

# Protecting the rights of the digital workforce in the 'gig' economy

August 18 2015, by Joseph G. Davis

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The Turk market place.

Spurred by advances in digital technology, an on-demand workforce has been growing steadily for well over a decade, creating a new "gig" economy. This is an economy in which more and more people either choose to, or are forced to, earn their livelihood working on lots of small "gigs" rather than being employed full- or part-time.

While the gig economy can offer greater flexibility and economic efficiencies, it also spells the rise of an anxious, disenfranchised workforce glued to their smartphones or laptops, waiting for the next gig to materialise.

First there were service marketplaces such as [Elance](#), oDesk (now [Upwork](#)), [Freelancer](#), and [99Designs](#)- through which computer

professionals and designers competed for one-off or short-term assignments. Then came the current wave of digital platforms such as [Uber](#), [airbnb](#), and Australian start-up, [Whizz](#), which offers on-demand cleaning services.

## **Human intelligence for sale**

An even bigger global on-demand workforce has been nurtured by crowd-based platforms such as Amazon's Mechanical Turk [AMT](#) and [CrowdFlower](#) on which millions of [workers](#) perform what are known in the trade as micro-tasks.

These are tasks such as tagging images, extracting keywords, gathering or checking address data, translating small fragments of texts and so on. AMT refers to these as [human intelligence](#) tasks (HIT). One HIT can be completed in a few seconds or a few minutes (for which workers may be offered a few cents) and they come in HIT groups of hundreds of HITs.

At the time of writing, there were about 300,000 HITs on offer at AMT. An average Turker (as they are referred to by AMT) can expect to earn US\$2 to US\$5 per hour on a good day, but there's no guarantee in terms of regular work availability.

Platform providers play the role of middlemen who attract the service requesters on one side and the providers or workers on the other. The number of workers registered on these platforms continues to grow. Despite the low wages and the absence of any meaningful rights, an estimated four million people regularly turn to such platforms seeking work.

Many platform owners and innovation gurus have tried to dress up the gig economy as ushering in a new era of flexible, egalitarian, liberating work. But it's hard to disagree with the observation made by the

American employment and civil rights attorney [Moshe Marvit](#), writing in the Nation magazine, that at its core, it has [reinvented piecework for the digital age](#).

## **Race to the bottom**

Systematic data on on-demand workers is scarce, as we read on The Conversation last week. Available [Turker demographics from 2010](#) indicate that a vast majority of the Turkers were from the United States (47%) or India (34%). About 63% have college degrees, 30% are female, and the median age is 30.

The workers have very little bargaining power in what is perhaps one of the world's largest, unregulated marketplace. They are invariably classified as independent contractors and not as employees.

There is nothing novel about workers performing piecemeal work in their own time. But the internet-based platforms supported by technological developments such as cloud, mobile, and service-oriented computing have enabled these markets to scale in space and time to a point where the size of the reserve army of unemployed and marginally employed is forcing a race to the bottom on wage levels.

Data-driven algorithms for continuous monitoring of worker performance and reputation enable requesters to pick and choose the workers. They also have the unilateral right to reject all or part of the work completed by a worker without payment, which adds to the pressure on workers.

Gig-based platform owners are also beginning to come under the scrutiny of regulators and tax authorities. Recently, the Australian Tax Office issued a ruling that all ride-sharing Uber drivers must [register for and pay GST](#) by classifying the work as "taxi travel service".

The drivers already pay 20% to Uber. Uber has indicated that it will increase the fares across Australia by approximately 10% to compensate for the GST. Despite this, the relatively low fares fixed by Uber is likely to lead to driver attrition. The company's response has been to [contest the ruling](#) and it is expected to take the matter to the Federal Court.

## **New labour**

The larger debate about the need to regulate fast-growing platform companies and the accelerating on-demand economy is beginning to rage in many countries. The Federal Trade Commission in the United States put out a call for public comment on the "sharing economy" and the response from business groups, consumers and unions [was overwhelming](#).

The agency received more than 2,000 comments, which reflects the conflicting perspectives and demands from a diverse range of stakeholders. Yet the framing of the debate in terms of "issues facing platforms, participants, and regulators in the sharing economy" led to a crowding out of the voices of the most affected: the workers.

Nevertheless, basic issues such as worker classification as employee or independent contractor; workers' rights to bargain collectively for a decent minimum wage and conditions; and the need for balanced service level agreements, must be dealt with fairly.

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