

► The hidden costs of gig work: Unpaid labour

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► Unpaid labour: Not a new phenomenon

- Unpaid labour has existed in various forms throughout history and across different industries.
 - Unpaid internships or apprenticeships
 - "Off-the-clock" work (e.g., arriving early, staying late without pay)
 - Mandatory overtime without adequate compensation (especially in certain sectors)
 - Uncompensated travel time between job sites
 - Work performed by salaried employees outside of contracted hours

► Gender and unpaid work: The unequal burden

- Unpaid labour is often heavily gendered, with women disproportionately carrying the burden of:
 - Domestic labour (e.g., childcare, housework)
 - Caregiving for family members
 - Emotional labour in both personal and professional settings
- These forms of unpaid labour contribute to economic disparities and limit women's opportunities for paid work and career advancement
 - While unpaid labour contributes to the country's GDP but are never accounted for and this has been a long-standing debate as part of the UN-SNA accounts

► Unpaid labour in the gig economy: More than just “Free work”

- Studies in the sociology of work originally highlighted how digital technologies enable the exploitation of unpaid work “free labour” that contributes to capital accumulation (Terranova, 2000)
- Unpaid labour, even in freelance and microtask platforms, contributes to the profits of platforms and clients, which is a process of capital valorisation in Marx’s terminology
- “Effort Power” where in workers (freelancers) have some control over how much effort they invest, but platform dynamics limit their ability to translate this effort into fair compensation (Thompson & Smith, 2009)

► Understanding unpaid labour within capital's valorisation process

- Traditional labour market – employment relationship
 - unpaid labour arises from employers extracting more 'labour time' (the surplus) from contracted employees (waged-labour) than is essential for reproducing their labour power (Cole et al. 2022).
- Even though freelancers are not traditional "employees," their unpaid labour contributes to the value generated by platforms and captured by clients
- Platforms extract unpaid labour by compelling freelancers to invest time beyond directly compensated tasks to remain competitive
- Intense competition, fuelled by platform algorithms and an oversupply of labour, normalizes unpaid work as freelancers strive for visibility and positive ratings

► Always on? The blur between work and free time

- Platform work can blur the boundaries between professional and personal time
- "Algorithmic insecurity" pressures workers to be constantly available and responsive (Wood & Lehdonvirta, 2022)
 - Taxi, delivery, domestic and care services
 - Online microtask and freelance platforms
- This further contributes to the normalization of unpaid labour as workers feel pressured to engage in tasks or to be available at all times that may not directly translate to immediate income.

► The hidden discount: Unpaid labour as a “Subsidy”

- Unpaid labour acts as a hidden discount for clients, effectively subsidizing their costs.
- This is especially problematic in a context of intense competition, where workers (esp. freelancers) feel unable to factor unpaid time into their pricing, which leads to:
 - Offering lower rates to secure projects
 - Working for free to gain experience and ratings
 - Accepting projects they might otherwise decline

► Hidden costs: Platforms shift financial burden to freelancers

- Platforms often download costs onto freelancers that were traditionally borne by employers:
 - Subscription fees
 - Bidding fees ("Connects" on Upwork)
 - Commission fees on earnings
- This disproportionately impacts the incomes of the workers (freelancers) in developing countries, further exacerbating earnings disparities

► Reality of unpaid labour: Unseen workload

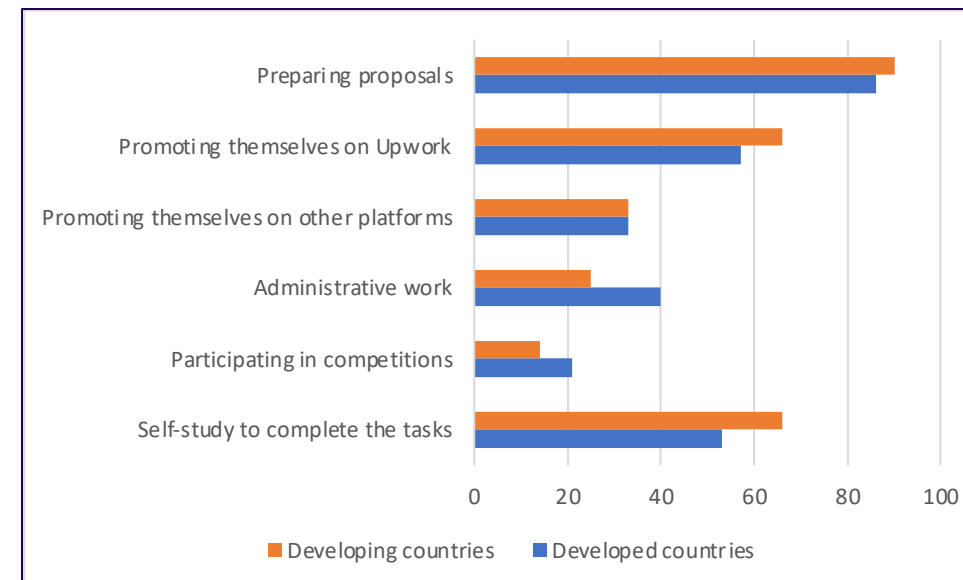
- Workers (freelancers) engage in a significant amount of unpaid labour to secure and maintain work:
 - Searching for jobs and bidding on projects
 - Creating and updating profiles, portfolios, and marketing materials
 - Communicating with potential clients
 - Completing tests and unpaid trial tasks
 - Dealing with client disputes and platforms

► Unpaid labour: Evidence from global online markets

- Traditional self-employed: unpaid work is incorporated in pricing
- Platforms: high competition - difficult to account for unpaid work
 - Average of 8 hours per week on unpaid tasks
 - about 28% of their total working time (higher in developing countries)

“My accountant told me I must be able to invoice for at least 90% of your time. [...] For me, that came out to only 50%.”

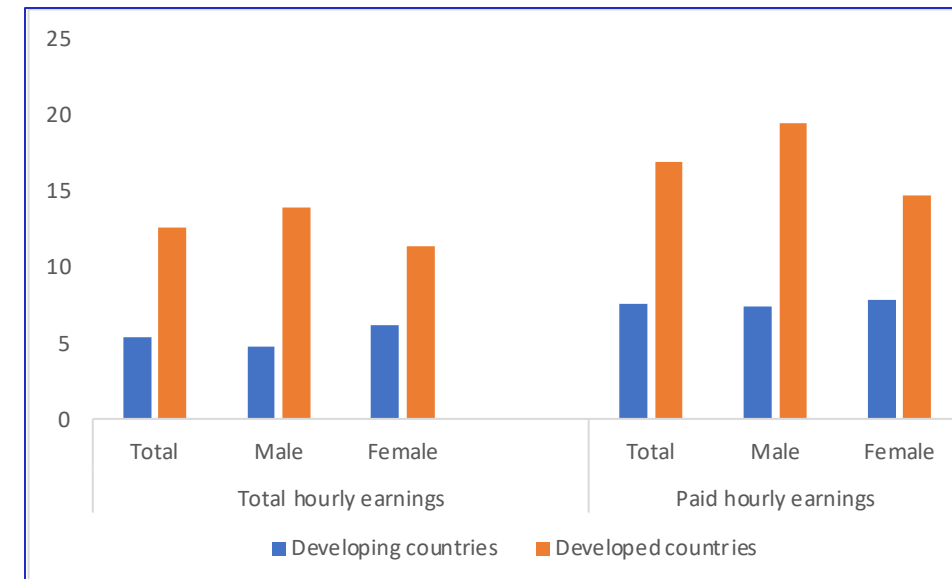
Types of unpaid activities performed by workers (%)



► Workers' earnings: Evidence from global online markets

- Large gaps in average hourly earnings leading to polarisation
 - Paid earnings in developed countries (US\$16.) more than twice in developing countries (US\$7.6)
 - Adding unpaid hours brings the earnings down to US\$5.4 for developing and US\$12.6 for developed countries
- Different expenditures: fees, commissions, subscription plans, withdrawal fees
- Developing country workers adversely affected

Paid and total hourly earnings in US\$



Moving forward: Recognizing and valuing unpaid labour

- ▶ Understanding the historical context of unpaid labour can inform strategies to address its contemporary manifestations in the gig economy.
 - ▶ Unpaid labour is a significant but often hidden cost for workers on both location-based and online platforms
 - ▶ Platform design, competition, and algorithmic management practices contribute to the prevalence of unpaid labour, which could lead to earnings disparities
- ▶ Addressing these issues requires greater transparency, fairer platform practices, and recognizing the true value of work performed
- ▶ Both traditional and online labour markets require:
 - ▶ Stronger labour protections
 - ▶ Enforcement of labour standards
 - ▶ A shift in societal norms that values and compensates all forms of work



▶ Thank you



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