

# **Cloudwork (Online Work) Principles**

These principles are used to score online industries, where workers may not work in a specific country. This version of the Cloudwork principles came into effect in June 2024. Please access the <u>previous</u> version which came into effect in November 2021 here.



#### **Principle 1: Fair Pay**



**1.1** - Workers are paid on time and for all completed work (one point)



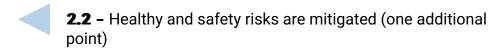
**1.2** - Workers are paid at least the local minimum wage (one additional point)



## **Principle 2: Fair Conditions**



**2.1** - Precarity and overwork are mitigated (one point)





## **Principle 3: Fair Contracts**

- **3.1** Clear terms and conditions are available (one point)
- **3.2** Contracts are consistent with the workers' terms of engagement on the platform (one additional point)



#### **Principle 4: Fair Management**

- **4.1** There is due process for decisions affecting workers (one point)
- **4.2** There is equity in the management process (one additional point)



## **Principle 5: Fair Representation**





**5.1** - Workers have access to representation, and freedom of association (one point)



**5.2** - There is collective governance or bargaining (one additional point)

- 1. **PLATFORM:** Here, the term 'platform' is used to refer to a 'cloudwork platform' (Woodcock and Graham 2020). Cloudwork platforms are one of two broad types of 'digital labour platforms'. There are two points of note here. First, a 'digital labour platform' is a company that uses digital resources to mediate value-creating interactions between consumers and individual service-providing workers, i.e. that digitally mediates transactions of labour. Digital platforms like Airbnb or eBay—where goods are exchanged—are not included within this definition. Second, among digital labour platforms, there are two broad types. In the first—'geographically-tethered' or 'location-based' platforms—the work is required to be done in a particular location (e.g. delivering food from a restaurant to an apartment or driving a person from one part of town to another). In contrast, in the second—'cloudwork' platforms—the work can, in theory, be performed from anywhere via the internet (e.g. data categorisation or online freelancing). In these principles, the term 'platform' refers only to the second category of cloudwork platforms.
- 2. **WORKER:** People who find work through platforms, regardless of their employment status (e.g. employees or independent contractors).
- 3. **CONTRACTS:** All written agreements between parties about the terms of the work including terms and conditions. These may be signed in-person or electronically.

#### **Footnotes**

- 1. As a guideline for ensuring non-payment is not an option, see criteria developed by Harmon and Silberman in their 2018 'Rating working conditions on digital labour platforms', as follows:

  In cases where rejection mechanisms exist for delivered work:
  - Workers should be able to contest rejection decisions.
  - · Workers receive a clear and reasonable explanation for any rejections
  - · Workers may attempt to redo rejected work at least once
  - If the worker contests the rejection decision, the case is reviewed (a second time) by a neutral third party, who makes a binding decision; the platform agrees not to punish the worker in any way if the third party decides in favor of the worker
  - If the work is rejected it is not able to be used by the client.
- 2. This can be evidenced either through a policy, or by provision of aggregated earnings data. The 'vast majority' of workers is understood as 85% or more of all workers engaged on the platform. This is in recognition of the fact that all the time between when a worker starts and submits a task may not necessarily be working time. We compare worker's piece-work earnings against minimum wages based on UK government <u>guidelines</u>. The calculation is as follows:
- Number of tasks of a given kind completed by workers on average per hour = A
  - This number is divided by 1.2 to calculate A\*, an estimated average number of tasks completed per hour that accounts for the disadvantage that relatively inexperienced workers face.
  - Therefore, A\* = 0.83A
- Local minimum hourly wage = M,
  - This figure varies across jurisdictions.
  - Where a jurisdiction's laws do not specify a minimum wage, a reasonable alternative can be used.
- Fair piece rate corresponding to the minimum wage = F = (M ÷ 0.83A).

This calculation must be repeated across task types. To receive this point, platforms operating on a piece-work model must demonstrate that 85% or more of workers on their platform earn more than F per hour in each task type.

- 3. This could include regular guaranteed hours, managed supply and demand, or minimum and maximum hours.
- 4. To fulfil this criterion, platforms must have clear policies about what kind of data is collected from workers, when it is collected, how long it is kept, and how it is processed. They must take responsibility of data handling, storing and management processes, and ensure that personal data is kept safe and secure and is not sold or shared with third parties, without workers' specific consent.

- 5. The platform shall encourage clients to adopt working time arrangements that are consistent with the contractual terms of the worker-client relationship. While workers may be required to meet project deadlines or to attend meetings, in the absence of an employment relationship, the platform shall discourage clients from unreasonably interfering with a worker's ability to choose their own working time schedule.
- 6. When a worker drops out from an ongoing job, this does not punitively impact their rating or reputation if it is for a reasonable cause, or if the worker leaves the job before it started and if the requester has been given sufficient notice. Platforms might choose to categorise, filter and order inactive profiles without directly changing their reputation score or rating on the platform.
- 7. The platform publicly commits to support any effort by its workers to collectively organise or form a trade union. This could be done by, for instance, adding the following text in their contracts: "[company] will support any effort by its workers to collectively organise or form a trade union. Collective bargaining through trade unions can often bring about more favourable working conditions". Platforms are also required to provide a directory of international labour unions and confederations and advocates to workers on request.
- 8. An example is the <u>German Trade Union IG Metall's Ombuds Office</u>, which arbitrates disputes between workers and platforms that have signed up to the Crowdsourcing Code of Conduct

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