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ON-DEMAND DIGITAL ECONOMY: ISSUES AND CHALLENGES

Presentation made at the OSCE Economic, and Environmental
Forum, Venice May 24th-25th 2018

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CONTEXT

- **Rise of non-standard/ informal employment**
 - Casual employment “on-call” work, “zero-hours” contracts (with no guaranteed minimum hours)
 - **“gig economy”** – crowd work and on-demand work via apps (GSC in services)
- **Externalisation of work through platforms**
 - Profitable terrains
 - Possibilities to circumvent labour regulations

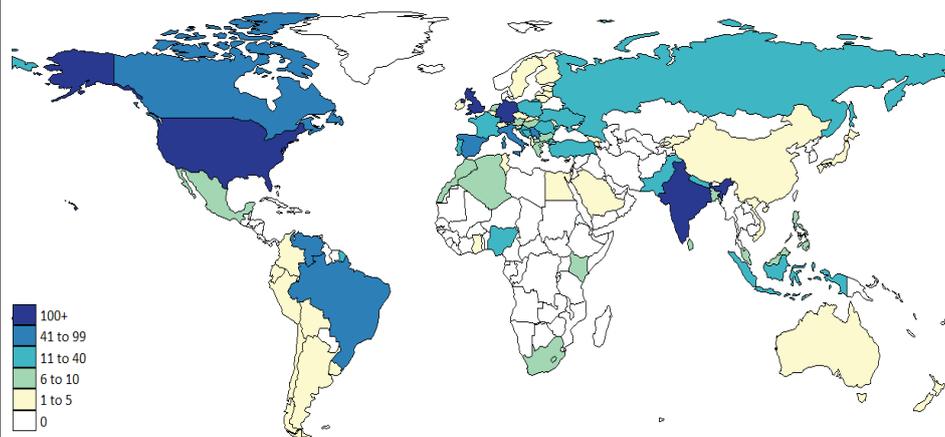
Research Questions

- Who are the crowd workers and what motivates them to undertake such work?
- How do they fare and what risks do crowd workers working in on-demand digital economy face?

Survey of crowd workers on open worker platforms (2017)

- Amazon Mechanical Turk, CrowdFlower, Clickworker, Microworkers, Prolific (2350)

DISTRIBUTION OF WORKERS ACROSS COUNTRIES



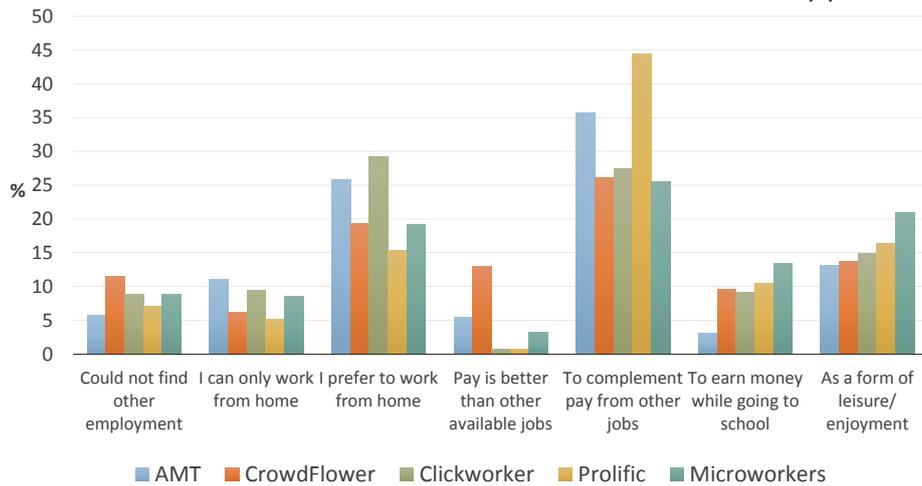
WHO ARE THE CROWDWORKERS?

Characteristics of the workers

- **Gender:** Males 65%; Females 35%
- **Age:** 18 to 65 years and average age is 34.5 years
- **Educational levels:**
 - University (72%); High school diploma (45%); High school dropouts (3%)
 - University education is quite high in Asia (80%), Latin America (58%), Africa (47%)
 - High school diploma is high in Africa
 - Currently pursuing a university degree: Africa (40%), Latin America (33%), Asia (21%)
- **Active as a crowd worker:** 56% have worked for more than one year

Motivation to undertake crowd work

by platform



Spending time on crowd work while on the other job

- 45% perform crowd work during the working hours of other jobs
 - Africa (65%), Latin America (60%), and Asia & Pacific (55%)
- 10% perform crowd work only during working hours
 - Europe (15%), Africa (13%), and CEE (12%)
 - They are bored of the tasks they are doing or do not find them interesting and motivated
- 34% believe that the employer would be accepting of them performing crowd work during working hours
 - Latin America (45%), Asia & Pacific (41%), and Africa (39%)



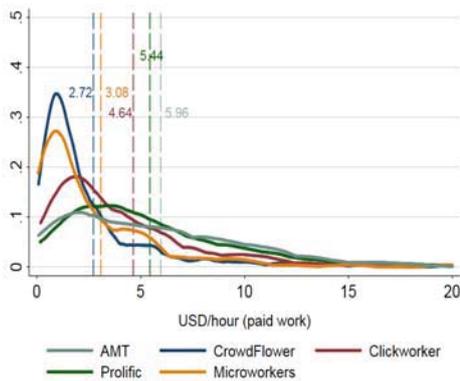
HOW DO WORKERS FARE AND WHAT RISKS DO THEY FACE?

HOW DO THE WORKERS FARE?

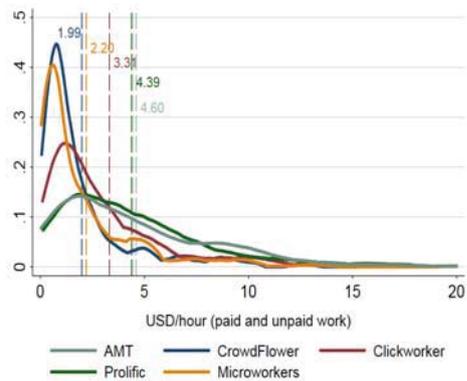
- Remuneration
- Working hours and work-life balance
- Lack of clear employment relationship
- Rejections, opacity and responsiveness from platforms
- Voice and representation

DISTRIBUTION OF HOURLY PAY

Hourly paid work (US\$)



Hourly paid and unpaid work (US\$)

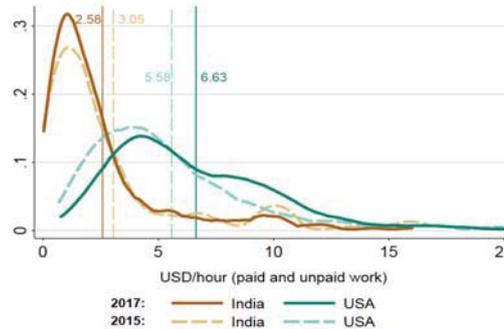


Note: Data trimmed at 1 and 99 per cent. Dashed vertical lines represent mean. Source: ILO Survey of crowd workers 2017.

DISTRIBUTION OF HOURLY PAY

Pay differences and skewed distribution across countries on the same platform

Amazon Mechanical Turk



- American workers on average earn 2.5 times that of Indian workers
- Median wages, Indian worker on AMT earns \$1.67, while the American worker earns \$5.63 per hour
- American workers earned 4.9 times more than Indian workers (controlling for all factors)

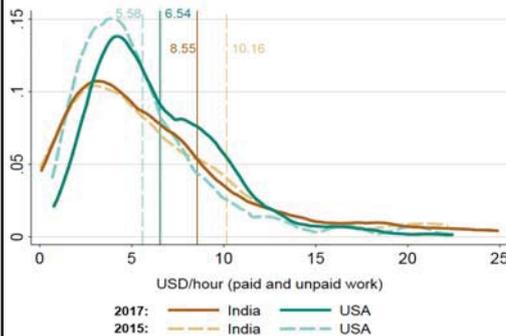
"I would like to change and increase the pay scale we get here per task in India as it is very less compared to U.S workers and would also like to increase the number of tasks we get."
(Respondent on AMT, India)

Note: Data trimmed at 1 and 99 per cent. Vertical lines indicate mean. Source: ILO Survey of crowd workers 2017.

DISTRIBUTION OF HOURLY PAY

Pay differences across countries on the same platform adjusted for PPP

Amazon Mechanical Turk



- Disparity in average wages is reversed (Indian workers earning 1.3 times as much as American workers)
- Median wages are almost equal
- American workers on AMT on average earned 38 per cent more than their Indian equivalent

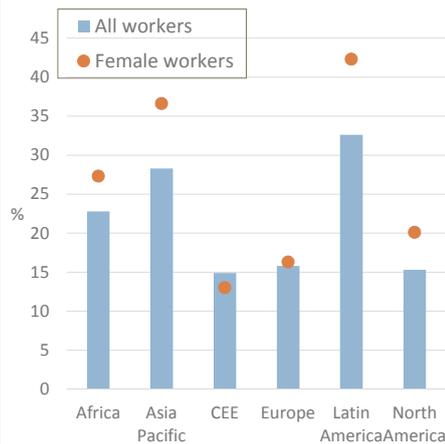
Note: Data trimmed at 1 and 99 per cent. Vertical lines indicate mean. Source: ILO Survey of crowd workers 2017.

Flexibility of work

- Flexibility and easy accessibility
- Continuous search for tasks due to irregularity of work
- Working more than 10 hours per day
 - 10 hours for 1-10 days in a month (44%)
 - 10 hours between 11-30 days in a month (23%)
- About 21% of the workers work for 6 days a week, 44% of them work for 7 days a week
- About 32% of the worker work for more than 2 hours in the night for more than 15 days per month
- Limited in their flexibility, as they need to adapt to the temporal distribution of jobs and affects their work family balance

Source of work for women with young children (0-5 Years)

Share of workers with young children (0-5 yrs)



- About 14% of the workers work for 6 days a week, 29% of them work for 7 days a week
- Working during night time (10pm to 5am) - 40%
- Working during evening (6pm to 10pm) – 64%
- About 40% of the workers work for more than 2 hours in the night for more than 15 days

(LACK OF) CLEAR EMPLOYMENT RELATIONSHIP

- Crowd workers are said to be at the high end of 'home work' and classified as dependent self-employment
 - Traditional home work, had regular flow of work and dependent on supplier/ contractor, *but* in crowd work one has to look for work continuously and there is no guarantee of work
 - For every hour spent on paid work, about roughly one-third (20 minutes) of additional time is spent on searching for the job (unpaid work)
 - Exclusion and discrimination of workers from certain countries
 - Work resembles 'wage labour'
- Classified as 'Self-employment' or 'Independent Contractors' or 'Participants'

Workers' Legal Rights (Self-employed/ Independent Contractors)

- Terms of service impose *constraints on workers' autonomy*
 - CrowdFlower Terms state that workers may not use bots, scripts, AI, or "otherwise attempt to obtain rewards from CrowdFlower without completing tasks as they are described."
- If truly self-employed, then workers should be able to choose to complete a task in any fashion and using whatever tools they deem appropriate (including automation, scripts, and scraping).
- Self-employed workers should not be prohibited from subcontracting work, nor should workers be penalized for declining any tasks as they should have the full freedom to choose when to work and what tasks to work on without penalty.

LACK OF REGULATION

Amazon Mechanical Turk (Self-regulation)

AMT in its Participation Agreement

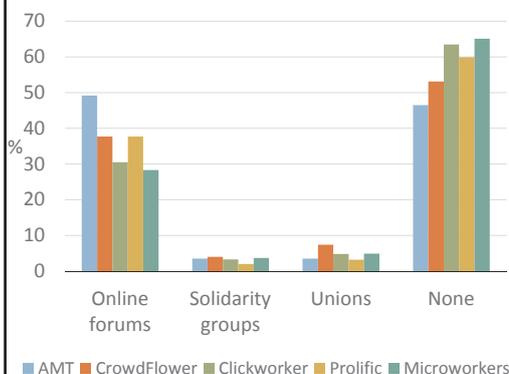
"Workers perform Tasks for Requesters in their **personal capacity** as an **independent contractor** and not as an employee of a Requester or Amazon Mechanical Turk. As a **Worker**, you agree that: [...] (iv) you will not be **entitled to any of the benefits** that a **Requester** or Amazon Mechanical Turk may **make available to its employees**, such as **vacation pay, sick leave, and insurance programs, including group health insurance or retirement benefits**; and (v) you are not eligible to recover worker's compensation benefits in the event of injury. As a Requester, you will not engage a Worker in any way that may jeopardize that Worker's status as an independent contractor performing Tasks for you."

Lack of Regulation leads to power imbalance between capital and labour

- Algorithmic management (boss) controls the labour
- Dismissals are very simply and easy, as entry and exit to the platform being determined by them without providing a reason
- Rejection Rates (Wage thefts) – 8.25%
 - 23% of workers have >10% rejection
 - 43% of workers (6 month experience) >5% rejection
- Non-responsiveness on the part of the Requester
- No redressal mechanism or opportunity to appeal

MECHANISMS TO VOICE WORKER'S CONCERNS

Which of the following provides you with some protection or a place to discuss your problems or consult for advice related to crowd work?



Online Forums: Mturkcrowd, mturkforum, turkernation, forum of different CW platforms

Reddit, facebook

“Since the only place I can get any info or talk about this kind of work are forums, protection is absolutely 0, as these are not legal bodies that have any leverage over the crowd work platforms and employers. “

MECHANISMS TO VOICE WORKER'S CONCERNS

"I think some of the efforts to organize Mechanical Turk workers in the past, such as Dynamo, Turkopticon, and the efforts of workers who get together on forums has had limited success. I'd like unionists and policy makers to expand on these types of projects and support a more widespread organization of workers. I would hope these policy makers would put workers at the forefront of these conversations and seek not only worker input but worker leadership in decision making."

Source: <http://faircrowd.work/2017/04/30/worker-profile-rochelle/> Accessed 19 January 2018.

Steps towards decent work on online digital platforms

- Need to embrace innovation and technology, **equally important** that there is a **structural balance** in the architecture of the platforms
- Platforms are self-regulated and there is a need for exchange between governments', unions and employers
 - Singapore constituted a tripartite committee
- 18 Criteria for Fairer Microwork Platforms (Employment status, Pay, collective bargaining, rejection clauses, etc.)-FairCrowdwork.org – IGMetall in 2015
- Dynamo Guidelines for academic requesters signed by 75 requesters
- Turkopticon, which is a third party website and browser plugin used by AMT workers to review clients (requesters) and tasks
- First ever Collective Agreement for the Platform economy signed in Denmark for Cleaning services (Hilfr)