

Power resources for disempowered workers? Re-conceptualizing the power and potential of consumers in app-based food delivery

Dr Alex Veen

Senior Lecturer & DECRA Fellow

Co-Director | Sydney Employment Relations Research Group (SERRG)

Discipline of Work and Organisational Studies

The University of Sydney Business School



The types of 'gig' work platforms

App-based 'gig' work



Cloud-based 'gig' work




Context & Research Question

- Consumers of “gig” services have been described as holding an elevated status (Culpepper & Thelen, 2020; Healy et al., 2020; Maffie, 2022).
- Critical role in Labour process (Thompson and Smith 2009; Veen et al 2020)
 - Monitoring
 - Reviewing / Ratings

Research Questions

- Are consumers of ‘gig’ work a power resource?
- If so, what is their level of awareness of worker entitlements in the Australian food delivery industry and around which entitlement(s) might consumers be mobilized by workers?

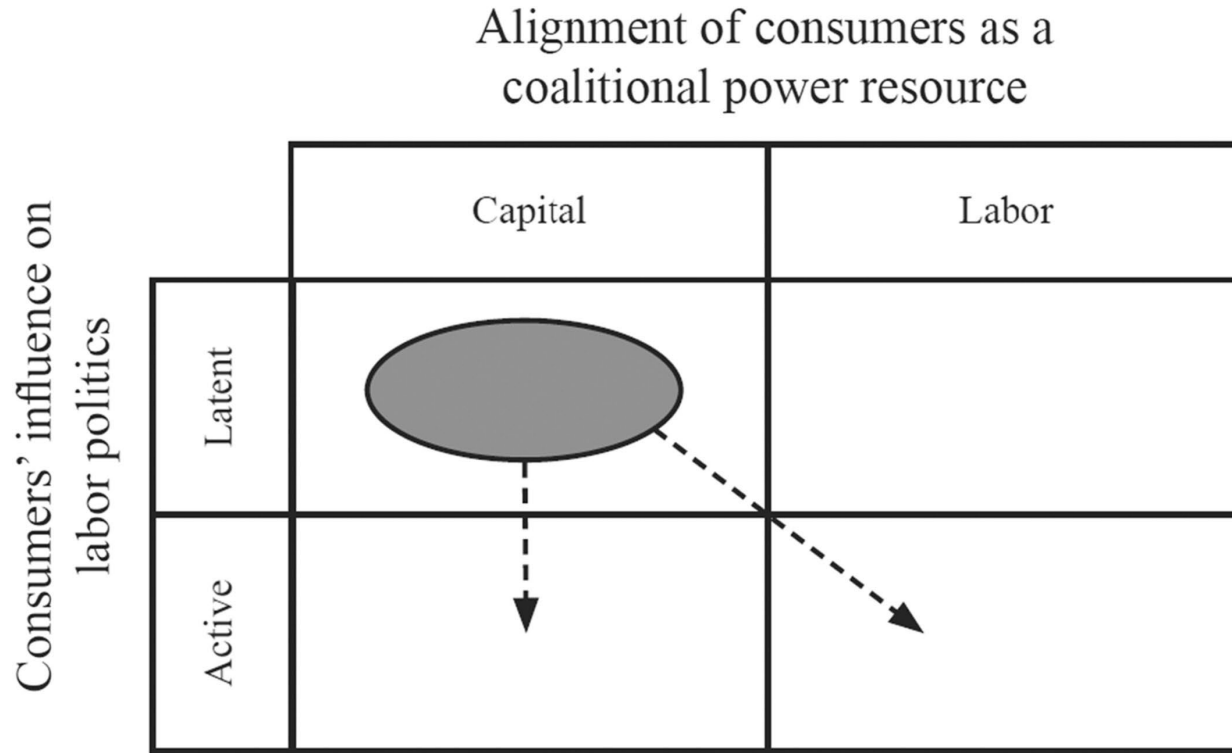
Theoretical Framework: Power resource theory

- Korpi (1985: 33) defines power resources as “the attributes (capacities or means) of actors (individuals or collectives) which enable them to reward or punish other actors.”
 - Historically, PRT focused on ‘power’ of unions, but can also explain power of other IR actors
 - Refslund & Arnholtz (2022) highlight there are 5 types of power
 - structural
 - associational
 - institutional
 - ideational
 - coalitional
-  Our focus
- Example of coalitional of power consumers e.g., the Nike Sweatshop campaigns in the 1990s
 - PRT helps to explain politics around and within work
 - Brings to the fore social and industrial outcomes of the possession & deployment of power by actors

'Gig' Consumers as a Power Resource? If so, for who?

- Scholarship on consumers' ability to improve terms and conditions of work is bifurcated
 - Consumers capable of improving labour standards (Donaghey et al., 2014; Kessler & Bach, 2011),
 - Consumptive unable to raise labour standards (Bauman, 1983; Culpepper & Thelen, 2020)
- So, are 'gig' consumers as a power resource?
 - They must be able to influence labour politics
 - Other IR actors can deploy, direct or influence consumers to shift labour politics in their favour
- Platforms have recast the role of consumers, elevating them to the status of integral and active participants in platforms' market making activities (Barratt et al. 2020, Healy et al. 2020, Maffie 2022).
- Consumers of app-based food-delivery services shape labour politics in three main ways:
 - Provide critical inputs into the production process + are co-opted in management of labour (Veen et al 2020)
 - Can also shape IR rulemaking at the organizational level through their consumption behaviours (Heery 1993) – e.g., boycotts of platforms or by usage
 - Influence the regulatory domain (Però and Downey 2022). (e.g., PROP-22 in California, USA)

Conceptualizing the influence and alignment of consumers as power resources



Research Methods

- Panel Survey (Pureprofile) administered in December 2018 (n=842) and July 2020 (N=1246)
- Sampling frame was households in the five largest Australian state capital cities
- Several quality checks, including a correction for inattention bias (Malone and Lusk 2018), leaving with 820 (2018) and 1000 (2020) useable responses
- Survey included:
 - Demographics
 - Choice experiment (2018 only, see Smith et al 2021)
 - Usage and brand awareness of food-delivery platforms
 - Worker earnings
 - Worker entitlements that consumer think apply (awareness) and should apply (possible mobilization)
 - Open ended question on regulation

Consumers' awareness of the entitlements

Both surveys

- *“From the list below, please select which work entitlements you think currently apply to app food delivery workers in Australia”*
- 5-point Likert scale (1 – No; 2 – Not sure but probably No; 3 – Unsure; 4 – Not sure but probably Yes; 5 – Yes).
 - minimum wages (minwage),
 - superannuation (super)
 - workers' compensation insurance (insurance)
 - unfair dismissal rights (unfairdismiss)
 - paid annual and sick leave (leavepay),
 - notice periods (advancednotice)
 - regulated hours of work (regulatedhours),
 - overtime (overtime)
 - penalty rates (penaltyrates)

Understandings of app-based food delivery worker earnings

2018 survey

- “How much do you think a food delivery app worker (e.g., Deliveroo, Uber Eats), operating in your area, earns per hour on a weekday lunchtime (variant 1) / weekday evening (variant 2)?” (free slider from AU\$0 to \$35).
- “Thinking about your answers to the previous question, do you believe these earnings are too high, about right or too low?”, 7-point Likert scale (1 – Too low; 4 – About right; 7 – Too high).

2020 survey (slightly adapted to capture the context of COVID-19)

- “During the past 4 months (i.e. since March 24) how much do you think a food delivery app worker (e.g., Deliveroo, Uber Eats), operating in your area, earns per hour?” (free slider from AU\$0 to \$35).
- “Thinking about your answers to the previous question, do you believe these earnings are too high, about right or too low?”, 7-point Likert scale (1 – Too low; 4 – About right; 7 – Too high).

Both surveys

- “Do you think the food delivery workers can anticipate their earnings each time they log on to the app to complete a shift?” (1 – Yes, the food delivery worker can expect regular earnings each time they log on; 2 – To a degree, earnings may vary a little each time they log on; 3 – No, earnings are uncertain each time they log on).
- “From the list below, select how you think an app food delivery worker is paid” (1 – A flat rate per delivery; 2 – A flat rate per delivery plus distance fee; 3 – An hourly pay rate; 4 – A weekly wage).

Entitlements consumers might be mobilized around by workers and their allies

- “The government is considering regulating the food delivery industry. From the list below, please select which work entitlements you think the government should apply to app food delivery workers in Australia. (You can select more than 1 answer)” (emphasis in survey).

- The entitlements displayed to respondents were:
 1. paid leave
 2. employer contribution to superannuation pay
 3. paid overtime
 4. penalty rates on public holidays
 5. entitled to workers’ compensation insurance
 6. regulated work and rest conditions (a shift could be no longer than 12 hours)
 7. advanced notice of termination of work contract
 8. entitlement of minimum wage
 9. access to unfair dismissal claims
 10. I think food delivery workers should not receive any of the above entitlements

Analysis

- A Rasch model was used (Wright 1977, Bond et al. 2020)
 - Originates from the education context
 - Comparison to consumers' views about worker not exact, nonetheless viable
 - Respondent's ability parameter interpreted as their likeliness to agree that the government should mandate more entitlements
- The Rasch estimating model (Eq 1) uncovers each respondent's tendency to favor regulation of entitlements (β_n) and the entitlement items that respondents hold in common (δ_j):

$$Prob(\text{agree with specific condition} | \text{ability and difficulty}) = \frac{e^{(\beta_n - \delta_j)}}{1 + e^{(\beta_n - \delta_j)}} \quad (\text{Eq 1})$$

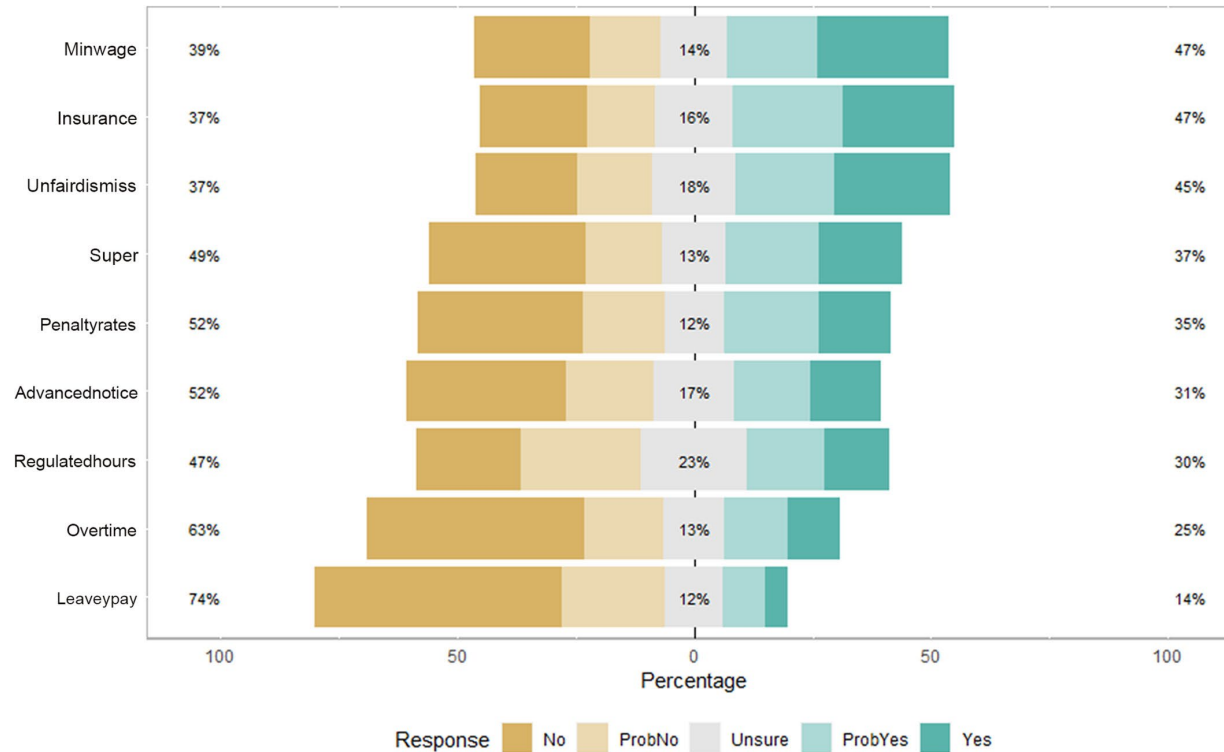
- Post hoc examination of the Rasch item scores and Rasch individual scores undertaken to understand how sentiments towards working entitlements differ between groups of consumers (incl users / non-users)

Demographics

Consumer Segments	Non-Consumers <i>Never ordered</i>	Infrequent Consumers ' <i>less than once a month</i> '	Regular Consumers ' <i>at least once a month</i> '	Total	Test Statistic and Significance
	n=867	n=605	n=348	n=1820	
By Sample					
Consumers (2018)	55.0%	31.1%	14.5%	n=820	$\chi^2_{2d.f}=34.5^{***}$
Consumers (2020)	41.6%	34.9%	22.8%	n=1000	
Gender					
Male (2018)	59.8%	25.9%	14.6%	37.8%	$\chi^2_{2d.f}=6.4^{**}$
Female (2018)	51.6%	33.9%	14.5%	62.2%	
Male (2020)	43.9%	32.7%	23.3%	44.6%	$\chi^2_{2d.f}=2.2$
Female (2020)	40.3%	37.2%	22.6%	55.4%	
Age (years)					
Average Age (2018)	56.2	47.0	42.3	51.4	$F_{2,817d.f}=66.2^{***}$
Average Age (2020)	58.4	46.2	39.8	49.9	$F_{2,997d.f}=124.6^{***}$
Annual Income (<i>nominal AU\$ to nearest thousand</i>)					
Average Income (2018): 5.9% missing	\$54,000	\$69,000	\$86,000	\$63,000	$F_{2,769d.f}=22.5^{***}$
Average Income (2020): 7.4% missing	\$55,000	\$73,000	\$80,000	\$67,000	$F_{2,923d.f}=23.4^{***}$
Employment (<i>proportion of employees on wage or salary</i>)					
2018	36.2%	53.4%	63.9%	45.5%	$\chi^2_{2d.f}=38.2^{***}$
2020	34.6%	55.7%	64.2%	48.8%	$\chi^2_{2d.f}=62.2^{***}$

* signifies a p-value less than 0.1, ** signifies a p-value less than 0.05 and *** signifies a p-value less than 0.01.

Findings: Consumer perceptions on current entitlements of food delivery workers in Australia



Comparison pre- and within COVID-19 awareness of working conditions

Worker entitlement	2018 (%)	2020 (%)	Significant difference between 2018 & 2020
Paid leave	16.5	11.4	***
Superannuation	40.5	34.8	***
Overtime	27	22.6	***
Penalty rates	36.5	34.6	**
Workers' compensation insurance	46.7	46.8	
Regular hours	33	27.5	***
Advanced notice	31.1	30.4	
Minimum wage	44.8	48.6	
Unfair dismissal rights	44.7	45.9	

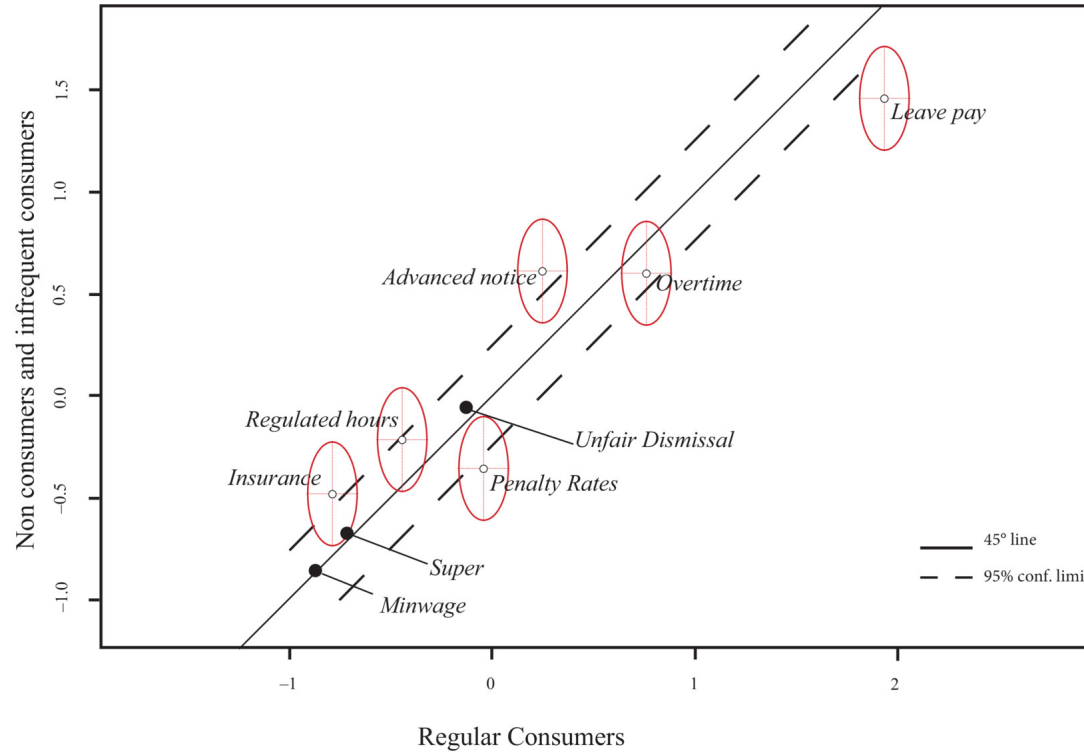
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Rasch parameters for workers' entitlements

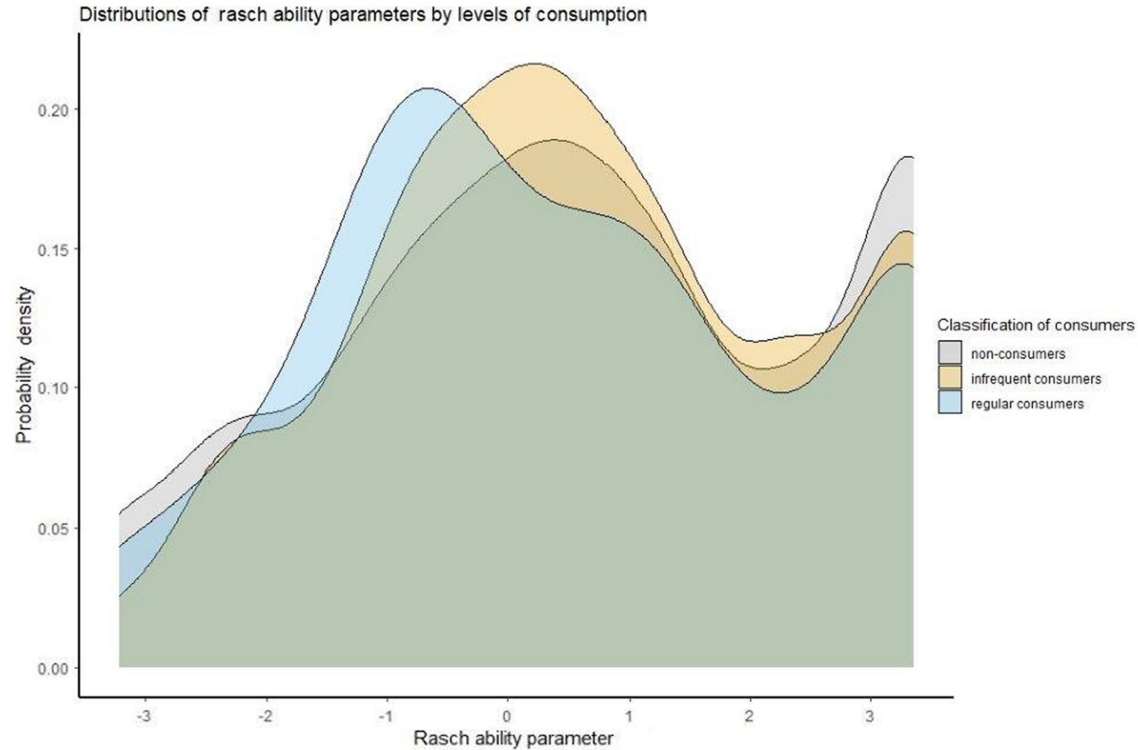
Entitlement	Percent of Sample agreed	Rasch Item Parameter Estimate	t-statistic that adjacent par. are not equal	Percent of Sample agreed (Regular Consumers)	Rasch Item Parameter Estimate (Regular Consumers)
minimum wage	72%	-1.510	2.55	70%	-1.366
insurance	70%	-1.353	0.20	64%	-0.955*
superannuation	70%	-1.341	5.36	67%	-1.167
regulated hours	65%	-1.021	4.89	60%	-0.675*
unfair dismissal	61%	-0.738	0.26	58%	-0.528
penalty rates	61%	-0.723	7.25	62%	-0.823*
advanced notice	54%	-0.308	7.17	47%	0.146*
overtime	48%	0.096	16.51	47%	0.127
paid leave	33%	1.115		35%	0.929*

* signifies a p-value less than 0.1, ** signifies a p-value less than 0.05 and *** signifies a p-value less than 0.01.

Comparative Rasch Entitlement scores of app-based food delivery entitlements 'regular' users and 'others'



Distribution of Rasch Ability scores by levels of consumption of food delivery services.



Discussion & Conclusion



- Consumers of app-based food delivery services represent a potential coalitional power resource
- Findings highlight that consumers' views and priorities are diffuse, not expression of a single objective
 - IR literature (Healy et al., 2020; Heery, 1993) highlights this is not essential to realise change via consumers
 - However, so far in the Australian “gig” economy consumers have not been leading such a change
- Rasch model provides valuable insights for workers and their allies.
 - Consumers (both users and non-users) of app-based food delivery services in Australia by and large are supportive of:
 - minimum wages
 - superannuation
 - unfair dismissal rights
- Differentiation between users and non-users point toward a fundamental challenge for
 - Most-frequent users are least likely allies
 - Lends support for Culpepper and Thelen’s (2020) proposition that consumers are beholden by platforms



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Published papers from the project

- **Goods, C., Veen, A., Barratt, T., & Smith, B. (2023, online first) Power resources for disempowered workers? Re-conceptualizing the power and potential of consumers in app-based food delivery, Industrial Relations: A journal of Economy and Society, <https://doi.org/10.1111/irel.12340>**
- **Smith B., Goods, C. Barratt, T. & Veen, A. (2021) Consumer 'app-etite' for workers' rights in the Australian 'gig' economy, Journal of Choice Modelling, <https://doi.org/10.1016/j.jocm.2020.100254>**

Delivery A  The restaurant pays 25% of the bill to the app service Expected earning for a delivery person: \$12 per hour 47.95%
Access to a minimum wage and injury compensation: No User comments:  Good overall rating, very few complaints on timeliness, order accuracy and the state of the food Delivery fee: \$5 Total cost to you: \$50

Delivery B  The restaurant pays 25% of the bill to the app service Expected earning for a delivery person: \$19.5 per hour 52.05%
Access to a minimum wage and injury compensation: Yes User comments:  Average rating, some complaints on timeliness, order accuracy and the state of the food Delivery fee: \$10 Total cost to you: \$55

Thank You

Dr Alex Veen

Discipline Work and Organisational Studies

Senior Lecturer & DECRA Fellow

Phone: +61 2 8627 6294

Email: alex.veen@sydney.edu.au



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