Hauptverband der österreichischen Sozialversicherungsträger

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ÖSTERREICHISCHES INSTITUT FÜR WIRTSCHAFTSFORSCHUNG
AUSTRIAN INSTITUTE OF ECONOMIC RESEARCH

11. Sozialstaatsenquete

Plattformbasierte Arbeit in Österreich und Europa: Funktionieren alte Spielregeln für die digitalisierte Arbeitswelt?

20. Oktober 2017

The tip of the Iceberg – dimensions and conditions of crowd work in Europe

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Crowd work in Europe

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Converging of several existing trends

- Use of online platforms for managing work
- Spread of 'just in time' working (including zero hours contracts)
- Standardisation and simplification of tasks ('taskification' of work processes)
- Digitisation of tasks
- Use of data derived from online activities (including customer ratings) for setting targets and performance monitoring
- Expectation that workers will be available to check messages 24/7
- Multilocational working
- Migration of traditional freelance agencies online
- Migration of telephone directories online (from yellow pages to google)
- Evolution of global outsourcing of digital work – elaboration of value chains; growing role of intermediaries; centralisation of control combined with decentralisation of responsibility

Some trends in the sharing economy

- Rapid expansion of major corporate players (e.g Amazon, Airbnb, Uber, Elance) helped by:
  - Effective systems for international money transfer
  - Sophisticated use of big data – targeted advertising
  - General network advantages (size and international spread make it more likely that consumers can find what they want where they want it)
  - Capital investment in depreciating assets externalised
- Concentration of ownership and entry of large global corporations into the market
- Business models do not remain static, especially when platforms achieve market dominance. Initial models may become less profitable over time because of:
  - Emergence of competitors
  - Policymakers' attempts to regulate (especially at city level)
  - Workers' resistance
- As control patterns are established and formalised it seems likely that regulation will develop further and the relationship transformed into one that is closer to the model of a traditional service company (transition away from the rent model)
- Meanwhile, the practices of platform companies are increasingly integrated into normal management procedures across other sectors.

The policy context

High policy interest in the gig economy at the European level:

- Digital single market – seen as essential for economic development and growth
- An example of social innovation?
- Potential for job creation?
- Restructuring in the aftermath of financial crisis
- Concerns from trade unions, consumer groups and government bodies about (inter alia):
    - Occupational health and safety – including psycho-social risks
    - Consumer safety
    - Employment status and workers' rights
    - Insurance
    - Tax and insurance
    - Implications for social benefit systems
    - Sustainability of new work models
- Need for systematic research

The Digital Footprint Project

- Carried out in collaboration with FEPS, UNI-Europa and national partners – AK in Austria
- Builds on a large body of past research
- COST Action - >31 country research network *dynamicsofvirtualwork.com*
- 2015 literature review on 'crowd work' (for EU-OSHA; updated and enlarged for this project)
- A lot of anecdotal evidence, industry forecasts, hype & a few studies based on specific platforms
- Lack of clear definitions or quantitative evidence
- Need for some base line data on extent and characteristics of 'crowd work'
- Survey – originally seen not so much as an end in itself but:
  - To test an approach which can then be included in larger surveys
  - To make it possible to select a representative sample of crowd workers for in-depth follow-up qualitative research
  - To draw to the attention of policy makers that the issues to be addressed
- Ongoing plans for further research

# Towards a working definition of 'crowd work'

- Defined as paid work managed via online platforms (in recognition that dimensions may be blurred) e.g.
  - Fuzzy distinction between paid and unpaid work where work is done speculatively or wage theft occurs
  - Where is the dividing line between in-house platforms used to manage workers on zero hour contracts (eg Starbucks) and external platforms?

- A functional typology

  1. Online work with online management
     a. High-skill work carried out online - independently of location – managed via platforms like Upwork, typically by creative professionals such as graphic designers, editors, software engineers etc.
     b. Low-skill work carried out online - independently of location – managed via platforms like Clickworker or Amazon Mechanical Turk, typically by people without formal qualifications in the tasks they are required to do (though some high-skill workers/tasks may be involved)

  2. Offline work with online management
     a. Driving or delivery work carried out in public spaces – managed via platforms like Uber, Lyft, Deliveroo etc.
     b. Service work carried out in people's homes or other premises – managed via platforms like Taskrabbit, MeetACarpenter etc.

# A survey to measure extent and characteristics of crowd work

- Piloted in UK, then carried out in Sweden, Germany, Netherlands, Austria, Italy & Switzerland
- Questionnaire developed at University of Hertfordshire
- Online survey, carried out by Ipsos MORI
- Funded by FEPS (European Foundation for Progressive Studies) and UNI (International Trade Union Confederation) plus national partners
- Sample stratified by age, gender, region, work status and income grade
- > 2,000 respondents per country – working age adults
- Results weighted to reflect total population
- Additional offline surveys (n=1,000) to calibrate results in UK (face-to-face CAPI) and Switzerland (telephone – CATI)
- Complemented by in-depth qualitative interviews (ongoing)

Some survey results –
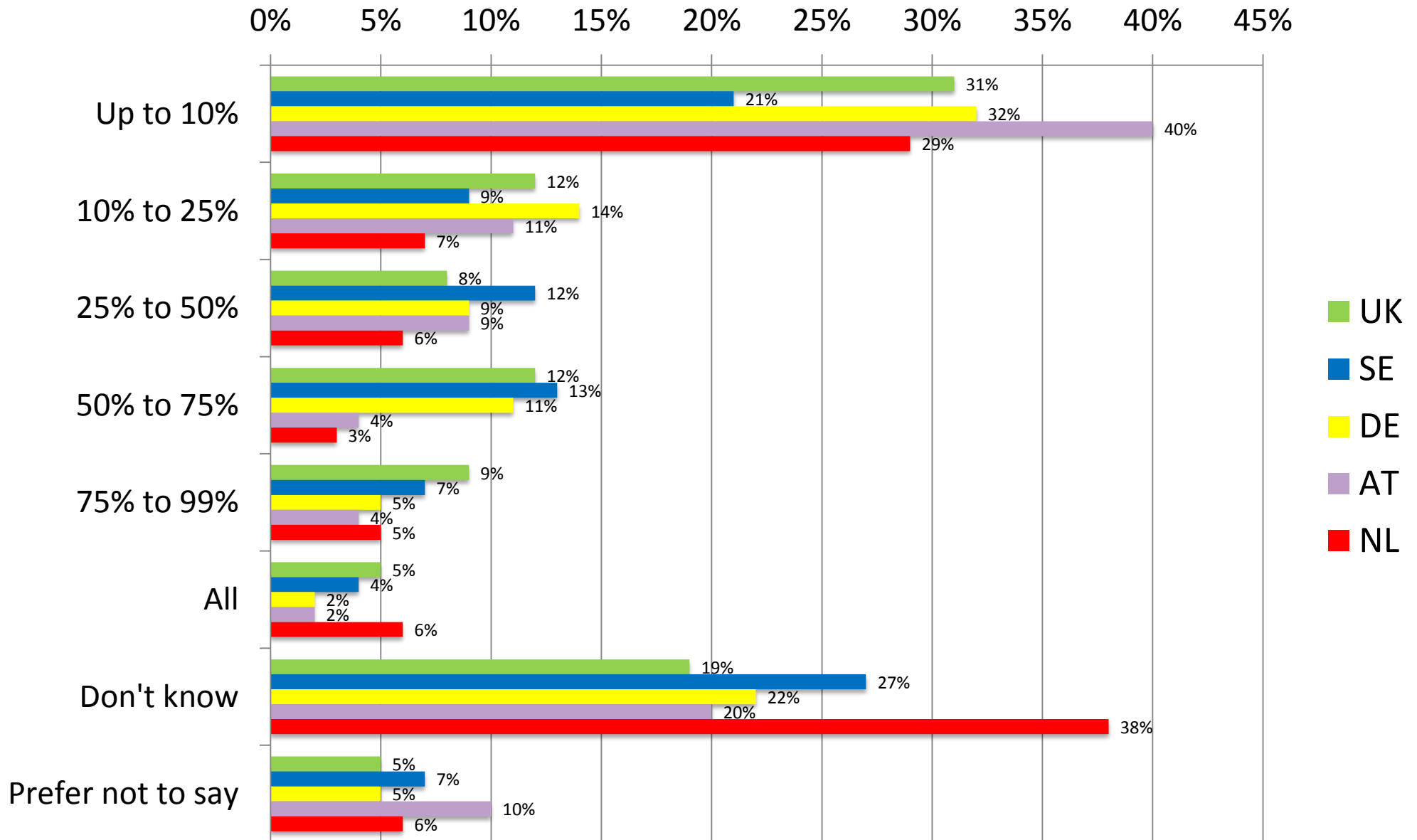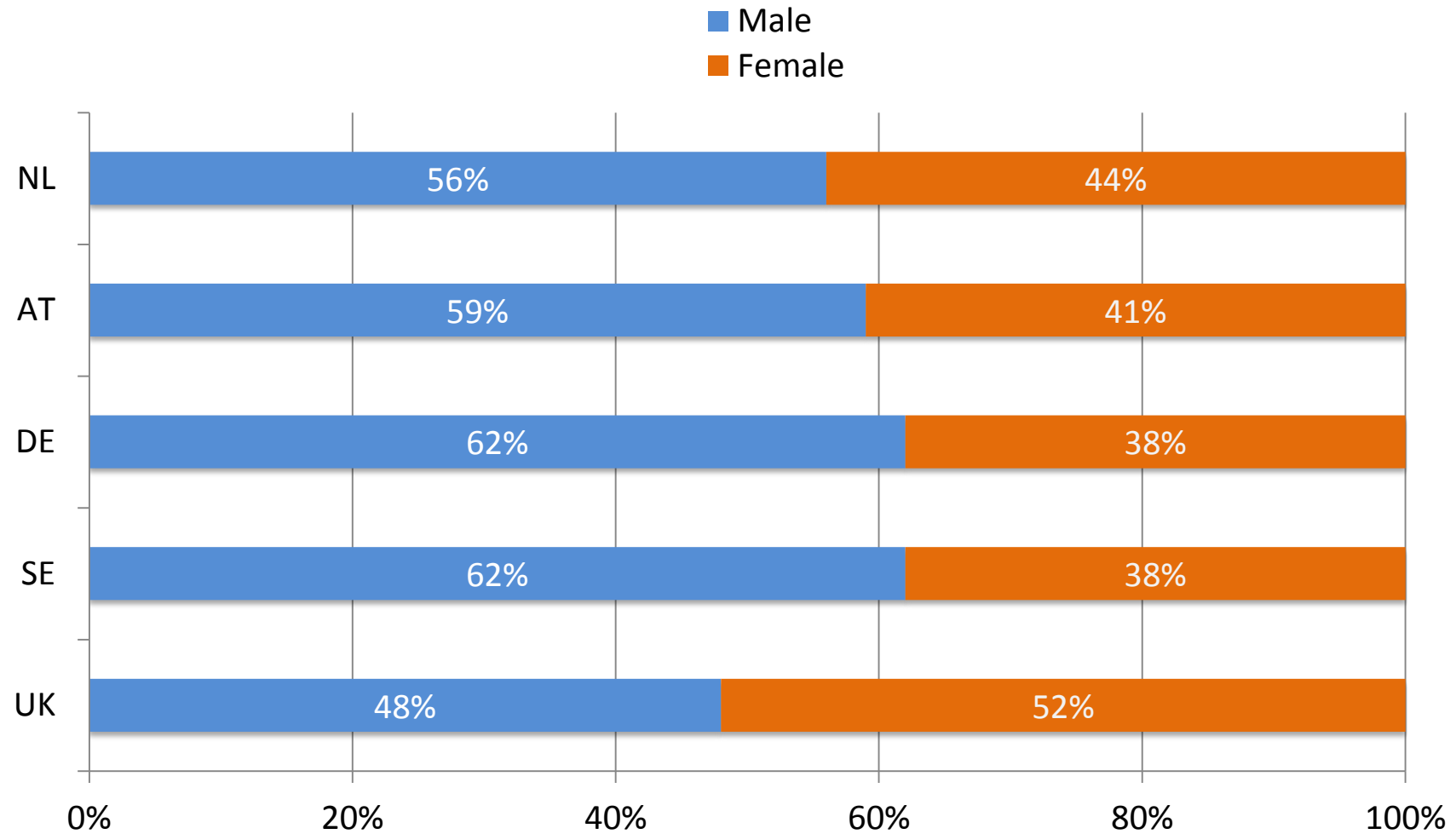## Participation in the online economy as a source of income
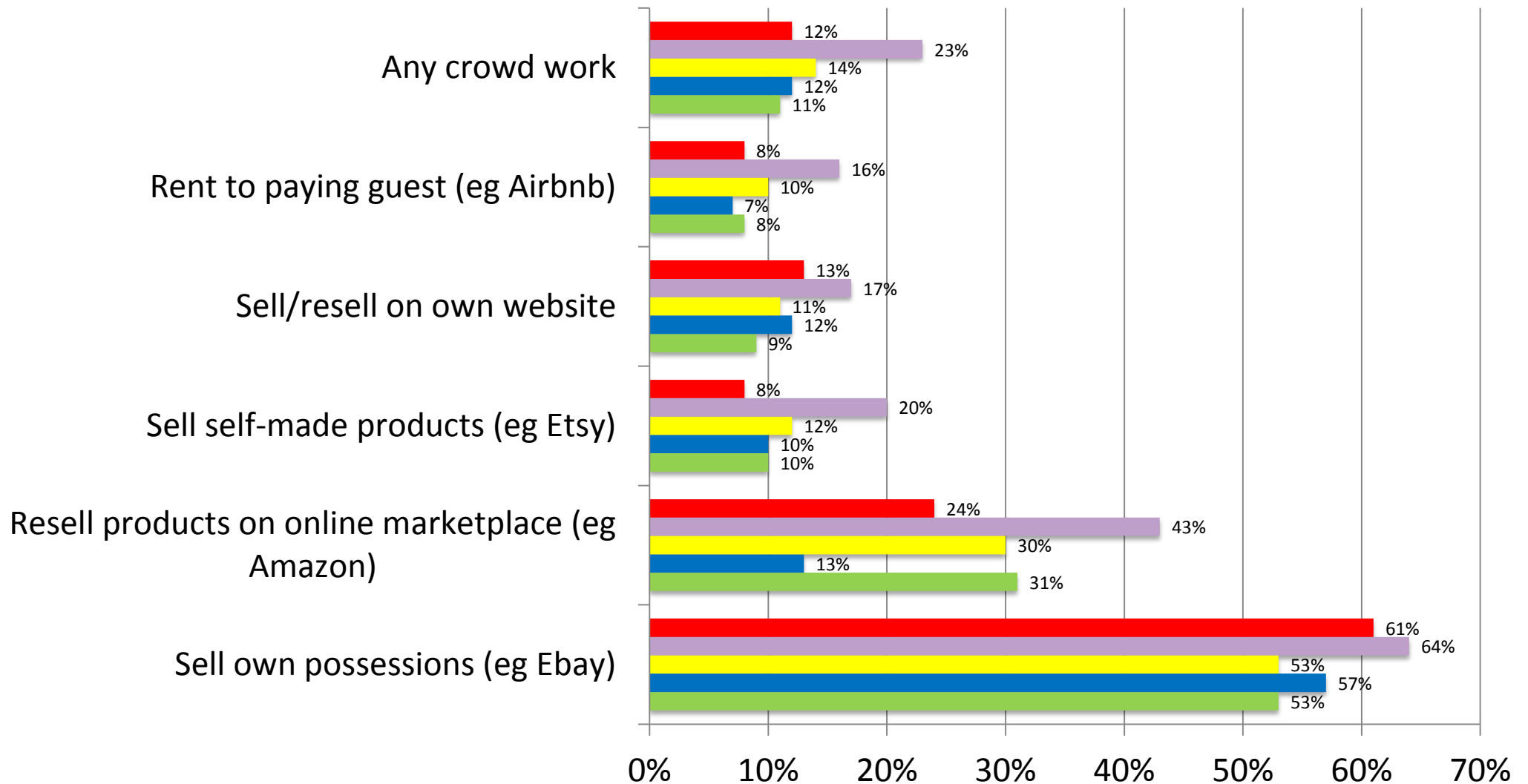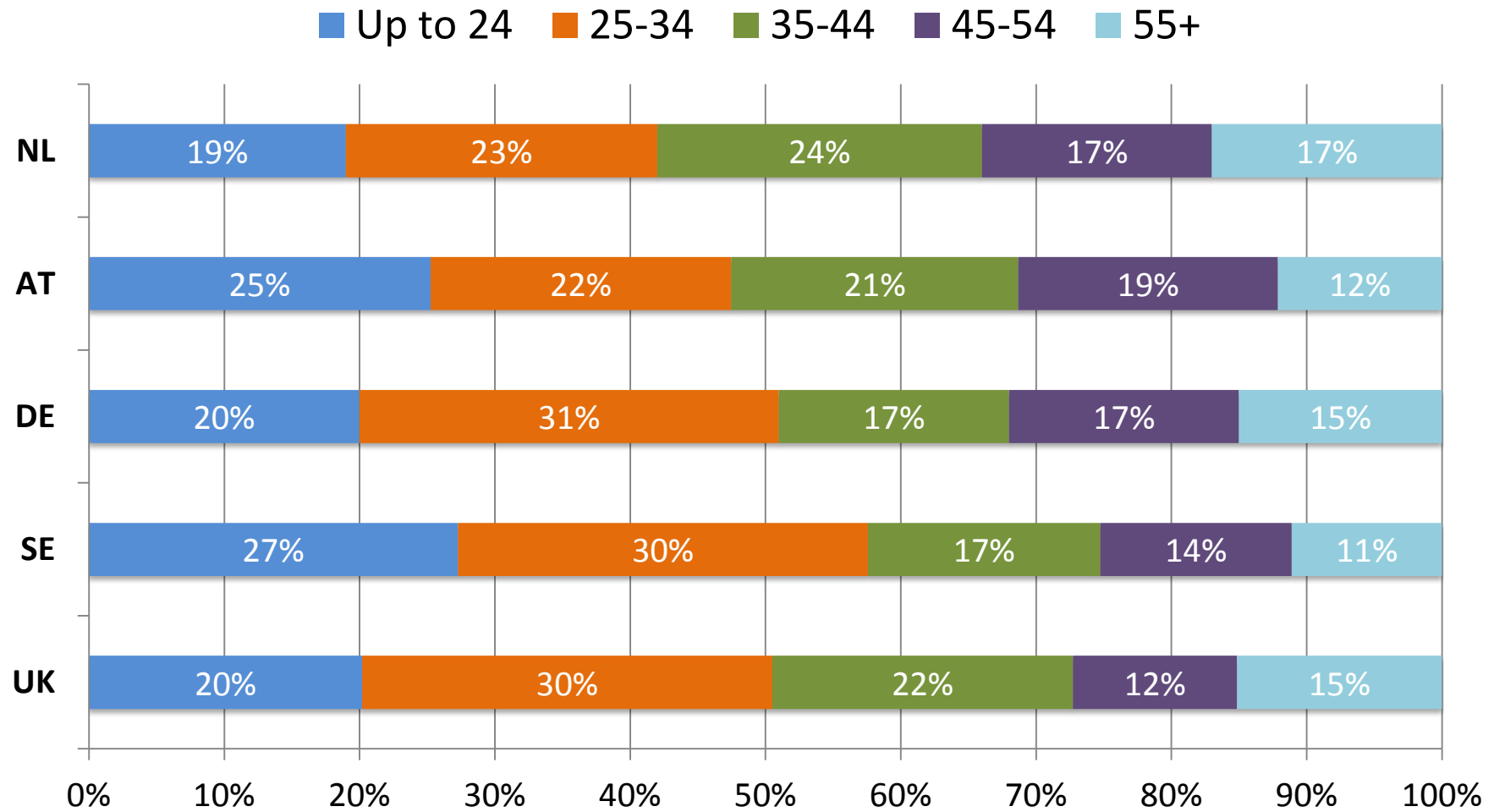
People earning a living from crowd work
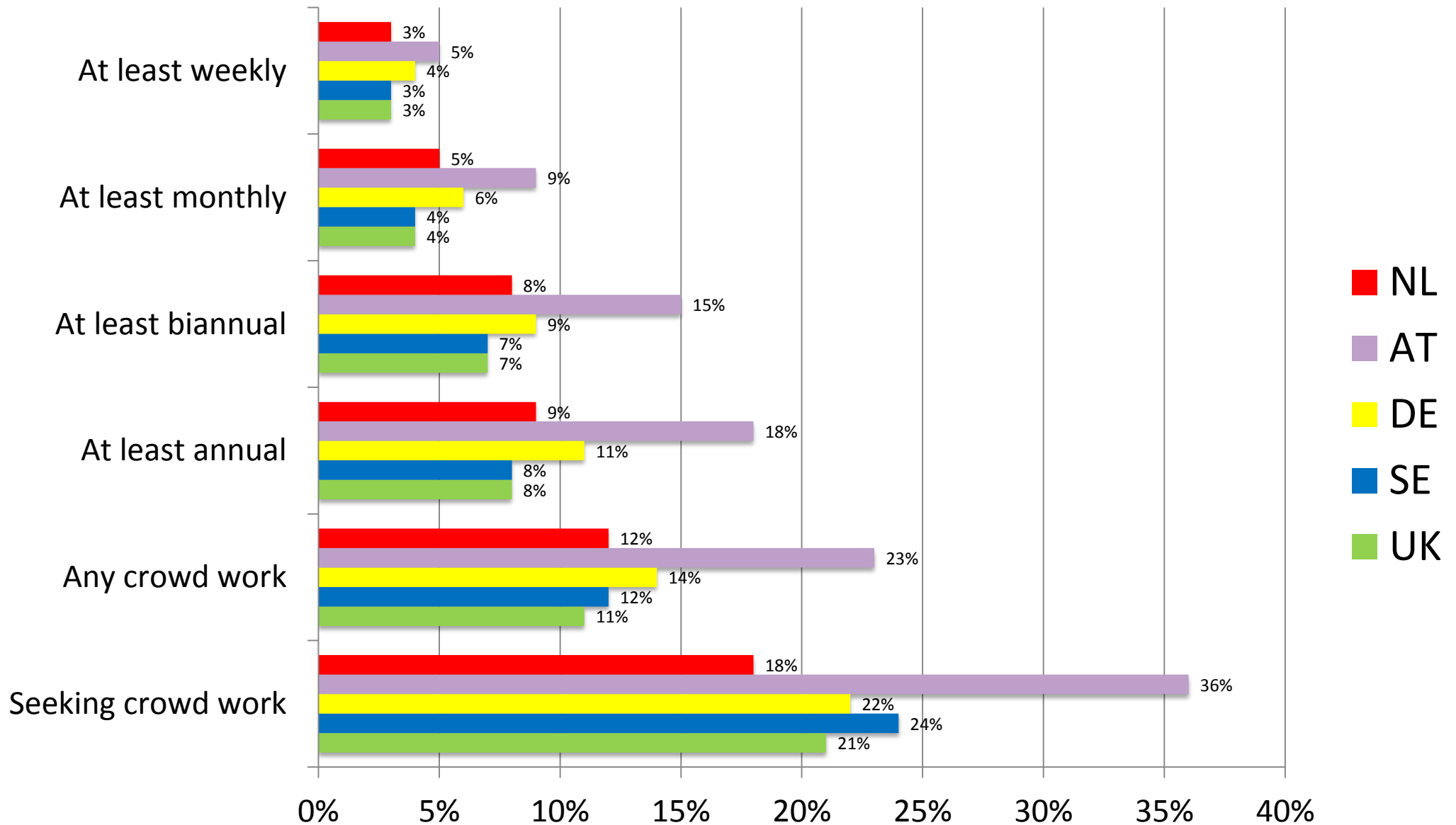
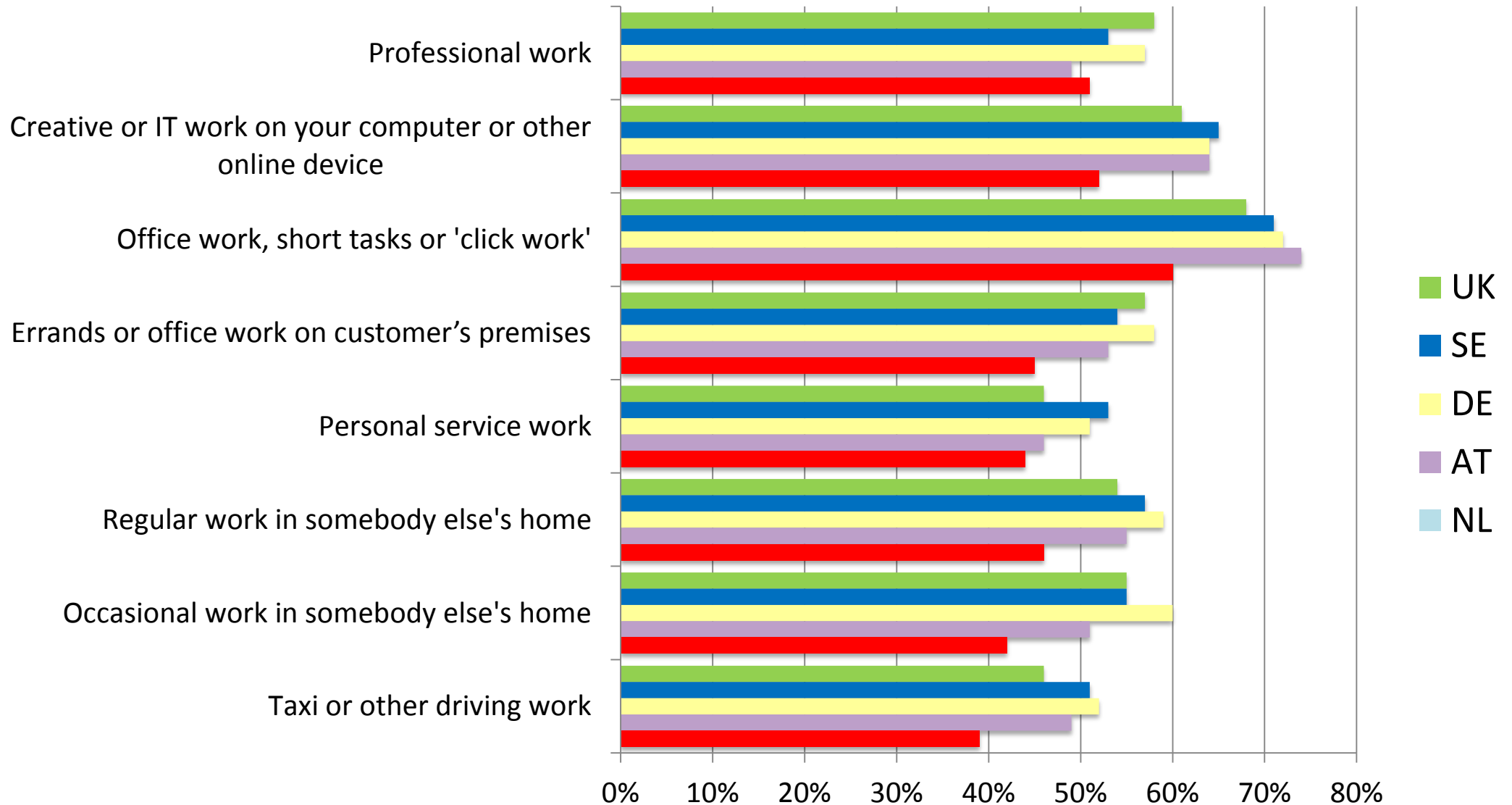Earnings from crowd work as a proportion of all income

Gender of crowd workers by country
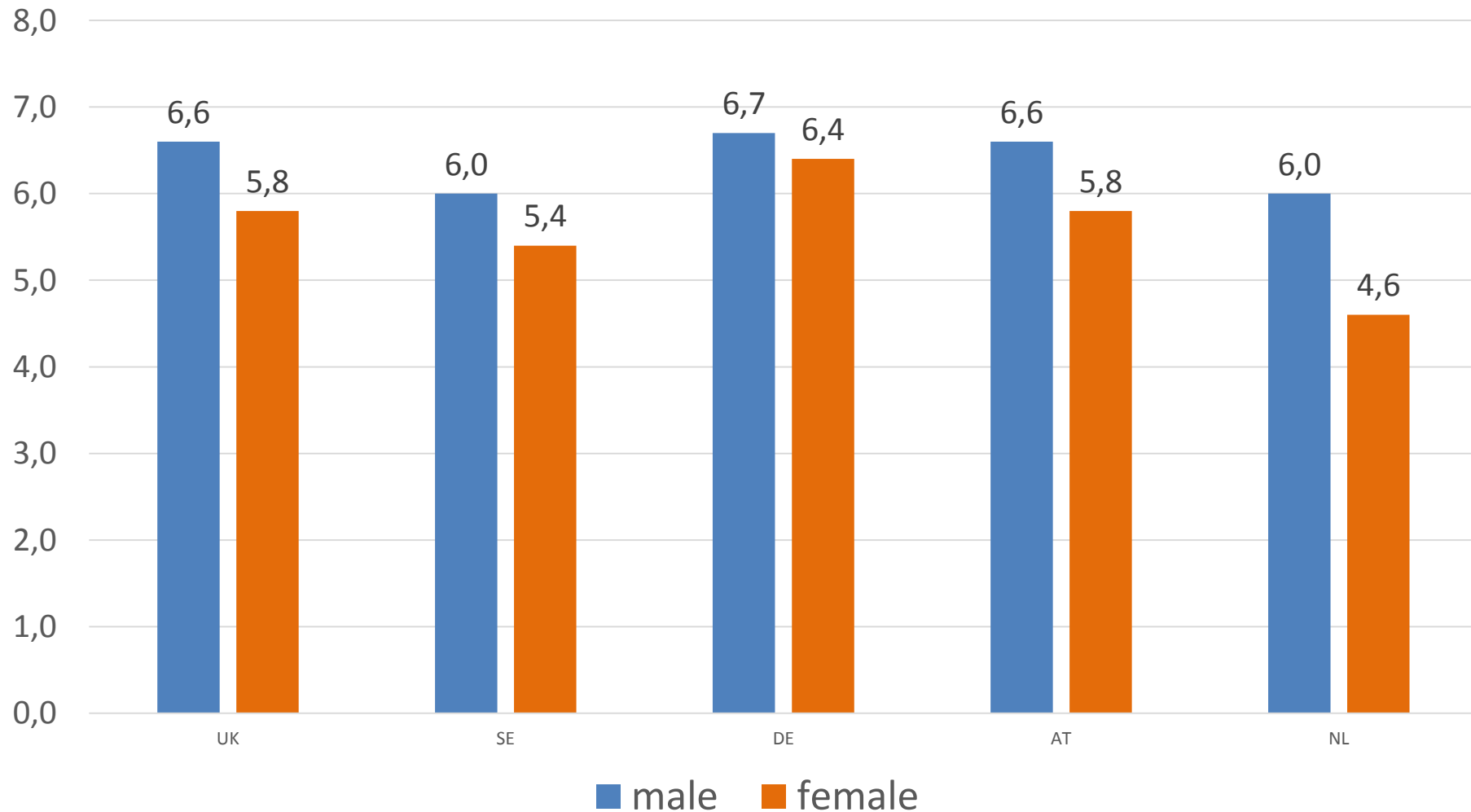
Age of crowd workers by country

Type of work done, by country

High propensity to carry out multiple forms of work

Average number of types of work done: weekly crowd workers, by gender and country

Some conclusions

- There is often no clear distinction between crowd work and other sources of casual income – e.g.
  - work found via other online means such as bulletin boards, platforms such as Craigslist, Gumtree, Nextdoor etc.
  - Zero-hours contracts and other forms of 'just-in-time' labour
  - Casual work found through informal networks but managed via smartphone communication
  - Traditional freelance agencies. Directories which have migrated online
- The majority of crowd work is carried out as an occasional supplement to income from other sources
- Crowd workers are typically piecing together an income from multiple sources
- There is a minority of workers (2-2.5% of total workforce) for whom it provides a majority of their income
- Crowd workers are relatively evenly balanced between men and women and somewhat more likely to be young

Issues raised by workers

- General employment rights
  - Currently the subject of various test cases and government enquiries
- Intellectual property rights in relation to digital content
- Right to payment for work completed
- Poor communication and arbitrary suspensions
- Right to challenge customer ratings
- Transferability of customer ratings/ reviews between platforms
- Right of free assembly (in the case of self-employed workers without employees)
- Data protection and protection of privacy
- Representation to public bodies (e.g. licensing authorities, police, planning authorities, wages/safety inspectorates, law-makers)
- Training
- Health and safety risks, including stress and other psycho-social risks

Comparison with non-crowd workers

1. Sending or receiving email from home, by country: comparison of frequent crowd workers, occasional crowd workers and non-crowd workers
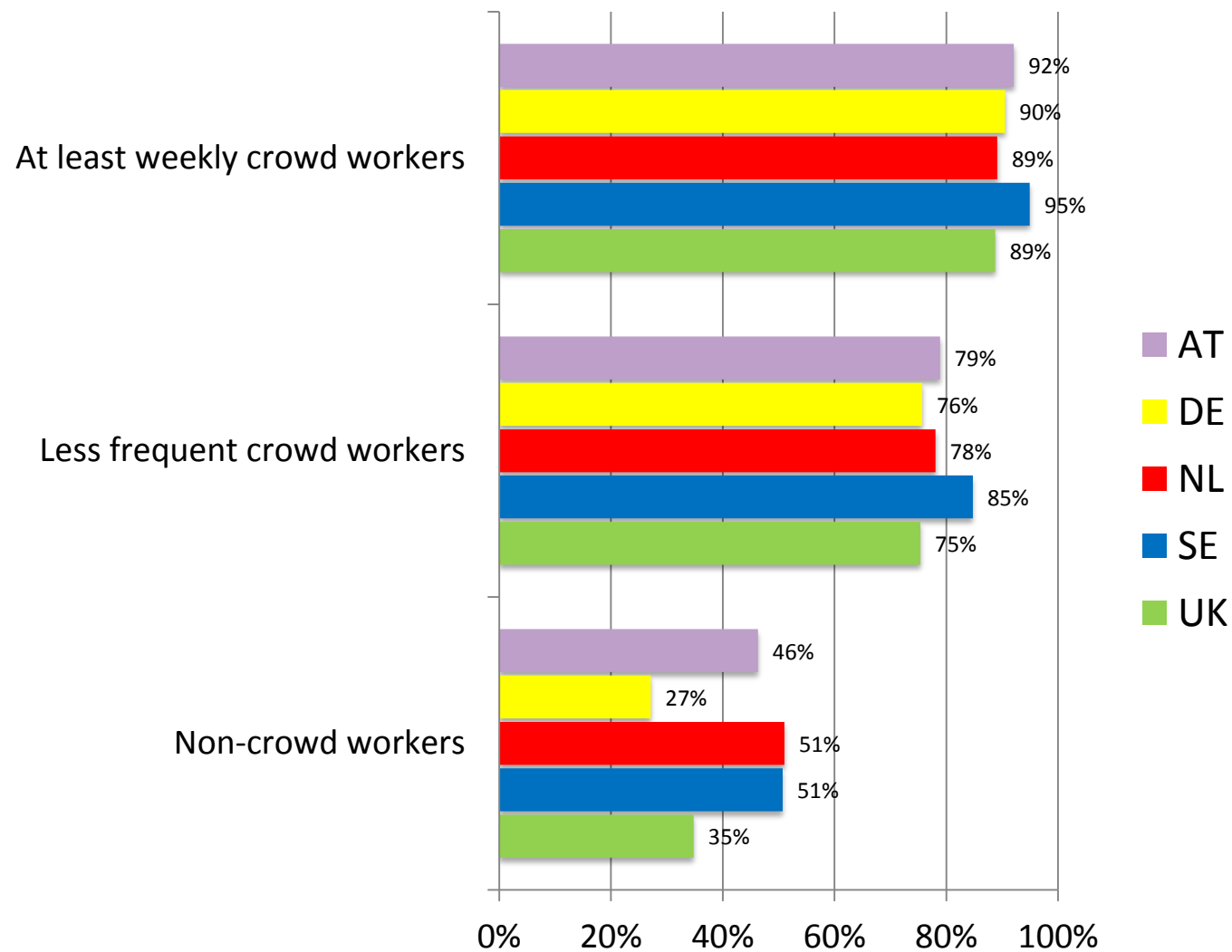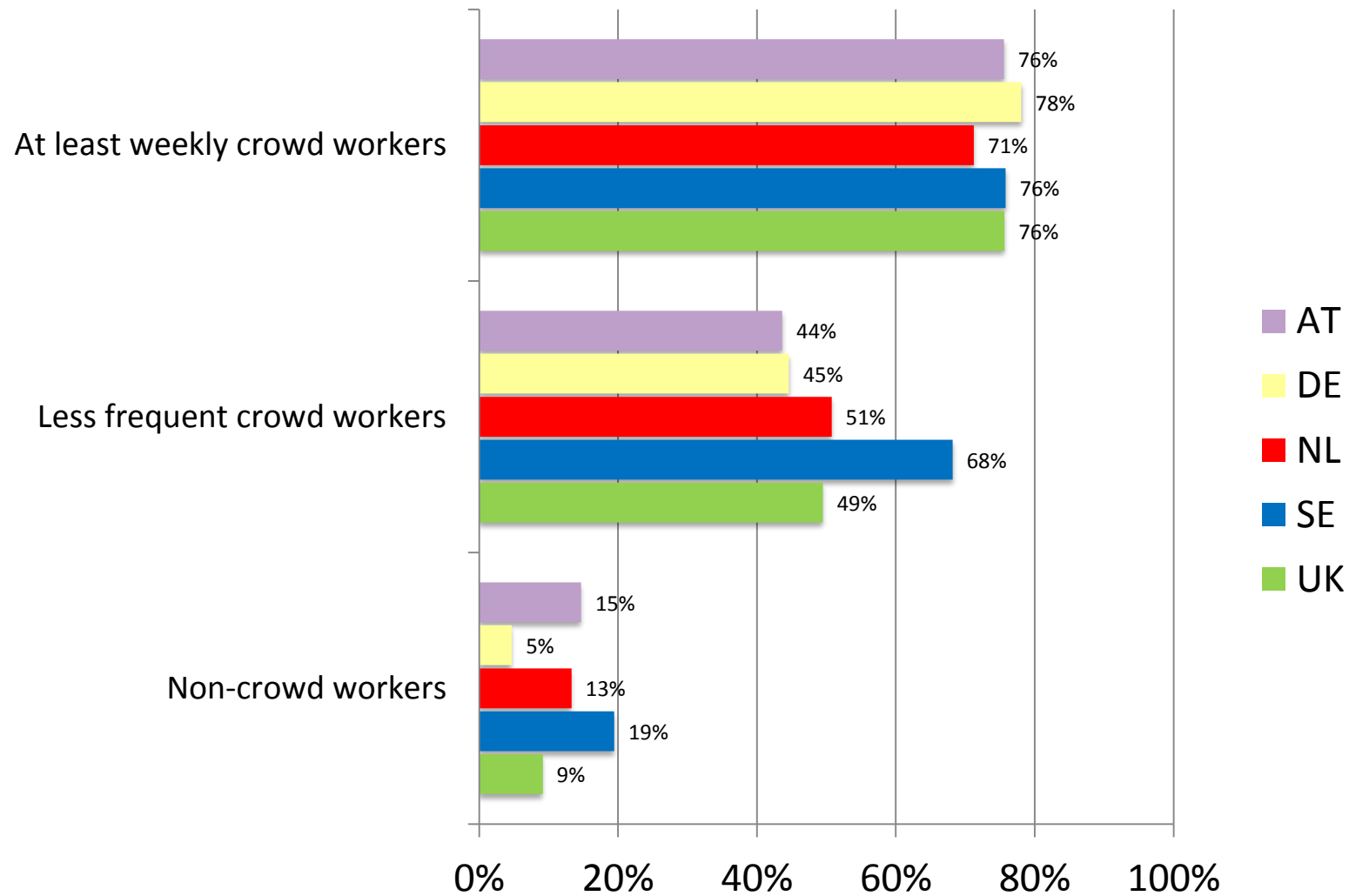
Comparison with non-crowd workers

2. Use of 'app' to notify when work is available, by country: comparison of frequent crowd workers, occasional crowd workers and non-crowd workers
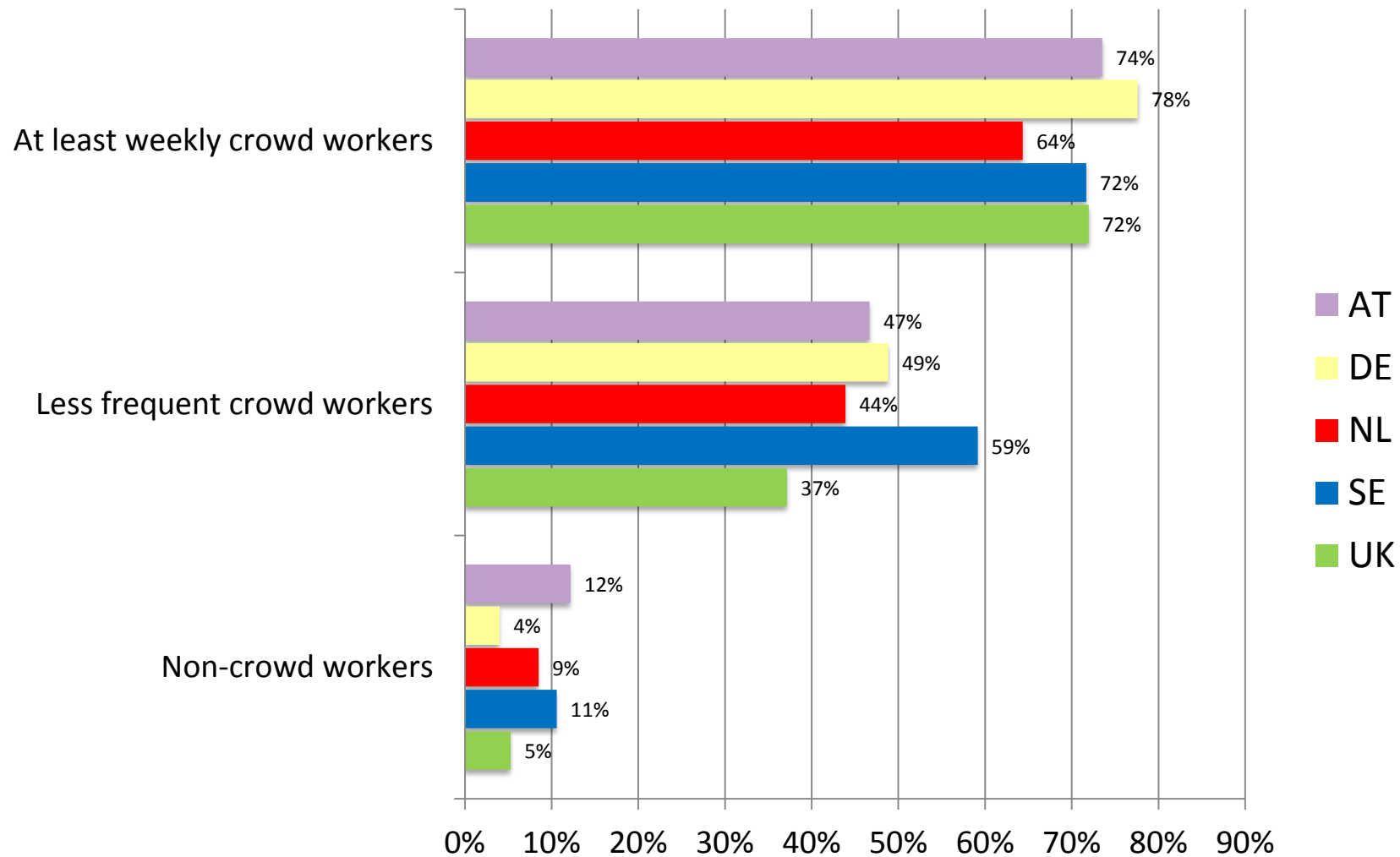
Comparison with non-crowd workers

3. Use of 'app' or website to log work done, by country: comparison of frequent crowd workers, occasional crowd workers and non-crowd workers

Are we seeing the emergence of a new convergent model of work?

- Expected to be available 24/7

- Use of apps to notify of new tasks at short notice

- Use of GPS and other forms of tracking

- Use of apps to log hours

- Standardisation and substitution of formal for informal procedures

- Use of performance indicators to assess productivity

- Use of customer ratings to evaluate work quality

- Externalisation of responsibilities to worker for such things as training and insurance

- Need for to 'pitch' for new work and keep online profile and resume updated

- Decline of personal patronage, favouritism, nepotism and presenteeism

- Erosion of traditional occupational identities - deprofessionalisation

Towards a new regulatory model for the 21st century?

- Need for universal coverage – creating new categories of worker is likely to lead to distortions, gaps in coverage and risks for traditional categories
- Clarification of the definition of self-employment, based on:
  - Whether the worker has the right to determine the price of the goods or services produced;
  - Whether the worker has the right to specify how the work will be done;
  - Whether the worker has the right to employ others to do the work;
  - Whether the worker retains intellectual property rights in his/her work outputs;
  - Whether the worker is free to work for multiple clients and/or normally does so.
- Clarification of the definition of subordinate employment. All workers who are not deemed self-employed should be regarded as subordinate workers with the onus of proof on the employer
- Clarification of the definition of private employment agencies and temporary work agencies. Online platforms should be regarded as such by default with the onus proof resting on the platform.
- Need for inspection and compliance, with clear reporting procedures and realistic penalties for failure to comply.
- Social security and tax systems to be adjusted to ensure full coverage.

A new bill of worker's rights granting each worker

- Rights to minimum wages – as defined in national or sectoral agreements – calculated to take account of conversions from hourly to piece rates and to take account of waiting/preparation time
- Rights in the case of suspension or termination
- Rights in relation to customer ratings
- Rights in relation to data protection
- Insurance and legal liability
- Communications with the employer/platform – provision of hotline or other direct means of communication over both work-related and HR-related matters
- Health and safety rights, including rights to call in inspectors
- Training and certification of skills
- Pension and social security rights
- Procedures for addressing harassment, intimidation and discrimination.

Further information

Dynamics of Virtual Work Book series:
https://www.palgrave.com/jp/series/14954

Titles in this series

Showing **12 results**.

Book

Space, Place and Global Digital Work

Flecker, J. (Ed) *(2016)*
This edited volume seeks to enhance our understanding of the concepts of space and place in the study of digital work. It argues that while digital work is often presented as ...

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This volume explores current interventions into the digital labour theory of value, proposing theoretical and empirical work that contributes to our understanding of Marx's labour ...
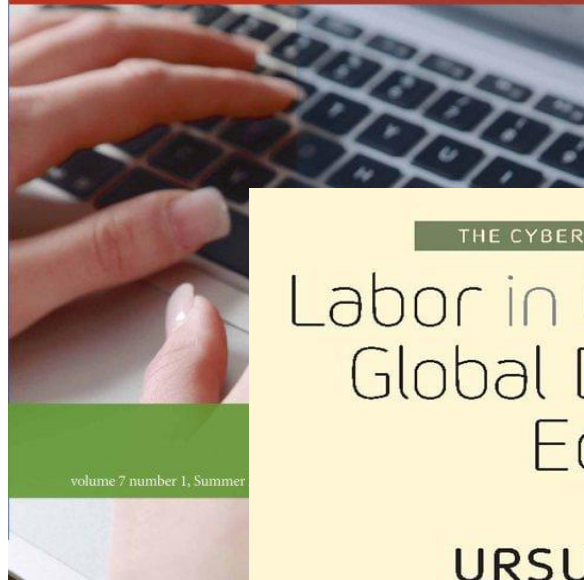
Available Formats: Hardcover | Softcover | eBook
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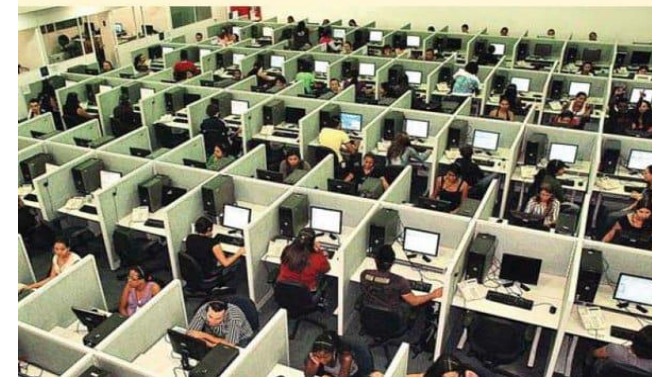**Working online, living offline:** labour in the Internet Age

volume 7 number 1, Summer

the making of a **cybertariat**
virtual work in a real world
URSULA HUWS

THE CYBERTARIAT COMES OF AGE
Labor in the Global Digital Economy
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"Ursula Huws is without peer as an analyst of life in contemporary capitalism."
—LEO PANITCH

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