Platform labour in search of value

A study of workers’ organizing practices and business models in the digital economy

Executive summary
Platforms are, today, critical infrastructure connecting different economic nodes and facilitating the constant harvesting of data-based intelligence to optimize interactions and, thus, maximize profits for their owners. Digital intelligence has emerged as a key factor of production to orchestrate market exchange in global value chains, enabling platform owners to selectively mobilize and demobilize labour at will. The "intelligencification" of value chains under the capitalist platform model has seen a concentration of economic power in the hands of a few powerful platform companies and an accompanying increase of labour precarity.

While digital labour platforms generate new flexi-work opportunities, they have also come under scrutiny for low wages, unfair terms of work, and lack of clarity about employment status of the workers associated with them (ILO 2019a; ILO 2020a). The COVID-19 pandemic has underscored the urgency of securing labour guarantees for workers in the platform economy.

This research documents organizing strategies and alternative business models currently being deployed by platform workers across the world to reclaim their civil-political and economic rights in the platform economy. It focuses on the domains of on-demand work, such as platform-mediated matching of work performed within a specific geography; crowdwork, such as platform-mediated matching of work performed remotely across geographically dispersed locations; and e-commerce, such as digital trade in goods and services.

Based on a literature review and in-depth interviews with a range of stakeholders — representatives from academia, global trade union federations, traditional and new-age trade unions working with platform workers, apex organizations of the international cooperative movement, traditional cooperatives, new-age platform cooperatives and the ILO — the study captures and analyzes various standpoints, spotlighting the differences in worker perspectives and approaches between the Global North and the South.
Findings

- Key findings of the study are as follows:

Collective action is gaining momentum in some sectors. In both the Global North and the South, trade unions have reached out to platform workers in ride-hailing, food delivery and online freelancing. Alliance-building among platform workers across these different sectors is also increasing. However, a whole range of platform workers in less visible sectors, such as data annotation, e-commerce logistics and on-demand domestic work, are currently left out from organizing efforts.

The relationship between institutional unions and emerging grassroots collectives of platform workers is strained, though some attempts are being made to build bridges. In the service sectors where platform workers are employed, the reach of institutional trade unions is very limited. New grassroots collectives have emerged to fill this gap. However, tensions between the traditional membership base of institutional trade unions and workers of platform companies, who often tend to be from a different demographic (such as migrants), make alliances and synergies for joint action difficult. Global trade union federations such as IG Metall, UNISON, and International Transport Workers’ Federation are deliberately trying to bridge this gulf, with reasonable success.

Workers’ data rights emerge as an important issue for unions across the globe, but specific concerns are different for the North and the South. Worker dataVelence and algorithmic disciplining by employers is emerging as a global concern. International trade union federations, well aware of invasive workplace tracking and monitoring, are leading the fight against these practices. Such mobilizations are most advanced in the European Union because of the institutional benchmark provided by the General Data Protection Regulation (GDPR).

In most developing countries, however, the lack of an enabling legal framework becomes a major impediment. Global unions have underlined how the domination of data value chains by companies from the United States is likely to make it much harder for domestic competitors to emerge, impacting job creation and job quality. The magnitude of the problem for workers in the Global South is greater, considering that data colonialism may impede the ability of developing countries to create new jobs and move into higher value segments of global value chains.

Technology freelancers have leveraged the cooperative model successfully for labour market intermediation. In contexts as diverse as Argentina, Kenya and the United Kingdom, skilled technology professionals with high bargaining power have demonstrated how cooperative business models can help in attaining economies of scale, and enable access to skill development, savings, credit and insurance schemes.

Labour market intermediaries are extending support services to gig workers. In Europe and North America, there are attempts to set up membership-based labour cooperatives for workers in on-demand service work in order to enhance their bargaining power vis-à-vis platform employers. In the Global South, where historically a majority of workers have been in the informal sector and laws tend to be poorly implemented, such models have not taken off. Instead, there are attempts by intermediaries traditionally providing enrollment, placement and support services to workers to re-boot their models for the digital economy.

Platform cooperativism is emerging as a social and solidarity economy (SSE) enterprise alternative to the dominant platform model. Progressive academics and practitioners in the Global North are advocating for the establishment of alternative platform business models in e-commerce, crowdwork and on-demand services, structured and run on cooperativist principles. This approach, called “platform cooperativism”, has gained traction in Europe and North America and is being taken to traditional cooperatives and SSE enterprises across the world, through conferences and collaborative pilots. The future impact of this model depends on sustained investment in the establishment of an institutional ecosystem to provide financial, legal and technological support to nascent platform cooperatives.

Dedicated start-up accelerators are expanding the global footprint of platform cooperatives. In the United Kingdom and the United States, dedicated start-up accelerators for cooperative platforms that provide a viable alternative to venture capital have emerged since 2018. These accelerators are backed by socially conscious investment funds, cooperative banks and traditional social service organizations. In France, La Coop des Communs, an association of researchers, SSE organizations, and public agencies, has set up a working group to encourage cooperativist businesses based on peer-to-peer possibilities offered by digital technology. In addition to finance and seed funding, the working group is exploring how platform and data infrastructures can be designed and governed to promote cooperativist ethics. Some accelerators, such as the New School’s Platform Cooperativism Consortium, are supporting traditional cooperatives in the Global South to set up their own platform business models.

Data cooperatives are the latest offshoot of the platform cooperativism idea. Trade unions and worker cooperatives in the Global North have put forward models in the ride-hailing sector for the creation of a worker-owned data commons. While some initiatives propose creation of a data pool by members as a strategy for collective bargaining with platform employers, others seek to generate data dividends by monetizing such data.

In the South, SSE organizations are setting up e-commerce marketplaces. Countries of the South with a strong institutional base for cooperatives (namely, Argentina, China, India and Malaysia), apex cooperative federations, cooperative banks and social enterprises are reinventing their role, enabling their member organizations to go platform. These initiatives tend to adopt the expansive data mining, user profiling and targeting techniques of dominant platforms.

Radical platform cooperatives outside the mainstream economy are being explored, but remain a fringe phenomenon. A few platform initiatives in high income countries (namely, Japan, Spain and the UK) and upper middle income countries (namely, Argentina) are attempting to explore a cooperativist vision grounded in the ethics of reciprocity and solidarity, locating themselves completely and firmly outside the mainstream capitalist economy. Some are building models in the communization of care, while others have pursued radical alternatives in cooperativist marketplaces using social cryptocurrency. While such proposals present interesting socio-economic pathways towards just and fair economies, insofar as they remain delinked from the mainstream economy, they remain exceptions.
Discussion and Conclusions

In the Global North and the South alike, workers’ movements are grappling with the loss of labour power as lead platform firms centralize value and control through their network-data advantage. The COVID-19 crisis points to immense working-class duress and a mixed score card for state responses, also galvanizing a debate about the need for egalitarian economic models. The role of digital technologies and the digital economy will be vital in the coming years in reorienting societies and their institutions towards socio-economic equality and justice. Against this backdrop, the insights and conclusions from the study about organizing and business models among workers engaged in the platform economy provide important insights into the future agendas of the international workers’ movement. Success depends on addressing the gaps and building on the lessons learned so far.

Organizing: unconventional modes, new agendas

The platform economy has forced worker collectives to re-map the horizon of their organizing strategies. Court action challenging misclassification of employment status and in pursuit of collective bargaining rights has not always produced favourable outcomes for platform workers. Independent grassroots collectives and unions pursuing direct confrontational tactics have been more successful than institutional unions in mobilizing workers in the platform economy. At this juncture, the insights and conclusions from the study about the role that platform workers play, and their relationship in both direct and indirect platform arrangement involved. New institutional models for labour market intermediation are a critical way forward to ensure access to support services for platform workers, and expand their capacities to negotiate the terms and conditions of work.

SSE platform models: design as linchpin

Creating alternative business models for workers in the platform economy based on a cooperativist ethos is not just about finding an alternative business structure (incorporation as a cooperative), funding strategy (community shares instead of venture capital), or method of surplus distribution (allocation of dividends based on member contribution rather than amount of share capital held). Choices of technology design architecture (network scale and data strategies) are equally important in the creation of platform enterprises in the social and solidarity economy tradition.

Currently, worker-owned platform business models from the Global North have turned towards “platform cooperativism”, embracing the Internet’s original promise for equitable wealth creation and distribution. However, the platform cooperativism community must devote more attention to data as the core value proposition in the platform economy and work through the challenges to build intelligence capital that maximizes collective benefit for workers, producers and consumers. Platform cooperativism hence needs a “regenerative appropriation” strategy that deploys data-based intelligence for sustainable value creation and equitable value distribution. Negating the value-generating potential of digital intelligence — that is, adopting a “data minimalism” approach — would be counterproductive. On the other hand, aping the data extractivist business practices of the mainstream capitalist model — that is, following a “data maximalist” approach — will result in an ethical deficit. Neither approach offers a holistic response to the question of worker empowerment in the digital age.

A third way — data collectivism — can provide the golden mean between the solidarity economy ethos of the cooperativist movement and the techno-design possibilities of platforms. Data collectivism enables worker organizations to be more efficient, decentralize value and re-engineer production and consumption in ecologically sensitive ways. Local cooperatives of service providers and producers (delivery workers, domestic workers, care providers and micro-entrepreneurs) can federate to forge trans-local linkages, widening their reach and expanding their markets. As a viable real economy alternative to platform capitalism, data collectivist approaches could also create linkages between worker/producer and consumer cooperatives.

Recommendations

COVID-19 has exposed the inherent flaws of the current global economic system. It has also brought to the forefront the vital economic role that platform workers play, and their unfair terms of employment and lack of labour protection. The encouraging findings of this study about new organizing initiatives and emergent SSE platform models hence come at a time when there is a window of opportunity for concerted global-to-local action. To further the economic and political rights of platform workers and create an enabling institutional environment, trade unions, cooperatives, SSE enterprises, national governments, platform companies and the ILO have a pivotal role to play. The study therefore makes the following recommendations:

Governments

Extend labour rights and social protection to platform workers: National laws should be updated so that all platform workers, irrespective of their employment status or contractual arrangement, enjoy the rights to freedom of association and collective bargaining, adequate living wages, limits on working hours, safety and health at work, and access to social protection.

Address disguised employment relationships in the platform economy: To ensure effective protection of all workers, national policies should allow for a broad range of means for determining the existence of an employment relationship in both direct and indirect platform work.

Introduce sector-specific legislation for different categories of platform workers: Sector-specific laws to address the specific concerns of particular categories of platform workers should be enacted, considering the breadth and variety of employment arrangements in the platform economy.

Recognize workers’ political and economic data rights: Workers should be legally protected from disproportionate and excessive workplace dataveillance. A new legal framework on individual and collective/community ownership of data should be introduced in order to enable workers to stake a claim to data value.
Create an enabling policy environment for a fair platform economy: Regulation can play a decisive role in checking the excesses of monopolistic platform power. Seed funding for SSE platform business models, and dedicated connectivity, platform, cloud and data infrastructure for cooperatives and SSE enterprises, are vital for developing countries.

Enhance public investment in care and social protection: Appropriate care infrastructure and a universal social protection floor for platform workers are important and it is urgent that national policies create these.

Trade unions

Develop new collective mobilization strategies: Grassroots approaches are needed to mobilize platform workers, inform them about their rights, forge inter- and intra-sectoral alliances and persuade platform employers to adopt voluntary codes of conduct through tripartite social dialogues.

Embrace a new agenda on workers’ data rights and data claims: Trade union negotiations on labour rights should spell out a clear data rights agenda, challenging exploitative workplace dataveillance and asserting workers’ collective claims in data value.

Build partnerships with support service intermediaries: New-age workers’ organizing efforts must show agility in bringing trade unions, labour cooperatives and mutual support organizations together in order to effectively support platform workers.

SSE Enterprises

Design platform SSE models towards “regenerative appropriation”: SSE enterprises should explore platform models that are founded on data ethics of respect for individual and group privacy, and sustainable creation and equitable distribution of data value. Federated design can bring additional advantages in the form of network effects and optimize supply through peer collaboration.

Explore innovative finance options: The International Cooperative Alliance and national level apex cooperative federations should set up innovative start-up accelerators and seed funding mechanisms to promote SSE platform businesses.

Provide capacity building and support for the platform context: Intermediary organizations should provide the much-need linkage for meeting the capacity-building needs and effective implementation of social insurance, credit and care services for worker cooperatives.

Platform companies

Respect labour and data rights of workers: Platform companies should respect basic labour rights, including workers’ rights to minimum wages, maximum limits on working time, workplace safety and health guarantees, and collective bargaining. The privacy and personal data protection of platform workers must be guaranteed. Platform companies should not prevent workers from setting up data cooperatives for deriving collective benefits from data.