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Interviewer 00:00:07

Welcome to you all today. I am Paul Peppis, Director of the Oregon Humanities Center. My guest today is Juliet Schor, an economist and Professor of Sociology at Boston College. Professor Schor's research interests include consumer society and consumer culture, working hours and lifestyles, environmental degradation, the sharing economy, and alternative sustainable economies and societies.

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Schor's current project is studying trials of companies who are implementing four-day work weeks. The research team is collecting data on employee health and wellbeing, organizational outcomes, and carbon emissions. Since 2011, Schor has also been studying the sharing and gig economies. Her most recent book, a collaboration with a team of seven PhD students is "After The Gig: How The Sharing Economy Got Hijacked And How To Win It Back," which won the Porchlight Management & Workplace Culture Book of the Year.

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Schor's previous books include the national bestseller, "The Overworked American: The Unexpected Decline of Leisure," "The Overspent American: Why We Want What We Don't Need," "Do Americans Shop Too Much?" "Born To Buy: The Commercialized Child And The New Consumer Culture," and "True Wealth: How And Why Millions Of Americans Are Creating A Time-Rich, Ecologically Light, Small-Scale, High-Satisfaction Economy."

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Schor is a former Guggenheim fellow and was the 2014-15 Matina S. Horner Distinguished Visiting Professor at the Radcliffe Institute at Harvard University. In 2014, Schor received the American Sociological Association's Award for Public Understanding of Sociology. From 2010 to 2017, Schor was a member of the MacArthur Foundation Connected Learning Research Network. She has served as a consultant to the United Nations at the World Institute for Development Economics Research and to the United Nations Development Programme.

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On October 19, 2022, she gave a talk titled "Gig Economy: Predatory Platforms, Precarious Work," as the 2022-2023 Wayne Morse Chair in Law and Politics as part of the Morse Center's two-year focus on Making Work Work. Thanks so much for coming on the show. It's great to have you with us.

Interviewee 00:02:18

Wonderful to be here.

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Interviewer 00:02:19

So tell us a little bit about how your background and how it led to what you are interested in today.

Interviewee 00:02:26

I think I'll have to start with my childhood. My father who was a surgeon, moved from New York with my mother to Southwestern Pennsylvania, to a little coal mining steel town, and set up a clinic for mine workers, for the United Mine Workers Union. So I've always had a kind of labor orientation. And my PhD, which is in economics, looked at labor issues, and in particular, the factors which determined how likely workers were to go on strike or to push for higher wages, how hard they worked, and so forth. So I've had a very long interesting work. And then, as you mentioned, I wrote a book which came out at the beginning of the '90s called "The Overworked American." So, issues of labor and work have been pretty central to my interest for a long time.

Interviewer 00:03:27

So you're also interested in labor, work, consumption and climate change. So how did climate change get in there?

Interviewee 00:03:34

Well, The Overworked American had a chapter called "The Insidious Cycle of Work and Spend." And I was trying to understand, well, why is it that despite getting at that time pretty regular significant increases in real incomes, which workers in the US no longer get, but from the '50s, '60s, into the '70s, that was the norm. Yet they were working more hours than they wanted to, but they got trapped in this cycle. So I was interested in how it was that the spending kept up with the income, basically.

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And I was giving a talk after The Overworked American came out and someone in the audience raised her hand and said, "Well, how do we get out of the cycle of work and spend?" And I didn't have an answer to that. So that led to my next book, which was The Overspent American, which looked at social pressures to spend. But the whole idea of the growing economy and the fact that we were using productivity growth to expand the size of the economy rather than to give people more time off, that was at the core of my thinking. Because if you looked from sort of 1875 until the post World War II period, say, 1950, there was a dramatic reduction in working hours in the United States and elsewhere. The US led the world in work time reduction. Now, that maybe seems surprising to many people, because our hours are so much longer than a lot of the European countries.

00:05:16

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So I was interested in that dynamic, which was about why we were constantly expanding rather than taking more leisure time. And one of the things we know about carbon emissions is they are closely tied to the size of the economy. So all that expansion meant lots of carbon pollution. And so I began writing papers about the relationship between working hours and carbon emissions, and found over a series of papers strong connection — longer hours of work on average higher carbon emissions.

Interviewer 00:05:58

So let's talk a little bit more about longer hours of work. So you mentioned that Americans have longer hours of work than a lot of people in Europe. So what are some of the factors that led to that phenomenon? Why do Americans have longer hours of work?

Interviewee 00:06:15

So the conventional answer is, oh, we're just a workaholic society. And I think that's wrong. So rooting it in culture didn't seem right to me, so I started looking at economic factors. And there are a couple of big reasons. One is that our labor movement, which was the biggest impetus for shorter hours, was really weakened dramatically after the Second World War. And in particular, the more progressive part of the labor movement, and that's where the push for shorter hours came from, very different than what happened in a lot of European countries where labor unions continued to push over decades for shorter hours of work. That's a very big part of the answer.

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Second part of the answer is a historical accident. During the Second World War, there were wage and price controls. It was very hard for employers to get labor and so they tried to figure out ways to entice more workers into the labor force, and they started offering health insurance as part of the job benefit because that was not part of the wage controls. And over time we developed a system in which employers pay health insurance rather than something like what the British or the Canadians or other countries have, where it's socially paid. But what that meant was that because each new hire would be -- there'd be a fixed cost of that health insurance for the employer, they wanted to hire fewer people and work them longer hours because they didn't want to expand what they call headcount, because that just increased those health insurance costs. And as health insurance costs ballooned over time, that pressure for longer hours really, really expanded.

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And then I'd say the third thing is what I've called the elastic hours of the salaried worker. We have a high fraction of employees who are salaried rather than hourly. So they really don't -- the employer doesn't have to pay for longer hours, so they just pressure, pressure, pressure.

Interviewer 00:08:32

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So one of the projects that you're engaged with is the four-hour work week project. So tell us about that project first.

Interviewee 00:08:38

Yeah, the four-day work week. What's fascinating or sort of important about it is that it's four days of work for five days of pay. So it's not, you can work four days on a mommy track and get 80%. And it's not, you can work four 10-hour days. So it's a 32-hour workweek for five days pay. And this project was started by an entrepreneur in New Zealand who introduced it in his own company. His name is Andrew Barnes and he was really happy with the results. He developed what he called the 100-80-100 model, 100% of the pay, 80% of the time, but the workers need to do 100% of the work.

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Now, this is the complex part of it. He had a finance company or has a finance company. And in a lot of white-collar work today, especially in tech and places where workers have a fair amount of autonomy over what they're doing, there's a lot of wasted or unproductive time. And meetings are a big part of it, distractions are a big part of it. These are workers who are able to leave the workplace to go to the doctor, see their kids' soccer game, do personal things.

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So the idea that you could reorganize work, make it more efficient, have it done at the employee level, so a lot of these people work in teams, but sort of before you start a four-day week trial, you figure out, what can you do differently? How can you reduce distractions and meeting times and so forth? And can you squeeze enough time out to really make it so that people can do in four days what they did in five? And the answer increasingly seems to be, yes. So hundreds of companies are now joining trials that were running six-month trials where we're studying what happens and the results are really positive. They are able to do that 100-80-100.

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Now, we can talk about the workplaces where it's not gonna work, although there are reasons that the four-day week could work -- other reasons the four-day workweek for five-days pay could work in those. But the bulk of the companies are white-collared companies. They're having tremendous success with this. And actually, they're saying -- a lot of them are saying the productivity is going up, people are becoming more intentional. I mean, one of the things we find and this won't be a surprise to people who are in these workplaces. You know, people are shopping or playing video games or wordling, there's just waste of time and there has to be, but people prefer a little more intense pace of work to get that full day off like the Friday off, which is what most of them do. Although the interesting thing is that in the first trial, it doesn't look like the pace of work is going up, they've been able to reorganize enough that they're not just speeding themselves up.

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Interviewer 00:11:47

So tell us about some of these benefits that you're finding in the trial. Like, besides the fact, obviously, for the worker there's more flexibility in their schedule, they can go to their kids' soccer game, but from the business's perspective, what are the benefits?

Interviewee 00:12:15

So the businesses are finding -- they're finding that productivity is maintained, the workers are much happier. So reductions in stress, reductions in burnout. These are huge problems for companies right now. They were bad before the pandemic, but the pandemic just exacerbated them, you know, multiples of times. Their physical -- their positive affect, what's called, is better. Their negative affect is less. Their satisfaction levels are higher. They report better mental health.

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And one of the really big impacts is on sleep. We're seeing huge increases in the amount that people are able to sleep. We had something like 43% of the sample in the first trial were sleep deprived at the beginning of the trial, I think it was 17% at the end. So a massive decline in sleep deprivation, decline in sleep problems, improvement in sleep quality. And I think this is related to some of the other wellbeing aspects.

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So that's all sort of happier, healthier workers, but then also lower healthcare costs. Easier to recruit people, fewer people leave. We had a great quote from someone on the first trial where he's a software engineer. He periodically looks for other, you know, to see what else is out there online. Those people can move a lot, they have a lot of job-- a lot of demand for their work. And he said, "Right now if I were to go back to a five-day job, I'd need a big increase in pay." So in our next trials, we're gonna figure out exactly how much it's worth to people. But that redounds to the benefit of the employer because they don't have to pay that extra amount that people are increasingly looking for. There are a lot of empty jobs in this country right now and the four-day week is increasingly becoming one of the things that employers are offering as a way to attract and keep workers.

Interviewer 00:14:17

So you mentioned that most of the companies that are involved in the trial are white-collar companies. And you also said that there are some areas where it might not work as well, and I imagine there are some industries where there's a lot of skepticism from the management side about such an approach. So what's the downside or what are the arguments against the four-day workweek?

Interviewee 00:14:45

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You're right. Let me just start by saying that we do have healthcare companies. We're actually negotiating with a big health hospital chain at the moment, to join a restaurant chain, there's some manufacturing. So it's not only these white collar, but they're by far the bulk. So the biggest issue for the companies that are skeptical, and I'm gonna put healthcare at the very top because it's a really interesting case, is they can't speed their workers up anymore. They're already working too hard, they're already burning out and stressed. And that's causing a lot of problems, whether it's attrition. We're spending a lot of money training healthcare workers, you know, years and years of training and they're burning out.

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So that's socially expensive. But it's also expensive for their employers who have to hire new people, it's very expensive to hire new people, and train them, and so forth. So they can't do 100% in 80% of the time. They actually need a less intense pace of work. So let's say, they got the four-day week with the five-days pay, you're gonna have to hire some new people. Now, it won't cost you as much as -- it won't cost the employer as much as 20%. So that would be one day out of a five day because they're gonna make all those savings on healthcare costs, and the healthcare costs for healthcare workers are high because training, retention, hiring, all of that.

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There was a really interesting study of nurses in Sweden where they did this and they hired new people. And the costs were -- there was a little bit of an increase but pretty minimal because of all those other savings, plus better quality care. And if you put that in -- but often when an employer is confronted with this idea, all they're gonna think about is, "Oh, 20% more salary I'm gonna have to pay, there's no way I can afford that." But actually it's a lot more affordable. So it's a different -- it can work for a different reason. For the 100-80-100s, it can work because there's a lot of slack time in the workplace. For these, let's call them high-intensity burnout workers, it's the opposite. It's because there isn't enough slack time. But in both cases, it comes to a similar conclusion.

Interviewer 00:17:25

And are there any industries where what your evidence suggests that it's just not gonna work in certain industries? Do you think the potential is there for all industries?

Interviewee 00:17:40

Eventually, I think it'll work for everyone. What won't work is squeezing a 100% of the productivity into four days for everyone, and it varies. The reason I think eventually it's gonna work, there are two reasons. One is, those industries are going to have to adjust because if everybody else is offering four days, they're either going to have to pay a lot more or give the four days. I think also will get government legislation at some point because we've been at this 40-hour standard workweek since

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the 1930s, it's gonna be 100 years. It's enough time already. So the other thing about it is we're experiencing continuously new technology in workplaces. And so that, as long as it's productivity enhancing technology, which most of it is, sometimes they make mistakes, but you can couple the work time reduction with that because that gives you a bit of a cushion because you're getting some productivity anyway. But it's a process. It's gonna spread out, I'm not sure how slowly, it's actually going a lot faster than I ever would have imagined.

Interviewer 00:19:06

Interesting. So let's shift gears a little bit and talk about another aspect of your work, which is your work on the gig or sharing economy. So tell us a little bit about where that came from. Like, why did that even begin?

Interviewee 00:19:18

Oh, why did it begin? I was thinking about why I got interested in, which has to do with shorter hours, also.

Interviewer 00:19:23

Well, you can answer that question, that's fine.

Interviewee 00:19:25

It began with eBay, actually. eBay was the first one to put in these ratings and reputational metrics, and it began with digital technology and smartphones. In my book, we traced it back actually to the earlier days of Silicon Valley. And one of the interesting things, which I think is not so well recognized, is the discourse of the sharing and gig economy in the early days, what we call the idealist discourse. It was all about how it's a win, win, win, win, win, win, win for everybody, which of course it wasn't been.

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But it sort of was straight out of the playbook of the 1990s Silicon Valley with the internet. So the idea of democratizing the economy, the idea of person-to-person exchange, the idea of the freedom to be your own entrepreneur and your own boss. And that the internet will give you the chance to sell yourself and you don't need a boss. And a sort of strong strain of anti-corporatism, like against the bigs. Of course, the irony is that these companies all became the new bigs, but -- And the advent of smartphones and sort of cash payments -- noncash payments, excuse me, the credit cards and all of that, the convenience. But the other big part is the search algorithms, which are at the core of, not all, but many of these app-enabled gig services.

Interviewer 00:21:03

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So you've alluded to the promise or the idealistic phase, and then you also alluded to what has happened. So what has happened? What has happened to that promise to those idealistic ideas?

Interviewee 00:21:15

So we'll focus on the labor part of it, but we could talk about other parts of it, too. But on the labor side, the apps offered incredible freedom and flexibility, they use the word flexibility, but it's also freedom to the workers. You're not gonna have a boss. You can sign on whenever you want and sign off. You can work as many or as few hours as you want. You can work for multiple apps. You are not answerable to anyone. That like not having a boss, that was so key. And workers love that. Most of them in the early days, we're combining it with other jobs or other sources of income. So it's just as Uber talks about the side hustle, it was a side hustle. Over time that has become less prominent that you have more people trying to earn full time on these apps.

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But, I mean, in a way that the short story of what happened is Uber and the other companies just started driving down the wages, the earnings, and they got worse and worse, and that led to a different kind of labor force. People who were more desperate, less and fewer options, the labor force which started out very white became much more BIPOC, people of color. It became much more immigrant based, people who didn't necessarily have other options. And more people who are supporting families than just -- when we started studying this, these were former college students or people who just graduated from college. So there are a couple of reasons for why. So, I mean, that just sounds so simplistic, right? Okay, the companies, they just degraded things. But why did they do that? And how did they get away with it? I mean, those are the more interesting questions.

00:23:14

So if you ask why they did it, I think that the answer is less -- every company tries to do this, because it's not true that every company tries to exploits workers to the level that the Uber and Lyft and DoorDash and Instacart are doing. And they came out with the idea that they're so efficient, their technology is so efficient. They should be paying more than the prevailing wage, which they were in the early days. But it turns out their business model doesn't work at all. And the reason it doesn't work is that it's too expensive for what it is.

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Uber and Lyft for most of their existence have subsidized rides at 40%. So that's how they killed taxi, that's how they've tried to wipe out public transportation. And then their idea was to get monopoly power, market dominance as they call it, and jack the prices up. So they thought of themselves as kind of the Amazon of transportation. But Amazon has what we call network effects, like the bigger the network, the more value there. The more books you can buy on Amazon, the more likely you are

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to go to it. Or the more other people are there on Facebook, the more likely you're gonna go to it. A lot of digital platforms have true network effects.

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Transportation does not, food delivery does not. It's a local service. That network does not have to get very big before it -- growing makes it worse, not better. And so nothing ever made sense about what they were doing, and they are not going to be profitable. Uber is the losingest company in all of human history, \$32 billion. They're not going to be profitable, except with a small market at really high prices. And that's why they squeezed the workers so much. And the freedom of workers to choose their own hours means that the workers are really diverse. You've got people who are there five hours a week or a month, and you've got people who are there 50 hours a week. And it's very hard for them to make common cause. So the nature of the freedoms that the flexibility undermines the ability of the workers to act collectively with one voice to form unions or collective organizations and fight back against the companies.

Interviewer 00:25:52

Fascinating. So, Julie, we're coming to the end of our time. You are the Wayne Morse Chair. Tell us a little bit about some of the things you're doing while you're on campus at the University of Oregon as the Wayne Morse Chair.

Interviewee 00:26:05

I've got a very exciting program organized by Ellen Herman, the Director of the Morse Center. I'll be doing a public lecture on Gig Labor. I will be speaking to the city club about the four-day week. I'll be visiting classes. I'll be meeting informally with students, graduate students. And some of the environmental initiatives of the university, which are amazing, I mean, this university probably has more environmental activity than anyone in the country. I'll be meeting with folks involved in those. Got a lot of nice meals planned and I'm just planning to get to know the U of O. Do you call it the UO?

Interviewer 00:27:03

U of O or UO.

Interviewee 00:27:04

Yeah, which so far has been like a really fantastic place.

Interviewer 00:27:08

So we've got a minute left, so this will be my last question. So apart from all the things you've described to us, you are also a teacher at Boston College, so tell us about a class that you teach.

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Interviewee 00:27:19

I teach a class called Planet in Peril. I teach it with my husband. It's the history -- he's a historian, the history and future of human impacts on the planet. We do a lot on climate change and we have a flipped classroom. So we did professional recordings of our lectures some years ago. He's lucky because history doesn't change, I have to update mine, but. And for the in-class portion, we do all, what we call, active learning or engaged learning. So sometimes we do simulations of climate negotiations. We do role plays, we do all kinds of fun, active things. We have an eating contest where we challenge students to reduce the red meat and dairy in their diets. Yeah, just lots of fun. Lots of fun stuff.

Interviewer 00:28:14

Well, Julie, thanks so much for sharing. Everything that you've shared, it's been really an interesting conversation. We really appreciate having you with us.

Interviewee 00:28:20

Thanks. It's been really fun for me, too.

Interviewer 00:28:22

I've been speaking with Juliet Schor, a professor of Economics and Sociology at Boston College. On October 19, 2022, she gave a talk titled Gig Economy: Predatory Platforms, Precarious Work, as the 2022-2023 Wayne Morse Chair in Law and Politics as part of the Morse Center's two-year focus on Making Work Work. Thanks so much for watching.