



Gender Equality in the Platform Economy

Fact Sheet 11

Work on demand

Digital platforms that broker services are widespread in all areas of life. You can order food via your smartphone using the Lieferando app or book a taxi with Uber. Babysits.de places babysitters, Care.com brokers everyday help from walking the dog to caring for relatives in need of care. Textbroker has thousands of registered authors who can be booked for texts or translations. Amazon Mechanical Turk enables companies to outsource so-called microtasks like data validation.

Behind the numerous apps and websites are **platforms that enable a new form of work that has emerged through digitalisation: online brokered work on demand**. Such work includes online, but also offline activities.

- » **Online platforms** (*cloud- or crowdwork*) broker activities that can be done regardless of location. Examples are translations, graphic design, text creation.
- » **Offline platforms** (*gig work*) broker location-based activities, such as cleaning, delivery services, childcare.

The **business models of the platforms** differ. What they have in common, however, is the triangular relationship between platform operators, clients, and platform workers. The platforms understand themselves as intermediaries between the clients on the one side and the workers registered on the platform, who carry out these orders on the other. The platforms get paid for the (automated) brokerage, for example by charging fees to clients and/or workers. In general, (only) the clients have the possibility to evaluate the work of the platform workers, be it privately or publicly.

Working conditions on platforms are currently being widely discussed. Within trade unions, in academia, and in politics, however, there is often a lack of focus on equality-oriented framework conditions.

New capabilities for women!?

From a gender equality perspective, platform work may seem to have some **advantages**: The work is flexible in terms of time and often not tied to a specific location. This can make it easier for platform workers to reconcile paid work and (unpaid) care work. The digital brokerage and placement can potentially also hide categories such as gender. This avoids selection decisions or assessments based on gender stereotypes, and thus prevents discrimination.

However, the reality is often different. There are numerous disadvantages relevant to gender equality.

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Overall, platform work can only offer new capabilities if the framework conditions of the work are designed with gender equality in mind.

Between (gender equality) opportunities and risks

Platform work can offer flexible and sometimes well-paid earning opportunities for men as well as women in full-time or part-time employment. However, women who work on platforms are usually otherwise not employed or only part-time employed. Men more often use additional earnings from platform work in parallel to a full-time job. In the low-wage sector, platforms-based work furthermore exacerbates the risks of precarious employment structures, for instance with regard to old-age poverty. Problems of the traditional labour market – such as gender-based segregation, pay gaps, or violence – are found on platforms as well, and often under more difficult framework conditions.



A study by Krzywdzinski/ Gerber published in 2020 compared working conditions for 15 platforms in Germany and the United States. The data, which is differentiated by gender, among other criteria, shows similar structural inequalities.

There are only few data categorised by gender or migration background with regards to platforms located or used in Germany. Most studies on (gender-related) discrimination in the platform economy come from the United States. However, the basic findings from the U.S. studies can be transferred to the German context.

Unclear status and insufficient social security

Part of the business model of platforms is to keep the costs of work low, e.g. for staff and working materials. The operators often do not see themselves as employers, but merely as intermediaries for work orders. Platform workers are thus not considered (socially insured) employees, but self-employed. The ensuing consequences affect not only, but especially women:

- » Platform operators would usually have to pay half of the social security contributions for employees. **Self-employed people, in contrast, have to insure themselves against risks such as old age, illness, or unemployment.** This **financial disadvantage mainly affects self-employed people with low incomes.** As in traditional self-employment, this is probably **more often the case for women.** In addition, there is an income gap caused by the lack of or insufficient maternity protection for self-employed people.
- » Self-employed workers are not subject to the same labour law standards as employees. For example, they have no right to co-determination in the workplace and **no right to a minimum wage.** However, payment according to the minimum wage would benefit women in particular, as they are often employed in the low-wage sector. The **protection against discrimination according to the German General Equal Treatment Act (AGG) only applies when taking up self-employment,** but not during the actual exercise of the activity – to the disadvantage of platform workers who experience discrimination more frequently because of their gender or ethnic backgrounds, for instance.

The status of platform workers as self-employed is increasingly being challenged. At the end of 2020, the German Federal Labour Court ruled in a case around a crowdworking platform in Munich that platform work is considered an employment relationship if platform workers are not free to determine the place, time, and content of their work. Trade unions are campaigning to recognise platform work as employment (i.e. subject to social security contributions), for example in the field of delivery services.

- » **So far,** however, there has been a **lack of attention** from trade unions, administration, and politics **for women-dominated platforms, e.g. in the area of care work.** In 2017, 90 per cent of care workers offering their services via platforms in Europe were women. In contrast to this, the majority of delivery services are provided by men.

Different pay

Women and men are paid differently on platforms, regardless of whether their gender is visible to clients or not. These differences stem from the **different pay for typically “female” and “male” jobs** as well as from **structural inequalities.**

- » According to data for Upwork, a platform that places jobs with self-employed people worldwide, women earn on average 26 per cent less than men. Typical female activities, such as translations or administrative work, fetch lower prices than male-dominated activities, for instance in the fields of IT or architecture. On the other hand, on Helping, a platform that provides “cleaning help”, women can achieve higher prices. There are presumably certain preferences at work in this regard, which stem from gender-stereotypical assumptions about the quality of work.



The Second Gender Equality Report of the German Federal Government already pointed out the precarious framework conditions when it comes to household-related services. A voucher system and municipal model projects that test public or cooperative platform offers are recommended.

The extent to which the standards applied to payment can be qualified as **(legal) discrimination** is sometimes **difficult to judge**.

- » A study on Uber in the US shows that the hourly wages of male drivers are 7 per cent higher than the hourly wages of female drivers. Here, the fare depends roughly on speed, experience, and area. Since male drivers often drive faster and more frequently and serve areas with higher crime rates, they earn more per hour.

Little is yet known about evaluation criteria for payment on (German) platforms and their gender-related effects. However, **in the case of self-employment**, the **protection** against pay discrimination as given **in the German General Equal Treatment Act** is already lacking.

Constraints due to care obligations

Platforms are advertising for themselves with flexible working hours. Platform workers could perform tasks when the children are doing schoolwork or sleeping. However, this neglects the fact that **care work** is also strenuous work. Platform workers who take care of relatives are also less available. This considerably **limits** their **actual work opportunities on platforms**.

- » Surveys on the Amazon Mechanical Turk platform show that women with care obligations chose complex time-consuming tasks less often and interrupted their work more often. Men, in contrast, did numerous tasks at a time and thus achieved learning effects as well as economies of scale, which led to better pay.
- » People with care obligations have worse chances with regards to jobs that are advertised as tenders with short deadlines as they cannot manage their time as freely.

The **pressure of time availability** weighs particularly heavily on (self-employed) platform workers. Unlike employees working from home, platform workers are not protected by labour and social regulations.

Disadvantages due to (gender) stereotypes

Positive reviews by clients increase the chances of new orders and thus income opportunities. However, the typical **reputation mechanisms of platforms bear discrimination risks** because the (subjective) assessments of clients often reflect social prejudices or stereotypes.

- » Studies on TaskRabbit and Fiverr show that on average, women received fewer ratings than men with comparable qualifications. In addition, people perceived as Asian or Black received fewer and worse ratings than people perceived as white/Caucasian.

This is reinforced by automated rankings: people with many and good ratings are ranked better. However, unlike job references, there is a lack of formal criteria for the evaluation of work as well as a lack of fair complaint mechanisms.

In some cases, algorithmic systems also access personal data such as gender to target potential clients or contractors. In this way, prejudices are reinforced – instead of the algorithms contributing to equal capabilities regardless of gender.

Gender-related (digital) violence

Sexual harassment or violence take a new quality in the context of platform work. For example, clients use the commenting and feedback mechanisms for harassment. Platform workers who work “offline” in private spaces, for instance cleaning services, are less likely to perceive transgressions as such or are more likely to tolerate them. Reasons for this are the anonymity of contact, the private character of the work, the casual etiquette, the fear of negative evaluations, and the weak legal status. At the same time, these workers lack contact persons, advice, and information.

Recommendations for action

... by the Expert Commission

The Expert Commission recommends:



- » establishing and anchoring legal provisions that make it easier to determine the legal **status of platform workers**: e.g. by first legally presuming that they are employed and then verifying their legal status through mandatory certification of the platforms
- » including self-employed workers fully into **social security systems**. At the same time, platforms should be involved in the financing of social security contributions
- » amending the General Equal Treatment Act (AGG) so that **protection against discrimination** also applies to **self-employed platform workers** and platform operators, e.g. when it comes to the introduction of institutional measures such as complaints bodies to protect against (digital) violence or algorithmic discrimination
- » ensuring **protection against pay discrimination** also when working on platforms: by supplementing the Equal Treatment Act, by extending the German Pay Transparency Act, and by utilising intersectional studies that examine pay structures on platforms
- » developing a **standardised assessment/certification procedure** that can be used to verify the competences acquired on platform work in a non-discriminatory manner
- » ensuring that platform operators comply with their existing obligations to protect against **analogue and digital violence** (article 241 (2) of the German Civil Code) and effectively prevent violence
- » enabling **trade union rights** and **workplace co-determination structures** regardless of status.

... and other institutions

(Further) initiatives or mechanisms that can promote more gender-responsive and -equitable working conditions on platforms include:

- » the proposal of the German Women Lawyers Association for an **Gender Equality Act** for the private sector which specifies duties to act and to report for employment platforms. This would for instance include a duty to submit remuneration reports in which remuneration structures and pricing mechanisms are disclosed, among other information
- » the **Fairwork Project** which develops principles for fair work on platforms, and on this basis evaluates working conditions on platforms
- » the “**Code of Conduct**”, a voluntary commitment with principles on data protection, communication, and fair pay which is intended to promote fair cooperation between companies and platform workers
- » the **ombudsman’s office** set up by the union IG-Metall, which is to mediate between platforms and platform workers.



Further reading

- » Chapter B.II in the Expert Opinion part of the Third Gender Equality Report of the German Federal Government, available (in German) at: <https://www.bmfsfj.de/gleichstellungsbericht>
- » Agency for the Third Gender Equality Report of the German Federal Government (2021): Shaping digitalisation in a gender-equitable way. Summary of the Expert Opinion of the Third Gender Equality Report of the Federal Government. Berlin: Agency for the Third Gender Equality Report. Download at: <https://www.dritter-gleichstellungsbericht.de/de/topic/50.english.html>
- » Hensel, Isabell (2020): Genderaspekte von Plattformarbeit. Stand in Forschung und Literatur. Expert opinion for the Third Gender Equality Report of the German Federal Government.
- » Fritsch, Katrin/von Schwichow Helene (2020): Zwischen Flexibilität und Unsicherheit. Erfahrungen von Frauen in der Plattformökonomie. Expert opinion for the Third Gender Equality Report of the German Federal Government.
- » Gruber-Risak, Martin (2020): Soziale Sicherung von Plattformarbeiter*innen. Expert opinion for the Third Gender Equality Report of the German Federal Government.

The expert opinions are available (in German) at: www.dritter-gleichstellungsbericht.de/de/topic/62.expertisen.html

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