CROWDWORK & THE TRADE REGIME: OPPORTUNITIES AND CHALLENGES

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Executive Summary

The present of work: opportunities for decent and sustainable jobs

New technologies have transformed economic and social relations, including those embedded in work dynamics. The “future” of work is already the present and it is shaping labour markets rapidly. Crowdworking platforms have broken into the labour markets as they offer an attractive alternative for businesses and individuals that are looking for short-termed micro exchanges. Platforms allow the creation of a diffused and global workforce (the “crowd”) that engages in microtasks or specific assignments. A networking structure and unsteady labour markets require a renovated and adaptable regulatory framework that keeps pace with technological innovation and improves current conditions. These transformations offer new opportunities that should be seized by developing countries for the creation of new decent and sustainable jobs. Innovative policies, investment in digital infrastructure and training is needed to reduce the digital divide and promote a fair distribution of the benefits.

Still a scattered reality

Although the digital economy creates an environment for a better integration in global markets, facts expose a different reality. There is a clustering of capital in the platform business in some developed countries, mainly the United States of America and China, and on the other hand, a concentration of the working force in developing countries. The creation of a “placeless place” for work has not resolved this inequality. On the contrary, digital platforms are stressing disparities between countries and individuals and posing challenges in the advancement of social policies and regulatory frameworks. International cooperation and better coordination among countries, international organizations and private actors is needed to clarify current inconsistencies in trade regulations, especially at the level of the World Trade Organization and within plurilateral initiatives.

An inclusive framework for taxation and data

The development of new technologies that disrupt traditional business models and work dynamics have also created challenges for countries to protect their sources of revenue and to identify the potential gaps that need to be addressed from a regulatory perspective. Crowdworking platforms do not exist in a void, so a better understanding of businesses and network is needed for a more accurate response. Data has been considered as a valuable asset with great potential for developing countries. Some regional efforts have been made to develop adequate regulatory frameworks that protect privacy and ensure an even participation in the gains.

Towards a common effort and global cooperation for social justice

The unveiled challenges of crowdworking platforms demands a common effort. Developed countries with prominent roles in the crowdwork labour market are on call for greater cooperation with developing countries. International organizations should improve coordination due to the intersections and overlapping issues. A global cooperation among countries, international organizations, private actors and the civil society is urgently needed for the promotion of equal opportunities for all.
Research Project

a. Scope

Our research is focused on web-based platforms since currently, they have drawn attention due to the opportunities and advantages that this business model has. We are naming these platforms as "crowdworking platforms", since it is the popular categorization used by the International Labour Organization (ILO).

Our decision to choose this particular type of digital labour platform relies on the potential that these platforms might have as a new source for the creation of decent employment across nations, with special impact for developing countries. Several scholars such as Richard Baldwin have highlighted the advantages of new technologies in the integration of the work force of developing nations in the global economy\(^1\). On the other hand, the challenges from a policy perspective analysis are many, since these platforms involve the provision of cross borders services that are delivered virtually, unlike Uber, Airbnb or other platforms that allow human interaction. Crowdworking platforms allow us to raise several questions about jurisdiction and sovereignty in the determination of the regulatory frameworks, as well as to question the role of states in the design of a digital industrial policy that includes this model.

b. Objective

The main objective of the research is to analyse the current debates in the trade regime that involve crowdsourcing platforms, from a theoretical and policy-oriented perspective. Although there are several scholars and research projects aimed to analyse the current labour challenges in the development of digital labour platforms, we believe that it is necessary to highlight the impact of trade policies and economic regulations in the development of crowdworking platforms, especially if they are drawing attention as a new source of decent employment for developing countries. These debates are not only affecting economic policies at the domestic level, but also they are shaping the labour markets in this field, as well as the business models and working conditions.

Our research aims to answer the following questions:

- What is a crowdwork platform? How do these platforms operate?
- What are the definitions and debates in the trade regime that could impact these transactions?
- What challenges will policymakers and regulatory authorities face regarding digital platforms?
- What are the current regulation trends at the international and domestic level?
- What are the challenges that domestic economies might face when promoting crowdworking platforms as a new source for employment?

c. Methodology and outline

As previously mentioned, this report aims to shed a light on the regulations surrounding crowdworking platforms which often operate across borders connecting freelance workers with

\(^1\) Baldwin, Richard. Interview held by Michelle Olguin, Amy Nguyen and Fabiola Maza on October 19th at 16:00 at his office located at the Graduate Institute.
clients on different sides of the planet. We have therefore adopted a methodological approach that would adapt to the breadth of the issue.

To begin with, this report relies on a literature review to describe the current academic debates about the conceptualisation of crowdworking platforms. This will allow us to apprehend the issue at hand as well as to identify the relevant actors in the field. In addition to this, interviews within the academic and regulatory fields were integral to our understanding of the issue. These practitioners and academics provided us with a ground level view of the efforts going into the economic regulation of micro tasking platforms as well as a broader scope of trends in said regulations.

Secondly, we will analyse in depth the most relevant issues discussed in the trade regime that reflect the cleavages and sources of potential institutional tensions in economic and trade policies. According to our research, these sources of tensions are mainly concentrated in the classification of these transactions, as well as the taxation, competition, and data regulation. Although these debates are mostly taking place in the trade regime, they should be taken into account in the development of labour platforms and their promotion as a source of employment.

Finally, a comparative analysis of domestic regulations will allow us to understand the different regulatory frameworks that have been implemented and the approaches that some regions have adopted. We therefore chose to focus on three specific countries which have instituted some form of regulation but who have done so in very different manners. The United States and China represent key models of economic regulation. In addition, a majority of platforms are based in these countries, so from an institutional perspective, it is relevant for our research to understand the state initiatives and the role of private firms in shaping economic policies, as well as the international tensions with other states. We are also including Uruguay as a case study due to their newfound embrace of digital platforms. This approach to the new service industry has, of course, been shepherded by the government, which has meant that regulations have often followed the development of these platforms quite closely. Nonetheless, since Uruguay is considered as a developing country, it has allowed us to understand the impact of international arrangements and developed nations’ interests, in domestic regulation.
# List of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>BDA</td>
<td>Confederation of German Employers' Associations</td>
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<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>GATS</td>
<td>General Agreement of Services</td>
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<tr>
<td>GDPR</td>
<td>General Data Protection Regulation</td>
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<tr>
<td>ICT</td>
<td>Information and Communications Technology</td>
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<tr>
<td>IoT</td>
<td>Internet of Things</td>
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<tr>
<td>ILO</td>
<td>International Labour Organization</td>
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<tr>
<td>ISP</td>
<td>Internet Service Provider</td>
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<tr>
<td>TASC</td>
<td>Thinking Ahead on Society Change Platform</td>
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<tr>
<td>TPP</td>
<td>Trans-Pacific Partnership</td>
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<tr>
<td>TRIPS</td>
<td>Council for Trade-Related Aspects of Intellectual Property Rights</td>
</tr>
<tr>
<td>OECD</td>
<td>Organization of Economic Cooperation and Development</td>
</tr>
<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<td>WTO</td>
<td>World Trade Organization</td>
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Introduction

Digital labour platforms are often perceived as having risen in the blink of an eye. Among them, crowdworking websites have gained popularity due to the benefits that they exhibit for businesses and freelance workers. These digital networks of workforce are breaking into the global labour market as a part of the new unbundling of globalization\(^2\), where workers undertake service tasks cross borders without a physical presence.

The opportunities that this new digital reality offers are many. A more integrated market, opportunities for creating new decent and sustainable jobs, a policy space for developing countries to access to a valuable market and a threshold for promoting equal opportunities and social justice. Nonetheless, several concerns have been raised due to the challenges that new technologies pose.

The debates about the digital market have transcended in different regimes, bringing to light the interconnection between the labour and trade global governance arrangements. An increasing digital divide, a lack of cooperation and coordination among relevant actors regarding taxation and trade, and a disparity among data regulatory frameworks are some of the controversies that are usually discussed in the trade regime. However, the outcome of these issues have a great impact on labour matters, since they shape labour markets and contribute to the architecture of new working dynamics.

Scholars suggest the formation of a new international division of labour\(^3\), however, regulatory structures and tax policies for these markets have rarely been addressed.\(^4\)

This research aims to reflect on the most relevant debates that crowdworking platforms have brought to the trade regime but with a “labour lens”. In the first chapter we will explore crowdworking platforms and the potential and challenges it offers as a new source of employment. In the second chapter, we will present an overview of the current debates in the trade regime in classification and definitional issues, taxation and data regulation. In the third chapter, we will analyse some of the domestic approaches in regulation and policy that are aimed to address the challenges of the digital economy.

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CHAPTER 1: CROWDSOURCING PLATFORMS AND THE FUTURE OF WORK

1.1. The rise of digital labour platforms

Digital labour platforms appeared along with the rise of the digital economy. According to Bukht and Heeks\(^5\) the first approach to “digital economy” was taken by Tapscott in 1996, who defined the “Age of Networked Intelligence” as not only the networking of technology but also of humans though technology, which combines intelligence, knowledge and creativity for breakthroughs in the creation of wealth and social development.\(^6\) In 2001, the paper issued by the United States Census Bureau’s\(^7\) “Measuring the Digital Economy” defined the digital economy as having three primary components: (i) e-business infrastructure, as the share of total economic infrastructure used to support electronic business processes and conduct electronic commerce; (ii) electronic business, related to any business organization conducted over computer mediated networks; and (iii) electronic commerce, which is the value of goods and services sold over computer-mediated networks. At this point a rather stark distinction was made between aspects of the digital economy. However, “digital economy” remains an all-encompassing term used in research.

The Organization of Economic Cooperation and Development (OECD) in 2013 established that the digital economy enables and executes the trade of goods and services through electronic commerce on the Internet. In the same year, the European Commission defined digital economy as the economy based on digital technologies, sometimes called the Internet economy.\(^8\) In 2015, the European Parliament defined the digital economy as “a complex structure of several levels/layers connected with each other by an almost endless and always growing number of nodes. Platforms are stacked on each other allowing for multiple routes to reach end-users and making it difficult to exclude certain players, i.e. competitors”.\(^9\) In 2016, the OECD, in the report “Harnessing the Digital Economy for Developing Countries” defined the digital economy as the amalgamation of several general purpose technologies (GPTs) and the range of economic and social activities carried out by people over the Internet and related technologies. According to the report, the digital economy encompasses the physical infrastructure that digital technologies are based on (broadband lines, routers), the devices that are used for access (computers, smartphones), the applications they power (Google, Salesforce) and the functionality they provide (IoT, data analytics, cloud computing).\(^10\) Although this research will focus on crowdworking platforms, most of the regulatory frameworks refer to the broader realm of the digital economy, so for purposes of our analysis, we will use this conceptualisation when referring to the digital economy.

It is important to mention here, that the idea of crowdsourcing as a work arrangement existed before it was coined as such and before the rise of the digital economy.\(^11\) However, it was often lumped into the broader concept of the “digital economy” due to the innovation and inclusion of new technologies in the arrangement. The following graph describes the relationship between crowdworking platforms and the digital economy.

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\(^6\) Bukht, Rumana, and Richard Heeks. P.6


\(^8\) Bukht, Rumana, and Richard Heeks. P.7-8

\(^9\) Gorp, Nicolai VAN. “Challenges for Competition Policy in a Digitalised Economy,” n.d. 84. P.7-8


The graph reveals that the different layers of the digital economy, whether they be linked to goods, services or any other sales are interconnected and often apprehended as a whole in research and policy making. Nonetheless, the conceptualisation and difference among each scope is important to note because each of them has very different types of economic transactions and social interactions and thus, the applicable regulatory framework should also be differentiated. This distinction is important to understand the fact that digital commerce and the platforms that participate in it cannot be apprehended as a category onto itself but rather a new form of commerce that has impacted all trade. It is important to consider the possible overlaps in these categorisations, especially if we are identifying the applicable regulatory framework. One notorious concern among scholars, such as Michael Kende, is the gap between the technical knowledge and expertise that private firms and researchers possess in comparison with governments, international organizations, and other institutional arrangements and policy makers. This void has resulted in regulatory frameworks that usually are not applicable in reality or that do not keep up with the technological developments, as well as a strong influence from private lobbies. The fact that crowdworking platforms are usually aligned with other digital labour platforms that are very different is a demonstration of this statement.

Indeed, the disruptive effects of digital platforms have been felt in fields ranging from trade to labour and even had an impact on consumers themselves. Therefore, a number of organisations have noticed the impact while being unable to apprehend the complex network created by digital platforms and products. Nevertheless, it would appear that collaborations and technical assistance would benefit the debate immensely and allow the organisations to move forward on this issue. The platforms, on the other hand thrived and multiplied, coming to influence a much larger share of the economy. However, what is more remarkable about this shift towards digital labour is not the technology it relies on, but rather the way it has “redesigned the relationship we have with one

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13Kende, Michael. Interview held by Fabiola Maza on October 12th at 15:00 in his office at the Graduate Institute.
another and with organizations".\textsuperscript{14} 

Even in the narrow scope of the platform economy and digital services, there is a wide range of business models and transactions that need clarification. As a general overview, the OECD has defined online platforms as “a digital service that facilitates interactions between two or more distinct but interdependent sets of users who interact through the service via the Internet".\textsuperscript{15} It has correctly pointed out that “a wide-ranging digital transformation is underway, affecting all economic sectors, characterised by almost universal connectivity and ubiquitous computing, and drawing on the generation and utilisation of vast amounts of data."\textsuperscript{16}

The International Labour Organization (ILO) in the report “Digital labour platforms and the future of work” has developed a conceptual framework that allows us to differentiate different digital platforms depending on the “place” of transaction. In this regard, the division of digital labour platforms has been arranged in the following terms:\textsuperscript{17}:

\begin{itemize}
  \item Web-based
  \begin{itemize}
    \item Tasks given to selected individuals
    \item Freelance marketplaces
    \item Upwork
    \item Amazon Mechanical Turk
    \item Clickworker
    \item 99 designs
  \end{itemize}
  \item Location-based
  \begin{itemize}
    \item Tasks given to selected individuals
    \item Accommodation
    \item Airbnb
    \item Transportation
    \item Uber
    \item Delivery
    \item Deliveroo
    \item Household services
    \item Taskrabbit
    \item Batmaid
    \item Local microlabour
    \item Streetspotr
  \end{itemize}
\end{itemize}

\textsuperscript{17} International Labour Organization. Berg, Janine, and Uma Rani. "Digital labour platforms and the future of work: Towards decent work in the online world" ILO. 2018. P.4
This results in further fragmentation within the field of digital labour that also presents the distinction between physical commerce and digital tasks, as well as other methodologies for categorization. For instance, we can also identify on-demand platforms, which can be defined as those that connect customers with independent goods or service providers using apps and portals to allocate material and informational resources in real time.  

18. Work on demand apps also act as intermediaries between clients and freelancers, however they are intended to supplant traditional working activities. These activities would include transport, clerical work or even cleaning.  

19. As established in the scope of our research, we are focusing our analysis on web-based platforms, including those given to selected individuals or to a crowd. Despite that they have different working arrangements, as to the analysis of trade and economic regulations, both types of web-based platforms share an important feature: the services are rendered virtually. As we will further develop, this particular characteristic raises several debates regarding sovereignty and jurisdiction, as well as the implications in the regulatory frameworks.

We can therefore see that one of the main differences lies in the geographical implications of platforms. Indeed, crowwork is rarely bound by the location of clients and freelancers. Activities such as these can be performed entirely through the digital platform. On the other hand, work on demand apps that are location based such as Uber or Airbnb rely on the geographical proximity of customer and worker as they usually imply a tangible task.  

20. Despite the challenges and regulatory and social tensions that these technologies have presented, the regulation of these platforms is usually constrained by the territory where the services are executed. In this regard, crowdworking platforms present an additional challenge. 

It is important to note that the ILO has included both types of web-based platforms as research subjects in the report “Digital labour platforms and the future of work: Towards decent work in the online world”, referring to them as “crowdworking platforms” in general. The term “crowdworking” was coined in 2006 by Jeff Howes in his article “The rise of crowdsourcing”  

21. Howe described the power of the crowd as a source of working force. He mentioned several companies whose “distributed labor networks are using the Internet to exploit the spare processing power of millions of human brains”, comparing this to the open source software movement.

We can therefore see Crowdsourcing as a form of labour whereby companies employ a network of individuals who perform a specific task, as described in Howe’s writings. He remarked upon four aspects of crowdsourcing, which we will use as a basis for its definition:

- The use and application of collective intelligence.
- The production of mass creative works.
- The filtering and organizing of vast information stores.
- The use of the crowd’s collective pocketbook.

As mentioned before, digital platforms, and even web-based platforms, can present a wide range of modalities for the supply of services. Crowwork platforms range from outcome-based contest sites (e.g., 99de- signs for creative tasks or InnoCentive for research and development work), to micro tasking platforms such as Amazon Mechanical Turk, among others. The difference among them relies on the business model and the degree of digital mediation, as well as the type of services.

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18 Casilli, Antonio A. P. 3935-3937

https://doi.org/10.2139/ssrn.2682602.

https://www.wired.com/2006/06/crowds/.
 Overall, this report focuses on the web-based platforms mentioned above which encompass both crowdwork and freelance services. Although these are often seen as independent from each other, it would appear that there is some overlap between the two categories. The categorization seems rooted in the models of existing platforms, classifying companies which do not allow a client to select the worker as crowdwork while others remain freelance platforms may be theoretically sound.

### 1.2. The business model of crowdworking platforms

As mentioned in the previous section, crowdworking platforms rely on the application of collective intelligence and the organization of information stores, as well as the presence of a “crowd”. The term crowdsourcing, as based on these aspects, can therefore be placed in an economy of scale, where the business model relies heavily on the amount of transactions and interactions among customers and users.

The first element to consider is the “network effect” that is present in these platforms, since it allows us to measure their value and to identify possible sources of interest in developing regulatory frameworks. Since the value of the platform depends on the amount of registered users, the common interest of private firms is related to the capture and retention of said users, as well as to different strategies to prevent a free flow. For instance, more users and more platform workers mean a larger marketplace. An empty platform will not attract new customers and workers will find it useless if their primary interest is to find a job. These aspects are definitely influencing the trends in economic policies and data regulation. In addition, when a network effect is crucial for the business model, there is also a vicious circle that pushes new users to join the biggest platform, instead of looking for better conditions or newer offers. With such a “winner-takes-all” dynamics, existing and potential competitors easily fall by the wayside, as the UNCTAD has warned. As we will describe in the following section, there is also a current geographical concentration that could potentially difficult an equal access to the market. For example, in the Republic of Korea, a national social networking platform, with a similar structure than a crowdwork platform but for social purposes, called Cyworld, was eventually unable to cope with competition from a global social media network such as Facebook.

Another element is the source of income for the platforms. Most crowdwork platforms charge fees to the clients who post tasks on the platforms. According to the research previously conducted by the ILO, there are fees assessed for different tasks completed by workers. The percentage-based fee is also tied to the amount that clients pay to the workers. Fees for these “full-service” solutions are individually tailored to clients, generally varying based on how much work the operator has to do to break up large tasks into repeatable micro tasks that can be published on their platform. There are also several approaches regarding an initial on-boarding fee, since some of them offer free access whereas others establish a monthly fee. In addition, some platforms offer differential fees when customers are interested in a particular group of workers or different targets. For these transactions, the accumulation and organisation of data of users seems to be essential. Regarding the tasks, there is also a wide range of services that are offered. Some of the most popular tasks that are offered to

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micro task platforms are research surveys, image tagging, marketing campaigns, reactions, product classification, transcriptions, data collections, among others. Among the most popular platforms we can find Amazon Mechanical Turker, where users are asked to complete “human intelligence tasks”. Clickworker is another popular platform that offers a friendly mobile app addressed to businesses to monitor brand campaigns or collect geodata. A different approach that depends on the preselection of an individual worker is offered by UpWork, which works as an intermediate between clients and job seekers.

A fourth element is the identification of the relevant actors that participate in the transaction. On one hand, the private firms are the leaders in the development of the technological resources to keep the platform running, as well as to offer quality services in the digital infrastructure where their success is linked by the size of their marketplace. On the other hand, there are the clients, who are registered users, individuals or businesses that are interested in the outsourcing of micro tasks. In third place, there are the workers or freelancers that offer their services through the platforms. Overall, it is difficult to identify and individualize the workforce in these transactions, since they are spread all over the world. For example, in research projects, the OECD has encountered several challenges in collecting information due to the absence of a steady definition of “platform work” as well as “platform worker”. Nonetheless, said research does provide us with a broader and more colloquial definition of platform workers which the OECD categorizes as “workers (who) use an app or a website to match with customers in order to provide a service (rather than goods) in return for money.”

The lack of steady categories of “employer” and “worker” has raised several concerns regarding the compliance of labour standards and the assessment of the working conditions of these types of jobs. Although this is out of the scope of the present research project, it is important to mention that the business model presents challenges that are necessary to address, such as the absence of social protection of the workforce, low wages, asymmetry of information, possible obstacles to collective action and the lack of standards regarding safety and health, especially regarding mental health of the workers.

As an overview of the most common business models of crowdworking platforms, we have summarized some of the features of two popular platforms, Amazon Mechanical Turk and UpWork, according to the information published in their websites:

<table>
<thead>
<tr>
<th>Subject of regulation</th>
<th>Amazon Mechanical Turk (MTurk)</th>
<th>UpWork</th>
</tr>
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<tbody>
<tr>
<td>Purpose or definition</td>
<td>Crowdsourcing marketplace that makes it easier for individuals and businesses to outsource their processes and jobs to a distributed workforce who can perform these tasks virtually. AMT enables companies to harness the collective intelligence, skills, and insights from a global workforce to streamline business processes, augment data collection and analysis, and accelerate machine-learning development.</td>
<td>Web-based platform that brought visibility and trust to remote work. Businesses have access to a larger pool of proven talent, while workers would enjoy freedom and flexibility to find jobs online. The site is a marketplace where clients and freelancers can identify each other and advertise, buy, and sell services online.</td>
</tr>
</tbody>
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30 Barberis, Marion. P5
31 Information obtained from: https://www.mturk.com/participation-agreement
32 Information obtained from: https://www.upwork.com/legal/purposeof
As it is reflected in the chart, both platforms are very explicit in establishing the scope of their role and hence responsibility and potential liabilities. Neither of these platforms is considered as a legal party in the transaction, on the contrary, they exclude themselves from the contractual relationship between the client or user and the worker and freelancers. In parallel, a contractual relationship arises between the platform and the client and, on the other hand, the platform and the worker, but as a user.

Besides the labour issues that might arise from these complex relationships, it is important to note that trade and data regulations will apply in both contractual relations. As one can imagine, the entanglement appears in identifying the jurisdiction and applicable regulatory framework. In addition, even if the involved parties agreed on the establishment of the applicable law and jurisdiction, it is necessary to bear in mind the material possibilities and resources of freelancer workers to access them in case of a dispute or non-compliance.

1.3. Geographical considerations

Crowdworking platforms have disrupted the traditional spatial organization of the « workplace », which had led to several regulatory implications. As mentioned in the previous sections, crowdwork is rarely bound by the location of clients and service suppliers. Actors involved in these transactions are located in different environments and even countries.

Crowdworking business models create value not by providing services directly, but instead by intermediating service suppliers and consumers to interact. Crowdwork is performed wholly on the computer like in Upwork, where the company or person who is ordering work could be located in one nation, the platform itself could be located in a second nation, and the workers could be located in many other nations. This unbundling, in Richard Baldwin’s words, has resulted in several issues in the regulatory framework for workers, users, and also firms.

As Thelen states, policy makers have watched with consternation and concern how firms probe the bounds of existing rules and create wholly new markets beyond the reach of current policies. The existence of parallel “gray” markets outside the formal regulatory framework puts new pressures on

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actors inside that framework as well.\textsuperscript{36} This dilemma is not only present in labour regulations, but also in the trade and economic sphere, where concerns about tax evasions and competition issues are still in the public debate.

One first aspect to consider is that the transactions derived from crowdworking are perceived as materialized everywhere and nowhere at the same time. Some scholars even argue that crowdworking platforms create the illusion of « placelessness » where there is a lack of embeddedness in a particular space or territory. Considering that regulation is embedded in geographical-institutional arrangements that can be structured on various levels, whether local or regional, national or transnational\textsuperscript{37}, the spread of the actors and their interests affect also the dynamics in shaping, implementing and enforcing said regulations. This has contributed to portraying crowdworking outside any type of regulatory framework. An example of this is given by the Confederation of German Employers’ Associations (BDA) when they stated that “crowdworking and crowdsourcing are new forms of freely organised activity and free cooperation in the Internet which cannot be captured in law”.\textsuperscript{38} The assumption that crowdworking operates outside the « natural » geographical (and thus, regulatory) boundaries has been used as an important argument to prevent further regulations and state interventions.

Another issue derived from the assumed geographical dispersion is that there is a fragmentation in the relevant actors and their interests, and the institutions and domestic arrangements. Crowdworking platforms, users and service suppliers as interested actors are constrained by different institutions and domestic arrangements, which are not always coherent, despite the fact that they could be regulating different phases or dimensions of the same transaction. This could result in very practical outcomes, such as inequalities in the access of innovative platforms in the market, unequal labor standards and unfair competition as a result of « race to the bottom » policies aimed to increase comparative advantage, among others. In addition, there is an asymmetry of knowledge and information among actors, including governments and authorities, who are often accused of imposing regulation against innovation and technology.\textsuperscript{39}

In addition, this geographical dispersion hinders collective action, as well as coalitions among interest actors. This is perhaps one aspect that might explain the absence of major political debates about policies and regulations of crowdworking platforms. However, it is important to highlight that interests of relevant actors are not necessarily the same across different countries.\textsuperscript{40} In fact, since actors are embedded in different social, political and economic arrangements and institutions, they can also have divergent interests that can be difficult to articulate.

A second issue mentioned by Thelen is that platforms do not necessarily raise the same concerns or problems cross nationally, mainly because common pressures or conflicts do not always manifest in the same problems but are often « refracted into divergent struggles over particular national practices ».\textsuperscript{41} These two considerations are key to understanding how economic policies are being implemented in different countries, mainly as a response to very particular problems raised by digital labor platforms.

Nonetheless, it is important to take into consideration the prominent role of private firms in shaping economic regulations, especially regarding trade and taxation. Here, the notion of spaceless might be an illusion. Crowdworking platforms are highly geographically concentrated in the market, where the US and China have around 90% of the market capitalization value of the world’s 70 largest digital

\textsuperscript{36} Thelen, Kathleen. P. 938.
\textsuperscript{37} Johnston, Hannah. P. 5.
\textsuperscript{38} Johnston, Hannah. P. 5.
\textsuperscript{39} Thelen, Kathleen. P. 945.
\textsuperscript{40} Thelen, Kathleen. P. 939.
\textsuperscript{41} Thelen, Kathleen. P. 939.
platforms. Latin America and African digital platforms, including crowdworking websites, are only marginal. According to a report published by UNCTAD in 2019, there is less concentration in terms of the number of platforms, where 46% are based in the US, 35% in Asia (mainly in China), 18% in Europe, and 1% in Africa and Latin America. This geographical distribution of firms and their capital value is a relevant fact in order to analyse in depth how trade regulations are being implemented, and also how these domestic arrangements are influencing other regulations directly through bilateral or multilateral agreements or indirectly. Undoubtedly, there are also concerns about fair competition among countries and the possible obstacles to access the crowdworking market. These aspects will be analysed in depth in the third section of this report.

Finally, it is also important to consider the geographic coverage of workers. According to several surveys conducted by the ILO in 2015 and 2017, crowdwork is a largely urban phenomenon with four out of five workers residing in an urban or suburban area. Although nearly all regions are represented, there are some concentrations of workers in Brazil, India, Indonesia, Nigeria and the United States, as well as Western and Eastern Europe. This might also evidence that while capital is concentrated in developed countries, mostly in the United States of America, the workforce is mostly focused on developing nations.

1.4. Crowdwork platforms as a new source of employment

Recent debates among scholars and international organizations have highlighted the opportunities that crowdworking platforms pose in the creation of new jobs, especially for developing countries. Digital labour platforms have been considered a revolutionary tool towards the future of work. In fact, in 2015, the World Bank promoted freelance and micro task platforms as opportunities for developing countries to connect their citizens to global labour markets. From the workers perspective, it offers the flexibility of self-employment and immediate remuneration.

As such, crowdsourcing presents new opportunities not only for employment but also for new ways of collaboration as regionally and culturally distinct workers can interact and organize themselves over the internet, unleashing the power of digital connection which transcends geographical divides and presents speedy and cost-effective labour.

Today, it is constantly mentioned that developing countries can benefit from the large global labour markets that have arisen from these technologies. Nonetheless, several questions regarding the quality of jobs and the working conditions, as well as the current conditions of the crowdworking labour markets remain in debate.

The ILO has recently published the report "Work for a brighter future" which calls member states for a human-centered approach agenda in the creation of new employment opportunities. The digital economy has been introduced as an opportunity for the creation of new decent and sustainable jobs through the investment towards digital infrastructure and other measures aimed at improving connectivity and reducing the digital divide. In a recent panel discussion led by the TASC platform in

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which the Director of Research of the ILO, Richard Samans, and the professor Richard Baldwin participated in, the potential of crowdworking platforms was highlighted. In this regard, Richard Baldwin has laid out his vision of the future of work in his book “Globotics Upheaval” in several occasions, arguing that the globalization of the service sector has already started with low-skilled tasks either being outsourced or taken over by robots and AIs. In his view, telemigration offers a great possibility for developing countries as to designing policies aimed at the creation of new jobs. In the interview we held, he mentioned the example of Workana in Colombia, and other initiatives in developing countries that have obtained certain regional success. Some scholars are more critical towards the potential of crowdworking platforms as a new source of employment. The report “Regulating the Digital Economy: Dilemmas, Trade Offs and Potential Options” published in March 2019 by the South Centre raises several questions regarding the impact of the new technological ecosystem in the reorganization of industries with a further effect on jobs and the possible increase of the distance or inequality between industrialized countries and developing countries.⁴⁹

In the interview held with Aileen Kwa, Coordinator of the Trade and Development Programme at the South Centre⁵⁰ she mentioned that the assessment of the opportunities that crowdworking platforms might present should include an evaluation of the type of the employment that would be promoted and the changes and possible impacts in traditional jobs and labour markets, especially in developing countries. We believe that crowdworking platforms should be considered as an opportunity for the creation of new decent and sustainable work from a human-centred perspective. Nonetheless, we also agree with the concerns raised by other scholars, especially given the current conditions in the crowdwork labour market and the limitations of current regulatory frameworks, not only from a labour perspective, but also taking into consideration the limitations of developing nations in accessing the digital economy and implementing their own domestic regulation to protect their workers as well as their labour markets. As we will explain in the following section, the geographical concentration of the capital in the crowdworking market and the debates about jurisdiction and sovereignty increases the difficulty for developing countries in implementing adequate employment policies.

In any case, to conceive crowdworking platforms as a new source of employment, especially for developing countries, it is important to consider the constraints and limitations that emerge from trade regulations and debates, which are continuously shaping not only domestic regulations, but also businesses models, working conditions, and labour markets. For instance, the promotion of crowdworking platforms must bear with some key considerations:

- The impact of debates regarding definitional issues in the digital economy and the scope and permanence of the moratorium. Current debates regarding the moratorium, and the definitions of cross-border transactions, are heavily influenced by countries with an important share of the digital market such as the US, China and Europe. This means that the prerogative to implement new regulatory frameworks that are aimed to establish definitions and potential regulations in cross-border transactions is limited by the current international regime.
- Taxation is a critical issue due to the tensions derived from the practical difficulties that crowdworking platforms create for tax revenue. When promoting crowdworking platforms, it is important to also grasp on possible negative effects on tax revenue and hence, the reduction of funding of social security and other public services.

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⁴⁹ Baldwin, Richard. Interview held by Michelle Olguin, Amy Nguyen and Fabiola Maza on October 19th at 16:00 at his office located at the Graduate Institute.
⁵¹ Kwa, Aileen. Interview held by Michelle Olguin, Amy Nguyen and Fabiola Maza on November 26th 2020 at 16:00 through Zoom platform.
• Data regulation is drawing the attention of policy makers due to the absence of regulation and the opportunities that this could create for developing countries, especially due to the value and potential contribution to tax revenues. Crowdfunding platforms are important data banks, so the debates around regulation could impact on the protection of personal data of consumers and workers.

• Finally, any attempt to promote crowdfunding platforms as a new source of employment must take into account the current share of market and possible barriers to new, and especially public-led initiatives.

CHAPTER 2: RELEVANT DEBATES IN THE TRADE REGIME

Crowdfunding platforms represent a current successful business model that has drawn attention to policy makers and developing nations due to the potential opportunities for the creation of employment. However, to analyse the broader realm of the crowdfunding market, it is necessary to understand the tensions and cleavages that this business model has raised in the trade regime. As we mentioned in the last section, digital labour platforms have sometimes failed to integrate within societies and have existed instead in a regulatory vacuum. In addition to this, the complex collaborative network of crowdfunding platforms has generated a myriad of issues that are still in debate. Regulation within the field has largely hailed not from national legislation but rather efforts within the industry.

In this chapter, we will analyse the current debates that crowdfunding platforms have raised not only among scholars, but also in different international arrangements such as in the World Trade Organization (WTO) and the OECD.

2.1. Goods or services?

As mentioned in the previous chapter, crowdfunding platforms have uncovered conceptual difficulties in its categorization and conceptualization. The breadth of topics related to digital economy and crowdfunding has greatly impacted definitional issues. Indeed, the concept of digital labour as seen through crowd work is categorized and defined differently depending on the actors involved. For the time being, a few organizations’ discussions have arrived at a working definition of the topic creating tentative categorisations adapted to their mandate.

The rise of digital labour platforms has important implications for the digital trade regime. As goods shift from tangible to digital forms, debates have emerged that discuss how this affects trade rules. Moreover, delivering products digitally and through physical goods challenges the traditional notion how the international trade regime operates. A key debate is the distinction between goods and services, and the modes of supply that constitute the core element of agreement such as the General Agreement of Services (GATS).

The GATS agreement provides market access commitments according to four modes of delivery:

1. cross-border: delivery from a territory of one member into the territory of another member
2. consumption abroad: in the territory of one member to the service consumer of another member
3. commercial presence: by a service provider of one member through commercial presence in the territory to another member
4. presence of natural persons: by a service supplier in one member, through presence of natural persons of a member in the territory of another member

At the heart of the international trade regime is the classification of goods and services and the creation of rules that govern these classification. The distinction in goods and services is rather a reflection of the history of the trading regime rather than a reflection of the good and service itself. The complexity of this debate becomes apparent when looking at goods, in a traditional sense, that are now traded digitally such as books, magazines, movies, music etc. While some argue that these would now be classified as services, thereby subject to the GATS agreement, others contend that they should remain classified as ‘goods’. Thus, the debate reflects different views and interests on the rules around goods and services. This point of contention has equally affected crowdwork platforms which are usually considered services and yet, often fail to be considered as a part of the GATS. The WTO does not have a clear definition of what constitutes a good and what constitutes a service. Thus the mode of supply and of delivery of these products becomes key to their classification. Traditionally, the international trade regime has focused more on the cross-border delivery of goods and services. This is because it is easier for states to impose rules on products exported to their market, such as tariffs, while remaining lenient with their citizens traveling abroad to consumer services and buy goods. The GATS reflects this as it provides less restrictive market access on consumption abroad as opposed to cross-border delivery. On September 25th 1998, the General Council of the World Trade Organization adopted the Work Programme on Electronic Commerce, which defined electronic commerce as “the production, distribution, marketing, sale or delivery of goods and services by electronic means”. It is important to mention that four WTO bodies were charged with the responsibility of carrying out the Work Programme: the Council for Trade in Services; the Council for Trade in Goods; the Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS); and the Committee on Trade and Development. The General Council plays a central role and keeps the work programme under continuous review. The work programme adopted by the WTO was only a part of a broader push to define and regulate digital trade in a new age. Concurrent to this action, a moratorium eliminating any form of tariffs on e-commerce until further research was provided was adopted. This moratorium was originally set to last for five years, but has been extended a number of times since.

In the meantime, the issue has been addressed at the Ministerial Conference, in the Goods Council, the Services Council, the TRIPS Council, and the Committee on Trade and Development, as part of the e-commerce work programme. These decisions have only shown the extent of the debate and the need for further research. However, a renewed interest in the field appears to have surfaced within the organisation, especially after the COVID-19 pandemic, which underlined the digital divide that has yet to be addressed.

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54 ibid.
55 Azmeh, Foster, and Echavarri, 'The International Trade Regime and the Quest for Free Digital Trade'.
57 WTO Work Programme on E-Commerce (WTO 1998) WT/L/274. Para1.3
Furthermore, it is important to mention that each of these councils within the WTO has focused on specific aspects of the e-commerce market. It is clear that each has a technical expertise pertaining to their field which they attempt to apply to the realm of e-commerce. However, there would appear to be a concerted effort on all parts to understand the impact of this commerce on developing countries. This is often mentioned under the general label of “market access” or standards in developing countries. These brief mentions of a plan therefore show that the issue, as seen by the WTO, is far more than an issue of isolated taxation. Indeed, it is understood that tariffs and other economic tools can have a sizable impact on the wellbeing of workers, particularly within developing countries.\(^6^0\)

Nonetheless, several issues remain uncertain. One of the most debatable issues is the categorization of some transactions that could include the exchange of goods or services by electronic means. Although the definition of e-commerce given by the WTO is broad, the regulatory framework, specifically the General Agreement on Tariffs and Trade (GATT) and the General Agreement on Trade in Services (GATS) require categorizing any trade of goods and services. Furthermore, in the case of service transactions, the GATS establishes four modes of supply of services. A related and highly debated issue is whether trade in data and data flows is GATS Mode 1, that is, cross border supply of services (defined as ‘service delivered within the territory of a Member State from the territory of another Member State), or a GATS Mode 2, that is, consumption of a service abroad.\(^6^1\)

### 2.2. The moratorium on e-commerce

The debates over the moratorium on e-commerce has been central to the debates at the WTO since the 1990s in the context of “Work Programme on Electronic Commerce". The WTO Ministerial Conference in Geneva in 1998 adopted the Declaration on Global Electronic Commerce which launched the “Work Programme on e-commerce” and included a commitment by states to not impose customs duties on electronic transmissions, also known as the moratorium on e-commerce.

This commitment has been renewed every two years at every subsequent ministerial conference. As digitalisation and the flow of data is growing, debates are getting louder on the renewal of this moratorium and the definition of “electronic transmission”. Early discussions focused on the mode of delivery of digital services and technological neutrality. However, little to no rules and commitments have been set in place in the 2000s.\(^6^2\) According to Azmeh et al (2020) this is owed to the lack of existing rules and the fear of dominant digital firms of not being able to access growing markets (for example in China). However, this seems to have changed since the 2010s, pushed by the US digital trade agenda under the Obama administration.

The US actively pushed for the establishment of the moratorium on e-commerce into a permanent commitment and the change of the WTO “Work Programme on E-commerce” from discussion to negotiation and thereby making the moratorium permanent. However, this is met with much resistance from developing countries as they are concerned that this would imply the complete liberalization of digitally delivered products and weaken their ability to impose national policies in the digital space. Others argue that digital issues are beyond the scope of the WTO. Especially the Arica

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\(^6^1\) Sen, Nivedita. “Understanding the Role of the WTO in International Data Flows: Taking the Liberalization or the Regulatory Autonomy Path?” *Journal of International Economic Law* 21, no. 2 (June 1, 2018): P332. [https://doi.org/10.1093/jiel/jiq021](https://doi.org/10.1093/jiel/jiq021).

Group and India expressed strong opposition to new digital rules. They argue that there is a risk of loss of custom revenues as a result of digitalization on more products. Further India and South Africa argue that making the moratorium permanent would mean that there would be no tariffs on the digitized goods while the physical goods would still be taxed. While the US, supported by the EU, Japan and other countries, spearheaded discussions on moving the moratorium forward, this all changed under the Trump administration. As a result, some WTO members, including the EU, Japan and China announced at the World Economic Forum in Davos in 2019 that they will begin exploring plurilateral ways to address the issue of e-commerce. 63

2.3. Tax debates on digital platforms

Crowdwork and digital labour as a whole have had an impact on a wide range of fields. The disruptive effects of these platforms have therefore fallen under the mandate of a number of organizations. In terms of trade, stakeholders for these platforms have appeared at every level. As previously mentioned, organisations like the WTO had some early attempts to monitor digital platforms. However, one must also take into account the fact that countries and private actors remain extremely involved in the development of crowdworking platforms.

This means that, without a global taxation framework, digital crowdsourcing is likely to produce a shift in the global economy. Richard Baldwin refers to this as a new unbundling 64 and argues that the shift will push companies to delocalize their service workers.

The notion of e-commerce was shaped during the 1990’s due to the rise of the Internet. On September 25th 1998, the General Council of the World Trade Organization adopted the Work Programme on Electronic Commerce, which defined electronic commerce as “the production, distribution, marketing, sale or delivery of goods and services by electronic means”.65 Similarly, the OECD considers an e-commerce transaction is the sale or purchase of goods or services conducted over computer networks by methods specifically designed for the purpose of receiving or placing orders. 66

This is particularly important as the WTO is one of the only organizations attempting to regulate the taxation of such services. While this has been overlooked as a minimal issue in many an occasion. It is worth noting that the market share obtained by these companies shows no signs of stopping. This means that, without a global taxation framework, digital crowdsourcing is likely to produce a shift in the global economy. Richard Baldwin refers to this as a new unbundling 67 and argues that the shift will push companies to delocalize their service workers.

As previously mentioned, the moratorium on e-commerce has been one of the main influences on international policies concerning digital platforms. Although the moratorium itself has yet to provide any form of concrete regulation concerning crowdworking platforms, it set an important stepping stone for the definition of the topic. The document and the efforts surrounding it have equally created a certain impulse for cooperation with other organizations and inspired other stakeholders to take action.

65 WTO Work Programme on E-Commerce (WTO 1998) WT/L/274. Pará1.3
Another important actor in the context of crowdworking platforms and taxation, which has been mentioned throughout this report is the OECD. This organization’s aim has been one of uniformization between member states. Although the scope of their mandate has allowed them to perform this uniformization through different plans of action, they have given some priority to taxation, accepting it as a relevant tool for the regulation of digital labour platforms.

The organization has, in fact, produced a model for the adequate taxation of crowdworking platforms which has several aims:

- Improved efficiency in the transmission of tax documents.
- Standardization of reporting rules.
- The promotion of due diligence in reporting requirements.
- Promotion of international co-operation.
- The creation of a reporting regime which is adaptable to the different member states’ rules and regulations.
- Promotion of new technical solutions to the problem of cross-border taxation.

Following our approach with a more narrow angle for actors we must mention the importance of other international stakeholders in the field of digital labour platforms in general and crowdworking in particular. Among these, the EU has probably been one of the most important transnational bodies to approach the regulation of crowdwork. In fact, policy makers have noted that the relentless pace of progress within the industry has turned platform work into a policy priority. It bears mentioning here, as we have done before, that labour rights are at the forefront of these efforts. However, policy makers seem to push for a multi-pronged approach to these concerns. Taxation is therefore integrated in some policy reports as a way to enact better labour standards in much the same way as it has been a regulatory mechanism for traditional labour. Indeed, according to the directorate-general for internal policies of the Union: “Global platforms based outside the EU may evade taxes and fail to comply with national and European regulations, pointing to the need to ensure fair competition between multinationals and national businesses, while not obstructing start-ups and smaller scale initiatives”. Furthermore, it would seem that the EU’s approach has relied on creating a uniform set of regulations inspired by the efforts of member states. European institutions pointed at the need for action on platform work as early as 2016, with the adoption of the European Agenda for the Collaborative Economy, which aimed to clarify uncertainties in the rights and obligations of those participating in the collaborative economy. Among the priorities of action for the EU, the authors insisted on the uniformization of taxation regimes.

The European Parliament adopted several resolutions relevant to the taxation of platform work in among which are the Resolution on online platforms and the digital single market of 15 June 2017. This particular document pointed out the need for regulations of taxes on digital platforms and their workers and yet remarked upon the fact that: ‘some parts of the collaborative economy may fall into regulatory grey areas as it is not always clear which EU regulations apply […]’.

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72 European Parliament resolution of 15 June 2017 on online platforms and the digital single market (2016/2276(INI)).
The impulse and inspiration behind the international taxation policies have come from individual countries’ experimentation on the subject. It is important to mention here that the focus of many policies has been with the workers status. Different countries have introduced a hybrid or third employment status for platform workers and crowdlowers in particular. Only France has introduced national legislation directly aimed at the protection of (self-employed) platform workers, while the Italian region of Lazio has introduced similar legislation that applies to platform workers irrespective of their labour market status.\(^{73}\)

However, countries outside of the EU have also gradually implemented different policies concerning the taxation of crowd work or digital labour. As we’ve seen, many countries are eager to instate policies that are favorable to workers within their borders. These efforts can be broadly separated into two categories. Developing countries attempt to attract investments and tasks from cross-border crowdworking platforms. On the other hand developed countries attempt to develop their protections for workers by considering taxation schemes for platform labour performed abroad. During our interviewing process both Richard Baldwin and Kithrona Cerri, mentioned the fact that both sets of countries have had this consideration among their top priorities as they have received input from the private sector in possible next steps.\(^{74}\) In this context, it is useful to rely on our case studies, in order to understand the different models of taxation that have spread in various countries.

The topic of national taxation and regulation can often be overlooked when considering crowd-working platforms. The geographical unbundling of these types of services is no doubt a reason to forgo the analysis of individual nations’ taxation policies. However, this sub-section can attest to the fact that these measures often bear a more direct impact on workers themselves. The taxation of workers themselves and the regulation within a territory is often far more binding than international measures and can be applied much faster. This means that workers will often sense the impact of national policy far more than the abstract debates carried out elsewhere.

On that same topic, it is crucial to note that much of the international policy framework on crowd working that has been put in place is inspired by individual countries’ experimentation. This sheds light on the role of national policies in the broader international regulation. Of course, this means that it may be far more impactful and beneficial to workers to push for change on a national level. However, this also means that nations may be bound to experimentation in the field and decide on unfavourable policy much faster than an international framework would.

### 2.3. Data regulation

The e-commerce transactions have an intrinsic element that has a trade dimension: data flows. This is more evident in the “app economy”, where there is a movement of data facilitated by access to cloud-based distributed data processing.\(^{75}\) In these cases, the consumer, the app provider and the seller can be located in different geographical locations, provided that there is a movement of data between them.\(^{76}\) The importance of definitions and regulations of data flows relies on the fact that any restriction or barrier to this process may hinder or raise the cost of the entire transaction, with potential impact not only to businesses but specially to customers and users.\(^{77}\)

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74 Interview with Richard Baldwin 19.10.2020 & Interview with Kithrona Cerri, from the TASC platform conducted on the 10.10.2020.
75 Sen, Nivedita. P.324.
76 Sen, Nivedita P.324.
77 Sen, Nivedita. P.324.
As mentioned before, there is a lack of clarity in the understanding of “data”. A definition given in the context of the digital economy and of data-related international trade law and policy is ‘information in digital form’. This means that data flow is related to the movement of information in digital form, which is enabled through the technology of the Internet, a central tool for e-commerce, and more broadly, the digital economy.  

To understand the complexities in regulations and limitations to data flow, it is important to describe the process, especially to understand the impact of domestic regulations.

- First, data originates on a physical device, whether it is an email or a machine processed data. The data is created and stored on a server, which is a computing device directly connected to the Internet through ICT infrastructure. Several regulatory concerns arise in this phase, particularly in the conditions of storage and protection of privacy.

- Second, the data flows online through the Internet in smaller units known as “packets”. The data moves from an Internet Service Provider (ISP) engaged by any user or consumer to another at “internet exchange points”, also known as “peering”. This flow of information occurs at the international level, which raises concerns about the disparity of regulatory frameworks regarding data protection. From a policy perspective, there are also concerns about the loss of data as a source of value.

- In third place, the data must be physically stored in servers located in facilities called “data centres”. Concerns over the geopolitics behind data centres have been manifested, since they contribute to an unequal distribution of the gains of the digital economy.

- Finally, the data travels from this point through ISPs onto the consumer or end user’s device. In this process, data travels to different countries, depending on the place of storage and where the ICT infrastructure is located.

The efficiency of the data flow, and thus, the transactions that rely on this process depends on superior ICT infrastructure, which has been a key challenge for developing countries. In fact, economies of scale and comparative advantage in the data intensive industries, as well as data transfers between related multinational enterprises, are relatively concentrated in countries with superior ICT infrastructure, which are by and large developed economies.

Another factor to the efficiency of the data flow is the regulations and restrictions through this process. Data localization measures can occur in any of the four stages of data flows depicted above. Such measures arguably result in creating non-tariff barriers to trade, whether, or not, they are justified on grounds of public policy concerns. For example, some states impose a restriction preventing foreign ISPs from providing Internet services; others impose restrictions requiring local data storage and local data processing.

Data typology is another issue that has been debated among scholars. The first category of data is “personal data”, which has been subject to several regulations, especially in the European Union (EU). The General Data Protection Regulation (GDPR) is one of the most elaborate data protection

78 Sen, Nivedita. P.325.
80 Sen, Nivedita. P.326.
81 Sen, Nivedita. P.327.
82 Sen, Nivedita. P.327.
83 Sen, Nivedita. P.327.
regimes, which provides a comprehensive yet narrow definition of personal data as any information relating to an identified or identifiable natural person. Personal data has been labelled the "currency" of the digital economy since many large and small companies rely heavily on the harvesting of Internet-based personal data. The GDPR also conceptualizes the category of "sensitive personal data", which is linked to the notion of a fundamental right and freedom that includes racial or ethnic origin, political opinions, religious beliefs, etc.

Another category is 'company data', which comprises the data flowing between entities of corporations, and includes the supervision, management, and organization of data relating to corporations, including financial planning of companies, management, etc.

A third category is business data. This category has a broad scope and is difficult to define but broadly relates to any data that is commercial, marketable, or can be monetized. This includes digitally enabled services such as e-commerce websites, digital labour platforms, legal or consulting services provided digitally. Business data is a subset of company data, and it can also overlap with personal data and even sensitive data.

Social data relates to behavioural patterns of larger social units. Social data is derived from personal data, but is distinct from it as it undergoes a process of anonymization and thereby, the data is no longer traceable to individual persons and not subject to most regulations on "personal data". Social data is a subset of business data and the usage and regulatory concerns is predicted to rise with the expansion of digital analytics such as Big Data.

The relevance of identifying and establishing a typology of data relies on the possible barriers or regulatory frameworks applicable to different types of data that could impact transactions that depend on data flows, such as in the case of digital labour platforms. For instance, it is also important to mention that company data is usually already protected strongly through corporate law and intellectual property rights such as trademarks and trade secrets. However, protection of personal data and limitations on compiling and processing of social data is relatively less protected. The pressing need for international regulation is reflected through the multilateral discussions on e-commerce wherein the importance of building online trust and consumer protection has been highlighted.

The current debates on data regulation are also associated with the potential worth of value of data, especially for developing countries that have an important role as consumers, and thus, as providers of data to the global market. Nevertheless, these debates have not succeeded at the international level, mainly because of the influence of the US in maintaining free data flows as a principle. For crowdworkers, these debates and possible regulatory changes might impact on their individual relations with crowdwork platforms. Private agreements regarding data protection and data flow are deeply related to restrictions for workers to register in a certain platform, which can undermine their right to work when they decide to change their platform provider.

2.4. Market access and competition

As mentioned in the previous chapter, one of the concerns about the development and spread of crowdworking platforms as a source of employment is the current uneven participation in the market and geographical clustering of private actors on one side, and the workforce on the other, which have created an international division of labour.

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84 Sen, Nivedita. P.343.
85 Streatfeild, MacDonaldand ChristineM. “Personal Data Privacy And The WTO.” Houston Journal Of International Law 36 (n.d.): 31.P.626.
86 Sen, Nivedita. P.343.
87 Sen, Nivedita. P.343.
88 Sen, Nivedita. P.344.
89 Sen, Nivedita. P.345.
Given the business model of crowdworking platforms and the dependency on a network effect, as well as the geographical distribution, there are some threats in ensuring an equal access to this new market, which affects the development of healthy labour markets. UNCTAD has stressed the importance of competition policy in the creation and capturing of value in this emerging market. For this, there is a necessity for a greater cooperation among countries to develop regional or global frameworks.

Most of the concerns relies on the necessity to implement measures aimed to create a level playing field. In our interview with Aileen Kwa, she stressed the fact that the lack of digital infrastructure, the disparity of resources and limited technological expertise of developing countries has increased the digital divide that prevent these nations from participating in the digital market. This has created a very unequal market with few major players that have gained political power at the domestic and international level, and insufficient opportunities for developing countries to advance regulatory frameworks aimed to protect their domestic markets.

The digital divide in question is not only hugely impactful to developing countries and companies seeking to expand. It is important to remember that said divide, rests on workers lack of access to the skills or the technologies necessary to crowd working. Any attempt at ameliorating market access would therefore have a direct impact on employment opportunities in developing countries. As we will see in the next question, some nations have taken this route as a gambit for further development. However, it is important to remember that access to a market can often be a trade off. The attempts must therefore bear in mind that working conditions may falter if the division of labour were to entail a transfer of crowd work to developing countries. This would not only deteriorate the conditions of workers in these countries but also produce a race to the bottom resulting in a global deterioration of working conditions and standards in order to remain competitive.

Overall, when promoting crowdworking platforms as an alternative to create new jobs, it is important to consider some current features of the digital market:

- An unequal playing field between developed and developing countries. As mentioned before, the role of the US and China has been important not only in shaping international regulations but also domestic policies and local labour markets.

- Technological differences and the digital division. This is relevant to note since developing countries are facing issues in digital connectivity and infrastructure.

- Closed markets. The current power dynamics in the market share has created barriers for new initiatives that are planning to enter into the global market. As discussed in the first chapter, the worth of crowdworking platforms rely on the network effect, so new competitors might threaten the position of current private firms. In this scenario, it is important to pay attention to merge and acquisition strategies that could prevent the appearance of new business.

These considerations might not only impact on domestic policies and regulations, but also in current conditions and private arrangements established by private firms. For example, workers might face more strict conditions and limitations in non-compete clauses with potential restrictions on work and the movement of data.

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91 Kwa, Aileen. Interview held by Michelle Olguin, Amy Nguyen and Fabiola Maza on November 26th 2020 at 16:00 through Zoom platform.
CHAPTER 3: NATIONAL REGULATORY FRAMEWORKS

3.1. An overview of three countries

Crowdworking platforms allow us to raise several questions about jurisdiction and sovereignty in the determination of the regulatory frameworks, as well as to question the role of states in the design of a digital industrial policy that includes this model. While the United States and China have been much researched in their roles as digital leaders and birthplace of innovation, Uruguay offers an interesting example of a country that seeks to integrate crowdworkers into a social protection system. While our main scope remains on crowdworking platforms, we also took into account physically resourced labour such as transportation platforms as these have been central to much scrutiny over labour exploitation due to inadequate employment regulations. We will also shed light on the national taxation policies as these measures often bear a more direct impact on workers themselves. The following table seeks to provide a comprehensive overview of our three case studies, the United States, China and Uruguay.

<table>
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<tr>
<th>Regulation</th>
<th>United States</th>
<th>China</th>
<th>Uruguay</th>
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<td>Platform employment</td>
<td>0.4 - 0.6% of total labour workforce 92</td>
<td>10.1% of total labour workforce93 (largest number of platform workers)</td>
<td>n/a</td>
</tr>
<tr>
<td>Government policy</td>
<td>Still a ‘regulatory sweet spot’ with little to no regulations. US government sees platforms as innovation and in the case of Uber (crowdwork albeit offline), the government was instrumental in pushing the platform’s success over local taxi companies; however, individual states like California are pushing ahead with regulatory</td>
<td>Chinese government policy promotes the development and supervision of domestic digital labour platforms, for example through Internet Plus policy (互联网+). Restrictive data localization laws block cross-border data flow and build a market barrier for foreign companies. Little regard for labour protection in central government policies. On the local government level push for</td>
<td>Uruguay Digital aims to leverage digital labour to achieve economic growth. The main challenge in Uruguay remains the increase of Internet connectivity. Uruguay has introduced simplified tax and contribution arrangements for digital platform workers.94 In contrast to the US and China, Uruguay uses digital platforms to foster the social</td>
</tr>
</tbody>
</table>

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Frameworks due to the large number of class action lawsuits filed by platform workers. More labour protection. Protection system.

<table>
<thead>
<tr>
<th>Platform business design</th>
<th>US digital labour platforms are divided into two main business models: 1. cloud work (web-based) 2. gig work (location-based)</th>
<th>China’s digital labour platform operate in three main business models: 1. Self-operation aided by platform (平台自营) 2. Franchised cooperation through platform ((加盟合作)) 3. Crowdsourcing (新型共享)</th>
<th>Uruguayan platforms follow a model inspired by American firms. However, they also receive sizable direct investment from the government and benefit from the promotion organized by the same</th>
</tr>
</thead>
</table>

| Labour contract | In the United States, platform workers are classified as independent contractor (self-employed) and taxed as such; classifying gig workers as employees would cost 20–30% more than classifying them as independent contractors. | Often unclear employment status between platform and workers. Chinese civil law contractual arrangements diversified into labour contract or labour service contract. Most workers are classified as self-employed -- due to the vastly different types of work contracts, the majority lack access to labour and social protection. | In Uruguay, Uber drivers (and other transportation platforms) are required to register with the social insurance and tax authorities through a public phone application in order to regularly work on the transport platform. Although these workers are still considered self-employed, they are still integrated into the protection system. |

3.1. The American case

3.1.a - The US, a leader in terms of digital platform labour?

The US has become the leader in promoting a single global digital market with the least possible regulation. The market power of American firms explains also their role in shaping and influencing the political sphere and policy making. As several scholars have claimed, the American model is currently the globally dominant digital economy model.

As mentioned in the first chapter, the global digital market is geographically concentrated, with an agglomeration of firms, and capital, in the US and China. The tensions between these two actors has

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exceeded a discussion over competition, and has created a race in regulation models. In contrast to China, the US has maintained a business-driven political discourse, which has had a prominent role at the international level. As a matter of fact, to understand the current debates in the trade regime at the international level, we must be aware of the regulatory altercations and political cleavages in the US political economic system, as well as analysing why the US has been led trade debates.

A first consideration is the US leadership in IT and digital infrastructure. The US has not only contributed in the advancement of technological innovation due to the public investment and the role of technology in the military, but it has also promoted, at least in an early extent, an excellent technical educational system.99

A second aspect is the role of technology in policy making. From a political and economic perspective, the American regulatory framework has been oriented to favour technological development and to protect any private initiative. The American current policy orientation is focused on maintaining its domination of the global digital market.

Among the case studies we have focused on throughout this research, it is remarkable to see that they have all entered the digital labour market very fast. This has usually occurred in an attempt to maintain some form of control over the digital labour taking place within their borders. Indeed, the implementation of local digital labour could suit the needs of countries seeking to enrich their job markets far better than foreign platforms could claim to.

The US is the obvious exception, since they entered the digital labour market extremely early with companies such as Amazon or Upwork taking root there while developing their crowdsourcing platforms. This could, perhaps lead us to believe that the United States would impose stricter regulations on platforms within its borders. However, this would be an extremely optimistic point of view. On the contrary, the country has done little in terms of regulating American crowdsourcing platforms. This is due to a variety of factors which we will outline further down. Yet, we must preface this explanation by noting that the example of the United States shows that local platforms are not always a path towards more regulation.

To begin with, crowdworking platforms in the U.S., as previously stated, are among the largest corporations in the global digital labour economy. Amazon's Mechanical Turk and Upwork, both leaders in the field, hold an enormous amount of bargaining power.100 As we have seen with geographically based platforms such as Uber, this bargaining power can stall government negotiations for better working conditions or any other form of regulation. Amazon itself has applied this bargaining power across a variety of its companies. An example of this is the overt race to the bottom in terms of local taxation held by the company when choosing the placement of its headquarters. 101 It bears mentioning that this tactic can have a ripple effect on the community formed around headquarters. Online communities are no different and can be severely impacted by the decisions of a parent company as well as the government's.

Finally, the United States has, historically, been at the forefront of innovation. It has, on several occasions invested in education, research and development and other factors that would, theoretically contribute to this innovation. This previous investment has had a tremendous impact in preparing the ground for digital labour. Technological innovations obviously had ripple effects leading to the development of digital labour in the U.S. While this may seem like an accidental side effect of a bygone era's policy, it is important to mention that these effects gave the country an edge

in the field. Indeed many developing countries are simply attempting to replicate these policies in order to produce a labor force capable of surviving a digital future.\(^\text{102}\)

### 3.1.b - Multiple taxation levels

In addition to this we must mention that the United States’ structure can often render attempts at local taxation fruitless. The different legal regimes present in various states have, on many an occasion, been used to the advantage of companies. As Amazon did, companies can find areas willing to offer the lowest possible taxation regime for the company. Digital labour platforms are a natural fit for these types of schemes. By definition, the type of crowdsourcing labour addressed in this research results in virtually frictionless travel. This allows companies to travel across state borders, thereby avoiding regulation with relative ease\(^\text{103}\).

Nevertheless taxation has followed a far more straightforward path on the national level whereby companies headquartered in american territories are subject to the same corporate tax rates on a federal level.\(^\text{104}\) The only particularity concerning corporate taxes in this case concerns the people working for these platforms. Crowdworking sites have neglected to classify digital labourers as employees, meaning they are exempt from the corresponding taxes which would be applicable to other “brick and mortar” businesses.

The United States government has yet to submit legislation that would impact this categorization or close this loophole.\(^\text{105}\) Furthermore, there have, so far, been few attempts to challenge this business model. However, it would seem that if a strategy to incorporate private contractors as employees within these platforms were to emerge, it would likely do so from local companies.

### 3.1.c - The Trans-Pacific Partnership

The TPP agreement is perhaps one of the most important regulatory frameworks regarding e-commerce and the digital economy at the international level. Although with some differences, these commitments have been replicated in other multilateral trade agreements, especially regarding cross-border data transfer.

In addition to these provisions, the TPP also establishes several regulations regarding the methods of electronic authentication and the validity of e-signatures; maintenance of laws on online privacy, consumer protection, and spam (“unsolicited commercial electronic messages”); the benefits of “paperless trading,” and others.\(^\text{106}\)

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Some of the most important commitments and regulations are summarized as follows:

<table>
<thead>
<tr>
<th>Area of regulation</th>
<th>Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-border electronic data transfer</td>
<td>Free transfer of information, including personal data by electronic means when this activity is for the conduct of the business of a covered person.</td>
</tr>
<tr>
<td>Custom duties on electronic transmission</td>
<td>Prohibition to impose custom duties on cross-border electronic transmissions, following the moratorium established at the WTO level.</td>
</tr>
<tr>
<td>Non-discrimination in digital products</td>
<td>Prohibition from providing less favourable treatment to digital products and the creators and owners. It is important to mention that subsidies, grants and broadcasting are excluded from this commitment.</td>
</tr>
<tr>
<td>Incorporation of GATS exceptions</td>
<td>The TPP establishes that commitments and provisions should be interpreted accordingly to the GATS exceptions. This is a relevant aspect to consider since any change in the agreements and commitments at the WTO level will impact on this (and potentially others) free trade agreements.</td>
</tr>
</tbody>
</table>

3.3. China

3.2.a - Fostering digital labour

China, our second case study, is unrivaled in the amount of web users and thereby potential workers around the world with a population of 1.3 billion people, of which more than half have access to the internet. After the United States, it is the second largest digital economy in the world. Crowdsourcing platforms in particular have risen exceptionally quickly in China, attracting much interest from foreign companies. In 2013, the number of Web users was half a billion and reached 914.1 million in 2020. By 2017, there were 30 million crowdworkers serving more than 190,000 businesses and contributing approximately $USD 700 million to the Chinese economy. Against this backdrop and the rapidly growing number of university graduates with access to the internet, China has one of the biggest tech-savvy labour forces in the world, keen for work. Besides the dimension of workforce, there are other factors that render China particularly conducive to the development of crowdfunding. The advantages of the Chinese market include its online population size, people’s availability for crowdsourcing activities, and willingness to create content which is comparably higher than American and European internet users. For example, an annual campaign launched by the soft drink manufacturer Pepsi from 2006 until 2009 was highly successful attracting up to 36 million

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submissions within six weeks of open call. This shows that the Chinese market is very accepting and active within crowdsourcing platforms compared to Western competitors, allowing platforms or commercial brands to choose from a large pool of motivated workers. Another advantage of the Chinese market is that it is comparably cheaper to start a company and to request work.

What is astonishing about the China example is that the tasks on crowdsourcing platforms themselves are changing. While these used to encompass simple microtasks, they have now developed into more complex ones requiring technical know-how or creativity. The crowdsourcing leader in China is Zhubaje / Witmart, a platform with 9 million active workers (witkeys) in 2015. By 2017, this number has already grown to 15 million registered users on the platform. Zhubaje, founded in 2005, is an internet marketplace and workplace for physical products, including services, designs and digital goods. In 2012, Zhubaje created a sister company, Witmart -- a global online crowdsourcing service market facilitating transactions and services in English, making it particularly attractive to employers and individuals outside of China. The second largest crowdsourcing platform is Epweike with 5.6 million workers, followed by Taskcn with 3.4 million and 680 with 2.9 million witkeys. These platforms mainly focus on creative work including logo design. It is important to note that these totals may be inaccurate as users are likely to be registered on multiple platforms. Crowdsourcing has also proven to be a valuable creative source for multinational companies such as the soft drink manufacturer Pepsi who has launched an annual Creative Challenge from 2006 until 2009. In 2008, the same year that the Olympics were held in Beijing, the campaign attracted a staggering 28 million submissions. In its final year, Pepsi’s create challenge was called “Create a Wish for China”, a campaign marking its 60th anniversary of the founding of the Republic of China, which attracted 34 million submissions. This highlights the potential of crowdsourcing in China, which is unparalleled in terms of its workforce.

As these examples illustrate, China has embraced the potential of digital labour platforms and has put policies in place that would spur the growth of its own domestic digital economy. Lenient policies on domestic platforms that are often an imitation of Western platforms combined with restrictive data flow policies has helped China to create points of control in the digital economy and prevent access by Chinese netizens to their US competitors.

3.2.b - Protecting local business: taxation and trade on a national level

In this report China occupies what could be considered a middle ground between developing economies attempting to attract crowdfunding platforms and developed countries attempting to understand the place of these platforms within the existing legal framework. China has, in fact, made several attempts to create competitive digital labour platforms to supersede those present in the west. These are subject to tax rates similar to those of local “brick and mortar” enterprises. However, China has adopted a much more aggressive approach towards oncoming labour offers and therefore crowdfunding platforms. More than taxation, China has relied on outright bans or other obstacles to preserve the viability of Chinese crowdfunding platforms.

China has repeatedly been scrutinized for its restrictive approach on data governance and resistance to e-commerce commitments. Despite its rapid domestic growth of the digital economy, China has been tightly guarding its cyber sovereignty refusing to tighten its restrictions on data flows in bilateral talks with the United States. In international trade negotiations at the WTO, it has taken

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111 ibid.
112 ibid.
a “traditional” standpoint on e-commerce issues, focussing on physical goods that are bought on a digital platform and sent to another country. What is more, it has often reasserted its standpoint that it is not open to new market access commitments including tariff reduction for foreign companies.\textsuperscript{115} While China has agreed to the WTO e-commerce moratorium, it maintains flexibility in imposing tariffs on foreign firms. To put in a nutshell, China has remained largely closed to foreign competition with restrictions on digital services import while the internet is heavily monitored. With regards to data-flow, China has relied on local storage on data, commonly known as data localization.

Such measures have caused frustration for US firms who find themselves sidelined in potentially lucrative markets, for example Google has regularly voiced its frustration having been forced out of the Chinese market. A related factor in regard to technological development in China is how they have adopted a process moving ‘from imitation to innovation’, a path that industrial policy scholars have outlined in previous generations of technology based development in East Asia.

A key approach taken in China has been technological transfer requirements on international firms in exchange for market access, including in some areas the transfer of source code as a condition to sell to the government or to gain the relevant licenses to trade in the country.\textsuperscript{116} Whilst such restrictions can serve security purposes, they also drive technology transfer by forcing the seller to disclose and transfer the technology of production. Reverse engineering has long been a key tool for technology transfer, and source requirements can accelerate this process. In line with catch-up models, Chinese firms have often begun by producing generic ‘clones’ of popular international web services, where source code can aid rapid introduction of services that are stable and accepted by local consumers.\textsuperscript{117} These resources are then slowly developed locally without competition.

### 3.3. Uruguay

#### 3.3.a - Leveraging investments and partnerships

Uruguay has most definitely embraced digital labour platforms as a viable source of development and employment. This has been evident in the push for educational programs directed towards as many students as possible.\textsuperscript{118} Although we will further delve into these institutional reforms in the next section, this mention allows us to understand the Uruguayan government's long term plan in the context of digital labour. A plan that the president of the chamber of digital economy of Uruguay has called a “clear path towards development”\textsuperscript{119}. The plan equally includes the backing of several national start ups hoping to disrupt the digital labour market in developing countries. Nevertheless, and despite their vested interest in the digital economy, Uruguay has not let this impact their policies regarding workers. In many ways, Uruguay is attempting to catch up to other, more developed countries in the field of digital labour. The country has been amongst the few to make this a champion cause for the government. The speed demanded by the government has obviously rendered the reforms adopted far more radical. Indeed, the strategy adopted amounts to a form of government intervention, which, while neutral in theory, could result in a complete lack of regulation.

\begin{thebibliography}{9}
\bibitem{115} ibid.
\end{thebibliography}
Investments and partnerships have been one of the main tactics of the Uruguayan government concerning digital labour. These types of projects have become a cornerstone of Uruguay's policies and a stated goal in its agenda for the future. In fact this aspect of Uruguayan policy has been defended as the most straightforward path towards development for the country. The argument from policymakers relies on two main factors. Firstly the notion of human development and decreasing the levels of unemployment in the country are often cited as a motivation for the implementation of the policies in question. Secondly, the policies are often used as a way to attract foreign investments and thus achieve the sought after development.

However, the policies of the Uruguayan government have not solely relied on the funding of digital labour companies. In fact, a sizable part of their strategy in penetrating the digital economy has been to improve digital education for the population as a whole. Uruguay has understood the issue of digital labour, and crowdwork in particular, to be all encompassing and requiring a simultaneous effort from all government agencies. The education sector has thus been heavily involved in the government's digital plan. Earlier this year, as the new educational plan for the next four years was unveiled, the message remained centered on the importance of digital education.

Uruguay's policies show that some countries have completely embraced the promise of digital labour as a path forward in terms of development. It is, as of yet, too early to apprehend the long term results of this strategy. However, one can wonder whether this overt push towards digitalization could lead to nefarious repercussions if further discussions on regulations were to stall.

3.3.b. - Striking a balance through an updated tax regime

Indeed, despite a clear intention to be a major competitor in the sector, Uruguay has maintained a number of regulations and adopted further specific laws concerning the taxation of digital labour platforms. In fact, the country is among the first to have adopted and enacted legislation concerning the taxation of digital labour platforms. The modification to the “Ley de Rendición de Cuentas N° 19.535” that occurred in 2016 as well as subsequent amendments and versions have paved the way in terms of taxation of all digital flows. Indeed this law has touched upon most forms of digital transmissions, from audiovisual content to intermediary labour and the platforms that may benefit from said labour.

However, for our purposes, this development has been a valuable addition to the landscape we are analysing. Firstly, this law has clearly defined digital labour and its subcategories for taxation

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purposes. In this case the location of the platform headquarters as well as the workers location is taken into account and established through IP addresses. The second notable contribution lies in the taxation scheme itself which, while fairly straightforward for local platforms, is far more complex and thought out for foreign investors and companies. By relying on this categorization the government has imposed that economic activities taking place over the internet be taxed as a local source of income in cases when the client resides within the country. 125 Resident taxes are understood to be the de facto state until a company can prove the contrary. If the aforementioned fact can be proven, 50% of the economic benefit is considered a Uruguayan source of income and taxed accordingly. 126

CONCLUSION

Any conclusion concerning research in the realm of digital labour, including crowd working platforms, must begin by restating the fact that digital labour platforms have deeply transformed labour as a whole. Although regulations have attempted to follow these transformations, the geographical dispersion, myriad of business models and fragmentation of the field has often hindered their progress.

- A myriad of business models

Throughout this research it has been evident that although digital labour may often be categorised as one ever broadening field it is, in fact a multitude of business models with few commonalities. Digital labour platforms have disrupted a wide array of fields, from transportation to design and even complex fields such as law and consultancy. It is therefore not surprising that this myriad of domains can hardly be apprehended by one single regulatory authority. This is particularly evident in instances of trade regulations. This approach requires a thorough understanding of transactions, objects or services provided by the platforms. As the scope of platforms becomes more diversified it is no wonder that definitional issues may incessantly rear their head.

- Definitional debates and fragmentation

In this context, at the most base level definitions of digital labour, goods and commerce must be established in order to begin the regulatory process. The debates concerning the subject are present within institutions such as the WTO. These concern the categorisation of digital labour as goods, services or another concept. It is fair to say that these debates have hindered progress regarding the moratorium on e-commerce as well as other regulatory measures concerning digital labour. However, other institutions such as the OECD have gone further in the categorisation of digital work, goods and services. They have established a clear separation in the field of digital labour which is certainly beneficial to further research, as it was in our case.

- National trends in regulation

Throughout this research the trend of national regulation has emerged as an alternative or, more accurately a preamble, to viable international regulatory frameworks. Countries, who began imposing restrictions on local digital labour platforms such as Uber have sometimes moved to regulations concerning international platforms which may not have a local tie within their borders. National laws concerning taxation are simultaneously more impactful for workers since they are often strictly enforced and an experimentation ground for more widespread policy. As noted in this report, a fair number of international regulations such as those imposed by the EU have drawn some inspiration from the individual, national laws within its boundaries.

Yet, it is also useful to note that a number of trends have emerged in terms of national frameworks. While some countries who had an early advantage in the market, such as the U.S., have fought for an open system devoid of strict regulation, others, like China, have opted to regulate market access. This has prompted the former to act as an incubator for their own platforms.. In the meantime, developing countries have also had to find their place within the system. Although many countries’ attempts to integrate the market have been thwarted by the ever present digital divide. Finally, as highlighted in this report, any attempt to promote crowdworking platforms as a new alternative for the creation of decent jobs needs to consider the constraints and limitations that arise from the trade regime, as well as the current political cleavages that are shaping the digital economy regulations and markets.
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