

Airbnb, Outsourcing, and the Shared Economy

Matthew Greathouse
Daria Mulikopa
Laura Cursoux
Peizhao Huang

What is Outsourcing?

Outsourcing is the practice of reducing costs for products or services by delegating portions of work to freelance workers outside the company



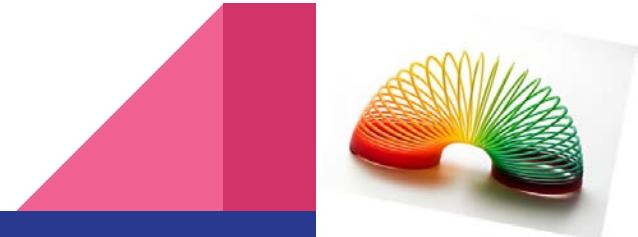
General problems of outsourcing

Loss of managerial control

When a part of your operations occur outside of the company, the management is not able to control or influence all actions and decision-making

High dependence on circumstances / Loss of flexibility

Since there is poor managerial control under the freelance worker, dependence on circumstances increases. The 4x rule states that if you rely on another party, it will take four times longer to complete the task



Problems (continued)



Poor control of outsourcing work quality

The outsourcing company works with many clients and it's impossible to control how much attention your company's problem or task will receive

Lower sense of solidarity

By outsourcing, the company divides up tasks and emphasizes the separation of each function, which could cause the company to lose integrity in the workers' minds





The Socioeconomics of Airbnb & Co.

Airbnb is just one of many tech giants of the Silicon Valley who share similar business practices - LinkedIn, Slack, Zendesk, many other small to big startups

Outsourcing code developers

Airbnb's negative impact on the hotel industry

More skilled jobs, less unskilled jobs = exclusive labor market

Richard Wilkinson: "How Economic Inequality Harms Societies"

How Airbnb can take responsibility



Security issue of outsourcing

- There are many risks with choosing business partners, specifically with information security

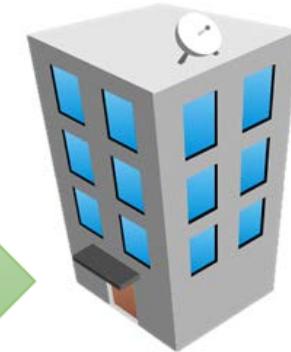


Roadway D&B illegal incident



Shanghai
Health Bureau

Outsources



Unknown
firm



Transparency and Discrimination of Airbnb

A screenshot of an Airbnb messaging interface. The top bar shows the Airbnb logo and navigation icons. The message list shows two messages. The first message is from a user with a blurred profile picture and a message box containing a redacted message. The second message is from a user with a profile picture of a man and a message box containing the following text:

I just want to let you know that I'm quite aware of you not renting to me because of my skin color. I'm sorry for your prejudice ways and quite disappointed to see people like you are still present. I do not know you and you do not know me, but I hope for your sake that in the future you'll be able to see a human as a human without discriminating on the color of their skin. Bless you my man.

Best,
Greg

The message was sent 6 days ago. Below this message is a message from the host, with a blurred profile picture and a message box containing the following text:

Hi Gregory! Thanks for your inquiry.
Unfortunately the place is not available.

This message was sent 10 hours ago.



Protection of Outsourced Workers

The rights of outsourced workers

Lab Protection Act of Thailand



Applicable Laws When Outsourcing

Taxation

Legal System

Influence of local laws

Responsibility

