives have been

challengers, now including Marriott International.

7. Conclusion

How can we theorize sharing platforms? We have argued for seeing them as hybrid entities that give earners more control over their actions than conventional firms, but also as controlling actors. We found t presence of the latter two groups, who typically work and earn less, is sustainable for the companies. To answer that question, we reviewed policies and platform affordances which are relevant to these issues. We found that all three companies have instituted changes that nudge providers in the direction of a maximizing

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Appendix: Selected demographic characteristics of the sample

	Homo economicus	Homo instrumentalis	Homo socialis	Hybrid

	(23.8%)	(8.3%)	(17.2%)	(20.0%)	(16.5%)
$125-250k	3	1	1	0	5
	(14.3%)	(4.2%)	(3.4%)	(0.0%)	(6.3%)

Notes

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[1]

competitor firms. An obvious question is why the companies permit these choices by workers, given that these permissions are not common in most conventional firms. We do not yet have research on this question, but it seems likely that an important reason is to provide on-demand labor supply, a key feature of platforms, elicited in part through surge pricing and other financial incentives. Another reason may be to conform better with regulations governing employment classification (Independent Contractor versus Employee Status) (Dubal 2017; Cherry 2016; Rogers 2016). However, while this concern may be governing the actions of a few smaller platforms, it seems not to be an overriding issue for some large ones, such as Uber, Lyft, and some delivery platforms. They have been violati

with impunity. This suggests that conforming to labor law has not been a guiding feature of their actions.

[2] While ideas such as target incomes were common among economists in the past, they have become less so recently. An influential paper on income targeting among NYC taxi drivers (Camerer et al. 1997)