

# Strengthening labor protections for 21<sup>st</sup> century workers

We need to recouple conversations around the future of workers and the future of work

The authors:



**Urvashi Aneja**

Founding director,  
Tandem Research



**Zothan Mawii**

Research Fellow,  
Tandem Research

The institution:



**TANDEM  
RESEARCH**

Tandem Research is an interdisciplinary research collective that generates policy insights at the interface of technology, society, and sustainability. We believe that evidence-based policy, supported by broad-based public engagement, must steer technology and sustainability trajectories in India. We aim to bridge gaps between social science research, public policy, and public engagement. Our work seeks to ensure that no one gets left behind in the technological transitions that will shape India's future.

The International Labour Organization's latest World Employment and Social Outlook for 2020 paints a bleak picture of the future of work. Unemployment is projected to rise in the next two years and income inequality is higher than expected. Labor markets are inherently unequal, unable to provide decent work for enough people. 188 million people want work but can't find it; 120 million people have given up searching or can't find work yet and 165 million don't have enough work. In other words, nearly half a billion people are under-utilized.<sup>1</sup>

In this context, governments and people are looking to digital platforms to create new employment opportunities. Digital platforms are restructuring the world of work, as they connect and aggregate the supply and demand of work, within and across geographical contexts. Are platforms the future of work we want? How can we enable labor protection in the changing world of work? What should the priorities for G20 countries be?

It is important to note at the outset that labor market conditions differ hugely across the G20 and policy frameworks will need to be adapted to country contexts. While much of the dominant narrative emphasizes values of entrepreneurship and innovation, the impacts are likely to differ across labor markets and across social groups. In industrialized economies for example, digital platforms are disrupting traditional employment relationships. In contrast, in many parts of the Global South, gig work within the informal sectors of the economy is already the norm. For high-skill labor, digital platforms may offer opportunities for flexible work, but for low-skill labor, platforms can create

new forms of precarity and dependence. Policy prescriptions will need to be tailored to suit these varied contexts and needs.

»Online work presented one of the few avenues for work to differently abled people.«

## DUALITY IN THE GIG ECONOMY – THE BENEFITS AND PERILS

Digital platforms can certainly address underemployment and contribute to the standardization of working conditions across sectors. By aggregating demand and supply for work, digital work platforms can enable workers' access to opportunities for paid work. By enabling more hours of paid work, and thereby offering the possibility of increased earnings, digital work platforms could contribute both toward reducing underemployment and creating possibilities for economic mobility. A study on ride hailing drivers in Indonesia, for example, found that most drivers report higher earnings since joining the platform.<sup>2</sup>

Digital work platforms can potentially bring some form of organization to informal urban services – standardizing wages, standardizing services, certifying employ-

ers and workers, and clarifying expectations from workers and platforms through a formal written contract. Digital labor platforms can also present new opportunities for marginalized groups like women, migrant workers, and differently abled people to find work. During a study of microwork platforms in India, we found that online work presented one of few avenues for work to differently abled people or women whose mobility was restricted because of care responsibilities or social norms.<sup>3</sup>

## »Platforms in their current form undermine worker agency and solidarity.«

The labor of many workers in the unorganized sector of the economy is unrecognized and invisible. Gig work on digital work platforms could enable the registration of these workers and their work. Many times, workers in these sectors need formal identity papers, proof of training or skills, access to formal banking, a standardization of wages and some stability of income. These aspects are rendered visible through these platforms, even if, as is often the case, this highlights the precarious conditions of work for many workers. Finally, digital work platforms could enable the collection of data about the informal economy, which has so far been hard to measure and understand, and thus

contribute to more informed labor market policy.

But digital platforms can also produce precarity as workers lack benefits associated with formal employment – paid leave, health insurance, or other forms of social protection. Platforms also shift the cost of operation to the workers themselves – workers are responsible for maintenance costs, fuel or transport, data and phone plans, and even the cost of products necessary to provide a service.<sup>4</sup> Home service workers and beauty care workers are expected to purchase cleaning products or beauty products on their own; oftentimes the platforms mandate that their branded products are purchased. Such working arrangements contribute to the individualization of risk. A number of structural features of informality also persist with platform work – power and informational asymmetry between workers and employers/platforms; unpredictable wages and working hours; little to no bargaining power; and constantly changing or unpredictable patterns and rhythms of work.<sup>5</sup>

However, some regulations have been introduced to address labor well-being on platforms. For example, the European Union has approved setting minimum rights for gig workers, pushing for more transparency, fair wages, and compensation for cancelled work.<sup>6</sup> California's newly introduced AB5 seeks to reduce the misclassification of workers of 'independent contractors'.<sup>7</sup> India's new Code on Social Security will ensure that all workers including platform workers receive social security benefits, though questions about enforcement remain.<sup>8</sup>

Yet, despite these social protection measures, platforms in their current form

undermine worker agency and solidarity through new forms of algorithmic and reputational control. Workers have little understanding or access to the systems that determine their conditions of work, nor the capacity or knowledge to negotiate these opaque and automated systems. Platforms are known to use gamification tactics – sowing competition among workers for small rewards to keep workers working longer. Workers are prompted to work or log on to the app with the promise of earning incentives that sometimes do not translate to much higher wages.<sup>9</sup> While exploitation is in fact a condition of the informal economy, the difference with automated decision making systems is that the exercise of power is both undecipherable and invisible; the absence of human intermediaries reduces space for negotiation and compassion. The use of reputational control systems is common on platforms, and this is amplified by social structures of gender and class, and the differential opportunities for work and mobility this creates.<sup>10</sup> Ratings are usually based on the affective and emotional labor workers must put in – friendliness, affability, conversation – over and above the core service they are expected to provide. However, customers and clients can be arbitrary in their rating of workers thus impacting their ability to earn money.

### CHANGING WORKPLACE DYNAMICS AND RESPONSIBILITIES

How can worker well-being be enhanced and some of these negative effects curtailed? For one, certain responsibilities toward labor well-being need to be imposed on platforms based on the type of employment relationship that is being crafted and

the degree of control exerted by the platform. The type of control and extent of control a platform exerts over workers should determine the obligations and responsibilities expected towards workers. These are dynamic rather than fixed categories, intended to provide a framework to think about platform responsibilities in the context of changing employment relationships.

Control could be behavioral – i.e. the extent to which the platform directs and controls how the worker does the task for which he or she is hired. This could include the provision of training and equipment to workers; when and where to work; and evaluation systems that judge worker performance. Control could also be financial, in terms of the setting or adjusting of wages; the method of payment; or the investments required by workers to engage on the platform. Control could also be relational, including the freedom to seek other opportunities on other platforms; the ability of platforms to terminate employment; and other terms and conditions articulated in a formal contract.<sup>11</sup> (See attached Figure)

#### Low control

This category includes platforms that primarily aggregate labor demand and supply, connecting workers and work, where all job-related tasks and terms of engagement occur outside the platform. At low levels of control, the platform responsibilities may be derived solely in terms of its role as an aggregator. It would thus include establishing:

- clear and transparent terms of use;
- clearly communicated and comprehensible policies for data collection and usage; and

- grievance-redressal mechanisms related to any abuse on the platform or violation of terms of use.<sup>12</sup>

- Platforms should be required to enable identity portability, so workers can transfer their experience, reputation, and earning levels across platforms.

**Medium control**

This category includes platforms in which tasks or jobs are done through the platform and are monitored until their completion. Prices and terms of pay are set by the platforms and transacted through the platform. However, there is little to no involvement in how the job is done, though customer-rating systems determine worker access to future work. At medium levels

of control, platform responsibilities can be expanded to include:

- transparent and predictable payment terms;
- clarity of rating criteria, including options for seeking clarification or redressal on ratings;
- accessible and responsive complaint and feedback mechanisms; and
- platform contributions toward accidental or occupational insurance.

**High control**

This category includes platforms in which tasks or jobs are completed through the platform and wages and terms of engagement are set by the platform. There is a high degree of control in terms of how the

tasks are carried out, though a standardization of equipment and the provision of training. At higher degrees of control, platform responsibilities would further expand to include:

- mandatory, pro-rated contributions to social protection programs, including a retirement fund and health insurance; and
- provisions for sick leave and maternity leave.
- These benefits should also be provided to workers on a portable basis.

disrupting the traditional workforce, and investments poured into similar services.<sup>14</sup> Even historically, piecework or gig work is seen as some of the worst type of work, a reality only too well known in the Global South. The rise of the platform economy has also coincided with the breakdown of traditional working arrangements as non-standard employment and contractualization have grown globally.

Platforms thus on the one hand seem to represent a paradigm change, but if seen closely they reflect an ongoing transition in the world of work, with growing contractual work, a declining labor share of national income, and growing inequality between capital and labor. Platforms, in their current form, should thus neither be seen as the desirable nor progressive future of work they are often portrayed to be; indeed, incomes do rise, and for some people they enable more work and better working conditions, but on the whole, they can also contribute to precarity and insecurity. Additionally, platforms do not accommodate workers' aspirations or mobility. The on-demand workforce is designed to perform a specific task for the platform – there is little no pipeline for career progression especially for those in low-skill work. They bring greater consumer convenience and benefits to technology companies but reflect the continuing degradation of labor.

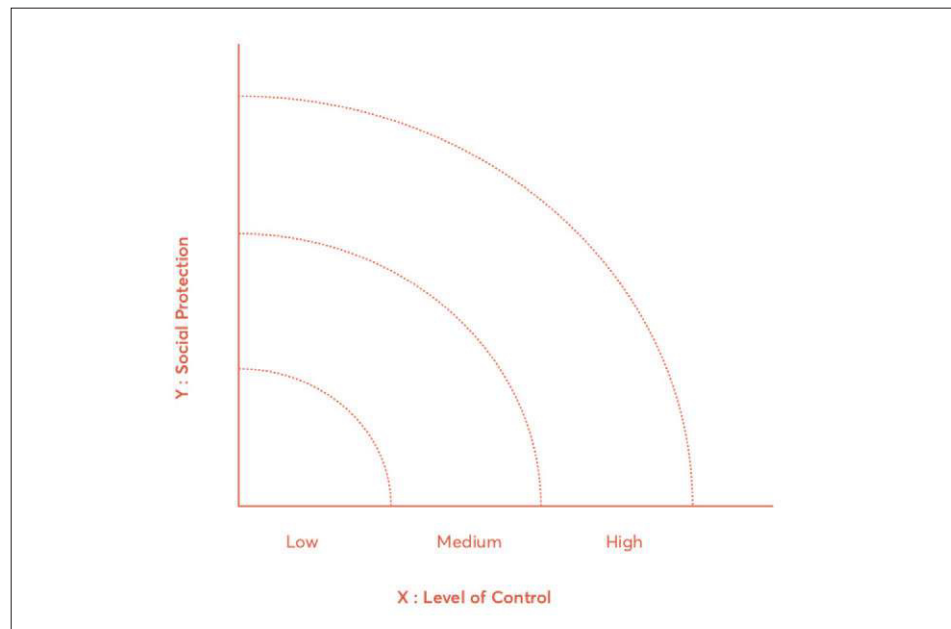
It is important that we keep these structural issues in mind as we design policies for the platform economy. These policies should not be thought of in isolation from broader interventions needed to improve the health and functioning of labor markets. Thus, reforms to improve platform workers' conditions should be placed within the larger context of improv-

»Historically, piecework or gig work is seen as some of the worst type of work.«

**SITUATING PLATFORMS AND LABOR PROTECTION IN BROADER LABOR MARKET SHIFTS**

While platforms entered into the public imagination through a narrative of micro-entrepreneurship, autonomy, and independence, this narrative obscures the recent historical origins of platform work, which arose as a result of the financial crisis in 2008. The unavailability of jobs forced people to monetize their assets<sup>13</sup> through ride-sharing or room-sharing platforms initially. Self employment was not a choice but a necessity. The on-demand economy was hailed by investors in Silicon Valley for

Figure 1: Platform responsibilities



ing rights for contractual workers generally. With the shrinking of jobs in manufacturing and the automation of services, return to traditional forms of employment and labor market structures cannot be expected. There is a need to devise new forms of labor protection suited to new working arrangements and covering new job roles and workplaces.

Finally, the link between work and place is important – beyond social protection and income security, work also builds solidarity, gives meaning, and nurtures aspiration. Decentralized work, whether through platforms or contractual work, impacts social organization and contrib-

utes to alienation, a loss of bargaining capacity, and loss of solidarity. This is not to hark back to the past of work, but to push us further to think how digital technologies can enable solidarity and community. G20 countries, through supporting research, labor unions, and civil society, should also support the development of new forms of platforms – co-operatives that are worker-owned and managed – as is already being tried in some places. Equally, workers and worker-support organizations should be supported to leverage platforms for information-sharing that can correct information asymmetries, or aid in organizing and unionizing workers.

<sup>1</sup> International Labour Organization. (2020). World Employment and Social Outlook: Trends 2020. Geneva.

<sup>2</sup> Fanggidae, V., M.P. Sagala, MP., D.R. Ningrum "On demand transport workers in Indonesia: Towards understanding the sharing economy in emerging markets". Transformation in technology, transformations in work. JustJobs Network.

<sup>3</sup> Tandem Research (2020, forthcoming) Gig work on digital labour platforms. USAID.

<sup>4</sup> Aneja, U. And Shridhar, A., (2019). Worker wellbeing on digital platforms in India: A study of Olacabs and Urbanclap in New Delhi. Tandem Research. Goa and Tandem Research (2020, forthcoming) Gig work on digital labour platforms. USAID.

<sup>5</sup> Aneja, U., Shridhar, A., Sawhney, R.S., (2019). Worker wellbeing on digital platforms in India: A study of Olacabs and Urbanclap in New Delhi. Tandem Research. Goa.

<sup>6</sup> EU law fixes minimum rights for 'gig economy' workers. (2019, April 16). BBC. Retrieved from <https://www.bbc.com/news/world-europe-47947220>

<sup>7</sup> Newsom signs bill rewriting California employment law, limiting use of independent contractors. (2019, September 18). LA Times. Retrieved from <https://www.latimes.com/california/story/2019-09-18/gavin-newsom-signs-ab5-employees-independent-contractors-california>

<sup>8</sup> Jha, S., & Alawadhi, N. (2019, September 18). Gig workers set to come under labour laws, get social security benefits. Business Standard. Retrieved from [https://www.business-standard.com/article/economy-policy/gig-workers-set-to-come-under-labour-laws-get-social-security-benefits-119091900052\\_1.html](https://www.business-standard.com/article/economy-policy/gig-workers-set-to-come-under-labour-laws-get-social-security-benefits-119091900052_1.html)

<sup>9</sup> Mason, S. (2018, November 20). High score, low pay: why the gig economy loves gamification. The Guardian. Retrieved from <https://www.theguardian.com/business/2018/nov/20/high-score-low-pay-gamification-lyft-uber-drivers-ride-hailing-gig-economy>

<sup>10</sup> Aneja, U., Shridhar, A., Sawhney, R.S., (2019). Worker wellbeing on digital platforms in India: A study of Olacabs and Urbanclap in New Delhi. Tandem Research. Goa.

<sup>11</sup> Forde, C., Stuart, M., Joyce, S., Oliver, L., Valizade, D., Alberti, G., Carson, C. (2017). The Social Protection of Workers in the Platform Economy. Policy Department, Economic and Scientific Policy. Leeds: European Parliament.

<sup>12</sup> The Fairwork Foundation: Strategies for improving platform work. (2018).

<sup>13</sup> van Doorn, N. (2017). Platform Labor: On the Gendered and Racialized Exploitation of Low-Income ServiceWork in the 'On-Demand' Economy. *Information, Communication & Society*, 20(6), 898-914. <https://doi.org/10.1080/1369118X.2017.1294194> and Srnicek, N. (2017). Platform capitalism. Cambridge, UK: Polity.

<sup>14</sup> Kessler, S. (2018). Giggled: the end of the job and the future of work. New York: St. Martins Press.