Fixing discrimination in online marketplaces

Online marketplaces such as eBay, Uber, and Airbnb have the potential to reduce racial, gender, and other forms of bias that affect the off-line world. And in the early days of internet commerce, the relative anonymity of transactions did make it harder for participants to discriminate. But as listings began to include photos, names, and other means of identification, bias emerged in areas ranging from labor markets to credit applications to housing—sometimes made worse by a lack of regulation, the absence of in-person interactions, and the use of automation and big data. How can companies reverse the tide? The key lies in more-intentional platform design, say the authors, who offer a framework for creating a thriving marketplace while minimizing the risk of discrimination. For starters, they say, companies must track and report on potential problems and carefully test choices that may influence the extent of discrimination. And they should thoroughly examine four design decisions, asking themselves: • Are we providing too much information? In many cases, the simplest, most effective change a platform can make is to withhold information such as race and gender until after a transaction has been agreed to. • Could we further automate the process? Features such as “instant book,” allowing a buyer to sign up for a rental, say, without the seller’s prior approval, can reduce discrimination while increasing convenience. • Can we make discrimination policies more top-of-mind? Presenting them during the actual transaction process, rather than burying them in fine print, makes them less likely to be broken. • Should we make our algorithms discrimination-aware? To ensure fairness, designers need to track how race or gender affects the user experience and set explicit objectives. Seemingly small design features can have an outsized impact on discriminatory behavior. Smart choices and transparent experimentation can create markets that are both more efficient and more inclusive. [ABSTRACT FROM AUTHOR]