The Risks and Rewards of Online Gig Work At the Global Margins

A report to help platform operators improve their positive impact, help workers improve their situations, and prompt policy makers and stakeholders to revisit online gig work regulation.

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About this report

This report is based on a three-year investigation conducted by researchers from the Oxford Internet Institute (OII) at the University of Oxford and the Gordon Institute of Business Science (GIBS) at the University of Pretoria. Professor Mark Graham (Primary Investigator), Professor Vili Lehdonvirta (Co-investigator), and Professor Helena Barnard (Co-investigator) led the project, with significant contributions from Dr. Isis Hjorth and Dr. Alex J. Wood. David Sutcliffe and David Peter Simon designed the report. All material in this report is released under a CC BY-NC-ND licence. The content of this report is available to be shared freely.

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Online gig work is becoming increasingly important to workers living in low- and middle-income countries. Our multi-year and multi-method research project shows that online gig work brings about rewards such as potential higher incomes and increased worker autonomy, but also risks such as social isolation, lack of work–life balance, discrimination, and predatory intermediaries. We also note that online gig work platforms mostly operate outside regulatory and normative frameworks that could benefit workers.

This report summarises the ways in which observed risks materialise in the market, highlighting responses from a 456-respondent survey and stories from 152 interviews. The report's central question is whether online gig work has any development potentials at the world's economic margins.[1] Its motive is to help platform operators to improve their positive impact, to help workers to take action to improve their situations, and to prompt policy makers and stakeholders interested in online gig work to revisit regulation as it applies to workers, clients, and platforms in their respective countries.

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1 By economic margins we refer to economically disadvantaged countries, those that fall in the categories of low and middle income. These countries might also be broadly known under the inadequate umbrella term "the developing world".

Introduction

According to the UNDP, more than 1 billion people will enter the job market in less than three years, most of them from low- and lower-middle-income countries.[2] Increases in access to the Internet have led to the emergence of a new world of work,[3] with major international institutions suggesting that workers could frictionlessly compete in a global marketplace by way of online platforms.[4] Economists have previously suggested that access to Internet-based marketplaces would permit a kind of "virtual migration" that offers economic benefits akin to physical migration.[5]

Policymakers expect that regions like Sub-Saharan Africa and Southeast Asia, in particular, can capitalise on this digitally-mediated work opportunity. New sources of work are especially needed as the youth-to-adult unemployment rate hits historic peaks[6] and average wages remain significantly lower in emerging economies than in developed economies.[7]

The growth of online gig work — paid work allocated and delivered by way of internet platforms without an explicit or implicit contract for long-term employment — is seen as a relatively welcome phenomenon among economic development experts, and the world's largest global development network is promoting its potential to aid human development.[8] There are hopes that online gig work,

and the platforms that support it,[9] might catalyse new, sustainable employment opportunities by addressing a mismatch in the supply and demand of labour globally.[10] Some of the world's largest gig work platforms have put forth their business models as a revolution in labour markets, suggesting that they can help lift people out of poverty.[11] More broadly, it has been suggested that online gig work will have structural benefits on the global economy, such as raising labour force participation and improving productivity.[12]

Against this background, the purpose of this report is to highlight the risks alongside the rewards of online gig work. It draws upon 152 interviews, a survey of 456 workers, and transaction data from one of the world's largest online gig work platforms to reveal the complex and sometimes problematic reality of the "new world of work" in Sub-Saharan Africa and Southeast Asia. It particularly illustrates how online gig work is experienced by workers in Kenya, Nigeria, South Africa, Vietnam, Malaysia, and the Philippines, highlighting benefits such as increased pay and autonomy, but also concerns such as downward pressure on pay, long hours, discrimination, and lack of social contact for some. While these issues exist within our sample, more research is needed to understand how prevalent

2 United Nations Development Programme. (2015). Human Development Report 2015. United Nations Development Programme. New York, NY.

3 Gapper, J. (2015). New 'gig' economy spells end to lifetime careers. Retrieved from https://www.ft.com/content/ab492ffc-3522-11e5-b05b-b01debd57852

4 World Bank. (2015). The Global Opportunity in Online Outsourcing. Retrieved from the World Bank Group website: http://documents.worldbank.org/curated/en/138371468000900555/The-global-opportunity-in-online-outsourcing

5 Horton, J. J. (2010). Online labour markets. In International Workshop on Internet and Network Economics. Springer Berlin, Germany.

6 United Nations Development Programme. (2015). Human Development Report 2015. United Nations Development Programme. New York, NY.

7 International Labour Office. (2015). Global Wage Report 2014/5. Retrieved from http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_324678.pdf

8 United Nations Development Programme. (2015). Human Development Report 2015. United Nations Development

Programme. New York, NY.

9 By online gig work platforms, we refer to websites which facilitate contingent project-based work by connecting clients and workers. Online gig work is both transacted and delivered via digital platforms. This is made possible by the product of such labour being digital information, which can thus circulate through the Internet. This distinguishes it from other forms of non-online gig work where the product or service must be provided locally such as Uber, Deliveroo and Airbnb. While using the term 'online' to refer to the role of the Internet in the work organisation, this does not imply that the work is immaterial or taking place in some kind of ethereal cyberspace. See: Graham, M. (2013). Geography/Internet: Ethereal Alternate Dimensions of Cyberspace or Grounded Augmented Realities? The Geographical Journal 179: 177-182.

10 For example, The Rockefeller Foundation initiative Digital Jobs Africa.

11 Authors' analysis of mission statements (as of November 17th, 2016) of selected platforms.

12 McKinsey & Company. (2016). Independent work: Choice, necessity, and the gig economy. Retrieved from http://www.mckinsey.com/global-themes/employment-and-growth/independent-work-choice-necessity-and-the-gig-economy

they are amongst the broader population of gig workers.

The report maintains it is necessary that online gig work platforms further develop their service, policymakers revisit regulation, and labour activists examine organising tactics if online gig work is to truly live up to its potential for human development and become a sustainable situation for many more workers. It also puts forth questions for stakeholders to consider regarding how to improve the conditions and livelihoods of workers drawn to this work, highlighting how these platforms have become disembedded from the norms and laws that normally regulate labour intermediaries. In this regard, the report also offers suggestions alongside the questions, drawing on relevant literature and referencing historical precedents.

Context on online gig work and online gig work platforms

The history of online gig work is deeply embedded in the history of the Internet and international business process outsourcing. The idea that individual workers can meaningfully participate in the global economy through a combination of the Internet and outsourcing begun around the 1980s with the concept of offshore outsourcing[13] taking root in the modern business enterprise.[14] American companies like General Electric and American Express were early adopters, moving business processes from the United States to India.[15] These early relationships of offshore outsourcing ultimately influence today's geographic diffusion of online gig work and can explain online gig work platform usage in parts of the Global South.

Offshore outsourcing: a very brief history

Offshore outsourcing utilising the Internet, particularly for the service sector, is not a new phenomenon, gaining prominence in the 1980s.[16] Industry experts suggest that Internet-based outsourcing to emerging markets was adopted for competitive advantage, with the aim being for businesses to access a global talent pool and reduce costs.[17] Specific economic and technological shifts, such as national market liberalisation, global standardisation of technology networks, and the laying of fibre optic cables, help explain an increase in the practice of both offshoring and outsourcing as part of the broader backdrop of increased connectivity.[18]

A confluence of events made offshore outsourcing attractive in regions such as Southeast Asia. Firstly, the Y2K panic increased business process outsourcing in countries like India, convincing many Fortune 500 companies that certain services could thrive even in comparatively unstable or unknown business environments.[19] After that, the expansion of fibre optic cables across the Atlantic accelerated the practice of outsourcing business across Southeast Asia. Many countries, such as the Philippines, specialised to serve culturally proximate clients. Large-scale offshore outsourcing using the Internet originally took root in India, with a number of factors (such as its colonial past, government liberalisation

16 Arguably there were existent forms of such outsourcing before the 1980s. For example, US-based companies regularly started moving work to Mexican maquiladoras in the 1960s after the two countries signed bilateral trade agreements. Moreover, economic geographers had earlier theorised shifts in the market, particularly stressing the ways in which the new division of labour structured hierarchy and engendered inequality. See Fröbel, F., Heinrichs, J., & Kreye, O. (1980). The new international division of labour: Structural unemployment in industrialised countries and industrialisation in developing countries. Cambridge: Cambridge University Press.
17 KPMG. (2012). The Death of Outsourcing. Retrieved from https://assets.kpmg.com/content/dam/kpmg/pdf/2013/09/death-of-outsourcing.pdf
18 Kimura, K., Omole, D. W., & Williams, M. (2010). ICT in sub-Saharan Africa: Success stories. Yes Africa Can, 339.
19 Metters, R., & Verma, R. (2008). History of offshoring knowledge services. Journal of Operations Management, 26(2), 141-147.

13 For a more detailed analysis of outsourcing and offshoring, please see: Sako, M. (2005). Outsourcing and offshoring: key trends and issues. Available at SSRN 1463480.
14 Davis-Blake, A., & Broschak, J. P. (2009). Outsourcing and the changing nature of work. Annual Review of Sociology 35: 321-340.
15 The Economist. (2013). Special report: Outsourcing and offshoring: Here, there and everywhere. Retrieved from http://www.economist.com/blogs/schumpeter/2013/01/special-report-outsourcing-and-offshoring

of the market, skilled labour force, and enterprise innovation clusters) converging to solidify its front-runner status.[20] While commentators once deemed India "the back office of the world",[21] businesses and business contractors today regularly look to other labour markets for cheap, qualified talent pools. Much work moved to Southeast Asia, and some of our nascent research identifies Sub-Saharan Africa as a growing area of focus for business process offshore outsourcing.[22]

While Sub-Saharan Africa has historically faced severe barriers to entering into global competition — namely infrastructural issues and connectivity challenges[23] — the relatively recent expansion of fibre optic connectivity around the continent has opened opportunities for the entire region.[24] In this context, online gig work platforms — platforms that model and manage the relationship between independent contractors and clients — present new avenues particularly for small-to-medium business owners willing to hire workers in previously untapped outsourcing locations.

Online gig work platforms: how they structure and champion contingent work

At their core, online gig work platforms act as a matchmaking service. They coordinate buyers and sellers of temporary contract work, regulating the individualised, temporary relationship between buyers and sellers in a similar fashion to traditional labour intermediaries. "Online gig work" itself refers to contingent work[25] that is transacted and delivered via online platforms. In this environment, workers undertake a number of more or less overlapping tasks rather than having a single job role. For instance, a job on an online gig work platform could exist in the form of a temporary graphic design project, which itself might refer to a bundle of Photoshop tasks. These tasks could be any number of different things, including more mundane tasks such as data entry.

There are arguably three types of platforms. Those that are based upon what we term double auction; one-side buyer/seller-posted; and labour management mechanisms. The largest platforms are double auctions, with there being some medium sized one-side buyer/seller-posted platforms, while labour management platforms tend to be relatively small. The key difference is the way in which tasks are sourced and delivered to workers. In double auction mechanisms, for example, both the worker and the "client" can solicit tasks. In a one-sided market though, only one party, such as the worker, can post tasks and demand prices. Meanwhile, in the labour management situation, the platform company regulates the allocation of tasks through administrative rules. These companies often offer a specific service, such as transcription or data entry.

Algorithmic controls — such as ratings and reputation scores and automated tests — play a prominent role on all types of platform. A reputation rating is a score that a worker receives from a client after completing a task and is an especially important

20 For more on business process outsourcing in the Philippines, please see: Lee, Vari-Kovacs, Q Yu, & Lall. (2014). Business Process Outsourcing in the Philippines. Retrieved from Lee Kuan Yew School of Public Policy website: http://lkyspp.nus.edu.sg/wp-content/uploads/2014/12/Business-Process-Outsourcing-in-the-Philippines.pdf
21 The Economist. (2001). Back office to the world. Retrieved from http://www.economist.com/node/610986
22 Graham, M., & Mann, L. (2013). Imagining a silicon savannah? Technological and conceptual connectivity in Kenya's BPO and software development sectors. The Electronic Journal of Information Systems in Developing Countries, 56.
23 Before 2009, East Africa was entirely dependent on satellite connecitvity. As of November 17, 2016, the region saw over 250 million internet users connected according to the website internetworldstats.com. For a historic analysis, please see: Kimura, K., Omole, D. W., & Williams, M. (2010). ICT in sub-Saharan Africa: Success stories. Yes Africa Can, 339.
24 Graham, M., Andersen, C., and Mann, L. 2015 Geographical Imagination and Technological Connectivity in East Africa. Transactions of the Institute of British Geographers 40(3) 334-349.

25 Contingent work is work which is transitory in nature due to the absence of an explicit or implicit contract for long-term employment (see Polivka, 1996).

feature of the double auction and one-side-posted platforms. These ratings are combined with work history (number of completed jobs, hours worked and total earnings) and test scores in order to rank workers. Clients assign and platforms algorithmically filter more tasks towards the highest ranked workers, meaning that those with the best overall reputation are more likely to receive more work. Scores and reputation therefore act as a powerful system of labour control and engenders both rewards and risks for workers.

Online gig work: a promising alternative to traditional employment?

Reports published by the World Bank suggest that online gig work and related phenomena[26] offer a "promising alternative to traditional employment in today's digital era". Some governments agree, seeking to support the practice to advance human development. For instance, Nigeria has pursued a new initiative entitled 'Microwork for Jobs Creation', namely to help workers make money and build skills. In the words of an official in Nigeria's Ministry of Communication Technology, the vision is for it "to really be … leveraging ICT to engage, create, and develop our people. To create wealth for them and develop them". However, there is so far little evidence on whether embracing online gig work as a national strategy can lead to long term positive economic impact on workers.

With this in mind, the broader purpose of our on-going research has been to examine the relationship between online gig work, Internet-based platforms, and worker livelihood. Our objective has been to examine how online service work takes shape in Africa and Asia, assessing the positive and negative experiences of workers and highlighting the ways in which their stories differ from public narratives.[27]

This report summarises selected results from a number of studies conducted as part of a three-year International Development Research Centre grant-funded research project. The three main data sources that the studies drew on are interviews, online survey responses, and transaction data.

We interviewed 125 workers and 27 other stakeholders, such as policy makers and platform managers. Worker interviews were conducted face-to-face in the cities where the workers lived and comprised 45 participants from Southeast Asia and 80 from Sub-Saharan Africa.

Online survey responses were obtained from a stratified sample of 456 workers in Southeast Asia and Sub-Saharan Africa. The responses are not necessarily representative of all workers' experiences in these regions, in part because it is difficult to define exactly who counts as an online worker, from someone who has merely registered on a platform to someone who works regularly through the platform and earns a substantial income. A further limitation is that only workers with publicly searchable profiles on online platforms could be invited to interviews and to respond to the survey. Workers who had made their profiles invisible, for example due to currently having a full order book, were not included in the sample.

Transaction data was generously provided for this research by a major online platform in an anonymized form. All the data sources are described in more detail in the Methodological Appendix.

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26 To be clear, the World Bank report specifically addresses online outsourcing as the opportunity referenced. For all intents and purposes though, this report sees the two terms as similar given the relationship between the phenomena.

27 British Council. (2016). Youth Action: Digital Jobs Africa. Retrieved from http://www.britishcouncil.org.gh/youth-action-digital-jobs-africa

Findings

Rewards of online gig work

Higher incomes for some

According to our survey, online gig work platforms serve as an important source of income. Results of our survey show that 68% of the respondents said that online gig work is important or very important to their household income, noting it as one of their main sources of income. Some successful workers said that as the result of online work they could afford to save some income and pay for private health insurance. As Angel from the Philippines described:

> "For me, it's a high paying job, because now, I was able to afford an apartment, pay my own bills, my own internet connection, my own cable, paying for our own food, for my kids' milk. That's all on my own."

In contrast to well-paying online work opportunities experienced by workers like Angel, the local labour markets often offered only low-paying jobs or no jobs at all.

Autonomy and task diversity

Online gig work can be very interesting and stimulating. Our survey results show 53% of workers responding that they strongly agreed their job involved solving complex tasks, compared to just 13% who disagreed or strongly disagreed. Moreover, our interview informants from low- and middle-income countries explained how clients gave them the necessary space to complete work independently. This type of autonomy is typically not afforded in other work contexts, such as business process outsourcing centres focused on customer support. For example, Victor, a worker from Nigeria, explained: "You have the freedom of choice. Who you want to work with, when you want to work, and how you want to work".

Risks of online gig work

Oversupply

Growing awareness of online gig work, increasing global connectivity, and the lack of good jobs on local labour markets is causing many new workers to join online gig platforms. This growing supply of workers is not necessarily matched by equal increases in the demand for their work, resulting in underemployment and downward pressures on pay. This is especially the case for workers with few specialized skills. Table 1 shows that on one major platform there are many times more workers yet to find any work than those who have found work, though the numbers exclude successful workers who have made their profiles invisible to public searches.

Table 1. Labour oversupply on one major platform.[1]

Country	Potential workforce[2]	Successful workers[3]	Over-supply[4]
Global	1,775,500	198,900	1,576,600
Philippines	221,100	32,800	188,300
Malaysia	11,900	500	11,400
Vietnam	7,700	1000	6,700
Kenya	21,700	1,500	20,200
Nigeria	7000	200	6800
South Africa	10,200	800	9400

[1]Shown are the countries studied for this report. Data from 7 April 2016, not seasonally adjusted.
[2]Total searchable worker profiles on 7 April 2016.
[3]Searchable worker profiles with at least one hour billed or $1 earned.
[4]Potential workforce minus successful workers.

Employment insecurity

'All users have the freedom to end a contract at any time… Ending a contract without warning can be interpreted as firing' (Platform advice to clients on managing 'on-demand' labour).

Employment insecurity is associated with lower physical and mental well-being.[28] Many online gig workers experience job insecurity. Nearly half of the workers surveyed (43%) felt easily replaceable. As Amanda, a South African worker explained:

> "There's a lot of people out there, if they're not satisfied with you, they are going to try somebody else … So they can replace you. This is one of those jobs that you can be replaced."

Platforms do little to mitigate this insecurity, with some of the largest platforms boasting that workers are on-demand and can be fired at any time. In some cases workers could quickly find another project, providing income security if not job security, but this was not the case for all workers.

Discrimination

Many stakeholders suggest that qualified people in Nairobi will have the same access to clients as their peers in New York City thanks to online gig work platforms.[29] In principle, platforms welcome any qualified worker regardless of gender, origin or other attributes. However, in practice workers at the global margins often feel that they are being discriminated against because of their countries of origin – sometimes subtly, sometimes blatantly (see side box).

As Joyce from the Philippines explained:

> "I would get a bounced email saying that only workers in the United States are allowed. Yes, so if you put your address there, they would not hire you because you're from the Philippines. That's how racist some companies are."

Quantitative analyses of transaction data offered partial support for these qualitative experiences. We found evidence of so-called "statistical discrimination", where clients on average assume that workers

28 Cheng, G. H. L., & Chan, D. K. S. (2008). Who suffers more from job insecurity? A meta-analytic review. Applied Psychology, 57(2), 272-303.
29 World Bank. (2015). The Global Opportunity in Online Outsourcing. Retrieved from the World Bank Group website: http://documents.worldbank.org/curated/en/138371468000900555/The-global-opportunity-in-online-outsourcing

Moses is a 26-year-old translator from the Nairobi slums who uses a digital gig work platform. He often changes the geographical location listed on his profile, explaining how the platform makes it hard given he's a Kenyan. He says that identifying clients in gig-based work forces you to constantly realign your profile to fit the job description. As a result, many of Moses's clients believe that he is based in Australia, just as they are unaware that he is a college dropout rather than a successful translator. The pronounced discriminatory practices Moses is met with means that he is constantly creating a persona in order to be able to win tasks. Moses and others like him say bowing down to discriminatory practices on digital gig work platforms is a commonplace necessity: "You have to create a certain identity that is not you. If you want to survive online you have to do that."

from low- and middle-income countries provide less valuable work than workers from high-income countries, unless the worker has evidence such as testimonials from previous clients that attest to the high quality of their work. This causes workers from low- and middle-income countries who are just starting out and lack extensive work histories to earn disproportionately little. However, our quantitative analyses did not uncover evidence of so-called "taste-based discrimination", that is, clients who would devalue workers from low- and middle-income countries regardless of their skill and track record. We cannot rule out that it happens at some scale, but it doesn't seem to be a prominent feature in the market. It is also worth noting that since the data was collected, the platform in question has instituted a minimum wage policy, which may reduce geographic disparities in pay.

Social isolation

Several reports highlight the benefit of being able to work from home in online gig work.[30] However, many successful workers have little option but to work from home, which can lead to social isolation. Our research shows that some workers feel detached from others with limited opportunities to interact with people outside their family. In fact, 74% of survey respondents say they rarely or never communicate face-to-face with other people who use platforms. As Sarah, a South African worker, put it:

> "It can get very lonely and it can get very isolating… When you work at a company you can just have coffee with someone. That element is missing."

This problem is compounded by the fact that because most clients are in different time zones (usually in North America and Western Europe), many workers find themselves working unsocial hours like evenings, nights, and weekends. Isolation from other workers is also a barrier to the potential for workers to communicate and therefore construct collective identities, a shared sense of interests and

solidarity. This, in turn, reduces the ability of workers to collectively voice shared concerns regarding issues such as low wages. 94% of workers said they are not involved in any sort of labour union or worker association.

Overwork

Given how many people work from home, it is not surprising that online gig work can both help and harm work–life balance. Overwork is not uncommon: both in terms of long hours and working at a high intensity. 55% of survey respondents said they worked at a very high speed compared to just 13% who did not. Only 15% of respondents did not work to tight deadlines and 22% experienced pain as a result of their work. Interviews with workers indicate that this intensity is driven by low pay rates, employment insecurity and the bidding for jobs.

The primary way that workers can increase their earnings is through working more hours. Justine, from the Philippines, explained how

> "[y]ou tend to overwork. You have a hard time separating your personal life from work. Basically even if it's your rest day, your phone and computer would be there. It's about work. You can't help it but go check on it."

Others said they would frequently work over 70 or 80 hours a week for $3.5 per hour, and sometimes throughout the night when tight deadlines arose. Sharon, a Kenyan, said that she puts in

> "like 40 [hours a week] or even more depending on the magnitude of work… That's just at night… I work [locally] during the day, so when I go back home I put in five to six hours… then over the weekend… In total it will be like 70".

Opacity and taxation

Survey responses suggest that workers rarely understand their clients, with 10% admitting they do not even know the name of the person who hired them. Moreover, 70% indicated that they would like to know more about the person they are working for. This lack of connection is important, as it alludes to a loss of a shared understanding. This informality and the uncertainty over legal responsibilities it en-

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30 World Bank. (2015). The Global Opportunity in Online Outsourcing. Retrieved from the World Bank Group website: http://documents.worldbank.org/curated/en/138371468000900555/The-global-opportunity-in-online-outsourcing

tails is also reflected in the fact that 32% of workers surveyed reported that they were not sure if income tax was paid on their earnings, while 34% shared that they simply did not pay. This was corroborated by our interview data.

Intermediation

Even though online gig work platforms can cut out intermediaries,[31] the opposite can also be true. Because of the heavy role that reputational feedback scores play in online gig work platforms, work can flow to intermediaries/middlemen who already have a high score. These intermediaries then re-outsource that work, keeping a part of the client's fee for themselves. The existence of a large pool of potential workers online (see Table 1) helps this practice to continue and allows intermediaries to pay low rates.

From the client's perspective, intermediaries can add value to the process by e.g. breaking larger projects into more manageable tasks, providing project management and taking responsibility for timely delivery to the client. Experienced intermediaries may also be better at picking workers than inexperienced clients. But from the workers' perspective, intermediaries can complicate the flow of information from clients to workers, potentially hindering skill development. Read the side box (right) to learn how Maya, a 26-year-old Malaysian woman studying for her Master's degree, experiences intermediaries in her online gig work.

31 For example, in conversations with the team working on Nigeria's Naija-cloud project, many expressed the idea that it would allow Nigerian workers to cut out the middlemen and utilize the platform to recoup cost when companies didn't properly pay for work.

Maya's digital gig work activities are very much driven by her passion for writing. Maya applies for writing-related jobs on all five digital gig work platforms she is signed up with. She has written more than 74 articles, and has had more than 15 different clients on the largest digital gig work platforms. Initially, it was difficult for Maya to find suitable writing jobs. She eventually learned about Search Engine Optimization (SEO) tasks, which seemed like a good starting point. SEO jobs tend to produce text that is read by computers rather than humans. Even though Maya's work consists of writing for machines rather than humans, the jobs are still writing tasks at the end of the day. Some of her clients are actually other contractors who have developed strong reputations, characterised by high positive feedback scores, making them able to attract a much larger number of tasks at much higher rates than Maya herself is able to. Maya knows this because she often finds that jobs she has unsuccessfully applied for are reintroduced to the market by another digital gig worker. For example, she once applied for a SEO writing task, suggesting a price of $25 rather than the listed suggestion of $50. But the job went to another contractor (who had a higher positive feedback rating) who requested a price of $75. This contractor then offered the job to Maya for just $7.50, an amount below her minimum wage. She nonetheless accepts tasks from these new intermediaries, but not without thinking that this is an inherently unfair setup. Because she lacks any direct contact with her clients, it is also difficult for her to understand the needs of clients: making the writing process more challenging.

Questions to Consider

While there are significant rewards to online gig work, it is important to point out that there are also significant risks. Discrimination, low pay rates, overwork, and insecurity all need to be tackled head-on.

It might seem as if this work happens 'online', and thus is unable to be governed by outdated national laws. But imagining online work in this way leaves us with a situation in which there are few macro-level solutions to improving working conditions. It is therefore important to remember that gig work always happens somewhere. Online work always has a geography. All platforms, clients, and workers are anchored in specific places; and it is in those places that we envision a range of responses and solutions. We invite stakeholders to consider the following questions.

Questions for platforms

Is it necessary to list nationality on profile pages?

Forms of discrimination, based on nationality, exist on gig work platforms. A possible way to decrease their incidence could be to eliminate the prominent display of nationality on worker profile pages, at least for the vast majority of online gig work where the location of the worker per se should have no bearing on their ability to do the work. Having said that, platforms should still establish a firm place of work in order to ensure that relevant local regulations are adhered to. Nonetheless removing explicit mentions of nationalities could diminish opportunities for platforms to be used in discriminatory ways.

Will online gig workers receive formal employment contracts in the future?

There is a gap in terms of contractual rights for workers on online gig work platforms. Normally, people defined as "self-employed contractors" are understood as being equal parties to those with whom they are entering into contracts. Conversely, people defined as "employees" are generally regarded as being the more vulnerable party in the relationship and in need of special protections. It thus follows that, if workers are falsely classified as contractors, this can leave them in a precarious position. One way to rectify this would be for platforms to create a range of contract types which cater for different categories of workers. These could include: self-employed contractor (for workers who can be considered equal parties to clients due to having multiple clients and an ability to attract new clients), self-employed worker (for workers who are in a vulnerable position due to dependence on a small number of clients and therefore in need of greater protections — such as minimum wages), and employed worker (a worker who is both dependent on and highly integrated within a client's operation and who therefore should be guaranteed certain rights — such as notice of the end of the employment, and sick and holiday leave). These contract options would help clients to correctly classify their workers according to their relevant local labour laws. In many countries, this classification is based on the reality of the relationship, such as the degree of dependence, integration, discretion, or right to subcontract. The correct use of contracts could be enforced through algorithms which check that clients are following their local labour laws. For example, if a worker is being engaged continuously by a UK-based client on a full-time basis, this would indicate that they are likely to be dependent upon that client, integrated into the client's operations, and that there is a mutual expectation that they will be given work and that they in turn will accept that work, and therefore, according to UK law should have an employment contract. Some platforms have already made moves in this direction.

What formal channels could exist for workers to voice their issues?

Strengthening workers' voice would not only benefit workers but perhaps also help platform engineers design and implement platform features based upon detailed worker feedback and suggestions. This in turn could benefit productivity. It is possible to create novel forms of incorporating worker voice into platform governance and decision-making processes. For instance, a voting system could allow workers to have a say in which features are implemented and discuss how changes to terms of services will impact daily work. Furthermore, the creation of platform-based independent worker networks could help promote worker solidarity and voice (in the simplest terms, this could be a feature akin to Facebook groups or sub-Reddits). Ultimately, workers will have more bargaining power and develop skills faster if

they can find ways to cooperate instead of purely competing against one another.

Questions for policymakers

Where should governments regulate online gig work in the future?

Demand for online work is mostly generated from a handful of high-income countries.[32] One effective way to improve labour conditions for workers in low income countries might be to regulate platforms through licensing in the client countries of origin: that is, at the site of "gig work" purchase. We can ask if there is any reason that an employer based in the United States who hires a worker based in Kenya should be able to avoid adhering to local labour laws in both countries. If not, we could think of the few countries (such as the United States) from which the lion's share of work is sourced as places in which enforcement of minimum standards should happen.

Will governments need to limit online gig work monopolies?

Online gig work platforms tend to benefit from positive network effects. This is a phenomenon whereby each additional user increases the value of the platform for all users. For example, a social media or auction platform is of more value to its users the more users there are.[33] The network effect can make it difficult for new platforms to compete with established ones, and thus creates a monopoly opportunity. If a monopoly were to emerge in the online gig work economy, then rent-seeking behaviour[34] could become a problem for workers everywhere.

It would therefore benefit workers to be able to move freely from one platform to another. One way to help this could be to ensure that platforms give users complete ownership of their data. At present, people can become locked into particular platforms as their platform reputation will not carry over to a different host company.

Carefully creating and maintaining a reputation means that leaving any platform is extremely challenging, as doing so forces users to rebuild their reputational capital. One potential approach to address this is for platforms to provide a means for users to download their data in a standardised, portable format that could then be uploaded to other platforms. This would involve various practical difficulties such as the contextual nature of much data and data integrity, although innovations such as blockchain verification for independent ratings and industry-wide standards are strategies which could aid governments in creating schemes. Adopting and enforcing such standards and systems might stop monopolistic behaviour in its tracks.

How will governments support alternative forms of platform organisation?

In the United Kingdom, the Labour Party's leader during his leadership campaign promoted a strategy of cooperative ownership of online platforms for distributing labour and services.[35] There is also an ongoing vigorous discussion amongst the academic community and wider civil society about the benefits of worker-owned cooperatives.[36] Advantages of platform cooperatives include that their democratic structures institutionalise worker voice, meaning that their interests feed directly into the design and operation of platforms. Additionally, profits are not diverted out of business through payments to own-ers or shareholders. Profits could instead be used to fund schemes that benefit workers. For example, platform based health insurance and hardship funds could be created and accessed on a pro-rata basis

32 Graham M., Lehdonvirta V. and Hjorth I. (2017) Digital Labour and Development: Impacts of Global Digital Labour Markets on Worker Livelihoods. Accepted for publication in Transfer: European Review of Labour and Research.

33 Haucap J. and Heimeshoff U. (2014). Google, Facebook, Amazon, eBay: Is the Internet driving competition or market monopolization? Int Econ Econ Policy 11: 49–61.

34 By rent seeking we refer to the phenomenon whereby a company ups their rates knowing that people have no viable alternative.

35 Jeremy for Labour. (2016, November 18). Digital democracy manifesto. Retrieved from http://www.jeremyforlabour.com/digital_democracy_manifesto

36 Scholtz, T., and Schneider, N. (2016). Ours to Hack and to Own: The Rise of Platform Cooperativism, A New Vision for the Future of Work and a Fairer Internet. OR Books: London.

determined according to each worker's contribution to the platform's revenue in the previous six months. As suggested above, a major difficulty would be breaking through the network effects which benefit first-mover platforms. In fact, doing so would require large marketing budgets to attract clients and workers onto these new platforms. Since research has shown that raising sufficient capital is central to the success of cooperatives, state finance would likely be critical.[37]

Questions for workers

What online forms of voice could emerge?

If formal channels for worker voice are not available, then workers may need to develop their own means for bringing their demands to bear upon any exploitative platforms or clients. For example, in a similar manner to how conventional physical picket lines have disrupted "business as usual", could we envision online strikes and online picket lines having a similar effect? Activists might want to think about the ways by which to responsibly and effectively engage consumer-facing production networks, especially those with clients based in high income countries. In practice, this might entail tactical media approaches (such as 'Google-bombing' or 'black hat SEO') to counter corporate controlled narratives and a concerted effort amongst a multi-stakeholder group.

In what ways can existing groups be leveraged to promote solidarity?

Online workers come from a variety of backgrounds and have varied, sometimes diverging interests: this means that they currently are more likely to compete rather than collaborate with one another. Unions historically have been effective at organising workers by threatening to withdraw labour power.[38] Collective bargaining can be very powerful, much more so than individualised bargaining.

Many workers are already part of online networks (such as discussion forums and worker social networks), and many see the value in attempting to raise pay rates collectively. However, the vast majority of online workers are not in unions, and interviews revealed that significant scepticism

towards traditional unions exists amongst freelancers. Therefore, looser worker networks (such as groups like the 'Freelancers Union') could be effective channels for enhancing worker voice. Such networks could overcome negative dispositions towards unions and strengthen worker solidarity while providing coordination and direction to the disparate online worker groups which already exist.

To what extent will companies be held accountable for poor working conditions?

Consumers hold companies like Apple, Nike, or Primark accountable for poor working conditions in sweatshops. There are thus no reasons why consumers and workers shouldn't also hold online gig work platforms responsible, if not legally liable, for any mistreatment of workers by clients. Public accountability might manifest itself in the form of worker-led protests or consumer awareness campaigns to ensure that lead firms in online gig work production networks take responsibility for their chains of production. What level of support will activists give to workers who participate in these types of protests?

Questions for all stakeholders interested in online gig work equity

Do platforms need a Fairwork certification program?

There are organisations, such as the Fairtrade Foundation, that inspect sites of production for physical produce such as chocolate, coffee, or tea. Activists could re-envision this model for online gig work in order to create and maintain a "Fairwork Foundation" that enforces platforms to adhere to certain types of workers, pay living wages, and enforce decent working conditions. At the moment, clients and platforms that ignore local labour laws and provide the worst wages and working conditions have an advantage in the market. A Fairwork Foundation would change this. Many platforms and organisations already provide workers with conditions well above what market minimums would require them to do, and would benefit from such a seal of approval. This certification could also help people choose platforms, apps, and websites that genuinely offer fair working conditions to workers. Some of the authors of this report have prepared a more detailed outline of a plan for a Fairwork Foundation (https://www.oii.ox.ac.uk/publications/fairwork.pdf).

37 Malleson T (2015): After Occupy: Economic Democracy in the 21st Century. Oxford: Oxford University Press.
38 Silver B (2003) Forces of Labor: Workers Movements and Globalization since 1870. Cambridge: Cambridge University Press.

Methodological Appendix

Interviews

Semi-structured interviews were conducted with workers (n=125) and stakeholders (n=27) from government, non-governmental organisations and online labour platforms between 2014 and 2016. The worker interviews consist of 45 workers in Southeast Asia (16 in the Philippines, 8 in Malaysia and 21 in Vietnam), and 80 in Sub-Saharan Africa (38 in Kenya, 23 in Nigeria and 19 in South Africa). Worker participants were recruited through listings on four of the largest online labour platforms, though the interviewees also used a variety of other platforms. Workers were shortlisted based on a range of predefined sampling criteria, including types of work performed, feedback profiles, platform membership duration, hourly rates, gender and location. The main sampling goal was to ensure varied representations of experiences in the countries of interest. Workers were compensated for their time. This qualitative data was coded using NVivo following a theory elaboration approach.
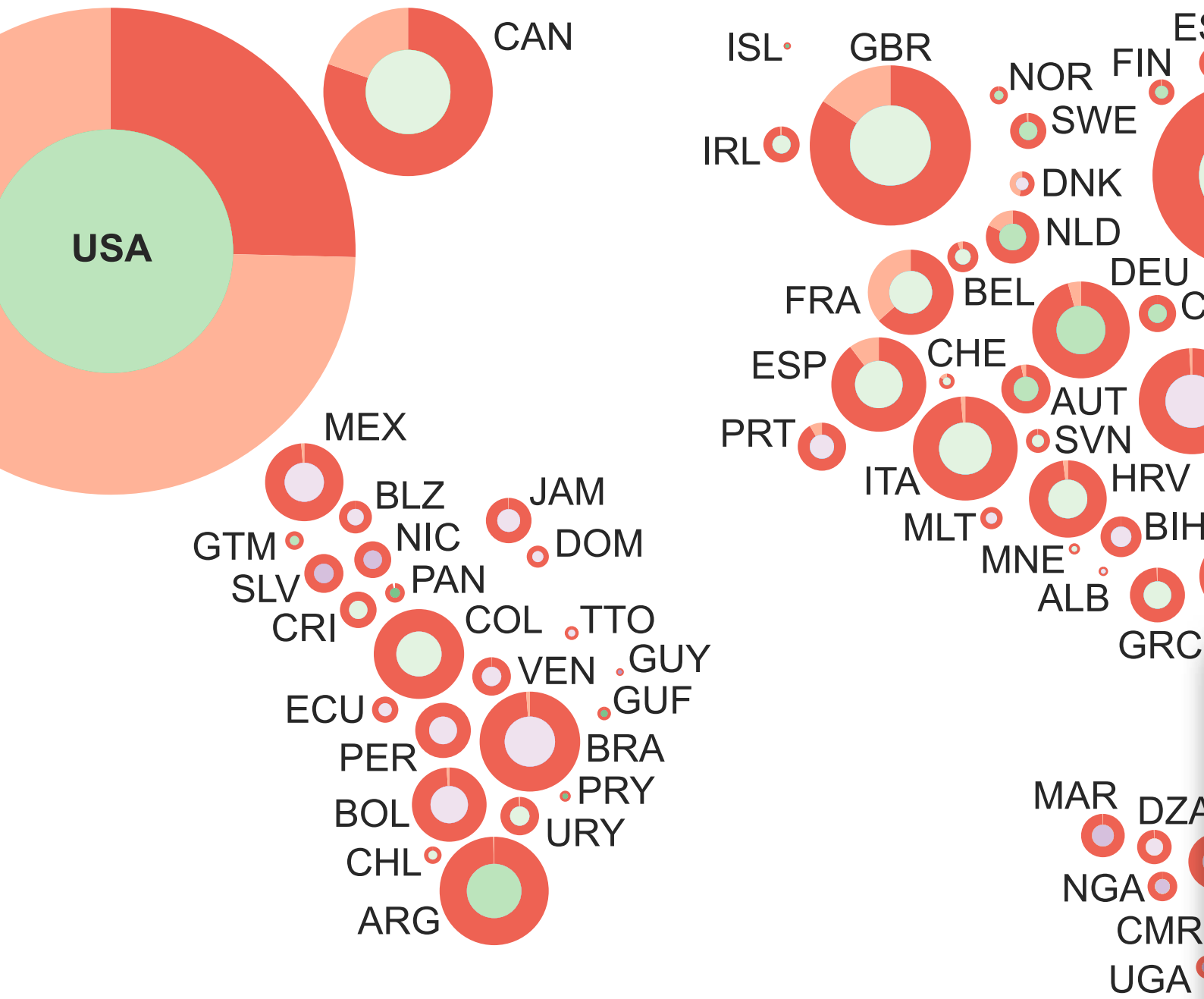
Online survey

We also present results from a stratified-sample survey of 456 workers in Southeast Asia and Sub-Saharan Africa, conducted in 2016. The respondents were recruited by posting an online survey as a job task on two of the largest online labour platforms. Workers from Southeast Asia (excluding Singapore and Brunei) and Sub-Saharan Africa who had been active in the last two months and had completed at least five hours of paid work or had five or more feedback ratings were invited to complete the job task in return for $3. Workers were also filtered to avoid repeat respondents and to achieve a stratified sample of nationalities, genders and skills. The survey was timed to take approximately 30 minutes. Response rates to the job task invites were 30% and 7% on the two platforms respectively. These are low response rates by conventional social survey standards, but an improvement upon much Internet survey research, which relies on respondents self-selecting, so that a response rate cannot be measured.

Transaction data

A major online labour platform generously supplied anonymised data to be analysed. The dataset included 362,220 projects carried out on the platform between March 1st and August 31st, 2013. Some of the features of the platform have changed since the data was selected.

Limitations

Only workers with publicly searchable profiles on online platforms could be invited to interviews and to respond to the survey. Workers who had made their profiles invisible, for example due to currently having a full order book, were not included in the sample. The samples might thus be biased towards less successful workers.

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GUY

ECU VEN

GUF

PER BRA

BOL PRY

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This cartogram depicts countries as circles sized according to dollar inflow during March 2013 on a major online labour platform. The shading of the inner circle indicates the median hourly rate published by digital workers in that country: median wages are, perhaps unsurprisingly, low in developing countries. Why do digital workers in the Global South have less bargaining power than their counterparts in the North? We are grateful to Stefano De Sabbata, Claudio Calvino, and Sanna Ojanperä for help with the graphic. See discussion and image scales: https://www.oii.ox.ac.uk/uneven-geographies-of-digital-wages/

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