

The Price of Cheap Labour

Vivien Katharina Hard, @vivi_katharina, Christopher Olk @christopher_olk

Platform Economy, Gig Economy, Fair Work

Jamie Woodcock talks about the Fair Work Foundation's goal to collect best and worst practices of the gig and platform economy to inform consumers and empower workers.

Digital global markets connect supply and demand in a historically unique way. At the same time, the distribution of customers and employees across nations and continents has it estranged them. As the age of digital services is characterised by an increasing distance between the location of utilization on the one hand and the location of the performance of the required service on the other. The Fair Work foundation seeks to bridge this disconnect, to strengthen workers bargaining powers by leveraging customers attention on the conditions of work that provide digital services.

*Digitale globale Märkte verbinden Angebot und Nachfrage auf eine historisch einzigartige Weise. Gleichzeitig hat die Verteilung von Verbraucher*Innen und Arbeiter*Innen auf Nationen und Kontinente sie entfremdet. Da das Zeitalter der digitalen Dienste durch eine zunehmende Distanz zwischen dem Ort der Nutzung einerseits und dem Ort der Erbringung der gewünschten Dienstleistung andererseits gekennzeichnet ist. Die Fair Work Foundation versucht, diese Trennung zu überwinden und die Verhandlungsmacht der Arbeiter*Innen zu stärken, indem sie die Aufmerksamkeit der Kunden auf die Arbeitsbedingungen hinter den digitalen Dienstleistungen lenkt.*

If Ginies existed, they might just be out of work right now. Today at the snap of a finger, or rather a click of a mouse, you can ask for any tasks to be performed, thanks to the gig economy and platform work. Both phenomena are closely intertwined and continue to be at the center of the new work debate. With Platforms being the brokers of jobs,

algorithmic headhunters, matching demand and supply. Often in the form of Gig Jobs, the little sister of freelancing, where people are hired to perform a single, specific task, from driving to designing wedding invitations. [The World Bank estimates](#) that globally less than 0.5 percent of the active labor force (3.5 Billion) are currently finding work in the gig economy over platforms, apps and websites, with less than 0.3 percent in developing countries. Still, the underlying trends, most importantly global outsourcing, as well as freelancing, are here to stay and promise a continuing increase of platform workers.

Platform Economy's End Game

However, Ginies aren't real, and working through a platform can be far from a dream come true. Local disconnection of employee, employer and consumer, as well as individual separation of workers weakens employees' bargaining power, especially in comparison to increasingly powerful employers. Thus, platform workers are in danger of becoming marginalised. Especially when taking into account, that historic patterns of labour division continue to apply to [the structures of new economy](#), with workers in the global south and former colonised countries being structurally disempowerment. Lacking the ability to unite, these workers have little ability to negotiate wages or working conditions with their employers who are often on the other side of the world. Resulting in jobs characterized by long and irregular hours, low income, and high stress. "The end game is suppressing workers pay and terms and conditions, driving them down as far as possible", says Jamie Woodcock from the [Fair Work Foundation](#), a team of researchers at the Oxford Internet Institute that conducts research on best and worst practices of the platform economy and applies their findings to improve working conditions.

Putting Workers at the Center of the Debate

Woodcock claims that due to governments taking too long to react to the current trends, and intense lobbying by platform operators, the workers interests have gotten out of focus. The Fair Work Foundation therefore seeks to intervene in regulatory debates, “For example, we need to prevent regulation like the banning of Uber in London which would have led to 40,000 drivers losing their jobs. (...) to ensure that workers voices are centre to any change.” Woodcock explains, “Workers always use the tools available to them in their resistance and organising”, thus rather than opposing platforms overall, the goal of the foundation is to increase the bargaining power of workers and customers, by making working conditions more transparent, in order to fight for fairer working conditions on those platforms. Hence, in analogy to the Fair Trade Mark, the Fair Work Foundation assesses the fairness of work a company offers and presents the information to customers and workers.

Ranking Fairness

“At present, we are scoring platforms for “fair work”, which will be used for an annual ranking process. So rather than certificates at this point, it will show relatively how platforms perform compared to others. The difficulty in “certifying” platforms is that the work processes tend to change regularly, meaning the annual ranking is a more up to date way to see the performance of platforms. This will judge how a platform operates overall.”

However, assessing those complex and often intransparent global networks of actors is a challenging task, as Woodcock admits, “One of the big issues at present is that platforms tend to directly employ very few people. However, in these cases it is about understanding how their core activities are organised. For example, with Uber we are trying to judge whether Uber is a fair platform for drivers. There is the issue of how software developers are treated too - Uber has had a history of scandals relating to sexual harassment, for example. This is why the ranking works best at this stage. In future iterations, more detailed case studies are needed to explore all the work along

the supply chain.” Turns out, it may not need a Gini to change platform working conditions for the better.

TL;DR

Fair Work Foundation assesses and scores the fairness of work a company offers and presents the information to customers and workers. One of the big issues at present is that platforms tend to directly employ very few people. However, in these cases it is about understanding how their core activities are organised.