

New forms of employment Crowd employment, Germany

Case study 21: Clickworker

German company Clickworker is considered the leading crowdsourcing business in Europe, offering a range of services from its offices in Essen. In 2013, four million tasks were processed directly by Clickworker, including jobs such as text creation, research and conducting polls.

Introduction

Information on crowdsourcing in Germany mainly comes from Crowdsourcingblog.de. The blog focuses on the development of crowdsourcing, explains different areas of activity and tries to determine future potential including social and technological impacts.

In 2011, the German Crowdsourcing Association ([DCV](#)) was founded to maintain a regular exchange of views and opinions among the members and other stakeholders, and pass on information on future developments and possible applications.

The DCV's [Crowdsourcing Report \[in German\]](#) was published in 2012, compiled by the founder of the association and members of the Institute for Communication in Social Media ([ikosom](#)) (Pelzer et al, 2012). The report notes that the word 'crowdsourcing' is a neologism, a newly created term that combines 'crowd' and 'outsourcing'.

The report identifies the six categories of crowdsourcing:

- engagement and charity;
- (equity) crowd funding;
- open innovation and ideas;
- creative content marketplaces;
- collective knowledge;
- micro-working and tasks.

In 2012, there were about 70 crowdsourcing platforms in Germany. Instead of offering comprehensive freelance services, German crowdsourcing platforms are quite specialised. Most of the crowdsourcing platforms focus on crowd funding, followed by micro-working (Pelzer et al, 2012). Yet, some of the providers of micro jobs in Germany have not been as successful as their US counterparts. This mainly applies to German mini job portals which imitate the American original site [Fiverr](#) where workers can offer services for a fee of \$5, but also to the German equivalent of the US platform [Taskrabbit](#) (Wurm, 2012).

According to the *Crowdsourcing Report*, the largest and most successful German crowd employment platform for the commissioning of micro tasks is [Clickworker](#). These micro-tasks entail a large number of workers processing large quantities of small tasks, each of which takes a few seconds or minutes but cannot be automated.

This case study is based on interviews with:

- a management representative from Clickworker;
- a representative from the [IDG Business Media GmbH](#), which is a user of Clickworker;
- one external expert on crowd sourcing from a trade union;
- two workers carrying out tasks on the platform.

General characteristics of Clickworker

In 2005, a computer scientist founded Clickworker as a limited liability company in Dortmund under the name of humangrid GmbH. Today the company's headquarters are in Essen. In Germany, where the concept of crowdsourcing was largely unknown at that time and only one or two other platforms existed, Clickworker became one of the first practitioners. It is considered the leading provider of paid crowdsourcing in Europe.

Today, the platforms [Textbroker.de](#), [Content.de](#) and Clickworker play an equally important role in the content development market. Clickworker is the main provider of unique content and web research services in Germany.

Workers registered on the platform, called 'clickworkers', take over tasks such as web research, product descriptions for web shops, creation of company profiles or glossary texts, categorisation and tagging, the classification of products or the translations that cannot be carried out by a computer or in cases where in-house staff cannot guarantee fast implementation. Clickworker provides the necessary infrastructure and technical set-up for individual projects, the processing of payment, recruitment, management of the crowd and the business processes and quality.

In January 2014, Clickworker had 26 employees. It is organised in a classic way. An IT department takes care of the continuous development of the platform, while a professional services department is in charge of project and quality management. There is a sales and a marketing department, shared services, including payroll and accounting, and a community department that recruits, supports and supervises the workers registered on the platform.

The size of the advertised tasks can vary greatly, which means the duration of the processing may range from a few seconds for an address validation to several hours for more complex tasks. In 2013, four million tasks were processed directly by Clickworker. The total number of tasks including those carried out for other providers amounted to 12 million.

Clickworker today has several thousand buyers that use the marketplace to publish their tasks and several hundred who take advantage of the full service.

In January 2014, almost 500,000 workers from 136 countries speaking 30 languages were registered on the platform, although the number of active users varies based on the different requirements of the clients, such as language skills.

Roughly a third of the workers come from Germany, a third from the rest of Europe, and a third from the US and South America.

A typical worker is difficult to define. There are, however, many students, freelancers wanting to bridge time between other jobs, and workers who are looking for a part-time or free time occupation on the platform. Registration is allowed from the age of 18. The majority of the workers are aged between their early 20s and late 40s. Most of them are either students or professionals and show a certain affinity for the internet. Overall, workers cover the entire demographic spectrum with slightly more women than men.

The buyers are primarily located in Germany, but some are from the US. Buyers include online portals, e-commerce organisations, search engine manufacturers and operators, as well as the publishing industry. Buyer companies range from large international companies, such as [Telekom AG](#) and [Groupon](#), to medium-sized companies and small as well as micro companies.

Design and implementation process

As part of a consulting mandate in the US, the founder of the humangrid learned about the concept of micro-work from a [NASA](#) project where crowd workers took over the task of identifying craters on photographs of Mars. He brought the idea to Germany and founded the company humangrid in 2005. He developed other possible applications and presented a first prototype platform in 2006. In the early years, the founder, his wife as well as a small founding team were involved in platform creation and design. In this concept phase, they explored the possibilities of crowdsourcing. The team wanted to find out what kind of tasks could be implemented with the Clickworker workforce.

As there is neither a central register nor a body centrally administering or monitoring crowd employment platforms in Germany, the humangrid was only confronted with the normal challenges met by every start-up, such as recruitment, funding, growing a customer base and developing a market. The company began developing projects in 2007 in cooperation with interested buyers in order to determine the structure and working procedures and to discuss the possibilities for applying the power of the crowd to different tasks. Buyers expressed their needs and first mock-up tasks were carried out by the crowd. There was no design blueprint, instead testing took place in practice. Processes and structures have been developed over the years.

In 2008, the founder resigned and this resulted in a shift from a more academic research orientation towards a new focus on buyers and the market. In 2011, the former head of software development took up the position of managing director attracted by the chance to participate in designing and implementing a new business model with lots of potential.

Until 2008, little effort was spent on marketing and sales. To advertise the idea, the management team regularly participated in events organised by start-up enablers. One of these events was a family day run by start-up fund company [High-Tech Gründerfonds](#), an initiative of the Federal German Ministry of Economics and Technology ([BMWi](#)), that had provided the start-up capital. Networking with other participants was the emphasis in such meetings.

In 2008, humangrid began to invest more heavily in PR. The company actively participated in conferences and trade shows, attracted the interest of the media and appeared in articles and interviews. In 2008, a long-term development, sales, and management team was created. At the time, humangrid comprised seven employees. By 2009, there were 14 employees.

From October 2009, the PR effort expanded, with television appearances being made because of growing public interest in crowdsourcing as a phenomenon. In 2009, some larger projects were carried out for buyers and a self-service marketplace was established.

At the beginning of 2010, a marketing and PR manager joined the team. In 2010, the company began to use the brand and domain name clickworker.com. Also in 2010, Clickworker incorporated a subsidiary in the United States.

Between 2011 and 2012, the number of registered workers doubled from 150,000 to 300,000. The platform at that time developed and launched several additional features. Firstly, it introduced a simplified order form facilitating the placement of orders of up to 10 texts in a very short time. In November 2013, Clickworker acquired [bitworxx GmbH](#), a crowdsourcing platform which specialises in data extraction and validation for e-commerce companies. The services of bitworxx are based on a network of business partners such as call centres and other service providers. Clickworker extended the scope of services as well as the crowd by this acquisition.

A crowdsourcing mobile app was also introduced in 2013, and the company changed its name from humangrid GmbH to Clickworker GmbH.

According to a platform representative, buyers are motivated to use Clickworker because of the opportunity to create content in large quantities and in a short time. Additional benefits to using the platform are access to skilled labour, the elimination of fixed costs and great flexibility where

volume can be adapted to the buyer's needs at any time. A particular advantage of Clickworker is its multilingualism and the presence of workers with different cultural backgrounds, making it possible to perform tests in different target markets.

In 2009, the IDG Business Media GmbH, a buyer company interviewed for this project, first advertised tasks on humangrid. IDG learned about Clickworker's offer through direct personal contact and the acquisition efforts of the managing director. The management presented their concept in a very transparent way and were able to convince the digital media director of IDG to try out the crowdsourcing services of Clickworker. IDG's digital media director had already heard about US-based crowdsourcing platforms, but nothing of the like in Germany.

IDG decided to become a buyer of Clickworker out of curiosity over the concept and as it searched for cost-efficient and quick solutions for content creation. An internal solution for the content creation would have required too many bureaucratic procedures. To employ temporary workers, IDG would have had to reach an agreement with the works council and run an elaborate recruiting effort. Crowdsourcing of different tasks was considered on a case-by-case basis, making sure that there was no internal capacity for the tasks in question. For example, the creation of short descriptive texts for search engine optimisation for about 1,500 topics with 400 characters each was settled successfully. Due to the good results, IDG repeated this order several times.

IDG also tried to split into micro-work more complex tasks, but with less satisfactory results. For example, very structured and detailed data research for the development of a product database turned out to be not detailed enough if done through the platform. IDG then opted to complete more complex tasks in-company.

According to the DCV, employees of a company planning to use the services of a crowdsourcing platform might oppose it as a form of outsourcing tasks. In order to avoid such resistance, the buyer has to clearly define and communicate the reason for and the advantages of the crowdsourcing projects to his employees (Pelzer et al, 2012). So, in order to implement the use of a crowdsourcing platform in the company, internal communication is crucial. This was also confirmed by IDG who experienced the need to emphasise to their staff that the platform would not replace in-house workforce. Communication and transparency were important to overcome reservations regarding the model of crowdsourcing. The purpose of the use of crowdsourcing was reported and justified in staff meetings.

From the initial idea to the order it took about half a year. After completion of the order, the results were presented. However, not all concerns of the IDG employees have been removed.

As far as the workers registered on Clickworker are concerned, extra income can be seen as the main motivation for them to work on the platform. However, for the majority this work is not the main source of income. For freelance copywriters working for Clickworker, the platform provides the opportunity to earn some money and bridge the time between contracts. However, for most workers their engagement in Clickworker is not meant to be a replacement for regular employment.

There are other motivating factors for workers. These factors include curiosity and the chance to have fun, the chance to develop skills not usually needed for their main job, and also the opportunity to do some good.

Clickworker has performed some pro bono projects with the active participation of workers such as the tagging of photos for the archives of the [George Eastman House, International Museum of Photography and Film](#). Some workers also see it as a challenge to write texts on new subjects or to develop their writing skills. Due to the high flexibility, workers can choose the time when they want to work. They can integrate the work on the platform into the daily routine.

Future crowd workers generally first gain knowledge of the platform by word of mouth, newspaper articles or job search engines. They often decide to participate in a certain platform

based on its look and design as well as the level of simplicity of organisation and procedures. The advantage of Clickworker is the relatively high number of published tasks, which offers workers the chance to do something interesting. In comparison to other similar platforms, the user interface and structure of Clickworker is more clearly arranged and easier to handle.

Working method, processes and procedures

Generally, the law of the country where the platform is based provides the legal framework for crowdsourcing. In Germany, the [German Civil Code](#) as well as corporate law influence platforms like Clickworker. Even if there is no special jurisdiction on crowdsourcing yet, several aspects of German law do have an impact on the processes, such as copyright and patent law.

Regarding payments also the Money Laundering Act (Geldwäschegesetz) applies. However, it is only relevant when platforms are established on a broad basis reaching sizeable turnover. At the moment Clickworker management estimates that the dimension of crowdsourcing is still too small. In addition, the Data Protection Act is very important. Privacy policy plays an important role, so that some tasks cannot be assigned via Clickworker, for example if personal data has to be processed. Hence, Clickworker is not used to perform such tasks.

Clickworker carries out the recruitment of clickworkers through social media platforms such as Facebook as well as through word-of-mouth advertising. In addition, Clickworker realises a targeted recruitment on job portals. Here, trusted workers act as country managers and supervise the process in their country.

Anyone aged 18 and over can register on the platform free of charge. To become a crowd worker in Germany, in general, it is not necessary to register as self-employed or to apply for a business licence due to the fact that workers only earn limited amounts of money. The workers are personally responsible for complying with the regulations of the country in which they are established. While in the US, Clickworker transfers the relevant data to the [IRS](#), the US government agency responsible for tax collection and tax law enforcement, in Germany the clickworkers have to take care of the necessary information transfer.

Labour law has no influence on the relationship between the platform or the buyer and the worker. Buyer and worker do not establish a contractual relationship of any kind. Also no labour contract is established between the platform and the worker. When registering with the platform, workers are prompted to accept the terms and conditions on the platform including provisions on data protection. Clickworker does not contribute to social protection of the worker and is not to be held responsible for the worker's compliance with social security, social welfare, social insurance or tax laws.

Registration on Clickworker is very simple. When registering, workers enter their qualifications and undergo a variety of assessments, including multiple-choice tests and questions on technical skills. To be able to write texts for the platform, workers have to send in a text of 300 words. Clickworkers wanting to work as editors and correct the text of other workers have to pass an editing-specific test. Based on their results in the basic qualifications workers are rated with a score of 0 to 100%. Accordingly, they can then perform tasks that match their score and are regarded on the basis of their results.

It means there is a kind of pyramid scheme in which workers can earn access to more demanding tasks. Workers also might lose points or be downgraded if they perform below expectation.

Workers create a profile and are able to post an avatar picture and information such as qualification, specific language skills and special interests. This then forms the basis for Clickworker to find an appropriate worker for a job but also to reward particularly positive results. However, the indication of special knowledge does not always have an effect on the requests or jobs that are offered to the worker. Whether the special knowledge will be considered depends on the project, respectively on the requirements of the buyer.

Also buyers can register for free on the platform or may directly contact customer service for more complex tasks. They have to write a job specification with their requirements concerning quantity, volume and timeframe. They also may require specific qualifications or quality indicators. If this is the case, Clickworker defines and handles all other processes – sets up qualification or knowledge tests if needed, selects workers, sets the reward amount and the deadline, and oversees quality control. An important advantage for the buyers is that they do not have to revise the results internally.

Because the tasks normally are not very complex, the platform can automatically split them into parts. The professional service department takes care of the distribution of tasks to the workers. Besides defining specific qualification requirements the buyer does not take part in the selection process and generally will not know who carried out a particular task.

To set the deadlines, Clickworker in a first step tries out how long it takes to carry out a task. In addition, the deadline depends on the requirements of each buyer. The costs for the buyers as well as the earnings for the workers depend on the complexity of the task. For example, for simple texts buyers have to pay about €2.50 per text, more complex contracts cost €6 to €8.50 per piece. The buyer can discuss the budget with Clickworker. Clickworker will suggest price ranges and a timeframe based on other projects to the buyer. The platform indicates the time periods as well as the compensation to the workers before the order is accepted.

After the workers have processed the task, Clickworker assembles the results and presents them to the buyer. Buyers receive the results in an electronic file. Depending on the job, Clickworker will deliver the results in tranches. Normally, there will be an advance of a smaller tranche (for example 50 texts) delivered in order to clarify whether the quality meets the requirements of the buyer.

Workers can opt to either be paid on a weekly basis via PayPal or have the money transferred to their bank account once a month. Generally, workers receive the payment without any problems. Clickworker does not control or influence the time that people spend working on the platform. A worker may earn €200 to €400 per month for about 30 hours of work. Workers are free to work any amount of hours per day or days per month, according to their preferences.

Concerning the communication between buyers and workers, for larger projects Clickworker is in charge of the coordination between the two parties, in which case there is no direct contact between workers and buyers. Workers remain anonymous and there is no direct feedback. The process of identification of appropriate workers carried out by Clickworker remains a black box to the buyer. When buyers publish tasks via the self-service marketplace there can be direct contact between buyers and workers. Conflicts can occur here if the text or the results are not acceptable to the buyer. Clickworker then checks whether the text provided by the worker corresponds to the briefing of the buyer. If necessary, Clickworker acts as a mediator.

Workers receive the newsletter Clicknews every two weeks informing them of any on innovations and changes to the platform. In addition, eligible candidates receive an email when new projects are published online. Clickworker also uses social media channels like Twitter, Facebook and Google+ as an information exchange among workers. Compared to the total number of 500,000 workers registered on the platform, only a few use these services.

Workers interviewed said they used the moderated forum. This offers workers the chance to ask questions and discuss issues with Clickworker forum moderators. It gives newly registered workers a chance to post questions concerning processes. The forum is also useful if a task is unclear to a worker, and they want to know if others have similar questions. Forum moderators always are of a great help to the workers.

Workers also have the option to file a support request via email. In general, workers only communicate with the platform in the event of problems. Otherwise, automated processes prevail.

Clickworker aims to provide quality results delivered on time. However, sometimes no worker is available for a task. This can either be due to an unattractive price or when a specific topic means there are few experts with enough special knowledge in the crowd.

Technical problems sometimes occur, but generally Clickworker can identify and solve problems in coordination with the buyer. There are rarely problems with timely delivery.

The process of quality management is largely automated. As micro tasks generally do not require a special skillset to complete, they are more prone to error than other crowdsourcing tasks. To mitigate this risk each text written by workers is subject to a plagiarism check and Clickworker carries out random spot testing in order to guarantee the necessary quality level. In the case of an address research, two groups of workers work on the same data and Clickworker compares the results and crosschecks the data in case of divergences.

For special projects, the buyer can set a special filter to choose workers with certain skillsets for specific tasks. Additionally, trusted and experienced workers examine the results of other workers regarding style, sentence structure, grammar and compliance with task instructions. The author of the text will receive a comment of the corrector and is given the opportunity to correct the text and resubmit it again. Workers have said that it is useful to receive feedback from a corrector in order to improve their writing. However, it sometimes takes several days until correctors check a text. From the point of view of the workers, it would help if this process was accelerated. In addition, correctors each have their own individual views, opinions and ways of working and consequently there is no uniform evaluation. Confronted with this problem, Clickworker is working on a coaching and control mechanism.

Particularly complex tasks are not suitable for the model implemented by Clickworker since they require more manual quality control. Some orders cannot be carried out using the platform. Beyond that, there are few rules for buyers. However, Clickworker does not accept every job. Platform management said Clickworker has three to six demands per month for so-called crowd-turfing, the manipulation of social networks hiring crowd workers to disseminate positive content on a product or company. While for some Chinese and American platforms these jobs are a major source of work, the management at Clickworker decided to reject these jobs as neither their employees nor the workers could identify with them (Pelzer et al, 2012).

External support

In order to develop the Clickworker platform, the founders needed financial support. The company repeatedly tried to raise investment capital. [SeedCapital Dortmund GmbH & Co. KG](#) provided early stage venture capital. Seed Capital invests in growth-oriented and technology-oriented companies in the Ruhr area in order to enable progressive and dynamic development (NRW.Bank, 2012). In addition, High-Tech Gründerfonds provided funds at the beginning.

In 2009, High-Tech Gründerfonds, Seed Capital Dortmund and the ERP Start Fund of the Reconstruction Credit Institute ([KfW](#)) jointly invested €1 million. KfW is a German government-owned development bank.

In 2010, these investors as well as a private investor provided €3 million in a subsequent investment round. Later that year a new shareholder [Corporate Finance Partners CFP & Founders Investments](#) allocated an additional €500,000 (Hüsing, 2010).

In April 2011, more private investors and investment companies – Corporate Finance Partners and [Odeon Venture Capital AG](#) – as well as High-Tech Gründerfonds provided a total investment of €4.25 million to the platform (Hüsing, 2012).

In 2012, almost 51% of the company's shares were held by private investors, 15% were held by the KfW, 14% by High-Tech Gründerfonds, 11% by Venture capital, 9% by SeedCapital

Dortmund GmbH & Co. KG and less than 1% by Odeon Venture Capital AG (Gründerszene, 2012).

Clickworker tends to use start-up platforms and the forums of investors in order to attract other investors and potential buyers. The platform management resorted to the portfolios of corporate finance partners and a private Swiss investor. An extensive exchange has taken place. Contacts were also established with the help of 'business angels', sponsored by the Federal Ministry of Economy and Energy. However, for cost reasons, Clickworker has solicited hardly any external advice or consulting. Clickworker turned to external support only for personnel recruitment and specific technical questions, but they always have been in charge of marketing and PR.

Since 2011, Clickworker has been an active member of the DCV. The association serves as a common marketing platform and organises trade shows, forums and round tables as well as meetings where participants discuss relevant topics in crowdsourcing. Due to the large range of different crowdsourcing platforms (including crowd funding and socially oriented platforms), discussions are sometimes difficult. However, the most important goal for every participant is to increase the popularity and impact of crowdsourcing.

There is no direct cooperation with other platforms, but other platforms have the opportunity to access the crowd of Clickworker. One US platform already uses this service and the site of Universal Human Relevance System ([UHRS](#)) can be reached via Clickworker. In addition to the tasks advertised on Clickworker, workers can carry out further tasks like the categorisation of data and internet pages after having passed two qualifying training sessions. There are also more specific orders, such as the comparison of voice recordings or checking texts to specific content.

Concerning political support, platform management stated that relatively little concrete assistance was available as new questions on labour law and tax policy arose. Public support, from KfW and the High-Tech Gründerfonds, offered good framework conditions regarding the funding of the platform, however more support on legal issues would have been useful. But since the concept of crowdsourcing was new when the platform was founded, this kind of support was not available.

The buyer IDG did not state any need for external support, neither did workers registered on the platform.

Outcomes

According to the managing director of Clickworker, the platform has to a large extent achieved its original objectives. There are some differences compared to the founding idea as some tasks could not be accomplished because either no market existed or no technical solutions were found. This applies, for example, to video editing and transcription as well as some more complex tasks.

The buyer IDG had the same experience, as Clickworker could not carry out more complex tasks to their satisfaction. While the buyer placed fewer orders on the platform, one interviewed freelancer working for Clickworker found more tasks she was interested in and for higher pay than she had expected.

Trade unions and the management of the platform hold different views on the company's effect on the labour market.

The service trade union organisation [ver.di](#) said there were several negative effects of crowd working for the labour market and the economy. It says crowd working entails a devaluation of skilled labour for services that can be provided regardless of time and place, such as translation services, graphic design, journalism and compiling surveys. In addition, it says, outsourcing of in-company tasks to the crowd means less tax revenue, for example due to the location of platform in tax havens, and a decline of social income. Since the workers earn little, they depend on payments by the social security fund, increasing withdrawals and decreasing inflows at the same

time. Furthermore, they spend less money which has a negative impact on markets and economic activity.

Clickworker's management pointed out that the trend towards the use of crowdsourcing was too small to actually have an impact on the labour market. From the current perspective, crowdsourcing, especially in the case of Clickworker, has no effect as it only generates additional income for workers. The workers themselves supported this viewpoint stating that they did not expect to earn a living with their crowd job and also did not depend on it. Their main occupation was not affected by their activities on the platform.

For buyers, crowdsourcing provides new and faster options to promote business models and to implement ideas in a cheaper and better way. The German Crowdsourcing blog lists several additional advantages of crowdsourcing for the buyers. The buyer has access to knowledge and a pool of ideas provided by an international group of workers. In addition, buyers save costs and resources through specialised, on-demand solutions and the adaptability of projects (Crowdsourcingblog.de, 2012).

The *Crowdsourcing Report 2012* states that crowdsourcing makes processes more flexible as tasks can be carried out without engaging in-house staff (Pelzer et al, 2012). The representative of IDG Business Media also highlighted this flexibility as well as cost efficiency as major advantages of the services offered by Clickworker.

As to the erosion of qualified jobs expected by ver.di, no crowding out of employees was experienced in the buyer company. IDG only commissions individual, project-related tasks via crowdsourcing. The alternative would have been to hire temporary staff. Hence, regular staff members are not replaced by crowd workers and existing workflows in the company have not been altered. Also the employees at IDG state that the use of the platform is an advantage. Even if some deplore the poor quality, which is the main subject of internal discussions, others agreed that the quality of the results was suitable for the intended purpose.

When it comes to the effects on the participating workers, in the opinion of the representative of ver.di, crowd employment can have positive effects on workers in less-developed countries. There it can create a route into additional jobs for workers who otherwise would not have access to the European market. These workers might earn comparatively more than they would if they doing the same work in their own country.

A representative of the DCV felt that, from a global point of view, crowdsourcing can even enable workers situated far from the industrial nations to access qualified work and at the same time improve their IT skills (Pelzer et al, 2012).

However, as the workers registered at Clickworker are largely from Germany, other European countries and the US, these effects are limited.

The representative of ver.di claimed it would be preferable not only to export work but also good working conditions.

Crowd workers, meanwhile, benefit from flexible working in terms of hours, location-independent working, professional self-determination and access to new projects. Depending on the tasks, they can gain experience and recognition, establish contacts and have fun due to the character of the work. They may even improve their quality of life (Crowdsourcingblog.de, 2012).

While Clickworker offers workers the opportunity to access a pool of tasks, their experience shows that further establishment of client relations is not possible as workers only rarely make contact with the buyers. Workers often regard this occupation as a recreational activity or hobby only additional to a permanent employment. Freelancers see it as a way to bridge quiet periods. For a freelancer already working from home and mostly on internet research, executing tasks on the platform fits nicely with the existing routine.

In contrast to this positive to neutral view of workers, according to the representative of ver.di, the negative effects of crowd employment prevail for workers located in industrialised countries. . As for every freelance or self-employed activity, buyers determine the availability of jobs. Once a worker takes time for holiday, sleeping or eating, this includes the risk of missing a job. For crowd employment, this general risk increases since workers are confronted with a global network of competitors working in different time zones. The workers have to constantly check if a suitable job or task is offered. Job security is not assured and crowdsourcing has a negative impact on the social environment and contacts of the worker. Also the DCV states that crowd working might lead to an estrangement of the worker with regard to their job as well as to other people (Pelzer et al, 2012).

DCV and ver.di say that when it comes to working on crowdsourcing platforms, the relationship between work and free time is altered. Borders between work and home life are blurred, productivity is judged on the basis of results and not on the time spent to create them, but mobility and flexibility prevail. Moreover, an increasing number of actors will be able to access markets (Pelzer et al, 2012).

DCV is positive about the creation of alternative business models and crowdsourcing becoming more important to several business sectors. By contrast, ver.di is worried about results-oriented forms of work causing a higher pressure to perform and leading to psychological and physical illnesses among workers (Bsirske et al, 2012). However, workers stated that they only worked part-time or in their free time on the platform and did not depend on their crowd jobs. In addition, they confirmed the spontaneous and playful character of the work. Consequently, the negative effects of estrangement and higher pressure are reduced and workers do not feel affected.

In October 2012, ver.di published a position paper on Crowdsourcing and Cloudworking, demanding that the social consequences of crowdsourcing and cloud working should be dealt with guaranteeing that qualified work in the future will provide a living wage, contribute to a certain prosperity as well as to provisions for social security (ver.di, 2012).

In contrast, according to Clickworker management, workers in no way compete with trained professionals, because workers carry out tasks that are not interesting for specialists, but also could not be handled by computers alone. Also the workers and buyer interviewed do not see high-quality jobs as being in danger. According to the managing director of Clickworker, dumping prices do not work because then no one accepts the task.

The workers interviewed agree that they would not work for certain fees – for example just €1.75 for 20 minutes of text writing. The more experience and routine they have, the more they know which tasks are convenient and lucrative and how to avoid those that are not. However, the platform also offers less lucrative jobs and in a crowd of 500,000 people not every worker will necessarily have the same opinion or experience.

Strengths and weaknesses

The most important challenge for the Clickworker management team is to raise awareness of the concept in the market and to establish crowdsourcing as a general approach. Yet, more and more buyers are getting used to crowdsourcing.

As stated in the *Crowdsourcing report 2012*, the legal framework for crowd employment still has to be established. Tax and social security as well as trans-border regulations are yet to be adapted to new media (Pelzer et al, 2012). While the German federal government has recognised the growing importance of ICT solutions as shown in the action programme on cloud computing (BMWi, 2010a) and the ICT strategy (BMWi, 2010b), there still is a lack of awareness concerning crowdsourcing.

While the Bundestag established a working group Wirtschaft, Arbeit, Green IT (Economy, Labour, Green IT), whose remit includes crowdsourcing, specific suggestions for action have not yet been transformed into laws (Deutscher Bundestag, 2013 a/b).

The representative of ver.di also was unhappy that labour law has little impact due to the fact that no labour contracts are concluded. In addition, the relevant place of jurisdiction often is not easy to define and the legal framework is hard to capture. An international regulation is necessary, according to ver.di. One possibility suggested by the representative of ver.di could be the creation of a Freelancer Advisory Board. Though ideas exist, international implementation remains an important challenge.

No collective agreements are applicable, since there is no organised labour. The workers involved in crowdsourcing platforms are often solo self-employed and consequently few rules apply to them. The impact of crowdsourcing on codetermination and representation rights is still unclear at this stage as this type of work has only been around for eight years (Leimeister and Zogaj, 2013).

Furthermore, there is no regulation for social security provision for crowd workers. A representative of ver.di said that due to low average earnings per month workers were often unable to save money for social security. In some rare cases, when people earn more, a private pension may be possible. However, in these cases an employer share does not exist. The Federation of German Trade Unions ([DGB](#)) regards electronic and virtual work environments as new employment possibilities under the condition that social standards are created in order to guide the process. The [Forum for the Social Design of Technologies](#) at the DGB-region Baden-Württemberg advocates the creation of a social charter for virtual work in order to define principles for online work forms independent of time and place (DGB-Bezirk Baden-Württemberg, 2011).

So far, there is a lack of feedback mechanisms that enable workers to evaluate the buyers of Clickworker regarding their fairness and reliability as well as adequate payment. This puts workers in a weaker position. Nevertheless, the platform provides the opportunity to earn some money without leaving the house. If a worker does not expect to make a living – something which wouldn't be possible even if they worked eight hours per day on the platform – Clickworker offers some interesting opportunities. Other positive factors are the flexible scheduling and the ability to choose tasks that are fun to carry out.

Clickworker's management team stated that they always try to determine a fair price together with the buyer. In addition, the workers are not in a dependent relationship with Clickworker, so they are free to decide which tasks they accept and which not.

Regarding the question of fair payment, the authors of the *Crowdsourcing report* also state on the one hand that the decision to work for a crowd employment platform is voluntary but that on the other hand platforms have to guarantee fair payment and to prevent exploitation of crowd workers. However, social challenges can be reduced but not eliminated completely (Pelzer et al, 2012).

Future plans

In the opinion of the managing director of Clickworker, the crowdsourcing market is growing and there is great potential for all participants. In the future, Clickworker will continue to be on the lookout for new types of tasks that the platform can offer, like new applications. As more and more companies from traditional industries discover the potential of crowdsourcing, Clickworker also envisages establishing industry-specific expertise.

IDG will use the services of Clickworker in selected cases and possibly award more contracts. However, anything beyond that does not make sense for IDG, as extensive use of crowdsourcing for content creation would harm well-founded reporting. And this would be a development that

publishers do not want to allow. It also is useful for specialised media and the B2B segment where IDG operates, however here it will play a small role.

Due to the flexibility and the possibility to increase or reduce the time spent working on the platform as they like, the workers interviewed plan to stay registered with Clickworker. However, they do not envisage Clickworker becoming their main income source and will focus on their main occupation. As they are satisfied with the working of Clickworker, they would not search for another platform in the near future.

Trade unions and the DCV agree that in order to positively influence society and the working world, an adequate payment for crowd workers and legal framework including the adaptation of the data protection law have to be ensured (Morghen on crowdsourcingblog.de, 2011a).

Confronted with challenges as well as opportunities of a digital society, the service trade union ver.di is planning to design an internet policy that provides decent work and living conditions, material security and social participation (Bsirske et al, 2012) in order to achieve a balance of interests. The union will continue to raise awareness on the issue and continue work based on the published position paper.

German metalworkers union [IG Metall](#) is also planning to focus its on crowdsourcing with the aim of giving the issue a higher priority in society and politics (Lepke and Rehm, 2013).

Social security is identified as a challenge by ver.di, as well as being highlighted in the *Crowdsourcing Report 2012* which proposes the adoption of the example of the [German Artists' Social Welfare Fund](#). Here the employer shares are generated through the sale of the artworks and increased by tax money. This model, it says, could be adapted to crowd workers.

In addition, the association plans to establish professional standards and to further inform about the new sector of crowdsourcing (Pelzer et al, 2012). With this in mind, in September 2013, the members of the DCV started a crowdsourcing taskforce, as well as initiating cooperation with [BITKOM](#), the Federal Association for Information Technology, Telecommunications and New Media (Pelzer, 2013).

Commentary

For the managing director of Clickworker, the main success factors are, firstly, the development of products and applications that are interesting for the buyer company in order to be able to create value and retain buyers. Secondly, the quality of the services and the results is essential. Therefore, it is important for every crowdsourcing platform to focus and clearly define its own product portfolio and to focus on quality.

Buyers have particularly strong concerns regarding copyright issues. However, the buyer can discuss this subject in advance with Clickworker and the necessary provisions can be included in the contract. Buyers need to be aware of what they want to achieve by regularly using crowdsourcing. Buyers have to identify whether the data that is necessary to carry out the task may be transferred to the crowd without any risks. In order to get high quality results, the buyer should compensate the workers generously, as fair payment and quality work are inseparably linked (Pelzer et al, 2012).

Buyers have to be aware that internal communication is very important. The buyer has to take fears of their staff seriously and sensitively deal with problems. In addition, the buyer has to address the subject sustainably and repeatedly. It must be clear that crowdsourcing should not be a substitute for the work of core staff and also cannot be as complex. However, for simpler tasks the platform guarantees a quick settlement.

Resuming the statements of the management of Clickworker, the buyer IDG as well as the workers, all participating parties seem to be satisfied with the functioning and the outcomes of the use of the crowdsourcing platform. At the same time, they are aware of its limits concerning the

type of tasks that can be carried out and the earnings that can be achieved. Trade unions in Germany are aware of the challenges resulting from new virtual work environments and the development of crowdsourcing.

Since 2011, the crowdsourcing sector in Germany has become organised in an association, the DCV, which is starting to promote professional standards and a collective representation. However, the web page only lists ten members, Clickworker among them, with a regional prevalence of platforms based in Cologne. In addition, there is a strong focus on crowd funding. The association still appears to be confronted with the challenge to address all aspects of crowdsourcing and to broaden its base.

In summary, confronted with this relatively new form of employment, stakeholders have to carry out educational work and guidance to inform potential buyers and workers on the possibilities of crowd working. In addition, and as highlighted in particular by the trade unions ver.di and IG Metall, the legislators still have to establish adequate legal and social protection provisions.

There are a number of further challenges to do with working conditions. So far, at sector level employers' organisations and trade unions have yet to start some form of dialogue or exchange related to crowdsourcing. Few of the suggested measures have been translated into action, and there's a serious need for an international approach. ' "

Information sources

Websites

CrowdsourcingBlog: www.crowdsourcingblog.de Deutscher Crowdsourcing Verband e.V. (DCV): www.crowdsourcingverband.de

Forum soziale Technikgestaltung: <http://www.forum-soziale-technikgestaltung.de>

Enquetebeteiligung: <https://enquetebeteiligung.de>

Bibliography

BMW (2010a), *Aktionsprogramm Cloud Computing – Eine Allianz aus Wirtschaft, Wissenschaft und Politik*, October 2010.

BMW (2010b), *IKT-Strategie der Bundesregierung, Deutschland Digital 2015*, November 2010.

Bsirske, F., Schröder, L. and Werneke, F. (2012), *Netzpolitik – ein Thema für Gewerkschaften*, in Bsirske, F., Schröder, L., Werneke, F., Bösch, and Meerkamp, D. (eds.), *Grenzenlos vernetzt? – Gewerkschaftliche Positionen zur Netzpolitik*, VSA: Verlag Hamburg.

CDU, CSU, SPD (2013), *Deutschlands Zukunft gestalten – Koalitionsvertrag zwischen CDU, CSU und SPD*.

Deutscher Bundestag (2013a), *Enquete Kommission Internet und digitale Gesellschaft*, web page, available at <http://www.bundestag.de/internetenquete/>.

Deutscher Bundestag (2013b), *Achter Zwischenbericht der Enquete-Kommission „Internet und digitale Gesellschaft“ – Wirtschaft, Arbeit, Green IT*, Drucksache 17/12505.

DGB-Bezirk Baden-Württemberg (2011), *DGB: Neue elektronische Arbeitswelten als Chance für neue Beschäftigung - Forum Soziale Technikgestaltung setzt sich für soziale Standards ein*, press release 71, 27 October, Stuttgart.

Diercks, N. (2011), *Crowdsourcing und Recht – Wo ist denn da ein Problem*, blog article, 14 September.

Gründerszene (2012), *Unternehmen: Clickworker*, web page, accessed 7 January 2015.

- Hüsing, A. (2010), *CFP investiert in humangrid*, web page, accessed 7 January 2015.
- Hüsing, A. (2012), *Investitionen! Die wichtigsten Finanzspritzen des Jahres 2011*, web page, accessed 7 January 2015.
- IG Metall (2013), *Gute Arbeit im Netz: Reputationssystem "Turkopticon" für Amazons "Mechanical Turk" – Mehr Fairness für die Crowd*, web page, accessed 7 January 2015.
- Leimeister, J. M. and Zogaj, S. (2013), *Neue Arbeitsorganisation durch Crowdsourcing – Eine Literaturstudie*, Working paper no. 287, Hans- Böckler-Stiftung, Düsseldorf.
- Lepke, U. and Rehm, H. (2013), 'Crowdsourcing und neue Arbeitsmethoden – Handlungs- und Regulierungsmöglichkeiten aus Sicht des Betriebsrats', in IG Metall (2013), *Crowdsourcing Beschäftigte im globalen Wettbewerb um Arbeit – am Beispiel IBM*, Druckhaus Dresden.
- NRW.Bank (2012), *Crowd + Outsourcing = Crowdsourcing*, web page, accessed 7 January 2015.
- Morghen, S. (2011), *Wie und unter welchen Voraussetzung wird Crowdsourcing unser Leben verändern*, web page, accessed 7 January 2015.
- Pelzer, C. (2013), *Termine // Taskforce Crowdsourcing (DCV & BITKOM)*, web page, accessed 7 January 2015.
- Pelzer, C., Wenzlaff, K. and Eisfeld-Reschke, J. (2012), *Crowdsourcing Report 2012 – Neue Digitale Arbeitswelten*, epubli GmbH, Berlin.
- Der Tagesspiegel (2012), *Mikrojobber im Internet – Heimarbeit 2.0*, 18 February.
- Ver.di (2012), *Gute Arbeit muss möglich bleiben – Crowdsourcing und Cloudworking: Gefahren für Gesellschaft und Arbeitnehmerinnen und Arbeitnehmer*, Berliner Crowdsourcing-Cloudworking-Papier.
- Wenzlaff, K. (2013), *Das German Crowdfunding Network wird gelauncht – wer will als Gründungsmitglied Crowdfunding in Deutschland, Österreich und der Schweiz voranbringen?*, web page, accessed 7 January 2015.

Katharina Westhäußer, Wilke, Maack & Partner