

Prerequisites for a more equitable distribution of gains from the digital economy

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▶ Rapid growth of platforms...

5x rise
since 2010



2000 2010 2020

▶ Exponential growth in
the number of platforms

Concentration of
platforms in 2020



▶ Rise of the digital labour platforms

- ▶ Externalisation of work through platforms
 - ▶ Technological advances in cloud computing and infrastructure
 - ▶ Importance of data and algorithms
 - ▶ New outsourcing model (24x7 global labour force) for a range of services
- ▶ ‘Silver bullet’ for addressing unemployment problem, poverty & inequality
- ▶ Harnessing technologies for the development process
- ▶ Mechanism to formalise workers

▶ Context of developing countries...

- ▶ High levels of informality
- ▶ Taxi drivers, delivery workers, domestic workers, personal service workers are either self-employed or casual workers
 - ▶ Flexibility, autonomy and control over their work
 - ▶ Platforms further precariatise these workers using algorithmic management practices
- ▶ High skilled service workers are being pushed into informality as a result of the rise of online freelance and talent or innovation or competitive programming platforms
- ▶ Not new work, but work in the traditional economy being conducted or mediated using technology



▶ Focus on online web-based labour platforms...

- ▶ New outsourcing model
 - ▶ Microtask platforms
 - ▶ Freelance platforms
- ▶ Platforms operate across multiple jurisdictions, which creates some specific challenges to ensuring more equitable distribution of gains



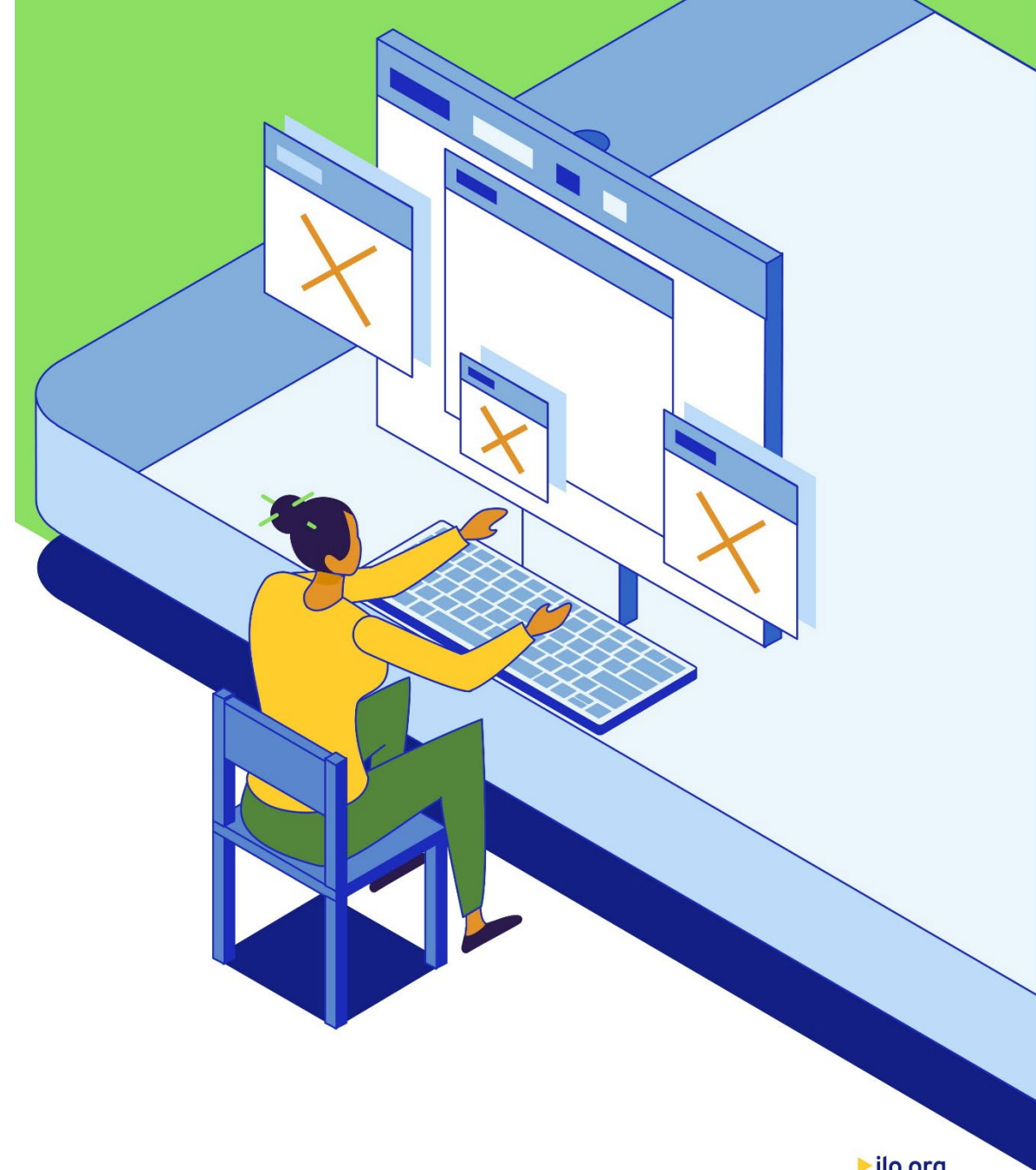
▶ Microworkers: Tasks performed

AI/ Machine learning

- ▶ Online clerical and data entry tasks (data collection, categorisation, image annotation)
- ▶ Translations and transcription
- ▶ Audio and image recording

Promotion of products and services

- ▶ Content access
- ▶ Market research and reviews



Examples of tasks performed by microtask workers

NEW Record 40 videos of drawing letters and digits in the air using your laptop camera

Jobs: 594
Time limit: 120 min
EUR 1.20 per job

Start!

Instructions

When accepting this task, you will see the following interface:

You have recorded 0 of 40 gestures Submit Task

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40



Back Next

When recording each of the 40 videos, please do the following:

- Play the video on the left, which shows an example of the letter or digit.
- Press the red recording button on the right hand side.
- Wait until the countdown has finished.
- Perform draw the letter within 3 seconds.
- Replay the video to make sure that the recording has worked, that the letter or digit is clearly visible and that it is not cut off at the beginning nor at the end.
- If needed, re-record the video by pressing the record button again.
- If the video is ok, please proceed to the next one.
- When you have recorded all 40 videos, the "Submit Task" button becomes active at the top and you can finish up your submission.

Some Hints:

- Your work will be reviewed by our support team and depending on the number of submissions we get, it can take some time until you receive your payment.
- Please make sure that the letters and digits are performed as shown in the example video. However, you may use either hand and you should draw the letter like you would normally write it on paper.
- Please make sure to not confuse left and right (which can easily happen because of the "mirroring" setup)

IMPORTANT: Can I do multiple submissions?

- Yes, you can, but only do up to 10 submissions.
- For each submission, please vary the background behind you by moving your laptop or computer to a different location.
- For each submission, please vary the lighting conditions a little bit.
- For each submission, please vary the distance to the camera a little bit.
- Ideally, have a different person draw the letters / digits for every submission.
- Please keep in mind that the support team might reject your submission if they feel that the submissions are too similar!

Website: Explore

Work done: 82/⁸⁵
You will earn \$0.12
Task takes less than 3 min to finish
Job ID: [REDACTED]

Employer: [REDACTED]
[add to Exclude List](#)
[add to Include List](#)
Tasks will be rated within **2** days

You can accept this job if you are from any of these countries:

 Austria, Belgium, Switzerland, Germany, Denmark, Spain, Finland, France, Ireland, Italy, Netherlands, Norway, Portugal, Sweden

Search, Click, and Engage) → Click 3x

? What is expected from Workers?

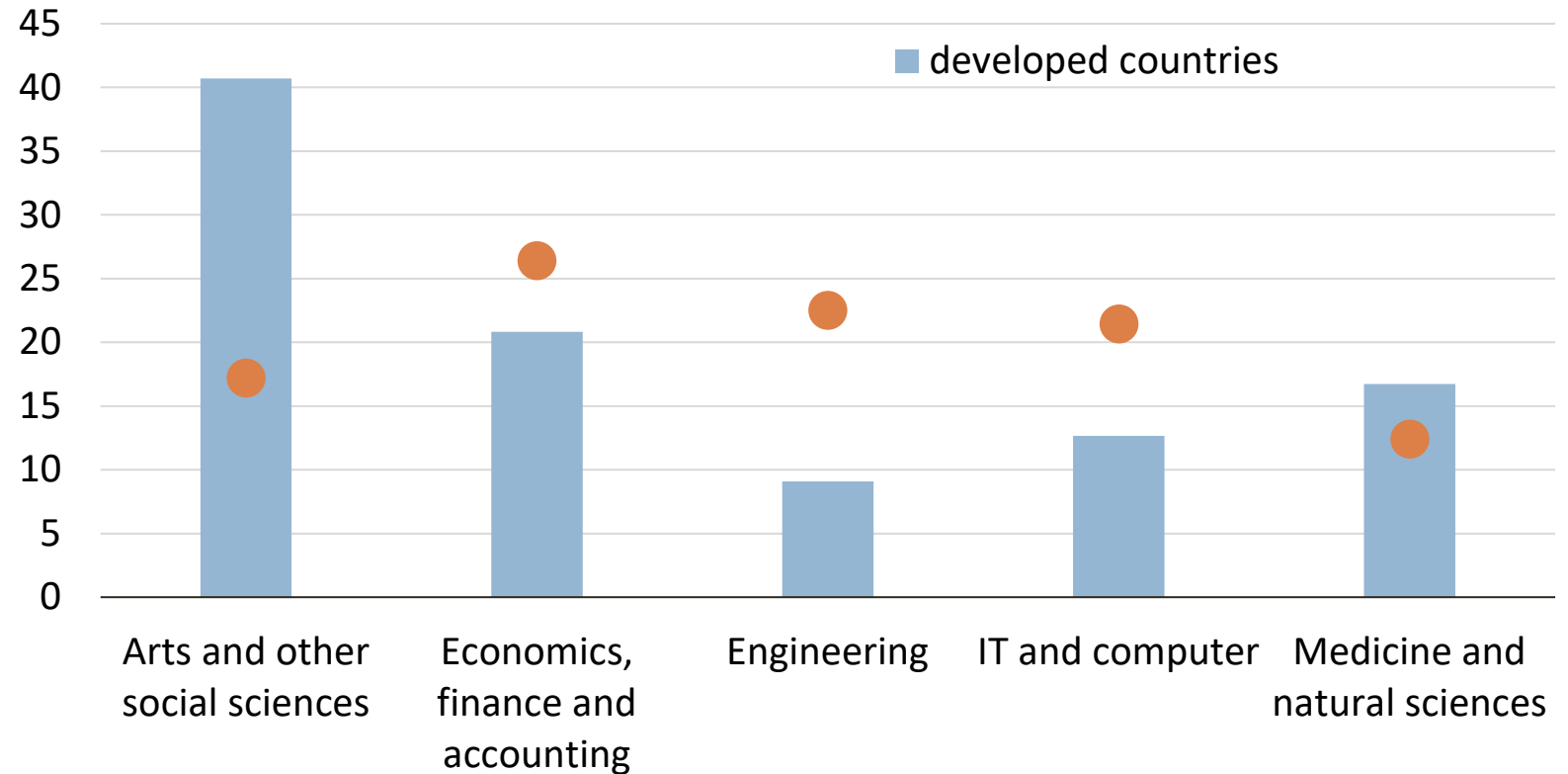
1. Find Website Link in the image attached. Visit that Website. Select Your Location and stay for one minute on landing home page.
2. You will find 6 categories on home page (Services, Real Estate etc...) click on any one category (example: Services)
3. Stay on the landing page for one minute. There will be nine Block links (results) connected to that category. Click on any one link
4. You will be taken to another page. Stay on that page for one minute. You will find 'More Items you might be interested' Block in that Page. Click on any one Item of it
5. You will get another page. Stay on that page for Two minutes

! Required proof that task was finished?

1. URL of the final page you visited
Attached file: [COM.jpg](#)

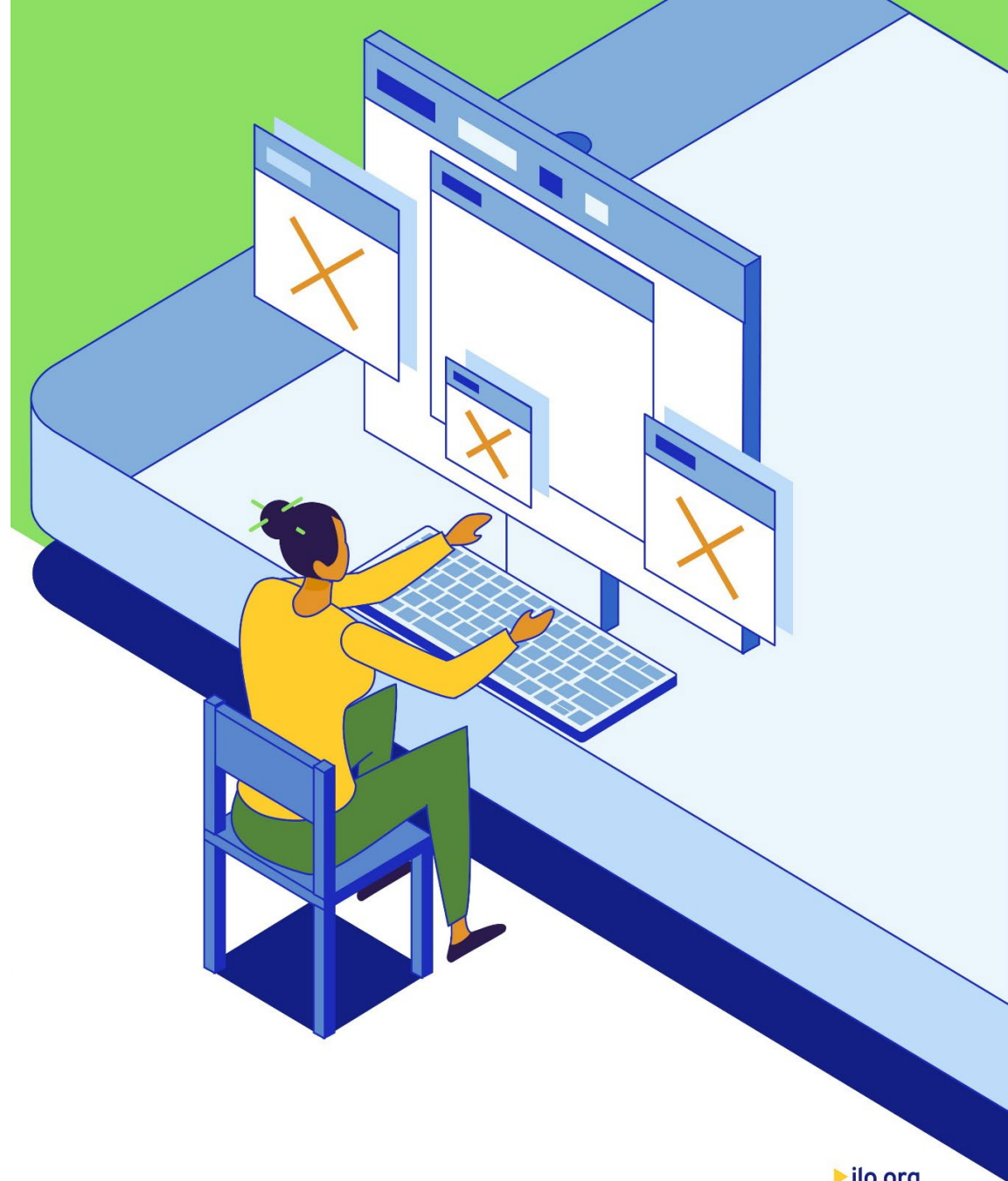
Many of these workers are in specialized fields (51% - 67% University Graduates)

- ▶ Highly educated but performing tasks that require low skills
- ▶ Probably be engaged in formal jobs with work-related protections

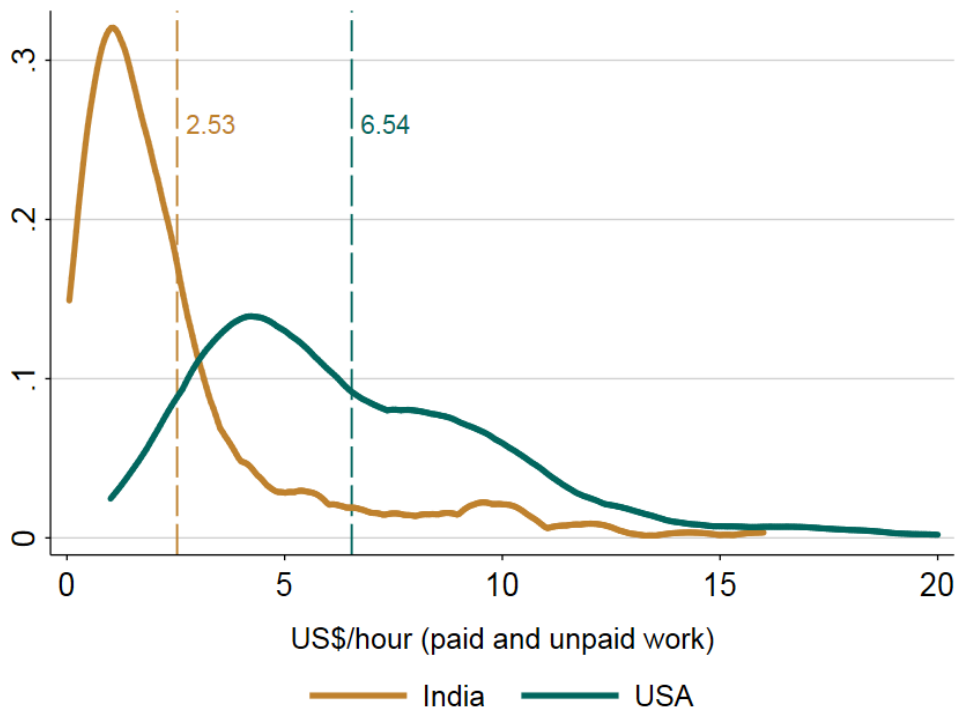


Challenges for microtask workers

- ▶ Workers on average earn US\$3.3 per hour; median earnings US\$ 2.1 per hour
 - ▶ One-third of the time spent on unpaid tasks
 - ▶ Workers in developing countries earn US\$2.03 per hour which is almost half of the earnings of that of developed countries
 - ▶ High risk of work rejection (75% of respondents) – operations are algorithmically managed with little human intervention
- ▶ High work intensity (65% working 6 or 7 days a week or in the evenings) as workers adapt to the business hours of US or Europe
- ▶ Lack of communication with platforms or clients and lack of dispute resolution mechanism
- ▶ Misclassification leads to low levels of social protection (dependent on other jobs or other members of the household)



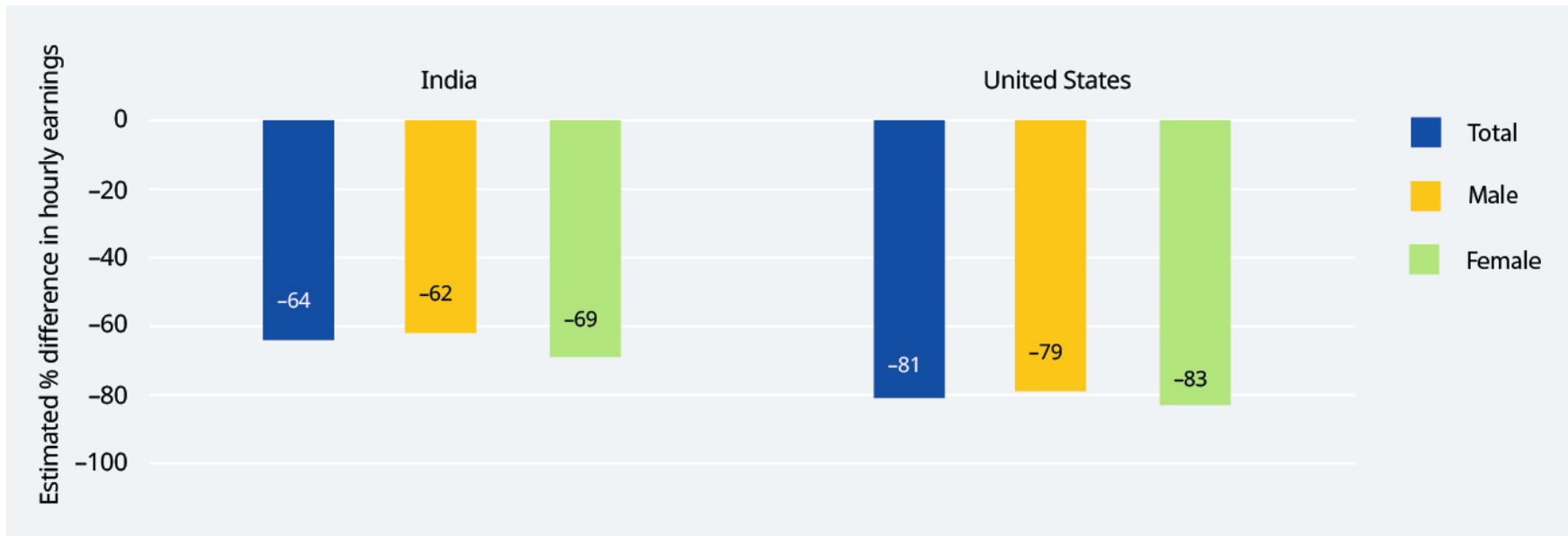
Differences in hourly earnings of survey respondents across countries on the same platform, Amazon Mechanical Turk, 2017



- Mean wages: American workers on average earned 2.5 times as much as Indians
- Median wages: Indian workers earn \$2.53, while the US workers earn \$6.54 per hour
- All else equal, American workers earned 4.6 times as much as Indians

“... I think that the pay for Indian worker is less than the pay for the worker in the US. This means the HIT with higher pay are available to them and the one which gives penny are available to Indian worker, which I have to do.”

Differences in hourly earnings of survey respondents and those performing similar jobs in the traditional labour market by gender (Microtask platforms)

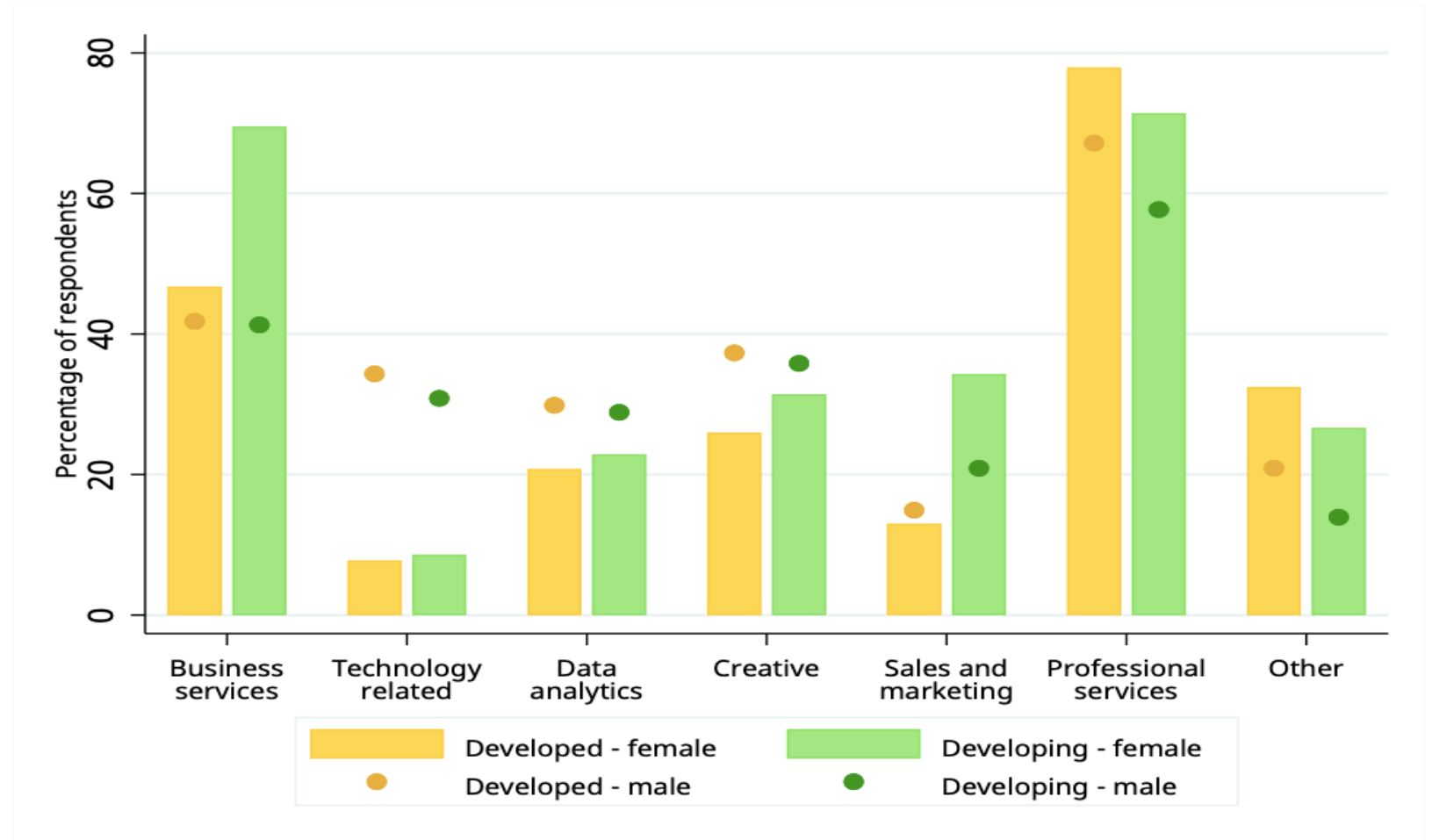


- ▶ 10% of the workers have performed tasks on microtasks for more than 5 years, and their incomes stagnate after 3 years and they continue to have diversified tasks

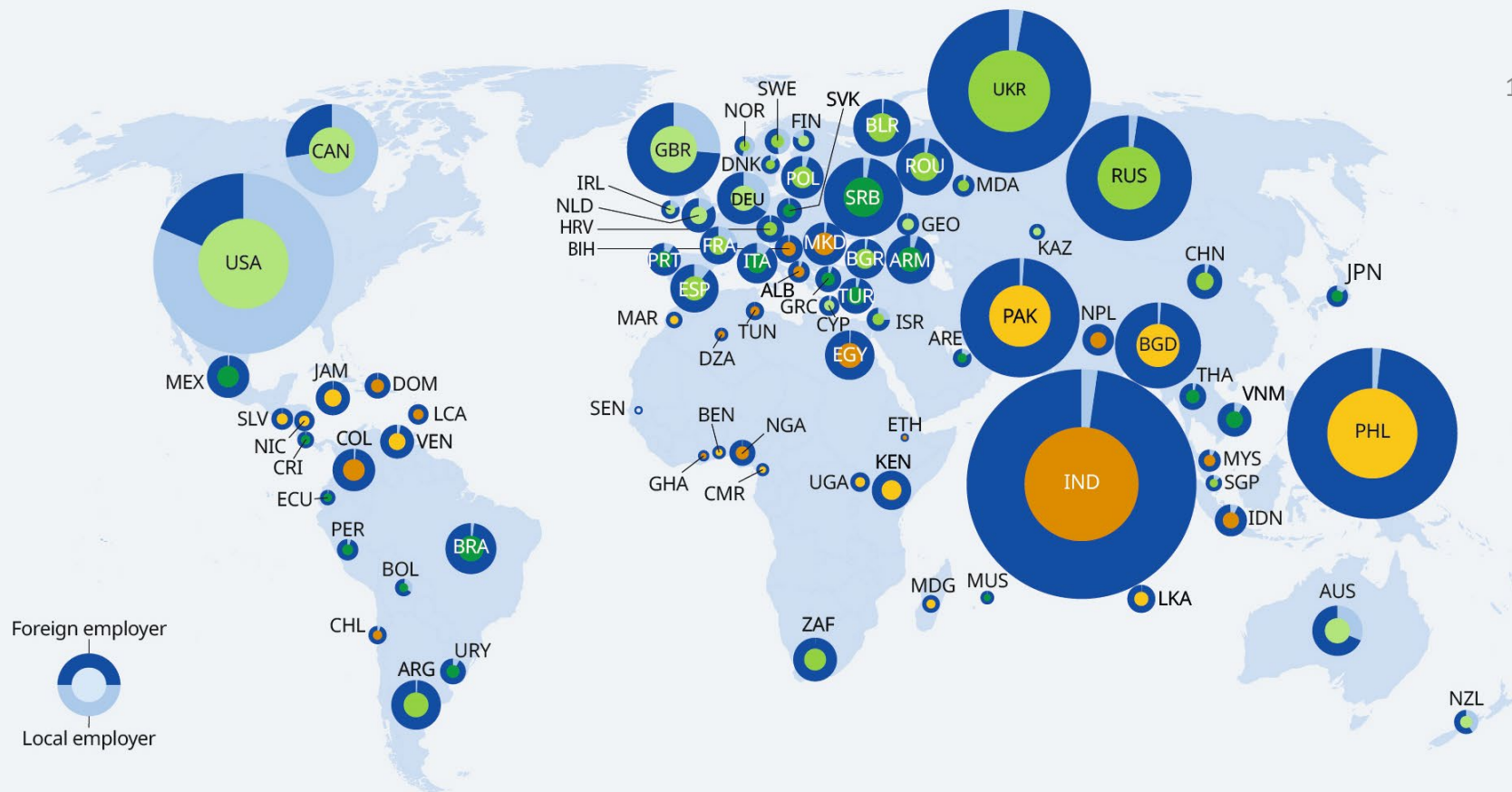
Freelance platforms: Tasks performed by gender

- ▶ Activities include
 - ▶ Computer programming and data analytics
 - ▶ Creative design
 - ▶ Financial and accounting services
 - ▶ Legal and patent services
 - ▶ Translation

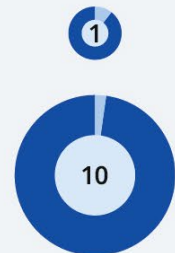
- ▶ Skills is a good match for 62% of workers



Outsourcing of tasks on a major freelance platform: Inflow of work and earnings, 2019



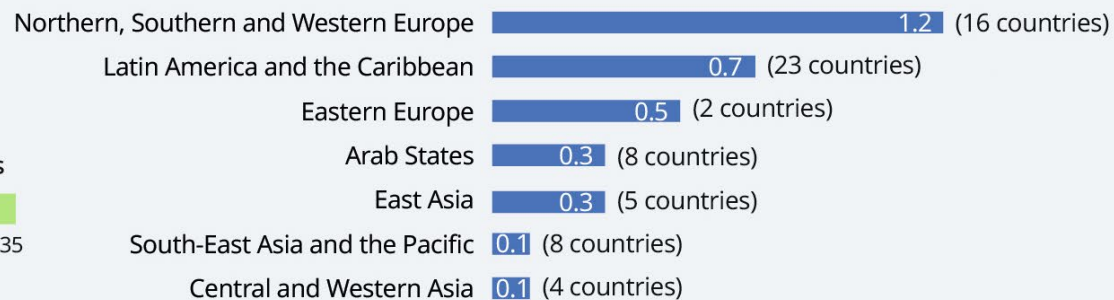
Total inflow
in million US\$



Median hourly earnings in US\$



Total inflow of remaining countries (in million US\$)

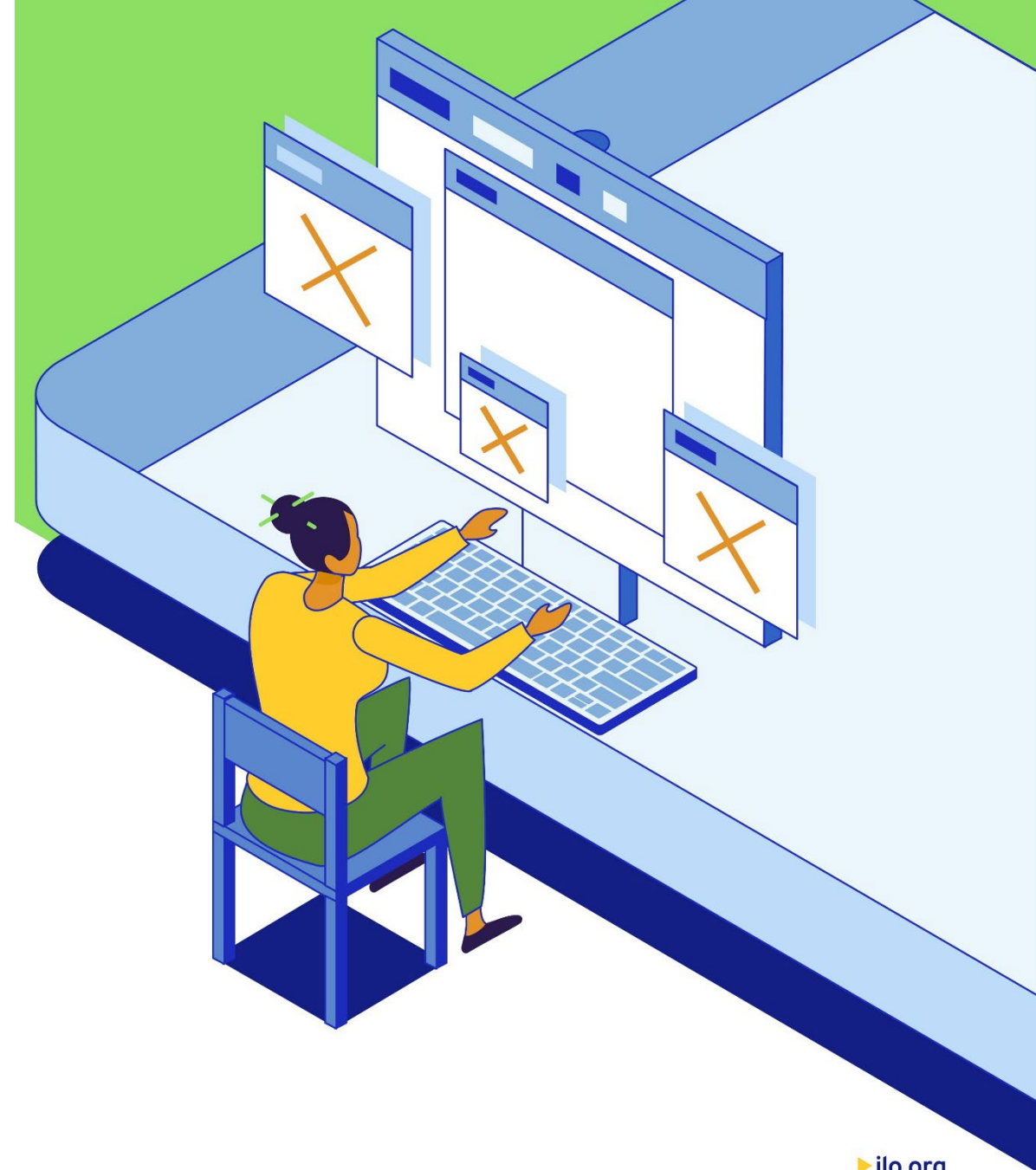


Note: For country codes see Appendix 1.

Source: Data collected by Fabian Braesemann, Oxford Internet Institute, iLabour Project.

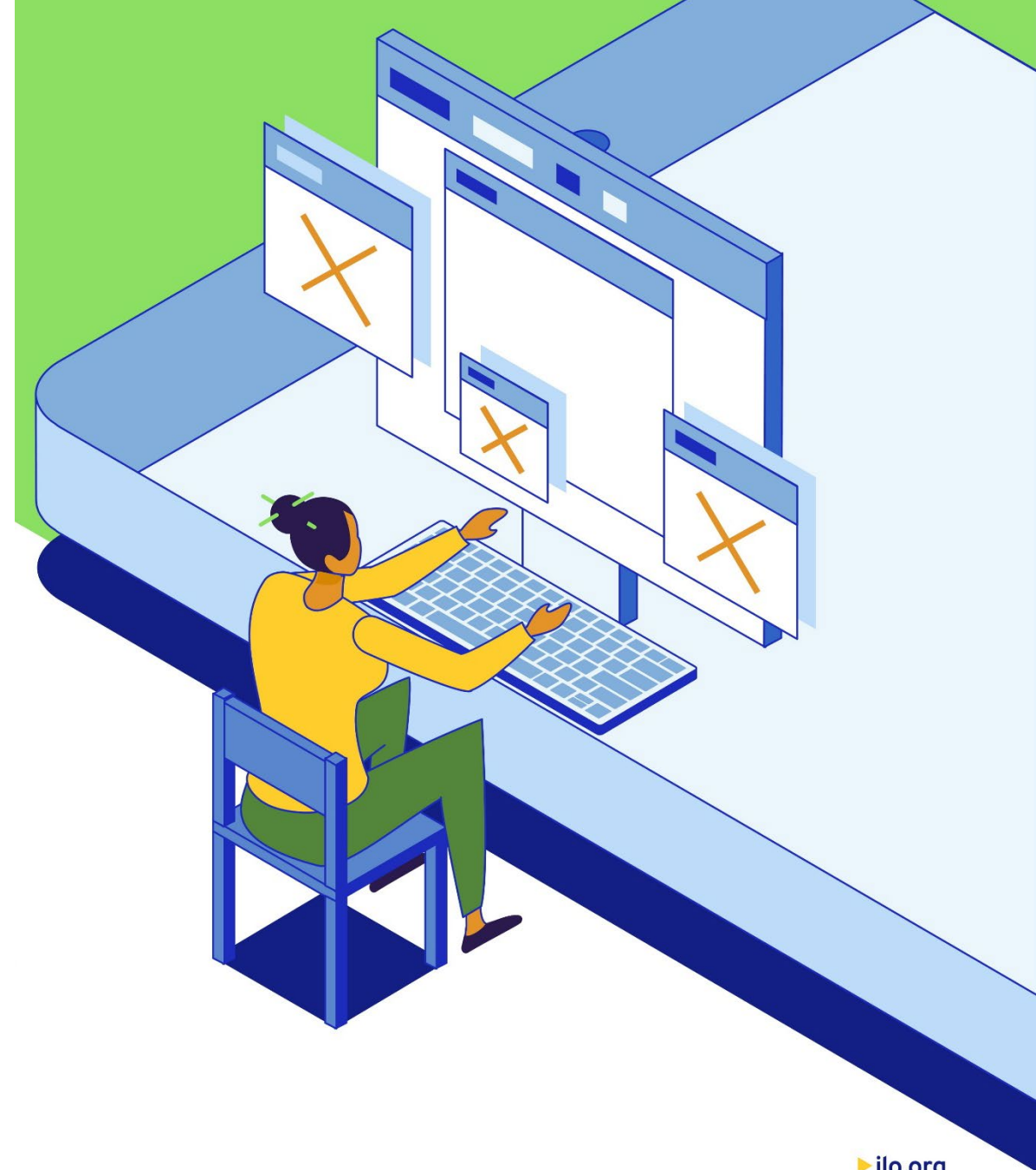
Challenges for freelance workers

- ▶ Earnings on average US\$7.6 per hour; median earnings US\$ 5.1 per hour
 - ▶ One-fourth of the time spent performing unpaid tasks
 - ▶ High commission fees ranging from 20 to 35%; and other types of fees
- ▶ Differences can be observed between countries and gender:
 - ▶ Workers in developing countries tend to earn less than those in development countries (60% less)
 - ▶ A significant gender pay gap can be observed on some platforms at the country level, while the findings are quite mixed globally
- ▶ Worker's education is not really correlated with the incomes earned on these platforms



Specific challenges faced by workers from developing countries

- ▶ Accessing work through subscription plans or paying different types fees
- ▶ Subsidising work to build up reputation:
 - ▶ Accepting work for low pay or for free (79%)
 - ▶ Underbidding for projects (66%)
 - ▶ Accepting work they would otherwise decline (37%)
- ▶ Geographical discrimination: Some platforms block workers from certain countries
 - ▶ Virtual private networks (VPNs)
 - ▶ Remote desktop computers (RDCs)
 - ▶ To circumvent the barriers
 - ▶ Purchasing fake accounts
 - ▶ Opening fake accounts
 - ▶ Raise ethical and moral concerns



► Indeed, there are a number of challenges...

- Employment relationship
- Earnings – Low earnings, commission fees and different types of fees, unpaid hours of work
- Working time – Long working hours, risks and stress
- Occupational safety and health
- Social protection: Large gaps in health insurance; work-related injury provision; unemployment and disability insurance; and old-age pension or retirement benefits.
- Deactivation of accounts & dispute resolution mechanism
- Algorithmic management defining the everyday experience of the workers – ratings, rejection, monitoring, deactivation
- Data protection

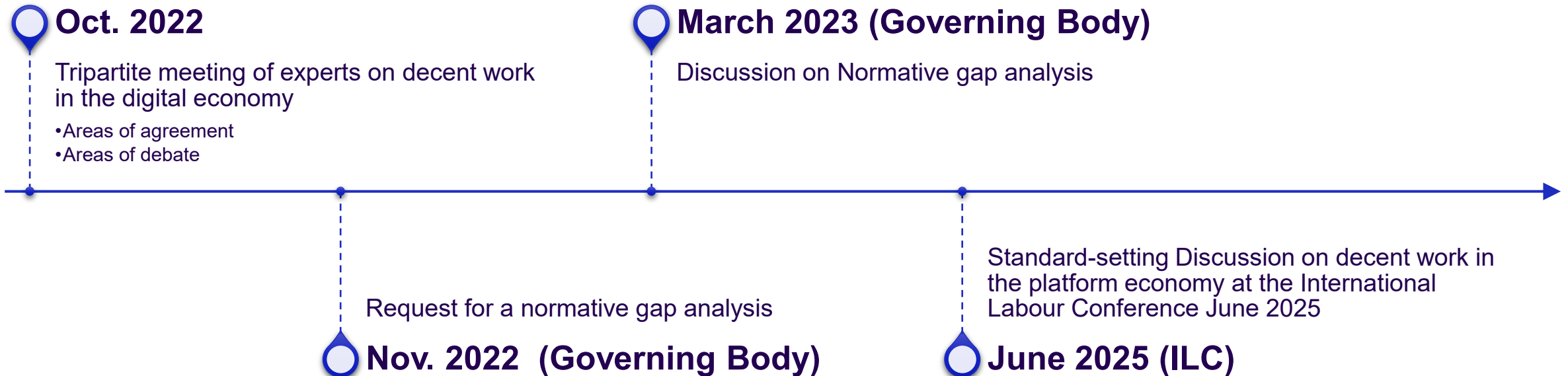


▶ A way forward through international policy dialogue and coordination

- ▶ Employment status
- ▶ Right to bargain collectively
- ▶ Adequate social security benefits
- ▶ Dispute resolution mechanism
- ▶ Fair termination process
- ▶ Fair payments and working time standards
- ▶ Non-discrimination
- ▶ Occupational safety and health
- ▶ Transparency and accountability in algorithms and ratings
- ▶ Access to local jurisdictions
- ▶ Data protection
- ▶ Portability of worker data and ratings
- ▶ Enabling environment for sustainable enterprises



Initiatives and policy developments at the ILO



▶▶ The ILO's fundamental principles and rights at work, and some of its key Conventions and Recommendations, are applicable to all workers. Irrespective of whether platform workers are classified as employees or as self-employed, they should enjoy the right to associate, to bargain collectively, and to be protected against discriminatory conduct and unsafe workplaces.

▶ ILO Director-General