# Flexibility, but not security, in Thailand’s platform economies

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Thailand’s junta has expressed interest in promoting platform economies—such as Uber and Airbnb—as part of its “Thailand 4.0” digital economy strategy. Yet the government lacks fundamental understanding of how these economies operate, not to mention to the potential effects of nurturing them.

Platform economies sustained by mobile workers are rapidly replacing traditional modes of employment characterised by first, a fixed contracts which clearly specify the place of employment and second, laws that define the relationship between employer and employee. Platform workers have neither a fixed employer or workplace. Nor does the law necessarily protect the rights of labourers in these economies.

*The Platform Economy and its Impact on Service Workers: Case Studies from Thailand* examines

experiences of these protective gaps by service workers from Uber, room-owners from Airbnb and cleaners from the cleaning-service platform BeNeat. We use ‘platform economies’ instead of the other popular term ‘sharing economy’, agreeing with the critical theorists that sharing is a misnomer. Using ‘platform’ highlights issues of ownership, rights over data, as well as the power of the online platform owners.

In the case of Uber, we found that some 58% of drivers in Chiang Mai drive for supplementary income, on top of other occupations. A significant portion of these service workers were retired, near the age of retiring or were not part of Thailand’s formal economy (for example, maids or the infirm recovering to re-enter the labour market). These demographics are in line with research from other countries which has found that platform economies assist individuals otherwise barred from accessing employment in seeking an income (for example, migrant workers, those without education qualifications, those with caring duties, and seniors).

But simultaneously, research from abroad tells us that work facilitated by digital platforms tends to be temporary, low-income and piecemeal. The instability under which platform service workers live has fed worries from labour organisations that Uber and Grab Taxi drivers are working under conditions that do not meet international standards—for example, that they do not access social benefits and healthcare—and which are not covered by labour laws. The state of ‘digital labourers’ is one of ambiguity: while they operate under the management of a business, that business defines its workers as ‘contractors’ or ‘freelancers’.

In other words, platform economies are expanding the informal economy exponentially. Modes of employment are systematically shifting towards a model where hours worked and rates of remuneration are mainly defined by market demand.

Contrary to arguments that platform economies ‘democratise’ markets, Airbnb, a platform that links home-owners with short-term renters across the world, provides in Thailand a sustainable source of income only for individuals who are already well-established in real-estate. Only 17% of the hosts we interviewed used Airbnb as their main source of income, and these hosts had previously been making a steady income from renting out real-estate already (though they reported that they were making higher earnings through the app). Hosts in this group tended to simultaneously own multiple properties in upscale areas that are easily accessible and close to tourist spots.

Yet despite this restricted distribution of benefits, we encountered several Thai Uber drivers who reported that the flexibility of work hours had allowed them to either earn enough income from driving to resign from their other jobs, or to transition into another profession where driving is their main source of livelihood. How do we explain their optimism?

We propose that high incomes from Uber in Thailand are specific to the early stages of the platform’s inception into the country. This is a period characterised by rapid growth whereby

transnational platforms such as Uber are able to subsidise operations in one region through profits made in another country (raising questions about fair competition). The issue here is that *job insecurity may not be perceptible in the short term,* meaning that labourers enter the digital economy with an incomplete understanding of what they are getting themselves in to.

Indeed, this imperceptible insecurity flows to workers in industries outside platform economies. The growth of Airbnb has had a palpably negative impact on employees in the hotel industry and other traditional forms of accommodation. Local hotels that are now competing with Airbnb regularly respond by dismissing permanent employees in favour of seeking temporary and contract workers to reduce operation costs.

Simultaneously, consumers accustomed to the Airbnb format are demanding more services from accommodations (for example, the building of a personal connection between the host and guest). We found, however, that even Airbnb hosts are unable to meet the expectations of guests on their own, and spend on average the equivalent of a day's worth of low-wage earnings (approximately 300 baht) per guest hiring other workers to perform services such as cleaning and delivering/recovering keys.

How many of the service workers employed in the micro-economies revolving around maintaining Airbnb rooms are also among those affected by the downturn in traditional accommodation industries? It's difficult to say, but we know that the Airbnb facilitates work that is insecure and determined primarily by fluctuations in the consumption side. As it is with Uber, market fluctuations are borne most heavily by workers in the digital economy, compared to traditional employment models where the business owner is most responsible to market risk.

BeNeat, a Thai application that connects users to cleaners, was of interest to us for three reasons. First, the cleaning industry exists in symbiosis with the accommodation industry described above. Second was the gendered element, whereby a sizeable portion of professional cleaners in Thailand are women from low-income families. The industry also draws significant numbers of migrant workers with limited bargaining power and who are at enhanced risk of exploitation. The third interest related to the demographics who employ cleaners: middle-class individuals eager to shift the burden of housework to the working class. BeNeat as an application provides particularly rich terrain for a study of the bargaining and human rights abuses faced by labour—how platforms facilitate this exploitation, and how women and migrant workers bear the brunt of it.

Cleaners who are barred from full-time work for a variety of conditions regard BeNeat as an alternative employment channel. But flexibility comes with higher operating costs for the worker: fees to BeNeat for connections to clients, self-funded cleaning equipment and transport costs. BeNeat's screening process, which screens a prospective cleaner's criminal record and requires a local bank account, builds barriers rather than democratises migrant worker access to work.

Lost also is transparency. The platform's mechanism for distributing work to cleaners is opaque,

and cleaners appear to have no right to know the factors and process determining the work to which they are assigned.

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