POLICY BRIEF

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Fair Work in the Platform Economy and AI Supply Chain

2025

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Digital Transformation

Abstract

Research has provided strong evidence of how digital labour platforms and artificial intelligence (AI) are shaping the future of work. The International Labor Organization counted an increase in digital labour platforms from 142 to 777 in the decade of 2010–2020. Platform work is a source of livelihood for millions of workers worldwide; AI has also been seen as a transformative technology capable of boosting productivity and improving the labour process in a wide variety of economic sectors. But neither is without concerns. Digital labour platforms can facilitate precarious arrangements with low and insecure pay, poor and unsafe working conditions, inaccessible and unreasonable contracts, unfair and non-transparent management systems, and a lack of representation. AI at work also brings a risk of job displacement and the demand for new skills. These subjects have been part of G20 agendas related to sustainable growth, employment, and the digital economy. This policy brief presents specific and actionable recommendations drawn from evidence gathered over five years by the Fairwork project. The project evaluates fairness in digital labour platforms and the AI supply chain, and engages with companies, workers, and policymakers. The policy brief addresses critical topics linked to SDG 8: "Employment, decent work for all, and social protection". The proposal lists recommendations to promote a more inclusive and equal digital transformation in labour relations and processes in digital labour platforms and the AI supply chain, covering challenges related to pay, conditions, contracts, management (including equity and inclusion), and representation.

Keywords: Fair Work, Digital Labour, Platform Work, Gig Economy, AI

Diagnosis

Platform work, AI and precarity

In the past decade, the platform economy and artificial intelligence (AI) have been changing labour market relations across the world, impacting the way some work is accessed, paid for, managed, controlled, and experienced. These transformations open opportunities but also pose risks, especially for workers.

The Fairwork project, based at the University of Oxford and the WZB Berlin Social Center and present in 41 countries, evaluates fairness in both digital labour platforms and the AI supply chain, based on the Fairwork principles of pay, conditions, contracts, management, and representation.[1] The evidence gathered by the project and the recommendations included in this brief present valuable inputs to the G20 discussions in the Digital Transformation Task Force, particularly for the sub-theme "Regulation of Emerging Technologies", which seeks to promote secure and decent work, among other objectives.

Digital labour platforms mediate the buying and selling of labour between firms, workers, and other organisations, usually on an on-demand basis, connecting workers to requesters via digital infrastructures.[2] According to a report by the International Labor Organization (ILO),[3] the number of platforms rose five times between 2010 and 2020 (from 142 to 777).

[1] The Fairwork principles for location-based platforms are available at: https://fair.work/en/fw/principles/fairwork-principles-location-based-work/.
The Fairwork principles for cloudwork platforms are available at: https://fair.work/en/fw/principles/cloudwork-principles/.
The Fairwork AI principles are available at: https://fair.work/en/fw/principles/cloudwork-principles/.
[2] Woodcock, Jamie, and Mark Graham. 2020. The Gig Economy: A Critical Introduction. Cambridge: Polity Press.
[3] International Labor Organization (ILO). 2021. "World Employment and Social Outlook 2021: The Role of Digital Labor Platforms in Transforming the World of Work". Geneva: International Labor Office.

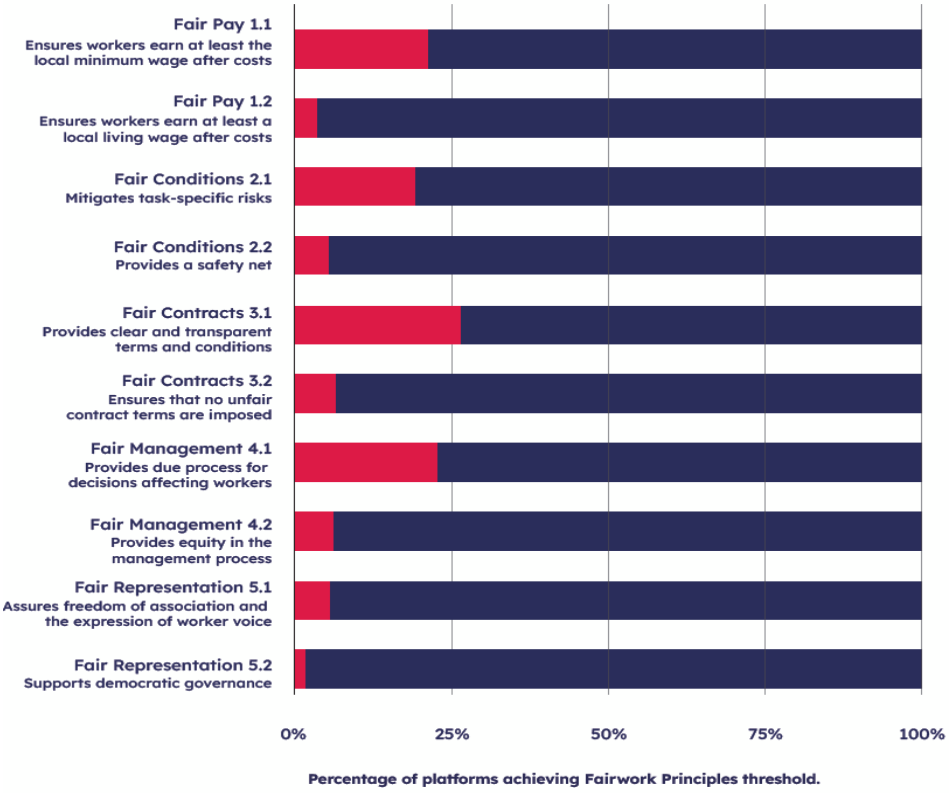
A number of studies have highlighted the perils and precarity workers experience on digital labour platforms.[4] An ILO report from 2021 revealed that platform taxi drivers worked on average 65 hours, and delivery workers on average 59 hours a week.[5] Academic studies drew attention to issues in remuneration, such as underpayment, algorithmic discrimination, and unpaid labour.[6] A global survey with 776 cloudworkers in 100 countries revealed that 31.2% experienced non-payment situations and 38% late-payment situations.[7] Another significant issue is the lack of transparency and power asymmetries within the algorithmic management models adopted by platforms.[8] An international survey with cloudworkers has shown that 40% of workers were not aware of appeal processes.[9] Data protection emerged as a salient challenge as well.[10]

Workers might also be exposed to health and safety risks[11] but find it difficult to access social protection, as they are often subjected to non-transparent terms and conditions, with contracts placing undue liabilities on them.[12] To fight for better conditions, workers face structural barriers to collective action, such as atomisation and dispersion, among other challenges.[13] The Fairwork project has shown how digital labour platforms are far from meeting basic standards of

[4] See, for instance, Pulignano, Valeria. 2019. Work in Deregulated Labor Markets: A Research Agenda for Precariousness. ETUI Research Paper - Working Paper 2019.03. Available at SSRN: https://ssrn.com/abstract=3350980 or http://dx.doi.org/10.2139/ssrn.3350980.
[5] Rani, U., Kumar Dhir, R., Furrer, M., Gőbel, N., Moraiti, A., and Cooney, S. (2021). World employment and social outlook: the role of digital labor platforms in transforming the world of work. *Geneva: International Labor Organisation*. Available at: http://onlinelaborobservatory.org/paper/ilo-weso-report-2021/.
[6] De Greef, Kimon. 2019. "Immigrant Food Couriers Risk Death on South African Roads." Ground Up. Dubal, Veena. 2023. "On Algorithmic Wage Discrimination." Columbia Law Review 123 (7): 1929–1992.
[7] Fairwork (2025). Fairwork Cloudwork Ratings 2025: Advancing Standards in Digital Labor and AI Supply Chain Governance.
[8] Graham, Mark, Isis Hjorth, and Vili Lehdonvirta. 2017. "Digital Labor and Development: Impacts of Global Digital Labor Platforms and the Gig Economy on Worker Livelihoods." Transfer: European Review of Labor and Research 23 (2): 135–162.
[9] Fairwork (2025). Fairwork Cloudwork Ratings 2025: Advancing Standards in Digital Labor and AI Supply Chain Governance.
[10] Woodcock and Graham 2019. Op. cit.
[11] Bertolini, Alessio. 2024. Securing Safer, Fairer Conditions for Platform Workers: Key Regulatory and Policy Developments and Challenges. Bilbao: European Agency for Safety and Health at Work.
[12] Fredman, Sandra, Darcy du Toit, Mark Graham, Aradhana Cherupara, Gautham Bhatia, and Alessio Bertolini. 2021. "International Regulation of Platform Labor: A Proposal for Action." Weizenbaum Journal of the Digital Society 1 (1).
[13] Moore, Phoebe V. 2018. "The Threat of Physical and Psychosocial Violence and Harassment in Digitalized Work." Geneva: International Labor Office.

fairness regarding payments, working conditions, contracts, management and representation[14] (see Figure 1).[15]

Figure 1. Platforms' scores



Source: Fairwork, 2024

Similarly, opportunities and risks are also associated with the rise of AI at work. The OECD emphasises the ambiguous nature of the deployment of AI systems at workplaces and their still-uncertain effects. For instance, while 65% of workers in the manufacturing and finance sectors report positive perceptions of the use of

[14] Fairwork. Fairwork Annual Report 2023: State of the Global Platform Economy. Oxford, United Kingdom; Berlin, Germany, 2024.

[15] For example, no more than 25% of the platforms evaluated ensured that payments were at least equivalent to the minimum wage, addressed health and safety risks, and offered clear communication channels along with transparent appeal processes. Additionally, fewer than 10% of the platforms recognised and promoted freedom of association.

AI tools, 60% fear losing their jobs to AI. The World Economic Forum estimates that AI will impact 40% of jobs, in both beneficial and harmful ways.[16]

However, less attention has been paid to the challenges of labour relations in AI development, since workers are usually hidden,[17] despite performing key tasks such as data collection, cleaning and annotation, text translation, model revision, and content moderation.[18] Studies estimated that data work comprises 80% of the AI development process.[19] Data work is facilitated via firms such as microwork platforms and business processing outsourcers, which offer cheap labour to AI companies.[20] Although there is a growing literature on AI ethics and principles derived from it, there is still a gap for a set of standards focused on fairness in the AI supply chain.

The Fairwork cloudwork project found that microworkers spent, on average, 27% of their time on unpaid tasks and earned, on average, $2.15 per hour, which is below the minimum wage in several countries. Another report showed how Sama, a data annotation company, would need to make major improvements to ensure fair working conditions for its workers.[21] A study showed that 54% of content moderators (a key activity to fine-tune AI systems) reported post-traumatic stress disorder.[22]

[16] World Economic Forum. 2023. The Future of Jobs Report 2023. Geneva: World Economic Forum. https://www.weforum.org/publications/the-future-of-jobs-report-2023/.
[17] Altenried, Moritz. 2020. "The Platform as Factory: Crowdwork and the Hidden Labor Behind Artificial Intelligence." *Capital & Class* 44 (2): 145–158.
[18] Tubaro, Paola, Antonio A. Casilli, and Margherita Coville. 2020. "The Trainer, the Verifier, the Imitator: Three Ways in Which Human Platform Workers Support Artificial Intelligence." *Big Data & Society*.https://doi.org/10.1177/2053951720919776.
[19] Cognilytica Research. 2019. *Data Engineering, Preparation, and Labeling for AI 2019.* Available at: https://www.cloudfactory.com/reports/data-engineering-preparation-labeling-for-ai.
[20] Muldoon, James, Callum Cant, Mark Graham, and Funda Ustek Spilda. 2023. "The Poverty of Ethical AI: Impact Sourcing and AI Supply Chains." *AI & Society*: 1–15.
[21] Fairwork. 2024. *Fairwork Annual Report 2023: State of the Global Platform Economy*. Oxford, United Kingdom; Berlin, Germany.
[22] Carey, Steve. AI Villains: The Human Cost Behind Content Moderation and AI Development. Available: https://www.linkedin.com/pulse/ai-villains-human-cost-behind-content-moderation-steve-wxqbc/. Retrieved: 5 May 2025.

Technological advancement may offer opportunities for the development of cognitive skills and the creation of new jobs focused on higher productivity. However, studies show that the impact of these new technologies does not always follow this positive outlook, especially in countries perceived as peripheral to this ecosystem.[23] Hence, there is a need to adapt labour governance and legislation to the changing realities of digitally mediated work.

Recommendations

Against this background, a set of recommendations are listed to address the issues highlighted for G20 as a group and for G20 countries specifically. The rights and protections listed should be extended and ensured to all platform workers, regardless of their employment relationship, unless any regulatory barrier prevents specific groups from being covered or if regulatory frameworks forward those responsibilities to requesters or state authorities.[24]

Recommendations for the G20

The G20 should engage and support the approval of a convention on platform workers' rights, which is currently being debated in the ILO. The convention must consist of guidelines ensuring – at least – the rights described below. Labour standards can be secured through various mechanisms, including collective bargaining and voluntary agreements between platforms and workers. Other options include industry guidelines and tripartite agreements, as well as social

[23] As shown by Rani and Dhir (2024), workers performing AI-powering tasks experienced significant inequality. While worker in Global South countries received USD 2.1 per hour, workers in Global countries earned USD 4.2 an hour. Rani, Uma, and Rishabh Kumar Dhir. 2024. "AI-enabled business model and human-in-the-loop (deceptive AI): implications for labor." In Handbook of Artificial Intelligence at Work, pp. 47-75. Edward Elgar Publishing.

[24] The recommendations outlined are based on the Fairwork Principles, which apply to all platform business models. Research conducted by the brief authors indicates that digital labor platforms utilize a range of work arrangements and processes, and these variations should be taken into account when determining the obligations of platforms and clients, as well as the requirements for labor standards. The Fairwork Principles are available at: https://fair.work/en/fw/principles/. Retrieved 7 May 2025..

dialogue initiatives. These mechanisms can be implemented at international levels (such as within the ILO or G20), as well as regionally and nationally.

Employment relationship

- Member countries should establish clear and enforceable criteria for the employment classification of platform workers, considering the specific characteristics of platform work and the fact that, generally, platforms shape the labour process.[25]
- Where these criteria are already in place, governments should ensure their enforcement.

Pay

- Workers must earn at least the local minimum wage or the wage set by a collective sectoral agreement (whichever is higher) after work-related costs, in the country they reside.
- Member countries should encourage companies to achieve a living wage as a floor.
- The definition of working time used to calculate minimum wage should include both direct and indirect hours of work.

Working conditions

- Health and safety legislation should be extended to platform and AI workers.

[25] Following ITUC's (2025) recommendation, the definition and enforcement of the criteria to classify platform workers should "be based on the real nature of the working arrangement rather than on pre-existing categories", such as third-status models. See: Pulignano, Valeria. (2025). ILO Yellow Report "Realizing Decent Work in the Platform Economy" - Focus on Care and Domestic Platforms. ITUC website. Available? https://www.ituc-csi.org/ilo-yellow-report-platform-economy. Retrieved 7 May 2025.

- Platforms must protect and promote workers' physical and mental health and safety. This includes the responsibility to bear the costs of all materials necessary to ensure the safety of workers.
- Workers should receive social security benefits.
- Platforms should take active measures to mitigate and reduce unpaid work and overwork.
- Member countries should ensure that platforms take adequate measures for the protection and management of workers' personal data.

Contracts

- The right to information on contracts/terms and conditions (Ts&Cs) should be extended to platform workers.
- Contracts/Ts&Cs should be accessible to workers, and the applicable law should be the same as in the country where the worker works.
- Platforms should notify workers of proposed changes to their contract in a reasonable timeframe.
- The contracts given to workers hired by subcontractors should be at least on par with the contracts of workers hired directly by the platform.

Management

- Platforms should provide a channel for workers to communicate with a human representative.
- Platform workers should be provided with due process in relation to any disciplinary action. Workers should be able to appeal decisions affecting them and be informed of the reasons behind those decisions.
- Platforms should provide protection against discrimination and promote equality of opportunity for workers from disadvantaged groups.

- Platforms should adopt transparency measures to explain to workers the methods they use to allocate work, particularly when using automated systems.

Representation

- Platforms should allow and set up mechanisms for the expression of collective worker voice, including recognising or bargaining with an independent collective body of workers or a trade union representing workers.

Work in the AI production chain

In addition to the recommendations above:

- Health and safety measures should prevent risks due to the content of the work.
- Workers should be provided access to paid leave.
- In case of justified redundancy or contract non-renewal, the company should provide workers with a severance allowance commensurate with tenure and retraining opportunities.
- Management should refrain from deploying any form of depersonalised bullying or mobbing.
- Where AI systems are involved in work, companies must create explainability and appeal mechanisms.

G20 member countries should discuss and pass a joint commitment in line with the above guidelines. This commitment should be subject to a joint body with duties such as monitoring the implementation process and supporting countries in the adoption of regulations, policies, and other measures.

Recommendations for G20 member countries

- Member countries should design and implement regulations that comply with the above guidelines.
- In the case of existing legislation covering some of these aspects, member countries should take action to ensure that regulations are adequately enforced.
- Member countries should run studies to map the state of the platform economy and AI supply chains in their respective countries.
- Member countries should monitor platform fees and work-related costs associated with the tasks performed on the platforms.

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