



# Digital labour platforms

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## *The **Gig/Platform Economy** Model*

# Platform Capitalism

- Tech platforms are becoming more and more central to capitalist accumulation. The ownership and control of platforms increasingly correlates with capitalist power.
- The digital platform as a “distinct mode of socio-technical intermediary and business arrangement that is incorporated into wider processes of capitalisation” (Langley and Leyshon 2017)
- Platform capitalism as the underpinning logic of the tech business model (Srnicek 2016)
- Establishment of information asymmetries, proprietary algorithmic “black box”
- Disruption (“move fast and break things”)
- Venture capital, network effects and pursuit of monopolies (see Langley and Leyshon, 2017)
- Accumulation of data assets with speculative value (see van Doorn and Badger 2020)
- **Big data as the means and the ends of platform capitalism**



# What is the **gig/platform economy**?

Work is mediated through  
**digital labour platforms**:

Allow workers to sell their labour time by providing a service. As opposed to renting an asset (AirBnB) or selling a commodity (ecommerce)

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Connects workers and clients through an online interface

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Derives value from the labour process (e.g. takes a fee or commission)

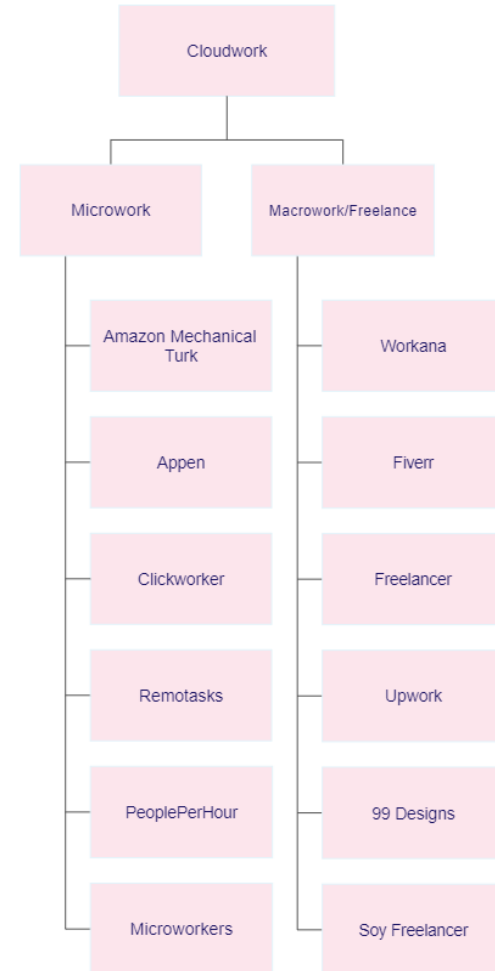
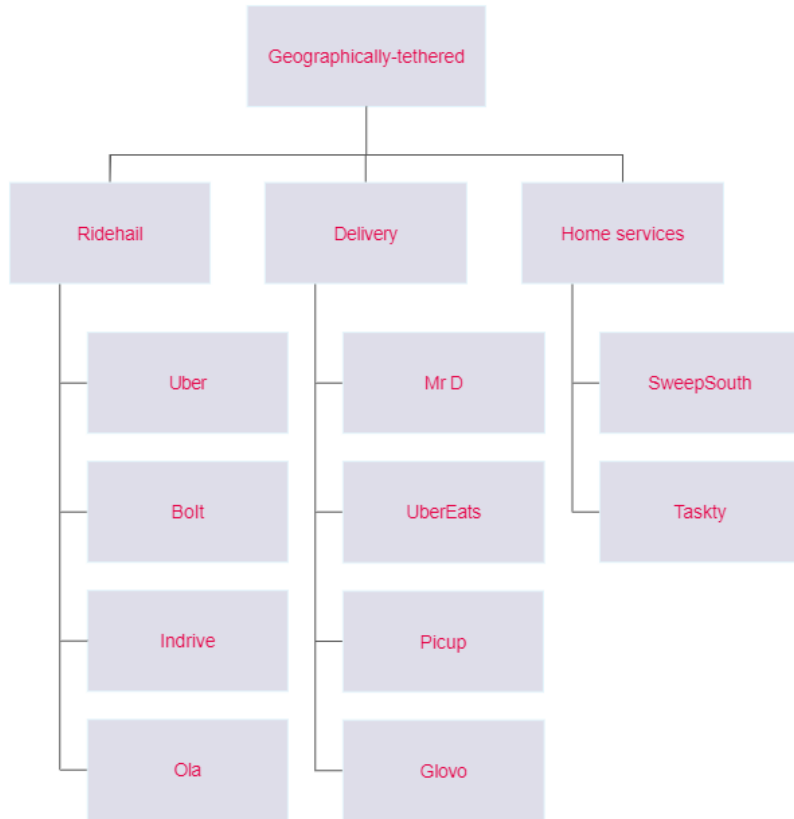
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Exerts control over aspects of the labour process, to a greater or lesser degree (e.g. allocates work to workers, sets rates, imposes penalties)

**Geographically tethered v. Cloudwork**



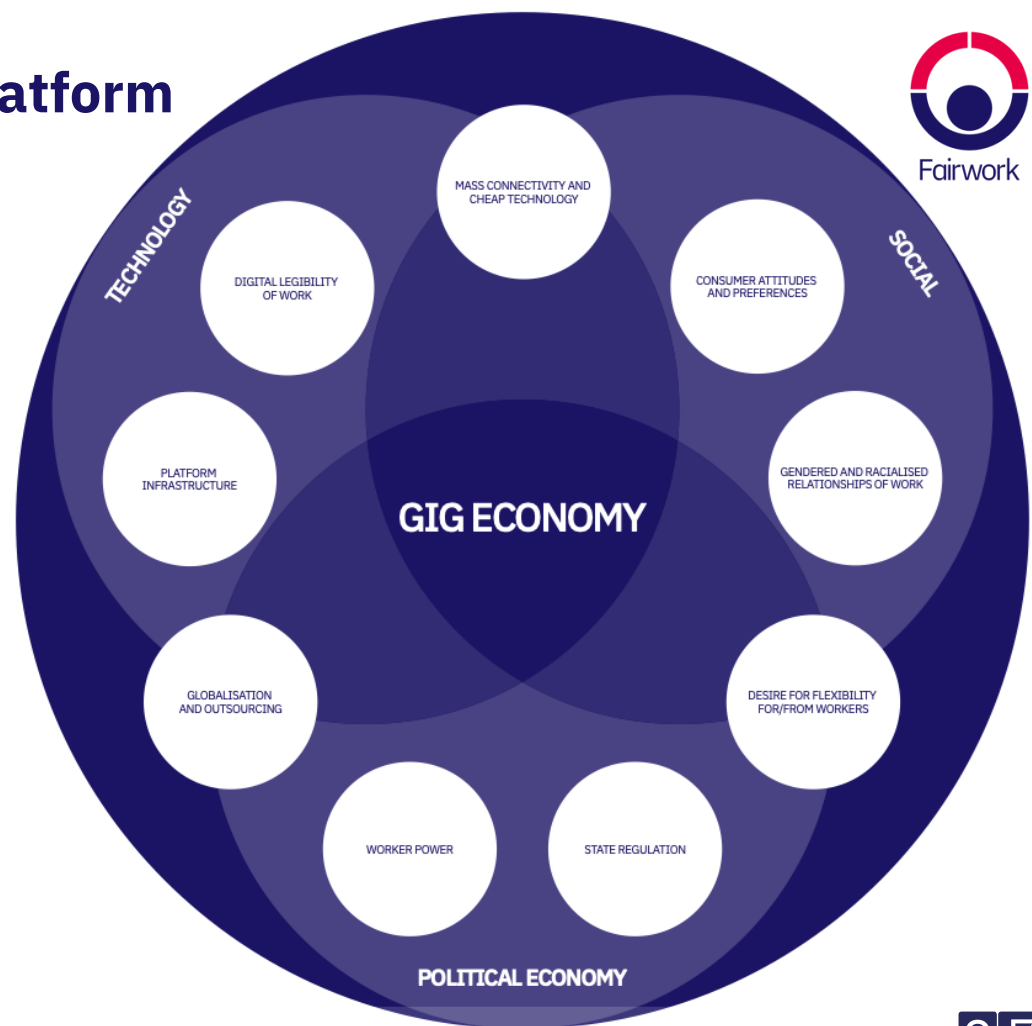
# Examples of digital labour platforms



# The **preconditions** of the gig/platform economy

The **social, technical, political and economic preconditions** of the gig economy include:

- Mass connectivity, computational and data power and cheap technology
- Globalisation and outsourcing
- Gendered and racialised capitalism
- Growing normalisation of remote work
- Precarious and informal labour (the norm in the Global South, re-emerging in the Global North)
- “Scientific management” of workers, geared towards maximising value extraction from labour





# Common features of the digital labour platform model:



- Platforms often **unilaterally determine the terms and conditions** of work
  - Workers have to accept these terms and conditions.
  - They often specify that the governing jurisdiction is the platform's, not the worker's.
  - They often state that the platform will not accept any liability for working conditions or issues arising in the course of the worker's work—transferring all risk on to the worker.
  - They often limit the worker's right to legal recourse—imposing binding arbitration clauses or requiring the worker to waive their right to participate in a class action lawsuit.
- Workers are usually contractually classified by platforms as **independent contractors**, rather than employees
  - Independent contractors should have autonomy and flexibility over their work—like the ability to decide what jobs to take on, and how, when, and where to do them, and to negotiate a fee for their services
  - Platform workers have challenged their independent contractor status in court - claiming they are workers or employees of platforms. Much of this litigation has been concentrated in Europe and North America
- Most platform workers are **paid per task (piece rate pay)**, rather than hourly wages or a monthly salary
  - This means that workers' pay is dependent on the number of “gigs” they can get in a day
  - They are not paid for the time they spend waiting between gigs.
- The majority of management **decisions relating to platform workers' work are made by algorithms**
  - This includes decisions around the allocation of tasks, payment for tasks, and disciplinary decisions.



# Cloudwork: A Planetary Labour Market?



- Work on remote labour platforms can be performed from anywhere in the world with an internet connection
- Global cloudwork labour force estimated at 163 million (likely to be higher) (Stephany, 2021)
- Opportunities for geographically marginalised workers
- Uniform management regardless of jurisdiction
- Exemption from/evasion of local tax, competition, and labour regulations
- **Despite apparent disembeddedness, geographical contingencies and inequities remain**
- The vast majority of workers on cloudwork platforms are based in the Global South, with platforms and clients disproportionately based in the Global North.
  - In 2020, nearly 35% of the labour supply on major English-language cloudwork platforms was located in India alone, followed by Bangladesh and Pakistan, while nearly 40% of the demand emanated from the US, followed by the UK (ILO, 2021)

# Working conditions on digital labour platforms

- Piece rate payment leads to fluctuating pay levels, often below minimum wage, and high rates of unpaid labour.
- Independent contractor status and cross-jurisdictional labour relations means workers lack statutory labour protections like sick/holiday/parental leave
- Opaque algorithmic management and surveillance—workers can be disciplined and terminated by algorithms (for example, due to their ratings).
- Workers can be exposed to health and safety risks (e.g. motorcycle accidents, abusive customers, or psychologically harmful material), without protection or compensation.
- Client ratings and algorithmic management can exacerbate discrimination and social inequities
- Workers are often isolated from each other, and experience practical and legal barriers to collective organisation.

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**When the pandemic started, there was a big influx of people working on the platform and the competition for work really increased.**

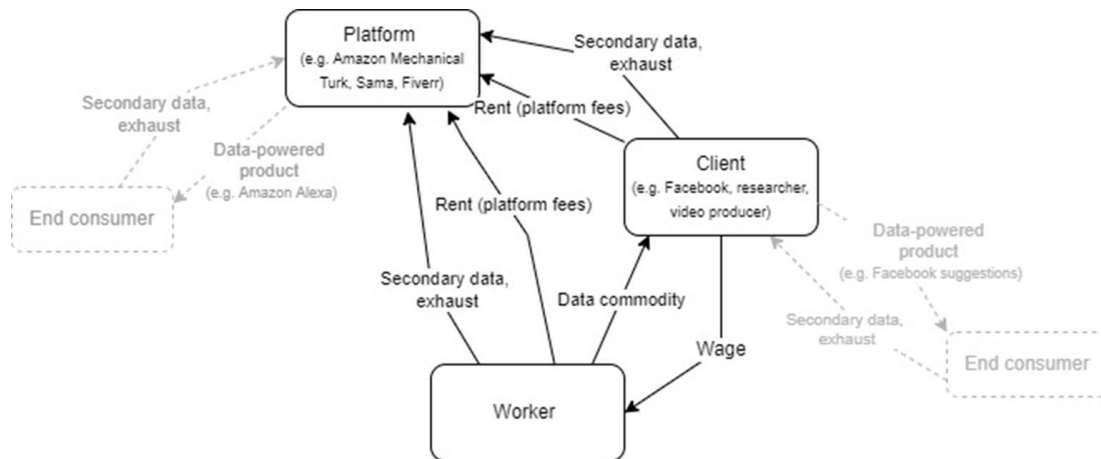
‘Jessie’, Transcriber, South Africa

**The digital labour platform model enables the transfer of costs and risks on to workers**

# IN FOCUS: Platform work as a **global value chain**

- Ownership of the platform economy is extremely geographically uneven:
  - Over 90% of the market capitalisation value of the 70 largest platforms is concentrated in the USA and China. Europe accounts for 4% and **Africa and Latin America together account for 1%** (UNCTAD, 2019)
- But most of the value created in the platform economy, is created by outsourced workers around the world, and funnelled up to a powerful company
- In this way, many digital labour platforms (especially those involved in the production of AI) resemble traditional **global value chains**, like those in seen in agrofoods, garment and manufacturing sectors.
- Global value chains theory can help us to understand the **uneven economic geography of platform work**: how value (including in the form of data) is extracted from platform workers and accumulated in centres of wealth.

## Example value chain illustration for a cloudwork platform (Howson et al. 2022)



## IN FOCUS: Unpaid labour in platform work



High levels of unpaid labour time is a systemic feature of both geographically tethered platform work (like delivery and ridehail) and cloudwork.

High levels of unpaid labour time occur as a result of:

- Piece-rate payment where workers are only paid while completing a task, and not for time spent waiting between tasks or searching for tasks
- A large number of workers competing for a limited demand from clients (this is usually deliberately engineered by platforms to ensure client requests are fulfilled very quickly)
- Client power to leave a bad rating if a worker doesn't fulfil requests beyond what was originally expected or agreed
- (In cloudwork) client power to reject completed work, or simply not pay.

**Maximising unpaid labour time means maximising the value platforms can extract from each worker.**

In a 2022 survey of 699 cloudworkers across six regions, we found that:

- 33% of workers have completed work on a platform for which they were not paid
- 71% of freelancers and 36% of microworkers/translators/transcribers had done more than the agreed amount of work for a client, in order to maintain platform rating/reputation
- Overall, workers reported **34% of all time** spent working on the platform is unpaid
- We find **that workers in the global South perform more unpaid labour** than workers in the global North on the same platforms
- This is attributed to **geographic discrimination**—a form of labour market discrimination made possible by a planetary labour market

# IN FOCUS: Global digital labour platforms in **Africa**—opportunity or exploitation?



- Big digital labour platforms can offer livelihood opportunities for workers in countries with limited employment opportunities
  - South Africa has an unemployment rate of 32.7%, and a youth unemployment rate of over 60%
- Many policymakers in Africa are hopeful about the opportunities of the Fourth Industrial Revolution—or tech-driven development. Digital labour platforms are often seen as part of this.
  - Policy has tended to encourage entry, investment, and expansion of digital labour platforms in African countries
- But recent exposes have revealed unfair practices of global digital labour platforms in Africa, including:
  - Aggressive expansion, crowding out local players, and sometimes ignoring local regulations
  - Enrolling large numbers of workers with initially attractive subsidies, securing market dominance, and then cutting worker pay drastically
  - Threatening to leave markets if regulation is introduced to protect workers (e.g. Uber and Bolt in Tanzania)
  - Outsourcing particularly hazardous work to very low-paid African workers

Transportation

**Uber, Bolt drivers hope for increased earnings foiled as Tanzania reinstates 25% commission**

Tech Crunch, 18 Jan 2023

BUSINESS • TECHNOLOGY

**Exclusive: OpenAI Used Kenyan Workers on Less Than \$2 Per Hour to Make ChatGPT Less**

**Toxic**

Time, 18 Jan 2023

THE UBER FILES | A GLOBAL INVESTIGATION Washington Post, 11 July 2022

**Uber promised South Africans better lives but knew drivers risked debt and danger**

The company enticed drivers in the developing nation with lucrative subsidies, then undermined these workers with policies that made their jobs more perilous, documents in the newly unearthed Uber Files show



## *The **Fairwork** Project*

# Fairwork Principles



## **Fair Pay**

Workers earn at least their local (or living) wage, after costs, during all their active hours.



## **Fair Conditions**

Platforms have policies in place to protect workers from risks arising from the processes of work and should take proactive measures to protect and promote the health and safety of workers.



## **Fair Contracts**

Terms and conditions should be accessible, readable and comprehensible. Workers should have legal recourse if the platform breaches those conditions and contracts should not require workers to waive this right.



## **Fair Management**

There should be a documented process through which workers can be heard, can appeal decisions affecting them, and be informed of the reasons behind those decisions. Policies and practices promote equality, inclusion, and antidiscrimination.



## **Fair Representation**

Platforms should provide a documented process through which worker voice can be expressed. Irrespective of their employment classification, workers should have the right to organise in collective bodies, and platforms should be prepared to cooperate and negotiate with them.



# Methods: Data Collection

## Desk research

Identify (a) prominent platforms and/or (b) platforms that have made commitments to ethical initiatives, review online policies, and as identify points of contact or ways to access workers

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## Worker surveys

Survey 60 workers per international platform (spread across six regions) and at least 20 per regional platform. This allows us to understand the process of work and the ways it is carried out and managed, as well as confirm that policies are really in place on the platform

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## Manager interviews

Interview platform managers and request evidence for each of the Fairwork principles. This provides insights into the operation and business model of the platform.

## Putting it all together

Final scores are collectively decided by the Fairwork team based on all three forms of evidence. The scores are peer-reviewed by the Oxford team, and two reviewers from other Fairwork country teams.

# Methods: Scoring System

Principle	Basic point		Advanced point		Total
 Fair Pay	1	+	1	=	2
 Fair Conditions	1	+	1	=	2
 Fair Contracts	1	+	1	=	2
 Fair Management	1	+	1	=	2
 Fair Representation	1	+	1	=	2

Maximum possible Fairwork Score


**10<sup>10</sup>**

# South Africa League Table 2021

getTOD	9
SweepSouth	8
NoSweat	8
M4Jam	8
MrD	7
PicUp	5
Uber	4
Uber Eats	4
Droppa	2
Bolt	1
Secret Agent	0

# Cloudwork League Table 2022

Translated	8
TranscribeMe	7
Prolific	7
Jovoto	5
Workana	4
Appen	3
Lionbridge	2
Gengo	2
Scale / Remotasks	2
Clickworker	2
5 euros	2
Scribie	1
99designs	1
Fiverr	1
Soy Freelancer	1
Upwork	1
GoTranscript	0
SmartCat	0
PeoplePerHour	0
TransPerfect	0
Rev	0
Freelancer	0
Amazon Mechanical Turk	0
Microworkers	0

# Conclusions and next steps

- Repeating and scaling cloudwork league table in an **annual cycle** – inclusion of more non-English language platforms
- Advantages and limitations of international comparative approaches – spanning Global North/South
- Institutionalisation of scores through the **Fairwork Pledge**
- Principles provide a starting point and a benchmark for shifting **conventions of fairness** in cloudwork

