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The Fairwork Project: Promoting Good Labor Practices in the Digital Platform Economy through Action Research

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9. The Fairwork Project: Promoting Good Labor Practices in the Digital Platform Economy through Action Research

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Abstract

Though the digital platform economy in some contexts has created new employment opportunities, work in the platform economy has been widely criticized for its often precarious and exploitative character. One central mechanism through which digital platforms construct and conceal exploitative employment relations are information asymmetries among platforms, workers, and consumers. These information asymmetries are created through, among other things, a lack of transparency on how platforms allocate work, calculate payments, and use customer reviews for incentive structures and other rating-based work outcomes. Against this backdrop, the Fairwork project conducts action research to tackle these information asymmetries. In this chapter we introduce the Fairwork project and provide critical insights into our engagement with platforms as an action research strategy.

Keywords: Gig economy; Exploitation; Social transformation; Independence

Introduction

The digital platform economy has experienced significant growth in the past decade. An increasing number of services such as transport, delivery, and care-work are now arranged via digital labor platforms connecting

consumers with individual service providers. Although various typologies of digital labor platforms exist, we consider two broad types in our work: geographically tethered and cloudwork platforms. Geographically tethered platforms link workers with clients around specific localized activities such as cleaning, delivery, or transport; cloudwork platforms link clients and workers on a global scale around spatially dis-embedded activities carried out over the internet, such as software programming, design, data entry, translating, transcribing, or microwork (Woodcock and Graham 2020). Crucially, regardless of their geographical embeddedness or dis-embeddedness, digital platform companies play a central role in mediating the relationship between clients and workers – not only by providing the technological infrastructure but also by actively governing interactions between consumers and workers, e.g., through the management of job allocation and payment processes, the oversight of customer and worker complaint resolution procedures, and the establishment of work conditions (De Stefano 2015).

By facilitating labor market access, particularly to those who have traditionally faced higher entry barriers – e.g., women, migrants, and workers lacking formal qualifications – digital labor platforms have raised hopes for boosting employment especially in the Global South (see e.g., UNDP and FICCI 2021). At the same time, however, gig work remains often precarious and exploitative, characterized by contingent and insecure short-term work (Graham and Anwar 2019; Anwar and Graham 2021; Wood et al. 2019a). In this vein, Bertolini et al. (forthcoming) have highlighted the central role of digital labor platforms in creating new labor geographies that are shaped by three asymmetries between platforms and workers and that foster precarious work relations: contractual, financial, and informational asymmetries. Contractual asymmetries are constructed by platforms through practices of (mis-)classifying workers as independent contractors, thereby dis-embedding labor relations from national employment and social regulatory frameworks. As a result, many platform workers are deprived of benefits and protections such as pension plans or maternity leave. Financial asymmetries result from a platform's disproportionate access to capital: whereas precarious wages hinder workers' ability to save, most platform companies have access to venture capital and investments, enabling them to withstand economic slumps or disruptions.

Here, we aim to focus on the third type of asymmetries pointed out by Bertolini et al.: informational asymmetries. We argue that not only do platforms construct precarious labor relations shaped by informational asymmetries between platforms and workers, but they also create them with

consumers to conceal exploitative work relations (Rosenblat and Stark 2016; Ferrari and Graham 2021): On the one hand, platforms fashion informational asymmetries through limiting the information provided to workers and consumers on the organization of the labor and consumption process. On the other hand, platform companies collect and use data generated through each worker-consumer interaction to continuously enhance the company's market power and value capture from the labor process. As a result, in many cases neither clients nor workers have detailed information about the criteria according to which they are matched or about the fees and commissions that are charged. Moreover, platform companies monopolize information on overall supply and demand by withholding information from workers and consumers on the total number of jobs and workers on the platform. Given this lack of information, the work process becomes atomized and individualized, which keeps workers in a constant state of insecurity and constrains their capacities for collective organization (Cant 2019).

When criticizing the informational asymmetries on digital labor platforms that are used to create unfair and exploitative conditions, most studies point to the critical role of algorithms, which take on central management processes on most digital platforms (Rani and Furrer 2020; Wood et al. 2019b). We argue here that algorithms do not come from nowhere: they need to be actively programmed and fed by platform companies, which in turn have the power to create better or worse conditions for workers on their platforms. Precarious work is hence the result of direct choices and practices undertaken by platform companies rather than an inevitable structural feature of the gig economy harnessed by AI systems. This is also exemplified by the variations in working conditions on different labor platforms: whereas many platforms base their business model on the asymmetries mentioned above, there are also platforms that seek to create decent conditions for workers through the provision of permanent employment and other benefits (see e.g., Heeks et al. 2021).

Against this background, we introduce the Fairwork project, an international action research project committed to increasing transparency in the platform economy by highlighting the best and worst labor practices of the digital labor platforms. By evaluating platforms against five principles of fair work, the project aims to support workers and consumers in making informed decisions. Moreover, the project uses platform ratings as a means to create public pressure and incentives for platforms to actively improve working conditions.

In the following, we first introduce the Fairwork project and describe its specific approach to action research. Thereafter, we focus on the project's

engagement with platform companies as a central pathway for change within Fairwork's action research strategy. We provide insights into the challenges linked to engaging with platforms from the researcher's position and discuss strategies for addressing these challenges. We conclude with more general reflections on the role of action research projects like the Fairwork project in making a difference in datafied work settings.

The Fairwork Project: An Action Research Approach for Promoting Good Labor Practices in the Digital Platform Economy

Fairwork was founded in 2017 by researchers from the UK and South Africa with the aim of promoting fair work in the global platform economy. Initially operating in only two countries, the project rapidly expanded with teams in twenty-six countries by 2021. Fairwork activities, centrally coordinated by teams at the Oxford Internet Institute and the Berlin Social Science Center, have been generously supported by various funders, including but not limited to the UK Economic Social Research Council and the European Research Council, as well as the German Federal Ministry for Economic Cooperation and Development and the Ford Foundation.

Fairwork's action research approach is inspired by critical or radical research approaches that link knowledge production to the active promotion of social transformation (see e.g., Fuller and Kitchin 2007). Along these lines, Fairwork analyzes working conditions on digital labor platforms and uses this knowledge to engage with various non-academic stakeholders; its aim is to improve working conditions in the platform economy. These stakeholders are 1) gig workers and their organizations; 2) consumers; 3) policymakers and governments; and 4) the platform companies themselves. League tables – a ranking list of all platforms rated by Fairwork in a specific country or sector – are the central instruments Fairwork uses to engage with these stakeholders. By making transparent which platform companies invest in good conditions for their workers and which do not, Fairwork's league tables mitigate information asymmetries among platforms, workers, and consumers. Fairwork actively encourages stakeholders to use its league tables as resources for promoting positive social change in the platform economy: workers may use league tables, for example, to underpin their demands for better working conditions *vis-à-vis* platforms, whereas consumers and policymakers may rely on tables to make socially responsible decisions when using digital labor platforms. Fairwork furthermore uses league tables to create incentives for poorly performing platforms to improve their

ranking positions via the implementation of concrete changes for improving working conditions.

League tables show digital labor platforms’ performance in relation to the five principles of fair work developed by the Fairwork project in cooperation with workers, trade unions, state actors, researchers, and platform representatives. These principles are: fair pay, fair conditions, fair contracts, fair management, and fair representation. For each principle, a first and a second point are defined to rate platforms’ labor practices. Table 9.1 gives a summary of these principles and how they are operationalized for geographically tethered digital labor platforms.

Table 9.1. Operationalization of Fairwork’s location-based platform work principles. Source: Fairwork 2024

| Fairwork Principle | First Point | Second Point |
|---------------------|---|---|
| Fair Pay | Platform ensures workers earn at least the local minimum wage after costs. | Platform ensures workers earn at least a local living wage after costs. |
| Fair Conditions | Platform mitigates task-specific risks. | Platform ensures safe working conditions and a safety net. |
| Fair Contracts | Platform provides clear and transparent terms and conditions. | Platform ensures that no unfair contract terms are imposed. |
| Fair Management | Platform provides due process for decisions affecting workers. | Platform provides equity in the management process. |
| Fair Representation | Platform assures freedom of association and the expression of worker voice. | Platform supports democratic governance. |

To evaluate a platform’s labor practices, Fairwork uses three research methods: desk research, interviews with workers, and interviews with platforms. Desk research involves the analysis of publicly available company documents as well as media and news reports on the platforms that have been chosen to be rated. Interviews with platform managers involve going through the Fairwork principles and requesting to see any evidence related to these principles and their particular thresholds. Interviews with workers involve conducting in-depth qualitative interviews (for geographically tethered platforms) and quantitative surveys (for cloudwork platforms).

Whereas we (and others) have discussed the various challenges and ethical implications when conducting research with gig workers elsewhere

(see e.g., Ustek Spilda et al. 2022), in this contribution we focus on our engagement with platform companies. Fairwork employs three main strategies to influence platforms' practices. First, Fairwork conducts large-scale media campaigns when new league tables are released, to raise broad public awareness about the labor practices of different platforms and thereby to mitigate information asymmetries between platforms and consumers. Second, Fairwork has launched the 'Fairwork Pledge,' offering corporate customers of digital platforms as well as NGOs, universities, and other civil society organizations the opportunity to make a public commitment to supporting fairer platform work by using platforms with better labor practices. Third, Fairwork also engages directly with platforms and, when invited to do so, provides feedback about how to improve the working conditions on their platforms. Hence, interviews with platform managements are not only engagements for data-collection purposes but are also spaces for discussion and direct engagement with the platforms: when evaluating the scores for a specific platform, research teams also develop detailed action plans for platforms to implement the Fairwork principles; these action plans are then discussed with the respective platform management teams.

Through its action research strategy, the Fairwork project has already made an impact during its first four years of existence. Following their engagements with Fairwork, several platforms have introduced changes to their business practices which have led to significant improvements for workers across the world, helping to mitigate contractual, financial, and informational asymmetries between platforms and workers. For instance, in line with the Fair Pay principle, the South African labor platform NoSweat committed itself to ensuring that workers earn more than a living wage in jobs secured via their platforms, thereby mitigating precarious work relations. Moreover, in line with the Fair Contracts principle, several platforms, including the Indian labor platform Urban Company, provided terms and conditions for workers in local and accessible language. In line with the Fair Management principle, various platforms such as the cloudwork platforms TranscribeMe and Workana have introduced institutionalized appeal mechanisms to allow workers to challenge unjustified disciplinary measures, and have introduced anti-discrimination policies for clients. Moreover, various platforms have made public commitments to accept and engage with collective worker bodies on their platforms, among them the South African labor platform SweepSouth. Most recently, the Spanish delivery platform Glovo, operating in more than 20 countries, developed a set of policies and social benefits for couriers in consultation with Fairwork, policies and benefits that will be rolled out in countries where Glovo operates.

However, pushing for social change by engaging with platform companies carries with it, as an action research strategy, several challenges for ensuring the independence of research and for maintaining a critical position towards platforms. In the next section we discuss these challenges and how we address them.

Challenges and Strategies for Maintaining the Independence of the Research Process

A central challenge for conducting action research in the gig economy that directly engages with platform companies lies in ensuring the independence of the research process and its findings. The independence and objectivity of research may be compromised, for example, when platforms fund research activities or are directly involved in the selection of workers for interviews. Against this background, we at Fairwork seek to preserve the independence of the research process and its results through three strategies. First, Fairwork finances its activities exclusively through third-party funding such as traditional research grants and grants for social transformation projects; none of its research or social transformation activities are funded directly by the platforms. Even when platforms solicit voluntary ratings and advice from the Fairwork project – as in the case of the above-mentioned cooperation with the food delivery platform Glovo – Fairwork does not accept any transfers of funds from platforms. Although this policy enables Fairwork to maintain its independence, the need for all research and engagement with platforms to be financed through third-party funding poses limits to the project's scope of engagement. Due to the limitations of personnel and its financial resources Fairwork has at times had to turn down requests for engagement and consultancy.

Second, to ensure the independence and objectivity of its research and to mitigate the potential risks for workers resulting from their participation in our studies, Fairwork tries to recruit participants independently from the platforms as often as possible. Only in exceptional cases do we ask platforms to distribute a call for participation in interviews or surveys via their mailing lists or community forums devoted to worker recruitment. We prefer to continue our communication with workers away of platform interfaces and move it to third-party sites, so that the platforms cannot identify workers who respond to our call (see Ustek-Spilda et al. 2022). Interested workers can then directly contact Fairwork researchers without the platform being involved in these interactions. When sharing workers' feedback with platforms in the rating process and making recommendations

for improvements to them, we ensure that all feedback is anonymized, and that no information is shared that would allow platforms to identify and/or single out individual workers or groups of workers.

Lastly, Fairwork implements several measures to maintain an independent and critical position when establishing collaborative communication with platforms in the rating process. To ensure that Fairwork ratings always accurately reflect actual working conditions on a specific platform, we conduct platform ratings annually so as to be able to grasp the improvements to, as well as the deterioration of, the working conditions on platforms. Treating platform ratings as a continuous process rather than a one-time interaction is also important, because Fairwork seeks to continuously adapt and strengthen its principles of fair work based on feedback from workers and other stakeholders. Hence, to maintain continued high ratings, platforms also need to continuously improve their working conditions. To that end, Fairwork always reserves the right to publicly criticize platforms for not meeting Fairwork's standards of fair work in the platform economy – independent of whatever sort of relationship Fairwork may have with a platform.

Conclusion

In this chapter, we introduced the Fairwork project, an action research project dedicated to promoting fairer work standards in the gig economy. Via the rating of digital platforms according to the five principles of fair work, Fairwork provides consumers, workers and other stakeholders with much-needed information about the working conditions on different platforms. In so doing, Fairwork aims to mitigate information asymmetries among platforms, consumers, and workers. Moreover, Fairwork creates impact with its annual platform ratings, as the rating process involves consulting with platforms to improve working conditions. A central challenge for engaging with platforms within the framework of an action research project is to maintain the independence of the research process and findings. The ability to acquire third-party funding for producing ratings, and for Fairwork's outreach activities, has been crucial to guarantee the independence of Fairwork's research so far and to maximize the impact of the project. Against this background, one central pathway for supporting social change towards fairer work in the platform economy is the expansion of funding opportunities for impactful action research. Government institutions and public agencies can play a central role in providing such opportunities by setting up funding programs dedicated specifically for promoting action research projects.

We hold that action research is a particularly apt strategy for promoting social change for two reasons. First, we need continued independent research to keep unravelling platforms' complex management and labor practices and to shed light on how these practices affect working conditions on a planetary scale. Second, research findings need to be linked to applied processes of engaging with platforms and other stakeholders for generating social change. Expanding those collaborations among researchers, platforms, workers, unions, and state actors is hence crucial for the development of alternative visions and practices for a fairer platform economy. Researchers interested in building collaborative relationships especially with workers and unions should, however, be sensitive to potential conflicts of interest that may arise when collaborating with a diverse set of stakeholders – including, for example, platform management and workers – at the same time. Transparent and open communication about the research process, the independent nature of the analysis, and the aims and boundaries of the project are therefore key for a successful collaboration between researchers and non-academic actors in action research projects.

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