

## Exploitation in the Digital Economy

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Scholz, T. 2017. *Uberworked and Underpaid. How Workers Are Disrupting the Digital Economy*. Cambridge, Malden: Polity.

In recent years, digital platforms have been challenging the economy. High-rated internet companies like Airbnb and Uber solely relied on digital platforms for their economic success. Created as mere technical intermediaries, Airbnb did not itself have to own any holiday flats in order for it to become the world's biggest provider of overnight stays, and Uber did not have to own any cars to become the world's biggest taxi company. Their business models, based on connecting clients and suppliers, are not only calling existing economic structures into question, they are also restructuring 'labor markets on a global scale' (p. 15). These internet companies exploit regulatory loopholes and pose big challenges for existing national tax systems. The consequences of this economic change include enormous social transformations and the reorganisation of work. One of the books that has picked up on this ongoing transformation and reorganisation of digital work is *Uberworked and Underpaid. How Workers Are Disrupting the Digital Economy*.

*Uberworked and Underpaid* was written by Trebor Scholz and devotes itself to platform capitalism. It offers a broad overview of different types of digital labour and develops an analysis of the challenges posed by it. Furthermore, the author proposes a number of solutions, the most elaborate being the concept of platform cooperativism as a way of joining the platform economy while insisting on communal ownership and democratic governance (p. 170).

Trebor Scholz is associate professor of culture and media at the New School in New York City. He works on topics like the future of work, solidarity, and the internet. As a scholar and activist, Scholz started convening the digital labour conference in 2009 to provide a space for discussions between scholars and practitioners. His book has been influenced by discussions with media scholars, cooperativists, lawyers, activists, designers, developers, union leaders, and policymakers worldwide on how to create a sustainable future of digital work. Inspired by years of exchange with various different stakeholders, the book offers a broad analysis of digital labour, including a rich set of examples and a call for action.

The book is structured as follows: After the Acknowledgements (vii) and the Author's Note (x), the Introduction addresses the question 'Why Digital Labor Now?' (p. 1). Following the Introduction, the book consists of two parts with several chapters. Part I (Chapters 1–4) presents a broad overview of types of digital labour and the challenges

posed by platform capitalism. Part II (Chapters 5–7) encourages the reader to imagine a democratic digital future. The need for regulatory improvement is made clear, along with the need for action and solidarity. Cooperative platforms are introduced as a democratic alternative to the so-called sharing economy. All seven chapters in Part I and II include several subchapters presented in an overview at the beginning of each chapter. This helps readers not to lose track of the discussion of this highly complex and ever changing issue.

Part I commences with an analysis of new forms of money extraction in the digital economy. Scholz presents a typology including a wide field of digital labour. Chapter 1 focuses on paid digital labour. The typology ranges from crowdsourcing platforms to user-led innovations; from in-game labour to competitive crowdsourcing – a form of digital labour which is especially criticised by Scholz (p. 35) for producing hundreds of unpaid, wasted work hours, when designers enter competitions with fully developed designs from which the employer may choose one.

Exposing the myth of autonomy, choice, and flexibility (p. 5) as a mere marketing scheme of digital platforms like Amazon and Uber, Scholz shows ‘what is lost in the transition from employment to contingent contract work’ (p. 5). Key to Scholz’s argument is the lack of choice of many workers to join platform capitalism or not. Driven by economic desperation, Scholz argues, they have no choice but to search for tasks on crowdsourcing platforms 24/7.

The author is no ‘Luddite’ (p. 54) and acknowledges the benefits of online labour brokerages or the Internet of Things. But more importantly he takes a detailed look at the relationship between digital platforms and those who actually do the work. Doing this, he reveals emerging vulnerabilities for workers. While employment came along with some kind of security, for example, in terms of minimum wage, social benefits, health insurance, and paid holidays, contract work on crowdsourcing platforms does not offer these advantages. Neither the employers outsourcing micro tasks to platform workers nor the platform owners themselves take responsibility for the workers. Workers’ rights that have been fought for for hundreds of years are abolished or bypassed to maximise short-term profits for platform owners. The work and the worker become invisible because, as Scholz puts it, ‘hiding the actual labor is key to get venture capital’ (p. 22).

Scholz recognises the importance of a macro-analytical frame as it is not technology itself but ‘the social vision behind technologies that colors its use’ (p. 55). He contests the argument that platforms like Amazon Mechanical Turk are just technical intermediaries that connect different parties to each other. In fact, he believes that platforms are shaping work conditions because the work ‘is changed by the platform’ itself (p. 41). One example would be a platform that prevents direct contact between an employer and a worker and as such frames work relations.

As a continuation of the typology in Chapter 1, the second chapter focuses on the diverse and large segment of uncompensated digital work. Scholz redefines what we know as work. Work, according to Scholz, includes our day-to-day participation on Facebook and Instagram, unpaid internships, and solving CAPTCHAs. Have you already had to prove that you are a human today? If so, you helped Google to 'digitize text' or 'annotate images' (p. 83). Scholz does not see uncompensated digital work per se as the problem. The problem is the corporations' duty to extract value and maximise profits by exploiting the free work of millions of people to profit a few platform owners (p. 55). Payment per se is not the solution, as Scholz explains, using Wikipedia as an example. Wikipedia authors do not write articles to earn money, because payment would devalue the work itself. People feel good when volunteering for a good cause – like writing Wikipedia articles and thereby contributing to the free spread of knowledge. Scholz, referring to André Gorz, identifies the failure to distribute wealth as the main problem (p. 91). At the end of the chapter, the author therefore discusses the idea of universal basic income as one intervention. As this is not the author's main focus, this subchapter appears to be a little short compared to the detailed discussion of platform cooperativism in Chapter 7.

The comprehensive typology, though, includes a rich set of examples and reveals the various ways in which digital labour platforms are 'restructuring the labor market on a global scale' (p. 15). Even though Scholz includes all kinds of paid and unpaid digital labour, the real focus of his analysis lies on job service platforms, with the most powerful example being Amazon Mechanical Turk. The key concept behind these job service platforms is the nonstop availability of workers all over the world to fulfil micro tasks for anonymous employers while earning less than minimum wage.

Chapter 3 is 'looking for a common language and understanding' (p. 6) of digital labour. While 'the distinction between free time and labor time becomes less meaningful' (p. 101), Scholz argues 'against a surrender of the language of labor' (p. 106) in order to avoid the depoliticisation of the discussion.

Chapter 4, the last in Part I, introduces the concept of 'crowd fleecing', which refers to the 'real-time exploitation of millions of workers and netizens by a small number of companies online' (p. 109). Scholz concludes that traditional forms of exploitation differ from new forms of digital exploitation. He introduces the term 'crowd fleecing' to capture these new forms of exploitation in the digital economy and to distinguish them from traditional exploitation. Key to digital exploitation are the 'unprecedented numbers of globally distributed, mostly anonymous, invisible, solo workers, all synced and available to a small number of platform owners in real time' (pp. 113-114).

Having introduced and discussed sites of paid and unpaid digital labour and its

consequences for the situation of workers in Part I of the book, Part II is about alternatives. Scholz attempts to provide a 'vision for the future of work based on democratic values, mutualism, and cooperativism' (p. 7). With this in mind, Part II is a call to action for every user of the internet.

Chapter 5 focuses on the 'legal gray zones' (p. 125) frequently used by globally operating internet companies like Amazon or Google. After showing how regulatory efforts cannot keep up with the pace of digital development leaving digital workers unprotected, the author highlights possibilities for action. One of his suggestions is to define digital workers as employees, to protect them as employees or at least giving them the same rights. Efforts have already been made in other sectors, as the examples in the book show: a 'Domestic Workers' Bill of Rights' was passed in New York State in 2010. An 'Intern Bill of Rights' was suggested by Ross Perlin in his book *Intern Nation*. Concerning the internet, Scholz criticises the fact that suggestions mainly concern data privacy and tax systems. Tim Berners-Lee, for example, proposed a 'Bill of Rights for the Internet', endorsing the protection of data (p. 135), and the French Colin & Collin tax proposal suggests taxing internet companies according to the profit they make using the country's population data (p. 138). None of them, however, deal with digital workers' rights.

Chapter 6 is about selective engagement: Can you 'break off', 'switch off', and 'disengage' from the network? Can you 'unthink the network' (p. 146)? Scholz is not suggesting a dichotomy of ON and OFF but is reminding the reader that there is a choice about when, where, and how to engage in platform capitalism.

As an alternative to platform capitalism, he introduces the concept of platform cooperativism in Chapter 7. This chapter puts job service platforms once again into the spotlight. Scholz introduces the concept of platform cooperativism as a way of joining the platform economy while advocating democratic governance. Scholz, although being a critical observer of platform capitalism, does not reject platforms per se. He endorses cooperative concepts of platform organisation. Key to platform cooperativism is the question of ownership. He suggests that platforms are owned by the workers, governed in a democratic way and keep the workers' interests in mind. The goal of these cooperatives would be to build 'lasting businesses over decades to come' that 'take care' of their workers (p. 190). Giving various international examples, Scholz demonstrates that platform cooperativism is a realistic alternative to the capitalist model of the platform economy. Nevertheless, it seems unlikely that a comprehensive transformation of platform capitalism will occur, which means that cooperatives have to compete with platforms that are built on the digital exploitation of workers. Referring to Rosa Luxemburg (p. 172), Scholz himself poses the question: How can non-capitalist platforms exist in a capitalist environment? His rather realistic suggestions include targeting niche markets or low-income clients (p. 173). If readers

are expecting a revolution and a way to transform the digital capitalist system as a whole, they will be disappointed. Scholz's strength lies in describing possible realistic actions and underscoring them with numerous examples.

Scholz has written a well-informed book about platform capitalism with a profound analysis of its influence on labour market structures. His typology is an extensive overview of the platform economy and its pitfalls. The broad typology of digital work raises the question as to whether all platforms pose the same difficulties for digital workers. Digging deeper into the details of the different platforms and forms of digital work, showing their similarities and differences, would be another interesting endeavour. Scholz's detailed analysis mainly focuses on the workers' situation on job service platforms. This is the unique strength of his book.

The author shows that the sharing economy is not about sharing at all. Instead, it is a matter of radical, quick economisation and precarious work arrangements, a central aspect being the new regulation of work relationships.

The dehumanisation – the pseudo-immateriality – of work is one of the central problems identified by Scholz. The internet lets its users forget that there are real people behind the screen who get tired; who get sick; and who have bills to pay. Digital work is just as material as the companies themselves. Calling for action, Scholz points out that internet companies have headquarters with real addresses. This leads to another of Scholz's priorities: solidarity. Organising collective action in a work environment where workers do not know each other or their employers is difficult but not impossible. Scholz gives various examples of protests and digital initiatives with the aim of improving the workers' work conditions. One of the most pressing issues, according to Scholz, is adequate and timely payment. Another is the constant surveillance of digital workers. In real life, Scholz argues, no employee would put up with this kind of surveillance. On the internet, however, constant rating, ranking, and reviewing is daily routine. A routine that can leave a worker from one day to the next without any income.

Written in the American context, the analysis cannot be transposed to the European context as such. Amazon Mechanical Turk operates primarily in the United States and India, owing to different work regulations in other countries, as Scholz describes. Nevertheless, development in the European context points in the same direction. In the future, an analysis in the European context would be a fruitful endeavour.

The book does not include an analysis of the author's own empirical material. But even without such an empirical analysis *Uberworked and Underpaid* is a critical reflection of today's practices in platform capitalism and an important contribution to the discussion of digital labour and the future of work. The combination of extensive analysis and directions for action make it an inspiring reading experience.

*Uberworked and Underpaid* is a profound analysis of the ever changing field

of digital work written in a very accessible and engaging style. With its innumerable examples on roughly 200 pages, it is recommended reading for scholars as well as practitioners or the interested public.

## The Invisible Force – How Algorithms Shape Society

**Matthias Philipper**

O'Neal, C. 2016. *Weapons of Math Destruction: How Big Data Increases inequality and Threatens Democracy*. New York: Crown Publishers.

Big Data and algorithms have become more and more present in various aspects of modern life. They are either regarded as an efficient and objective tool for solving a broad variety of problems in the working world and governance processes or as a threat to democracy, equality, and familiar ways of life. Questions on how to deal with the ongoing data revolution and its side effects are increasingly depicted and critically discussed in mass media and literature. Hence it is not surprising that numerous publications about current developments in the field have been published over the last few years in either scholarly or popular science literature. In these Big Data analyses, algorithms and computational modelling of society are discussed from the perspective of the various academic disciplines, such as computer science, philosophy, or sociology. For readers who are interested in the subject the discourse in these fields may be demanding and the analyses thus less accessible. As well as scholarly routes into this field, there is a broad range of writing more generally accessible to the public on how data shapes the everyday life of an increasing number of people worldwide. The authors of these publications are mostly science journalists and bloggers who often present a rather critical approach to the topic. Some of these writings offer curious insights on how the Data Economy works and how it develops its state-of-the-art technology. This is especially the case, when the developers of the algorithms and techniques of machine learning want to present their inside knowledge to a wide group of readers. One of these books is *Weapons of Math Destruction* by Cathy O'Neal.

Although the author, Cathy O'Neal, is not specialised in the social sciences or questions of inequality, her knowledge and thoughts about mathematical modelling, algorithms, or, as she calls them, 'Weapons of Math Destruction' (p. 3) shed an interesting light on the different effects that these systems can have on society. Her expertise in the field derives from a broad variety of different professions