

The Uberization of the city and what it means for local communities

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May 3, 2017



Outline

- Uberization – what is it?
- How do geographical concepts illuminate this process?
- What impact is it having on our Canadian communities?
 - Vacuuming money out of the local economy
 - Changing local regulations
 - Thriving in an unequal society and precarious labour market
- Case Study: Kingston, Ontario
- Conclusions

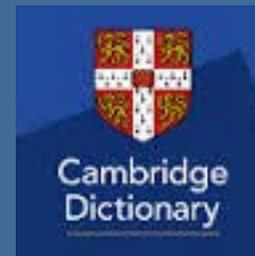


Uberization



Uberize

- *verb* [] specialized uk usually uberise /'u:.bə.raɪz/
/'u:.bə.raɪz/
- to change the market for a service by introducing a different way of buying or using it, especially using mobile technology :
- <http://dictionary.cambridge.org/>



Uberization

- The process of change in the market for a service
- Sometimes called the “sharing economy”, but not about sharing
- The innovation is in the role that mobile and ICT technologies (smart phones, GPS, rating and credit card platforms) play in the delivery of services
- Companies like Uber and Airbnb are transforming the way consumers connect with service providers and disrupting old models in the process



What makes Uberization work?

- Technological innovation
- U.S.-style market regimes
- Outdated local regulations
- Consumer relevancy
 - convenience
 - perceived safety
 - improved quality service

Concepts from Urban Studies and Geography



Urban Geography

- Our cities and economies are shaped by global processes, but also the relationship between global and locally contingent factors
- Uberization is another example of a long line of economic, technological and social triggers that disrupts city forms and processes (e.g., Fordism, Walmartization, Uberization....)



Three disruptive impacts



Vacuating money out of local economy



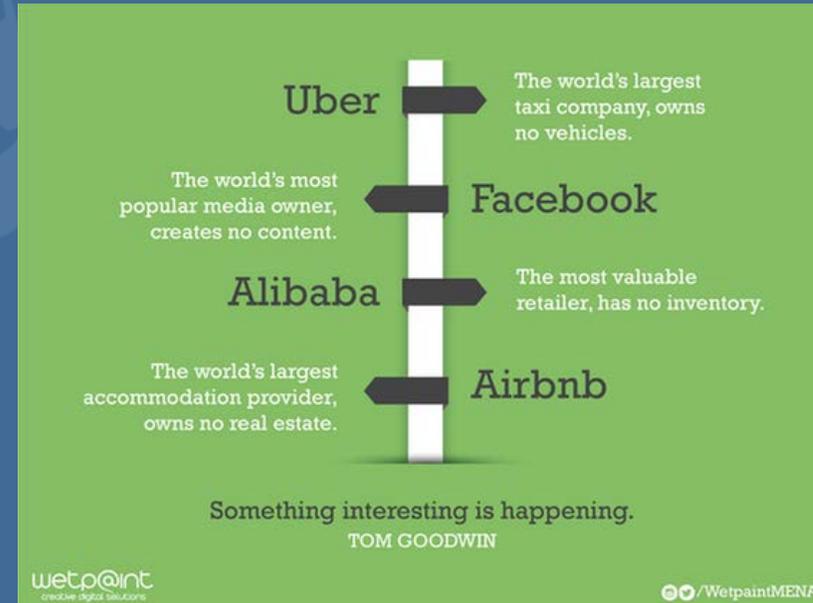
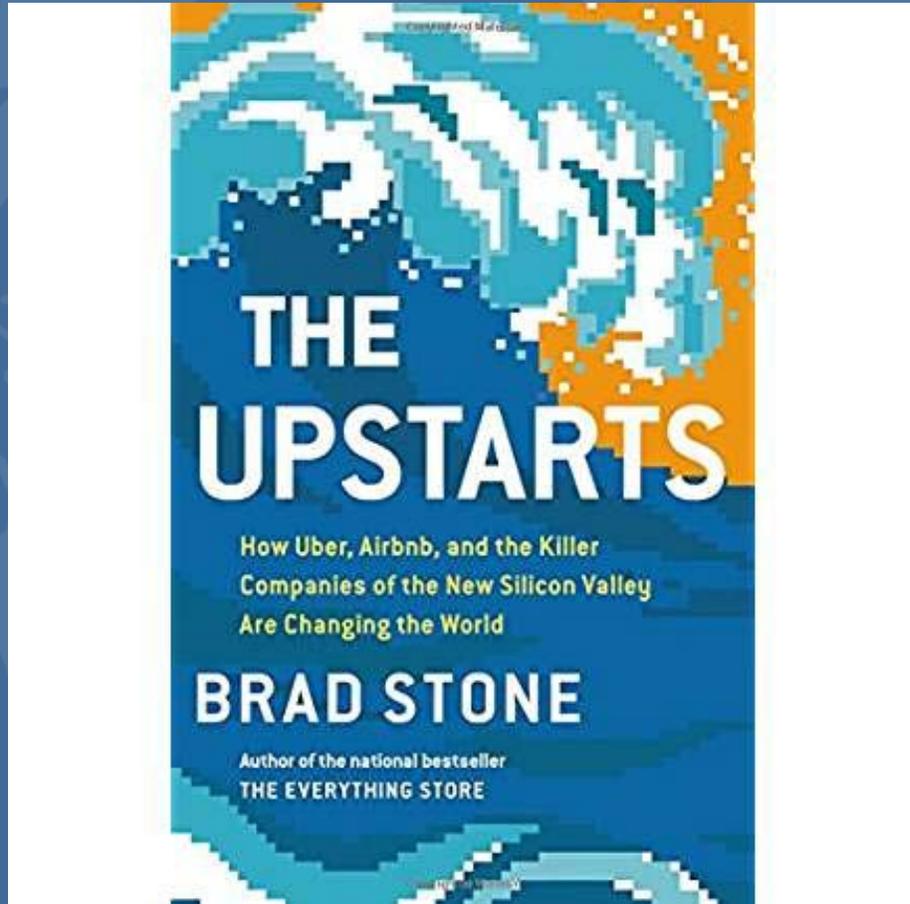
Vacuuming money out of the local economy

- The taxi industry for example used to be a classic “basic” service industry (meaning most of the money circulated in the local economy)
- Now money is leaving disproportionately to what it contributes
 - Uber doesn’t own any cars, it doesn’t have any employees or offer any benefits
 - Uber is an advanced brokerage system



“Asset Light Model”

“Try Things, ask for permission later”



Re-writing regulation at the municipal level



- Many of these platform services operate largely outside the conventional vehicle of the state
- Upon initial launch of Uber, governments were largely unable to stop its operations because the business was primarily conducted over the internet.
- Questions of employment law, consumer protection, unfair commercial practices, tax law, and insurance are common.



- Uber's has been aggressive in its efforts to fight regulations in certain jurisdictions (\$1M in California, up to \$1B worldwide)
- Cities that reject Uber are made to feel “outdated” “not innovative”, etc. and accused of NIMBYism

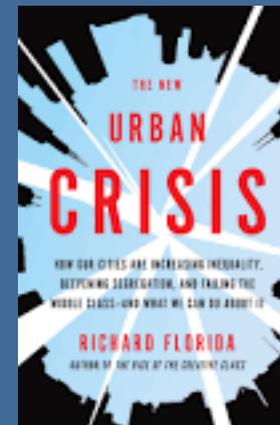


Thriving in an unequal society and precarious labour market



Growing income inequality and precarity

- Income inequality in Canada and US has increased over the past 20 years
- Precarious work has also increased
- These factors are making for ripe conditions for uberization.
- Case study: SF



- Uberization has been called “neoliberalism on steroids, creating markets everywhere while also producing a new subjectivity in its participants” (Morozov 2015)
- Uberized platforms can compound the growing economic and geographic vulnerability of people that ‘share’ their personal items of great value in the interest of profit.

Case Study: Kingston, Ontario



Kingston

- *“Th[e] heavy reliance on the public sector affects the city in many profound ways and has implications for how private-sector innovation works, how labour markets operate, and how governance is shaped and plays out in the local economy.”*
- Donald and Hall (2016, p. 312)

Kingston

- Uber not yet legal
- Queen's students pushing for Uber
- Taxi industry pushing back
- Kingston Taxi system - unique regulatory environment
- 2 major companies that serve students, seniors and those without cars (usually more vulnerable populations)



The Uber debate in Kingston in many ways captures the social dynamics in the city



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AMS launches petition to prevent Uber from being forced out of Kingston

Student government argues that the service has proved vital at Queen's

OCTOBER 6, 2016 | MAUREEN O'REILLY



The AMS petition argues that Uber poses a significant benefit to the Queen's student body.

Twitter

2 HOURS 11 MIN AGO
AMS Executive-in-Waiting: our post-election sit down with Team JBP.
queensjournal.ca/story/2017-02-...pic.twitter.com/uqy3gZnjLY

2 HOURS 16 MIN AGO
Kingston Police work past victim's silence to make arrest for domestic abuse at library/police presence at Stauffer.
queensjournal.ca/story/2017-02-...

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Impact on Local Economy



Uber as “innovative”

- “So for me...I like the first mover aspect of it, that it is high tech, that they have got an App for it.” Tyler Livey, AMS President

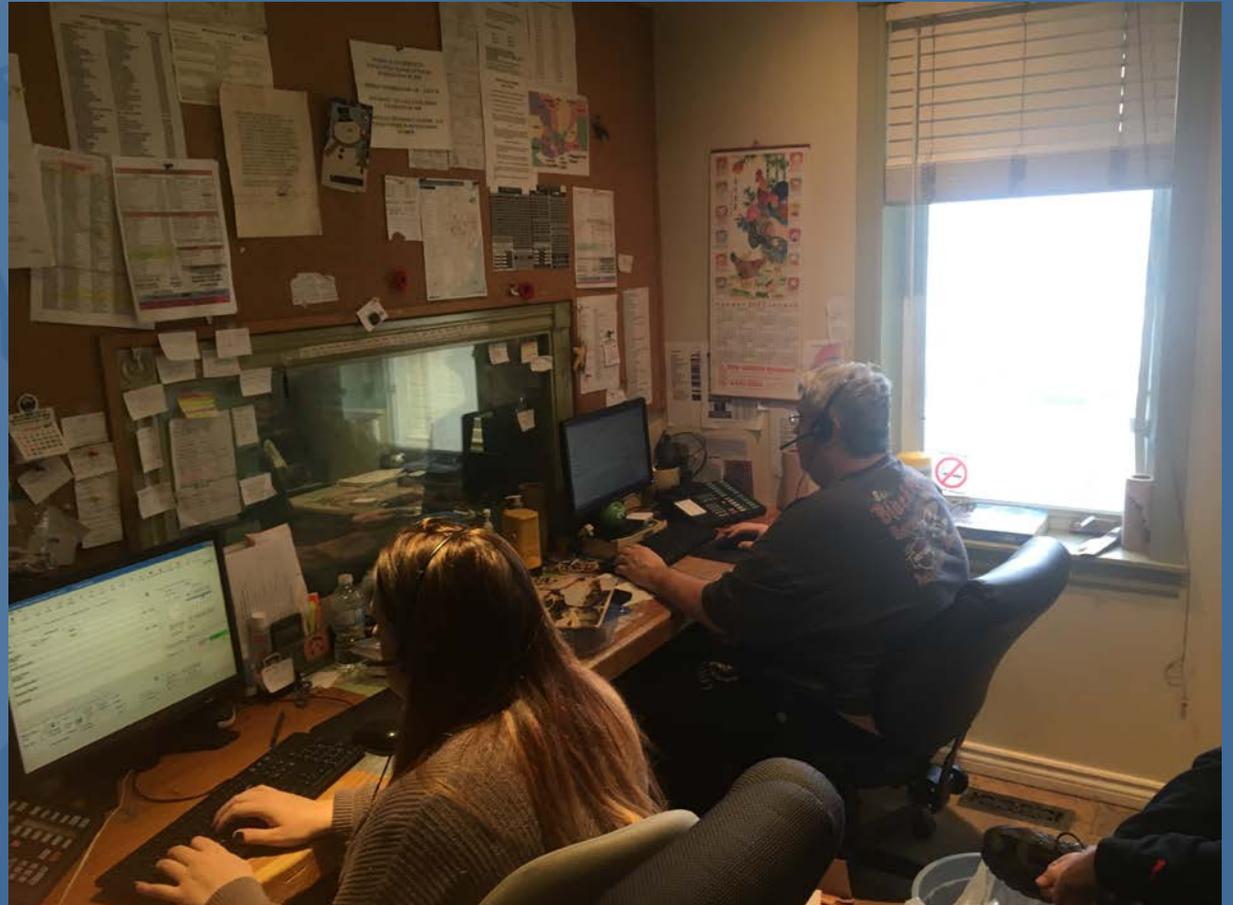




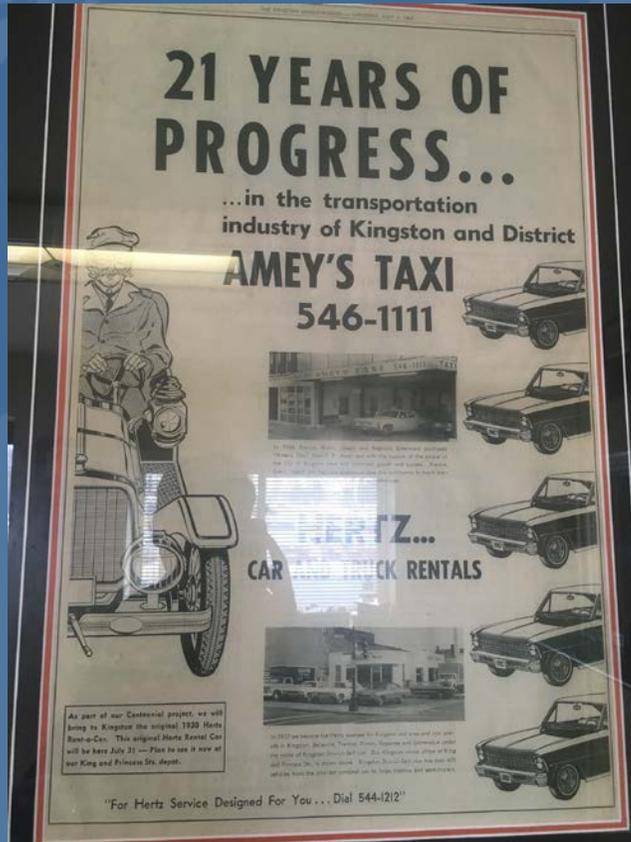
Roy Ambury, Kingston Taxi Magazine, driver 38 years

Mark Greenwood, CEO of Amey's Taxi

"Amey's employs 39 full and part-time employees. It has 383 full and part-time drivers, but mostly full-time drivers supporting their respective families and local community. With over 600 hundred people in the industry we are the third largest local private employer"
February 2, 2017



Amey's supports many charities: Martha's Table, The Food Bank, Queen's Programs, Toy Drives, Local Sports Teams



Mark Greenwood, CEO of Amey's Taxi

“Uber here is the Goliath and we are the David, worth over 64 \$B, paying little or no tax both in Canada or in their home country...thus avoiding paying taxes that go to support roads, schools, hospitals, social programs, etc....If this is globalization and progress, count me out”
February 2, 2017



Re-regulating not always in public interest



On Uber in Kingston

- “They’ll fight every single regulation and they’ll say no one in the world wants those regulations but they you find out five or six hundred others DO want regulation and they will make you look like you are the idiot because you are the only one that wants it but than you find out that they want it here they want it there they want it there. So they are masters of it.”



- “Our position was that the KATC should adopt similar regulations [to Ottawa and Toronto] ...Kingston would place a lot more stringent requirements or more difficult for example like having to do your background check in person versus online or having to do two safety checks per year versus...things that you know in Uber’s professional opinion isn’t going to make it more safe ...”Tyler Livey AMS Student President, Queen’s University

- “Here is another thing. I hire all the drivers personally... I have had guys come in here and you know they are twitching and I go eee/uhh no, well get back to you. Right. But you can’t tell that from a computer screen... **So there is no eye on eye contact.** I mean the drivers will be in here for shift change ...I know, even though there are 400 drivers here, I know that there is something is going on with the drivers. They [Uber] have no idea.”
- Mark Greenwood, CEO, Amey’s Taxi



Thriving in an unequal society



Conclusions

- Uberization is disrupting city services that were once local
- Uberization takes different forms in different cities
- Three major impacts uberization is having on local communities in Canada include:
 - Vacuuming money out of local economy
 - Re-regulating but not always for the better
 - Thriving in an unequal and precarious labour market



Questions moving forward

- Uberization is here to stay. What form it will take, is still not clear.
- Are cities that permit these platforms a sign of openness and innovation?
- Is openness to solve one problem, met with a new set of problems? Is uberization creating more precarious jobs? Less local economic activity? More unequal cities in the future?



Thank you

- *This research is supported by the Social Sciences and Humanities Research Council of Canada.*
- *Thank you to David Wolfe and Shauna Brail and the Innovation Policy Lab at the Munk Centre of Global Affairs, University of Toronto*
- *Thank you to R.A. Anna Moroz and Justin Elias*

