

GLOBAL INFORMATION SOCIETY WATCH 2021-2022

Digital futures for a post-pandemic world



ASSOCIATION FOR PROGRESSIVE COMMUNICATIONS (APC)
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Operational team

Valeria Betancourt (APC)

Alan Finlay (APC)

Maja Romano (APC)

Project coordination team

Valeria Betancourt (APC)

Cathy Chen (APC)

Flavia Fascendini (APC)

Alan Finlay (APC)

Leila Nachawati (APC)

Lori Nordstrom (APC)

Maja Romano (APC)

Project coordinator

Maja Romano (APC)

Editor

Alan Finlay (APC)

Assistant editor and proofreading

Lori Nordstrom (APC)

Assistant proofreader

Drew McKeivitt

Publication production support

Cathy Chen (APC)

Graphic design

Monocromo

Cover illustration

Matías Bervejillo



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Global digital labour platforms offer a mirage of inclusive development in Africa

Kelle Howson

Research ICT Africa; Fairwork, Oxford Internet Institute
<https://researchictafrica.net>; <https://fair.work>

Introduction

We have seen a sudden shift in public attitudes towards Uber's business strategies around the world, following widespread coverage of the "Uber Files" – more than 124,000 leaked internal company documents – in July 2022.¹ The documents span a period from 2013 to 2017, and contain extensive details of Uber's aggressive and often illegal expansion.² Much of this pertains to the company's strategy of forcing its way into markets including in Africa, and taking advantage of local conditions to exploit workers and pressure regulators. While Uber spokespeople have claimed that the company has changed under new leadership,³ the digital labour platform model continues to grow in Africa, and its consequences for workers have been laid bare especially in the wake of the COVID-19 pandemic.

While the Uber Files paint a shocking picture for the general public, they contain few revelations for platform workers in Africa, and for those of us who research digital labour platforms in the region. In fact, the leak described with startling accuracy the practices that workers and researchers have long been trying to draw attention to.

In many respects, Uber has been the most successful at instituting these practices, but they are by no means unique to the company, and instead typify the model of digital labour platforms more broadly, including across the ride-hailing, food, last-mile delivery, and domestic services sectors. Hallmarks of

the digital labour platform model include digital intermediation of on-demand services, evasion of labour protections, algorithmic management techniques, and piece-rate payment (or payment per "gig").

Many of the practices described in the Uber Files have been honed in African markets in particular.⁴ This is due to a variety of structural features that digital labour companies have been able to exploit. These include high levels of unemployment and informality, policies attempting to facilitate digital development, existing social inequities, and legacies of imperialism and colonisation. In these environments, Uber and other global digital labour platforms have deployed monopolistic strategies of rent seeking, regulatory evasion, and data extractivism.

Contrary to the platform narrative of creating decent, flexible work in places where it is desperately needed, these strategies have at their heart the exploitation of precarious workers and accumulation of value offshore. During COVID-19, African platform workers have consequently been exposed to disproportionately high levels of risk.⁵ This includes the risk of exposure to the virus in the course of their work. This risk was heightened by platform workers' lack of access to the social safety nets which protected other workers during lockdowns – such as sick leave provisions, or unemployment benefits such as South Africa's Unemployment Insurance Fund. Because platform workers are not classified by platforms as employees, they often fall outside statutory protections.

Yet the pandemic has also shown how successful digital labour platforms have been at interweaving themselves into vital public services and infrastructure, and filling institutional voids in developing

1 International Consortium of Investigative Journalists. (2022). *The Uber Files*. <https://www.icij.org/investigations/uber-files>

2 Deck, A. (2022, 18 July). "We're just fucking illegal": Uber Files reveal a pattern of shady behavior around the world. *Rest of World*. <https://restofworld.org/2022/uber-files-rest-of-world>

3 International Consortium of Investigative Journalists. (2022, 10 July). Statement from Uber spokesperson on the Uber Files. <https://www.icij.org/investigations/uber-files/statement-uber>

4 MacMillan, D. (2022, 11 July). Uber promised South Africans better lives but knew drivers risked debt and danger. *Washington Post*. <https://www.washingtonpost.com/business/2022/07/11/uber-driver-south-africa-attacks>

5 Howson, K., et al. (2021, 1 July). Stripping back the mask: Working conditions on digital labour platforms during the COVID-19 pandemic. *International Labour Review*. <https://doi.org/10.1111/ilr.12222>

countries.⁶ This report discusses the underlying context of digitalisation in Africa, what the Uber Files reveal about digital labour platform strategies in this context, and how these strategies have impacted workers – particularly in the pandemic. While the discussion is specific to Africa, similar phenomena, although shaped by local conditions, are no doubt evident in other parts of the world.

High hopes for the Fourth Industrial Revolution

Uber and other global digital labour platforms have been supported to expand in African markets in part by development policies which aim to embrace technological advancement to address challenges of low growth and high unemployment. In the global South, the “Fourth Industrial Revolution”, or “4IR”, is seen by many policy makers as an important opportunity for job and economic growth,⁷ and an alternative way to catch up to more advanced economies, amidst trends towards deindustrialisation.⁸ 4IR refers to the idea that digitalisation will fundamentally transform production relations.

4IR policy discourse suggests that developing economies can harness this shift to drive productivity and growth, by specialising in information and communications technologies (ICTs) and digital commodities and services, and fostering tech entrepreneurs and startups. The African Union, as well as African governments, have placed heavy emphasis on the potential of the 4IR to create opportunities for young unemployed people across the region.⁹ As the COVID-19 pandemic has disrupted industries and employment relations, calls for the creation of enabling regulatory environments for digital development have been amplified.¹⁰ These calls were already gaining ground throughout the 2010s, and had evolved in step with the growth of the global tech sector.

An African Union Specialized Technical Committee Ministerial Meeting on the theme “Leveraging

the 4th Industrial Revolution to Address Youth Unemployment in Africa” was set to be held in Accra, Ghana, in March 2020, and later postponed because of the onset of the pandemic. In the lead-up, a media release said that “the continent, if it prepares itself through adequate policies and readiness of the private sector, could enormously benefit through industrial development, digitalization and greater integration, which in turn would result in greater opportunities for our growing youthful populations.”¹¹

The accompanying concept note anticipates that the growth of the global tech sector will present risks, complexities and uncertainties for the African region, but makes no mention of the need to protect workers’ rights or vulnerable social groups in the context of digitalisation. Instead, it adopts a neoliberal line, advocating for private sector-led development, and the removal of regulatory barriers to business.¹² It sees the ideal role of government regulation as “facilitat[ing] the digital era to grow rapidly”, as opposed to “slow[ing] down the successful adaptation of new technologies in production.”

These priorities have been echoed by various African leaders, including Rwanda’s Minister of Information Communication Technology and Innovation Paula Ingabire when, in partnership with the World Economic Forum, she launched a centre for technological innovation and artificial intelligence (AI), called the “Centre for the Fourth Industrial Revolution”.¹³ South Africa’s President Cyril Ramaphosa also established a Presidential Commission on harnessing 4IR.¹⁴

But, with the Uber Files coming as the latest in a succession of stories of platform power being exercised unchecked on the African continent,¹⁵ the utopian veneer of digital efficiency and empowerment that accompanies digital labour platforms may be starting to fade. Other recent exposés of platform practices include Time Magazine’s reporting in 2022 on the exploitation of platform workers moderating

6 Heeks, R., et al. (2021). Digital platforms and institutional voids in developing countries: The case of ride-hailing markets. *World Development*, 145. <https://doi.org/10.1016/j.worlddev.2021.105528>

7 African Development Bank Group. (2019). *Fourth Industrial Revolution in Africa: Study on unlocking the potential of the fourth industrial revolution in Africa*. <https://www.technopolis-group.com/wp-content/uploads/2020/02/Potential-of-the-fourth-industrial-revolution-in-Africa.pdf>

8 Naudé, W. (2017). *Entrepreneurship, Education and the Fourth Industrial Revolution in Africa*. IZA Institute of Labor Economics. <https://www.iza.org/publications/dp/10855/entrepreneurship-education-and-the-fourth-industrial-revolution-in-africa>

9 African Union. (2020, 26 February). The 4th industrial revolution, a watershed moment for Africa’s development. <https://au.int/fr/node/38163>

10 Nachit, H., & Belhcen, L. (2020). *Digital Transformation in Times of Covid-19 Pandemic: The Case of Morocco*. SSRN. <https://dx.doi.org/10.2139/ssrn.3645084>

11 African Union. (2020, 26 February). Op. cit.

12 African Union Specialized Technical Committee on Finance, Monetary Affairs, Economic Planning and Integration. (2020). *Leveraging the 4th Industrial Revolution to Address Youth Unemployment in Africa*. https://au.int/sites/default/files/newsevents/conceptnotes/38223-cn-2020_4th_stc_concept_note_-_eng.pdf

13 Indebele, L. (2020, 6 April). Rwanda launches centre dedicated to artificial intelligence. *News24*. <https://www.news24.com/news24/africa/news/rwanda-becomes-first-african-country-to-launch-centre-dedicated-to-artificial-intelligence-20220406>

14 The Presidency (Republic of South Africa). (2019, 9 April). President appoints Commission on Fourth Industrial Revolution. <https://www.thepresidency.gov.za/press-statements/president-appoints-commission-fourth-industrial-revolution>

15 International Consortium of Investigative Journalists. (2022). Op. cit.

content for Facebook in Kenya,¹⁶ as well as reporting from media organisation Rest of World on the pressures that digital platform workers in Africa have been exposed to during the pandemic.¹⁷ Rather than triggering a virtuous cycle of economic empowerment and innovation, it seems increasingly clear that these companies have used their digital tools to extract rents from African service and transport sectors and exploit workers without giving much back in return.

The platform model: Management at arm's length

The recent reports and leaks have called into question narratives of 4IR-driven development and technological solutionism in the global South. While initiatives such as Rwanda's centre for technological innovation envision local digital innovation as a driver of future growth, in reality, ownership and profit in the tech sector are highly concentrated in existing centres of wealth and power – notably California in the United States.¹⁸ This follows long-established geographical patterns of global capitalism.¹⁹ The Uber Files call attention to the arm's length, disembodied management model instituted by digital labour platforms,²⁰ alongside the general absence of the platform companies from policy and labour relations dialogue, and from civic life in general, despite their enormous influence.

The Uber Files show how the company leveraged extremely high levels of unemployment in African countries to rapidly enrol an oversupply of workers, capture transport markets, and then raise prices.²¹ South Africa, for instance, has an unemployment rate of over 40% (including discouraged work seekers).²² In this desperate context, Uber lured thousands of drivers with attractive subsidies, and once the platform had enrolled enough users to secure a monopoly while ensuring that labour supply

vastly outstripped demand, it undercut drivers – upping its commission and eroding pay to the extent that South African cities became the company's most lucrative markets outside the US.²³ More recently, the company has introduced cut-price services in African markets (for instance, Uber Chap Chap in Kenya, Uber Go in South Africa), forcing drivers of older or smaller cars onto these poorer-paying services. In many cases this has left drivers struggling to meet their obligations under car rental or financing arrangements.²⁴

Uber contracts drivers from a limited liability company registered in the Netherlands (Uber B.V.), and classifies them as “independent contractors”. This has ensured their workers have little recourse to local judicial or statutory labour protections. In countries with high levels of informality, where the majority of workers are not formal employees with protections such as minimum wage, sick and maternity leave, income insurance, and due process for dismissal, these arrangements have been justified as a step up from the status quo.²⁵

However, they have forcibly closed off avenues for improvement in labour standards and collective bargaining, and aimed to normalise and legitimise precarious informal labour relations as standard. A case brought against Uber by a group of drivers challenging what they saw as employment misclassification was dismissed by the South African Labour Court because the drivers were contracted by a company in the Netherlands. The court said they could not dispute their contracts in South Africa.²⁶

These strategies of regulatory evasion are reflected throughout the Uber Files. Uber's rapid expansionism, enabled by advancements in computing capabilities and connectivity infrastructure, allowed the company to insert itself into local transport systems so quickly and decisively – ignoring local civic processes, social dialogue and regulation – that by the time its influence became clear, it was extremely difficult to regulate. Then, when it did eventually become subject to regulatory pressure, it unleashed massive corporate lobbying efforts to deflect such pressure, and in some cases attempted to rewrite laws in its favour.²⁷ When Nigerian authorities tried to address Uber's tax evasion, the Uber Files show

16 Periggo, B. (2022, 17 February). Inside Facebook's African Sweatshop. *Time*. <https://time.com/6147458/facebook-africa-content-moderation-employee-treatment>

17 Mwareya, R., Bhat, A., & Relmucao, J. J. (2022, 17 June). Rising food and fuel costs are making gig work unsustainable. *Rest of World*. <https://restofworld.org/2022/rising-fuel-food-costs-gig-workers>

18 Rani, U., et al. (2021). *World Employment and Social Outlook 2021: The role of digital labour platforms in transforming the world of work*. International Labour Organization.

19 Howson, K., et al. (2021, 28 December). Driving the digital value network: Economic geographies of global platform capitalism. *Global Networks*. <https://doi.org/10.1111/glob.12358>

20 Wood, A. J., Graham, M., Lehdonvirta, V., & Hjorth, I. (2019). Networked but Commodified: The (dis)embeddedness of digital labour in the gig economy. *Sociology*, 53(5), 931-950. <https://doi.org/10.1177/0038038519828906>

21 MacMillan, D. (2022, 11 July). Op. cit.

22 Statistics South Africa. (2022). *Quarterly Labour Force Survey: Quarter 1, 2022*.

23 Ibid.

24 Howson, K., et al. (2021, 28 December). Op. cit.

25 Pollio, A. (2019). Forefronts of the sharing economy: Uber in Cape Town. *International Journal of Urban and Regional Research*, 43(4), 760-775. <https://doi.org/10.1111/1468-2427.12788>

26 MacMillan, D. (2022, 11 July). Op. cit.

27 Davies, H., Goodley, S., Lawrence, F., Lewis, P., & O'Carroll, L. (2022, 11 July). Uber broke laws, duped police and secretly lobbied governments, leak reveals. *The Guardian*. <https://www.theguardian.com/news/2022/jul/10/uber-files-leak-reveals-global-lobbying-campaign>

that the company deflected by offering to help the government collect tax from its drivers.²⁸

Meanwhile, despite the high commissions that the platform companies take from each transaction, their operating costs are miniscule. They tend to own very little, if any, physical assets in the places they operate, such as cars, buildings and mobile connectivity infrastructure.²⁹ They are not subject to many taxi and transport regulations and they also do not contribute directly to road maintenance. If they decided to exit African markets, they could do so with very little cost or difficulty – and this dynamic gives them significant leverage over regulators.³⁰

Worker resistance against algorithmic control and poor pay

Even though platform workers are nominally independent, in reality they are subject to methods of digital control which reduce their agency and institute a relationship of subordination with platform companies. Drivers on Uber, or similar platforms such as Bolt and DiDi, don't set their rate, and as gig workers they have no way of knowing what they might earn in a day (especially if the platform gives customers unexpected discounts and incentives).³¹ They are surveilled and disciplined by platforms, including through ratings systems. They can have their accounts blocked or terminated instantly and without recourse, losing access to their livelihood – and many do.

As fuel prices and platform fees increase, most drivers have little choice but to work for longer and longer hours, competing with other drivers for relatively inelastic demand from passengers. For women workers who carry a higher burden of unpaid care and domestic work, this pressure to work longer hours is even less tenable, making it more difficult to compete with their male counterparts. Women are often attracted to platform work because they need flexibility. Yet this is often revealed not to be the reality. Research ICT Africa's recent research on working conditions in the South African platform economy uncovered marked gender inequities within and between sectors.³²

But workers face high barriers to holding platforms accountable in court. In many places they are not easily able to form or be represented by traditional unions, typically only available to employees. Often the platforms' methods of digital management atomise workers, cast them into competition, and make it difficult for them to meet and build solidarity. Nevertheless, ride-hailing drivers and food couriers have organised through social media and WhatsApp groups, which are used for sharing information and mutual support.³³

Numerous strikes and protests have taken place against platform practices across African cities since the onset of COVID-19. Many of these have focused on issues of safety and security stemming from the pandemic, but the majority have focused on cost pressures in light of pandemic-driven inflation, rising fuel prices, and depressed demand. Striking workers have highlighted the platforms' rising commissions and lack of local accountability.

In 2021, Uber and Bolt drivers in Kenya and Nigeria protested the platforms' commissions amid COVID-related inflationary pressures and the rising cost of fuel.³⁴ In South Africa, drivers working on Uber, Bolt, InDriver and DiDi brought services to a near standstill during a three-day strike in major cities in South Africa from 22 to 24 March 2022.³⁵ The organisers – a group called Unity in Diversity – mobilised drivers for an app “switch-off”. This was accompanied by protests calling for fair remuneration and better security. In Egypt, food couriers held a two-day strike in April 2022 to demand higher wages in light of inflation.³⁶

Conclusion

Experience since the pandemic is increasingly revealing that the entry of digital labour platforms into African markets has not spurred inclusive digital transformation and the creation of sustainable livelihoods, as anticipated by 4IR-friendly policies. Instead, global platforms have entered African economies as rent seekers, deriving profit from (largely already existing) service sectors like transport and

28 Deck, A. (2022, 18 July). Op. cit.

29 Srnicek, N. (2016). *Platform Capitalism*. Polity Press.

30 Graham, M. (2020). Regulate, replicate, and resist – the conjunctural geographies of platform urbanism. *Urban Geography*, 41(3), 453-457. <https://doi.org/10.1080/02723638.2020.1717028>

31 Fairwork. (2021). *Fairwork Kenya Ratings 2021: Labour Standards in the Gig Economy*. <https://fair.work/wp-content/uploads/sites/131/2021/12/Fairwork-Kenya-2021-Report.pdf>

32 Ahmed, S., Chinembiri, T., Moyo, M., & Gillwald, A. (2021). *Future of Work in the global South (FOWIGS): Digital Labour, New Opportunities and Challenges*. Research ICT Africa. <https://researchictafrica.net/publication/future-of-work-in-the-global-south-fowigs-digital-labour-new-opportunities-and-challenges>

33 Harrisburg, K., & Asher-Schapiro, A. (2021, 14 April). Risks for South Africa's food couriers surge during the pandemic. *Thomson Reuters Foundation*. <https://longreads.trust.org/item/South-Africa-delivery-drivers-risk-lives>

34 Prinsloo, O., Alake, T., & Genga, B. (2021, 19 April). Uber and Bolt drivers in Nigeria and Kenya protest over rising costs. *Business Live*. <https://www.businesslive.co.za/bd/companies/2021-04-19-uber-and-bolt-drivers-in-nigeria-and-kenya-protest-over-rising-costs>

35 Howson, K. (2022, 1 April). Digital facade shields e-hailing companies from accountability to drivers or passengers. *Research ICT Africa*. <https://researchictafrica.net/2022/04/01/digital-facade-shields-e-hailing-companies-from-accountability-to-drivers-or-passengers>

36 AFP. (2022, 24 April). Egypt gig economy workers face rough ride. *France 24*. <https://www.france24.com/en/live-news/20220424-egypt-gig-economy-workers-face-rough-ride>

domestic work, while adding little real value to local economies. As revealed in the Uber Files, platforms like Uber have adopted a strategy of monopolistic expansion, aided by venture capital injections, which has left little room for local innovators or startups to gain a foothold.

The key lesson from the experience of African platform workers during the pandemic, reinforced by the Uber Files, must be that inclusive growth does not automatically flow from digitalisation. Digitally driven development must be sensitive to local needs and context, include the participation of all stakeholders, and make a contribution to tackling Africa's long-term challenges. Platforms can and should be accountable to workers' demands for fairer pay, contracts and conditions. But ultimately, many are able to avoid responsibility due to a lack of enforcement and responsive regulation from governments, which have been keen to attract tech company investment.

Recent months have seen increasing inflationary pressures, mounting worker victories and platform

regulation in the global North, growing worker resistance in the global South, and a new sensitivity to the importance of sectors such as delivery and transport to overall social and economic resilience to crises. The future of digital labour platforms seems uncertain – but it is possible that growing pressure in the global North could spur platforms to turn even more to permissive regulatory environments in the global South, and exert added pressure against regulation. Removing regulatory barriers to their expansion in Africa is the pathway to digital imperialism, not inclusive development. Instead, appropriate regulation of digital labour platforms in the post-pandemic world must aim to protect workers, local stakeholders and vulnerable social groups first.

This article includes some text originally published on the Research ICT Africa Blog in April 2022. See: <https://researchictafrica.net/2022/04/01/digital-facade-shields-e-hailing-companies-from-accountability-to-drivers-or-passengers>

DIGITAL FUTURES FOR A POST-PANDEMIC WORLD

Through the lens of the COVID-19 pandemic, this edition of Global Information Society Watch (GISWatch) highlights the different and complex ways in which democracy and human rights are at risk across the globe, and illustrates how fundamental meaningful internet access is to sustainable development.

It includes a series of thematic reports, dealing with, among others, emerging issues in advocacy for access, platformisation, tech colonisation and the dominance of the private sector, internet regulation and governance, privacy and data, new trends in funding internet advocacy, and building a post-pandemic feminist agenda. Alongside these, 36 country and regional reports, the majority from the global South, all offer some indication of how we can begin mapping a shifted terrain.

GLOBAL INFORMATION SOCIETY WATCH
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