

Policy options for regulating platform work

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1. Introduction

Less than two decades ago, hailing a cab meant standing on the side of the street and waving one down. Food delivery was limited to restaurants that could afford delivery personnel, and business process outsourcing (BPO) conjured images of young professionals in call centres busily tending to ringing phones. Today, consumers in search of these services conveniently connect to service providers through digitally mediated platforms.

This rise of the platform economy and the associated ecosystem of digital work is upending the way people live and work faster than the ability of regulatory institutions to keep up with the change. Traditional employment was characterised by a bilateral relationship between an employer and a worker, but employment in the platform economy is characterised by a trilateral relationship between a service provider, a consumer and a digital platform (Dewan, Randolph and Tripathi, 2020).

As the nature of work changes and more individuals derive an income from platform work, existing labour and social protection regulations are no longer fit for purpose. Policymakers are trying to figure out the right policies and regulations to govern labour markets in light of the rising number of gig workers¹ while, at the same time, encouraging innovation and dynamism in the platform economy.

Emerging and developing countries confront a set of challenges that are different from the ones faced by their more developed counterparts. Most economies in the Global South are characterised by dual labour markets, underemployment, a high incidence of survivalist self-employment, and generally weak social protection systems and regulatory compliance. These leave their gig workers even more vulnerable. This is true of geographically tethered gig workers as well as of freelance workers that cater to consumers in diverse geographies through platforms over the internet.

Against this backdrop, this report aims to identify material challenges pertaining to conditions of work and labour relations that gig workers face in emerging and developing countries. It focuses on three case countries in Africa (Kenya, Nigeria and Rwanda) and four case countries in Asia (India, Myanmar, Thailand and the Philippines). It examines the extent to which prevailing labour and social protection regimes provide coverage for platform workers in the case countries and makes suggestions to fill the gaps. The report identifies a set of policy options to help policymakers address the challenges that emerge as platforms generate new forms of work that are unaccounted for in existing policies and regulations.

This study relies on primary and secondary sources. Data on the size of the platform economy, especially in developing nations, is limited. Examining the extent of digital adoption in a country can provide some insight into the proclivity to embrace platforms. To build on this context, the authors analysed the level of participation on online platforms using SEMRush traffic analysis² and data from the Online Labour Index³ to understand the relative size of the platform economy in the case countries.

1 Gig work is temporary, flexible jobs that companies make available online. Companies typically hire independent contractors and freelancers to complete these jobs instead of full-time employees.

2 More details regarding the SEMRush traffic analysis is provided below in Section 2.

3 For more information on the online labour index, see <https://ilabour.oii.ox.ac.uk/online-labour-index/>

The larger the platform economy, the greater the impetus for governments to invest in policies and regulations to help their populations leverage the potential benefits and to minimise the costs of gig work. Case countries in more nascent stages of technology adoption have an opportunity to adapt best practices and to avoid the pitfalls based on the experience of nations where penetration is further along.

Following the introduction, Section 2 of this report presents a typology of the different kinds of platforms and examines variations in platform models, attempts to identify the relative size of the platform economy in the case countries and, briefly, locates the platform economy within the larger digital economy of each country to provide a context for the regulatory approach that we suggest countries should take to labour platforms. Section 3 examines the relative position of gig work within the case countries and how the contractual relationships between workers and labour platforms are structured. Section 4 presents information on how gig workers are treated by the labour regulations in case countries. Section 5 concludes with recommendations to address existing gaps in regulations. The recommendations are tailored to the case countries based on the extent of their digital adoption.

Box 1: About the research partners

Three organisations were involved in the research for this project:

GIZ⁴: For more than 30 years, capacity development has been one of the key services delivered by GIZ and its predecessors. Around the globe, GIZ advises people and organisations on learning and change processes. GIZ supports people in acquiring specialist knowledge, skills and management expertise. GIZ advises governments on how to achieve objectives and implement nationwide change processes by incorporating them into legislation and strategies.

The JustJobs Network⁵ is a research institute finding evidence-based solutions to one of the most pressing challenges of our time: How to promote more and better livelihoods and economic security for people in a rapidly changing 21st-century economy. We produce research on good job creation, workforce development, and governance of labour markets, focusing our work on critical knowledge gaps in the employment landscape. The JustJobs Network also hosts a resource centre on technology and work, which can be accessed [here](#).

Cenfri⁶ is an independent non-profit think tank based in South Africa. For more than 10 years, Cenfri has worked with local, regional and global policymakers to generate and disseminate insights to assist policymakers and regulators in driving inclusive financial and economic markets in Africa, Asia and Latin America.

This report represents the findings of an initial scoping project intended to provide input and strategic direction for further work and programming to be shaped by GIZ's Emerging Markets Sustainability Dialogues (EMSD) programme⁷ for the governance of the platform economy in emerging markets.

4 For more on GIZ, see: <https://www.giz.de/en/worldwide/germany.html>

5 For more on the JustJobs Network, see: <https://www.justjobsnetwork.org/>

6 For more on Cenfri, see: <https://cenfri.org/>

7 For more information on the work of the EMSD programme, see: <https://emsdialogues.org>

2. Labour platforms within the larger platform and digital economy

2.1. Definitions

A platform is a digital interface that connects consumers and businesses to providers of goods, services or information. This study focuses on labour platforms that are a subset of digital platforms. Labour platforms link workers who provide services for a price to businesses or consumers who seek them. **Labour platforms**, for the purpose of this study, can be understood as those where the worker generates a large share of the value created. Labour platforms can further be divided into two categories:

- **Location-based work** refers to the geographically tethered provision of labour services. These are required at a specific location at a specific time. This category consists of transport services, delivery services and household and personal services. Transport services can be sub-categorised into on-demand ride services (such as e-hailing) and long-distance ride services, such as intercity transport services.
- **Cloud-based work** refers to labour services that are extended remotely via the internet from anywhere, with the transaction taking place online. This includes online freelance services and micro-work. Since many of the platforms that serve as a digital intermediary for micro-work also offer opportunities to engage in freelance work, the two are combined into one category.

Figure 1 depicts the diversity of digital platforms and includes examples of platforms in each category.

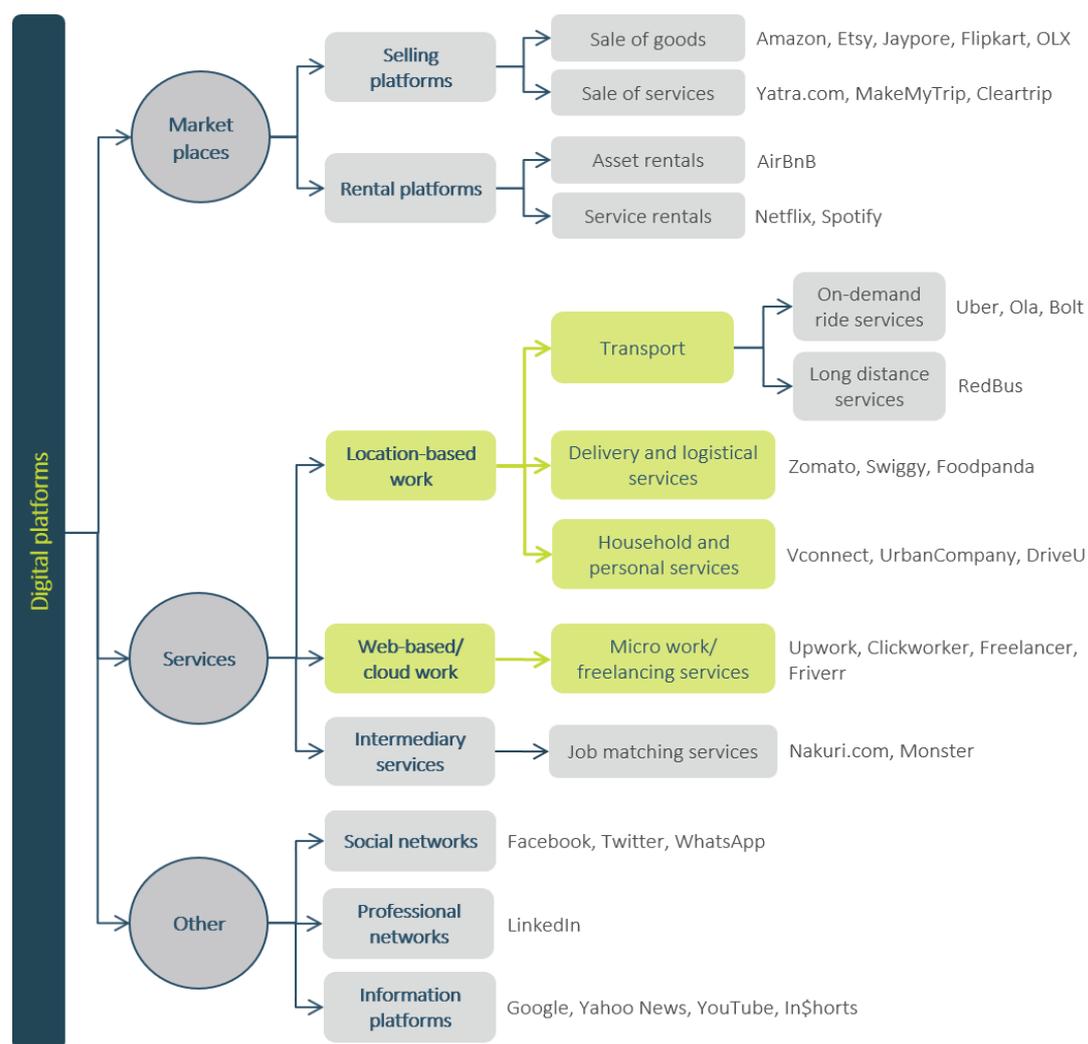


Figure 1: A typology of digital platforms

Source: Dewan, S. and P. Seth (2020) *Understanding Digital Platforms: A Typology* (CPR and JIN Jobs Initiative)

2.2. Understanding labour platforms⁸

The digital platform business model relies heavily on network effects. Each additional participant on the platform increases the value of participation for all other platform participants. This holds true for both sides of the market. Each additional service provider that participates on the platform enhances the value of participation for each service consumer, and vice versa. Initially the platform creates incentives to attract one side of the platform. For example, the platform may provide an initial sign-up bonus for service providers to join the platform. In turn, this will attract more service consumers to join the platform. As more service providers and consumers join, the platform will reduce the incentive to join as the value of joining the platform is established. Subsequently, the platform business model transitions from attracting new participants to retaining existing participants (Choudary, 2018).

⁸ This section draws significantly on the work conducted by Sangeet Choudary. For more detail, see his paper for the International Labour Organisation titled *The Architecture of Digital Labour Platforms*: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---cabinet/documents/publication/wcms_630603.pdf

Labour platforms have gained traction because they bring value to consumers who seek services and to service providers who seek to earn an income. The value-add of platforms is their ability to significantly simplify interactions between service providers and service consumers. The platform does this primarily by reducing transaction costs and managing information asymmetries.

- **Transaction cost.** Platforms make market interactions more efficient by reducing costs associated with the search and gathering of information. Market participants – both service providers and consumers – typically incur these costs when they try to connect to economic opportunities or a service. Platforms also reduce the cost of negotiation by facilitating a mutually acceptable agreement.
- **Managing information asymmetries.** Platforms limit market failure by effectively managing the information that platform participants have access to. The platform manages information asymmetries in a variety of ways. Firstly, it standardises the consumer experience to give consumers confidence that their next platform interaction will be similar to their previous one. Secondly, the platform fosters trust among its participants by establishing a reputation system, which provides information to each participant about their likely experience in working with their matched platform participant. Thirdly, platforms ensure market liquidity by nudging platform participants to behave in a certain way. They do this by providing platform participants with information to encourage certain behaviour.

The digital nature of the platform business model enables it to generate a wealth of data on its service providers and service consumers. This is the real competitive advantage of the platform business model. The platform is able to develop and populate market metrics that provide real-time information on market conditions. These metrics inform algorithmic decision-making techniques that optimise the management of information asymmetries to ensure optimal outcomes for the platform business. Yet, these outcomes are not always optimal for the service providers. While platforms do well to manage information asymmetries between the consumer and the service provider, this is not necessarily the case between itself and the service provider. Algorithms determine how much work or what kind of work or what price or incentive a service provider receives.

2.3. Scoping the platform economy

There is a lack of data on how many labour platforms operate in a given country, how many service providers are affiliated with these platforms, and how many consumers use the services offered. This data deficiency is even more pronounced for developing nations. Yet, the size of the platform economy matters because the bigger it is, the greater the incentive for governments to invest in policies and regulations to increase the efficiency and positive economic contribution of the gig economy.

The research team examined SEMRush traffic analytics as a proxy to assess the relative size of the platform economy within (i.e. the gig economy relative to other sectors) and across the case countries. SEMRush collects domain – web-traffic and application-traffic – data. Although this data does not provide distinct information on the number of service providers, or the absolute size of the platform economy in a given country, it does provide an estimate of the relative size based on how many total visitors and how many unique visitors each labour platform receives. As such, it provides quantitative evidence on the significance of labour platforms in each of the case countries.

Activity on labour platforms in all the case countries is still relatively small. The level of activity on labour platforms differs significantly across the markets. After controlling for population size, labour platforms in India are the busiest, followed by Thailand and Kenya. However, the userbase⁹ of these labour platforms in these countries remains small. For the month of February 2020, the top 10 labour platforms in India had 24 million users, approximately 27 users per 1,000 adult population. In Thailand, this figure was 13 users per 1,000 adults; and in Kenya, 9 users per 1,000 adults. This indicates that, even though labour platforms are growing and hold economic potential, the scale is still small compared to employment in other sectors.

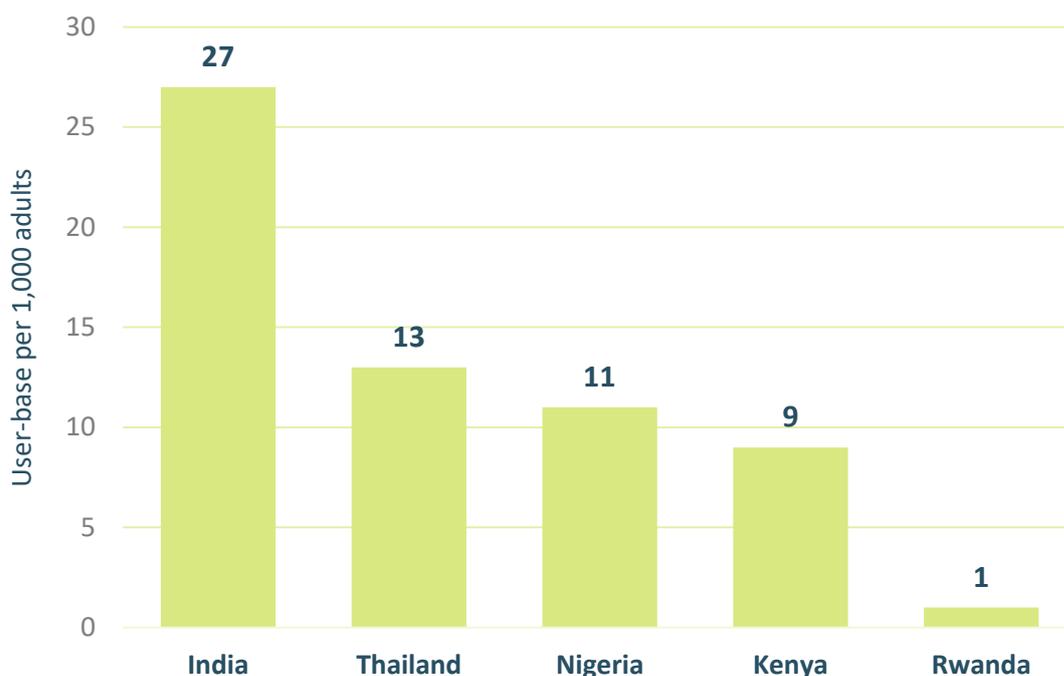


Figure 2: Visitors to labour platforms in February 2020¹⁰

Source: SEMRush, 2020

Location-based work is more common than cloud-based work. In all the countries, except for Kenya, there is a skew towards location-based work in the platform activity data. In India, more than 80% of all gig work on labour platforms is location-based. Logistics and transportation services (e.g. Uber, Bolt and Swiggy) and household and personal services platforms (e.g. Urban Company) dominate the labour platforms market in India. In Thailand and Nigeria, there is a similar skew in activity on location-based platform work, mostly on the logistics and transportation service platforms, such as FoodPanda and Grab in Thailand and Bolt and Uber in Nigeria. For a list of the platforms reviewed in this study, see Appendix 2: Platforms researched.

Not only is there variation in the incidence of cloud-based work per country, but the kind of freelance work that gig workers engage in also varies. From micro-tasking to more complex, professional services such as accounting or digital design, cloud-based work encompasses a range of tasks that call for different skill levels.

⁹ Userbase is defined as the number of unique visitors to the domain. It does not distinguish between service providers and service users.

¹⁰ At the time of writing, SEMRush did not collect data on domain traffic in Myanmar.

Figure 3 shows the average number of daily workers on cloud-work platforms for 2019 according to the Online Labour Index. The graph is scaled according to the total labour force per country. India has the highest number of workers engaged in cloud-based work, with approximately 0.02% of its labour force working on cloud-work platforms. The majority of Indian cloud workers do tasks in the software development and technology category. Kenya is the African country with the highest proportion of its labour force participating in cloud-work activities. In Kenya, approximately 75% of cloud-based work is in writing and translation services.

As is clear from Figure 3, cloud-based work is not a major contributor to employment in the case countries relative to the size of the labour force. Yet, it is worth noting that even though India, for instance, has fewer cloud-workers as a share of its labour force, the absolute number far exceeds that of the United Kingdom by almost nine times. This raises the possibility that the internet could give rise to a new kind of outsourcing of tasks that can be performed online from the Global North to the Global South; though several factors ranging from the level of skills to language determine trends in outsourcing.

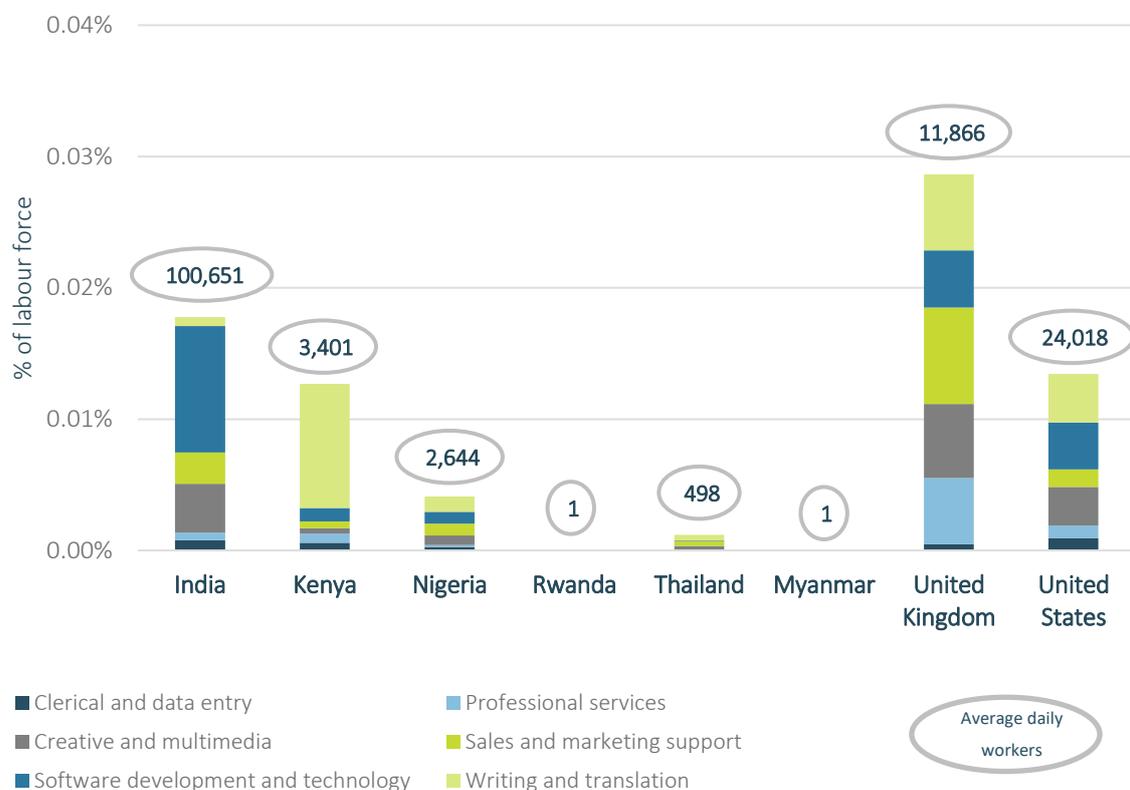


Figure 3: Average labour force share of daily gig worker on the top five cloud-work platforms in 2019
 Source: *Online Labour Index, 2019*

The employment opportunities presented by labour platforms are growing. In all the case countries, there has been increased levels of engagement on labour platforms over the past two years, albeit from a low base. This has particularly been the case in Kenya and India, where the average number of active users have increased by more than 50% from 2018 to 2019 (SEMRush, 2019).

As the platform economy grows, more local players emerge. A recent survey on platforms in Africa highlighted that over 80% of platforms, including labour platforms, originated in Africa. The minority of platforms are larger global platforms; however, they represent the majority of the userbase (Cenfri, 2020). This trend may partly be attributed to the fact that in developing countries with heterogenous labour markets, local platforms cater to geographically differentiated domestic needs.

2.4. Country categorisation based on digital adoption

The extent of technology diffusion provides insight into a nation’s proclivity for digital adoption, and therefore the potential use of platforms. However, in a given economy, it is not necessarily a good proxy for the size of the platform economy. Table 1 reflects the rank for each of the case countries on the World Bank’s Digital Adoption Index out of 180 nations worldwide.¹¹ Among the case countries, Thailand is far ahead of the others, followed by India, the Philippines, Kenya, Rwanda and Nigeria, with Myanmar much further behind.

Country	Rank
Thailand	61
India	92
Philippines	101
Kenya	112
Rwanda	117
Nigeria	118
Myanmar	160

Table 1: Case country ranks on the DAI

Source: World Bank, 2020

The case countries chosen for this study vary in terms of the diffusion and absorption of technology in their economies. The higher the digital adoption, the more motivated governments are to invest in policies and regulations to help their populations leverage the potential benefits of the digital transformation.

¹¹ The World Bank’s Digital Adoption Index (DAI) is a composite of three sub-indices (Table 1), all weighted equally, examining the diffusion of technology among businesses, people and governments. The business and people sub-indices each takes the simple average of a different set of normalised indicators. The government sub-index takes the simple average of three normalised sub-indices. The business sub-index contains the indicators percentage of businesses with websites, number of secure servers, speed of download, and 3G coverage in the country. The people sub-index contains the indicators of mobile access at home and internet access at home. The government sub-index contains the sub-index of the digital nature of core administrative systems, online public services and digital identification. For more information, see <https://www.worldbank.org/en/publication/wdr2016/Digital-Adoption-Index>

The rationale for the categorisation of countries is further strengthened when one examines additional correlates of digital adoption, including the Gross National Income per capita, access to electricity and urbanisation rates. While correlations do not imply causation, they are an effective tool to help discern relationships between variables and to help group case countries to ultimately make more targeted recommendations¹². Based on these results, the case countries are classified and illustrated in Table 2.

Tier	Description	Countries
One – Nascent digital economies	Countries in the early stages of digital adoption with a nascent platform economy. They have no or few domestic platforms and negligible participation in cloud-based work.	Myanmar
Two – Growing digital economies	Countries that have accelerating digital adoption, a significant number of domestic platforms and a growing number of cloud workers	India, the Philippines, Kenya, Nigeria, Rwanda
Three – Maturing digital economies	Countries in which most of the adult population transact on the internet, well-established location-based platforms operate in the country and cloud-based work constitutes a material portion of national employment	Thailand

Table 2: Country categorisation

Conclusions

The following conclusions can be made from the research presented in Section 2:

- Platform business models depend on scale, with algorithmic decision-making governing the information asymmetries between service providers and service consumers.
- The market size of labour platforms in the case countries is small but growing.
- Platform market development occurs in a broader context of digital adoption. The development of the platform economy depends on a number of enabling environment factors.

These conclusions suggest that policymakers should take a tiered approach to regulating platform work as part of a larger regulatory framework to the development of their digital economies.

12 The results of the analysis show a strong positive correlation between the DAI and GNI per capita (constant 2010 USD) reflecting that the greater the GNI per capita the higher a country's score on the DAI. Thailand is at the top, with Myanmar trailing in terms of digital adoption and GNI per capita. When it comes to the African nations, both Kenya and Rwanda are slightly ahead of Nigeria in terms of digital adoption, but both nations have a lower GNI. DAI is strongly positively correlated with access to electricity. Thailand is at the top, followed by the Philippines and India, and then Kenya, Nigeria, Rwanda and Myanmar grouped together. DAI has a moderate positive correlation with the urbanisation rate. Thailand and Nigeria have similar urbanisation rates, but Nigeria, a bit of an outlier, lags behind other case nations in digital adoption. The Philippines has a higher urbanisation rate than India, but it is slightly behind India in digital adoption. Kenya, Rwanda and Myanmar have both lower urbanisation rates and lower digital adoption.

3. Labour conditions for gig workers

3.1. The relative importance of gig work in the case countries

When it comes to quantity, gig work constitutes a small share of employment in the case countries, but what about the quality of gig work? Given that the emergence of gig work is a relatively new phenomenon, labour force surveys do not yet provide data on the employment outcomes – wages and working conditions – of gig workers. Such data is proprietary information that platforms do not share. To the extent that empirical information on working conditions of gig workers is available, it is generally through small-scale research studies rather than nationally representative, systematically collected information. In most countries, then, gig workers are subsumed within the general category of self-employed workers.

In emerging markets, and certainly in all the case countries in this report, high levels of self-employment are a symptom of a lack of available salaried work (see Figure 3). In the face of large and growing youth populations in these nations, job creation becomes all the more important and challenging. The unemployment rates are below 5% (considered to be full employment) in all case countries except India and Nigeria, because a large share of the population must work to survive and does not have the luxury of being out of a job. These workers often take on informal employment characterised by low productivity and wages, and low levels, or the absence, of social protection.



Figure 4: Labour market indicators for case countries

Source: World Bank Development Indicators, 2018

*Note: Informal employment is measured as the percentage of total non-agricultural employment

Seen within this context, gig work enables service providers to access a regular, if not secure, income, and some platforms help to get workers registered, making them visible to the State. See Box 2 on the benefits of gig work in Nigeria.

Box 2: Platforms providing more and better economic opportunities in Nigeria

The Lagos Business School conducted a survey with 353 platform workers to understand their economic outcomes from working on platforms in Nigeria.

The average working hours of workers on labour platforms is high. Workers on transportation and delivery service platforms worked on average between 60 to 100 hours per week. That is significantly more than the 40 hours per week that the Nigeria Labour Act classifies as full-time. For cloud workers, the average number of working hours is much more variable, since the financial reliance on platform work is often lower.

The survey also found that, on average, platform workers earn more than minimum wages, which is to a large extent a result of the long hours that platform workers work. Workers on transportation and delivery service platforms earned on average NGN295,000 (USD760) per month – almost 10 times as much as the monthly minimum wage of NGN30,000. Cloud workers earned on average NGN70,000 (USD180) per month – more than twice the minimum wage.

With respect to other general benefits, workers on the platforms surveyed were not entitled to any overtime wages. They had the right to leave days, but these are generally unpaid. While they had access to soft loans, they were not entitled to housing, medical insurance or pensions.

Source: Cenfri, 2020

3.2. Nature of the relationship between platform and worker

To understand the extent to which labour regulation and social protection should apply to gig workers, it is necessary to first have a close look at the nature of the relationship between the gig worker and the platform. The research team developed an analytical framework based on a common set of criteria, according to which the nature of this relationship can be determined. It delineates the differences between a worker that is an employee versus one that is self-employed. This framework also provides a guide to understand the degree to which labour platforms behave like regular employers as opposed to just intermediaries. Understanding this relationship is one of the key factors that determine how the platform should be treated in the domestic labour regime. Table 3 outlines these criteria that capture the degree of autonomy a worker enjoys in a regular employer–employee relationship in contrast to working as a self-employed contractor.

	Classification question	Employees	Self-employed
Price setting	Does the worker have the ability to control the price of the services they offer?	Employees have limited ability to control the remuneration they receive.	Self-employed individuals can negotiate the price of their labour and/or product.
Worker autonomy	Can the worker accept or reject work without negative consequences?	Employees have limited or no choice in the work they do; their employer allocates work to them.	Self-employed individuals choose what work to apply for, accept and complete.
Oversight and control	Does the employer or platform exert direct oversight, and does it exercise punitive control over the worker?	Employers manage employees through mechanisms such as required working hours and/or outputs, quality standards and uniforms, for instance.	Self-employed individuals have the flexibility to set their own hours, outputs and standards, with no oversight other than from the client.
Exclusion	Can the employer or platform exclude – without cause – workers from participating?	Employees have access to predictable income and are protected from unfair dismissal through labour regulations. When employees have the legal right to collective bargaining, they can initiate collective action.	Self-employed individuals are bound by the terms and conditions of a contract.
Restriction of trade	Are there barriers to using and switching between employers or platforms?	Employers can require restrictions on trade to limit employees competing with the employer.	Self-employed individuals do not have restrictions on trade, as they provide the service to different clients.

Table 3: Labour relationship analytical framework

Source: Authors' own

Bilateral employment relationships are premised on a delicate balance between the employer (who exercises management control) and workers (who are protected through labour and social protection regulation), and the right to collective bargaining. In a trilateral relationship on the other hand, the platform is intended to be just an intermediary that connects self-employed contractors to consumers.

Self-employed contractors, in countries where the State does not provide universal protection, are responsible for acquiring their own social protection. Most gig workers fall into this category of self-employed workers, who either work for themselves because they do not have a better option or because they are drawn to flexibility and control over their own agency. Self-employed gig workers use their own fixed assets such as vehicles, computers or beauty products to deliver services, bearing the cost of acquiring the assets as well as depreciation.

Yet, many labour platforms act as more than just a digital intermediary. Labour platforms sometimes exercise management control over gig workers, similar to what bilateral employers do. This raises questions about whether platforms, like bilateral employers, should be responsible for providing comparable benefits.

While each platform manages its relationship with its workers in different ways, some general trends are visible across various types of platforms¹³.

¹³ Appendix 2: Platforms researched contains a list of the platforms considered in the analysis.

3.2.1.1. General

Regardless of other restrictions mentioned or terms governing the use of their platforms, all the platforms considered in this study include a clause indicating that workers are self-employed contractors. Platforms also include clauses in their terms and conditions indicating that the platform has the right to exclude participants at its discretion.

The nature of platform work makes labour arbitration challenging. Most of the large, successful platforms in the case countries are foreign. This is particularly the case for transportation services and cloud-work platforms. There have been a number of examples of labour disputes involving local platform workers and foreign digital platforms that have left local courts with limited power to intervene¹⁴. Since the platform is not domiciled in the local country, the labour courts have no jurisdiction.

3.2.1.2. Transportation and delivery service platforms

Some of the features of the relationship between the workers and the platform for transportation and delivery services platforms resemble an employee–employer relationship, while others do not.

- **Prices are set by the platform.** The price for trips is calculated at the start of the trip. Drivers are in some cases prohibited from asking for a tip and are forced to participate in promotions available on the platform. In addition, platforms can easily change the service fee charged to drivers as determined by its algorithmic decision-making processes.
- **Drivers face exclusion if they do not accept rides or if their average rating becomes too low.** Platforms deactivate accounts that are considered inactive or undesirable. Inactivity is determined by the number of times a driver does not accept riders. For example, a driver for Bolt is removed from the platform if he or she has rejected 20 of the last 100 ride requests. Drivers are often provided with limited information on the ride before pickup; for example, the destination of the passenger. This information asymmetry means drivers feel compelled to accept rides to avoid being penalised by the platform, but in doing so, they sometimes expose themselves to risks they are uncomfortable with. The platform determines an account to be undesirable if the average rating of the driver crosses a lower threshold. However, in most cases there are few (if any) recourse options open to drivers to challenge poor ratings.
- **Platforms exert significant control over work performed.** Drivers are dependent on platforms to determine which routes are allocated to them. Drivers do have autonomy in which area they operate in, since the platform will allocate pick-up locations according to the vicinity of the driver. However, the driver has little control over the destination of the trip. Platforms sometimes limit the number of hours a driver can work within a period, or they sometimes incentivise working longer hours.
- **Platforms try to limit multihoming¹⁵.** Some of the platforms try to restrict drivers from operating on other ride-hailing platforms. This is typically done through various disincentives, for example the lack of portability of benefits such as insurance.

14 As an example, see Uber South Africa Technology Services (Pty) Ltd vs National Union of Public Service and Allied Workers (NUPSAW) and Others: <http://www.saflii.org/za/cases/ZALCCT/2018/1.html>

15 Multihoming is the practice where a platform's users affiliate with more than one platform.

Box 3: Bolt.eu

Bolt, previously known as Taxify, was launched in Estonia in 2013. The platform has over a million drivers in 35 countries. The platform is profitable in two-thirds of the markets it operates in, with continued expansions of Bolt limiting profitability as a group.

Bolt drivers are required to accept in-app electronic payment, which has been an issue for cash-constrained drivers who only receive weekly pay-outs from Bolt. If drivers reject 20 of their last 100 rides or if their average ratings fall too low, they are automatically blocked. Three autoblocks result in a permanent block and deregistration from the platform. It is not uncommon for Bolt's drivers to drive for more than one e-hailing platform.

Source: Authors' own

3.2.1.3. Household and personal service platforms

The characteristics of the relationship between workers and household and personal services platforms, such as Urban Company, broadly align with self-employment, with some characteristics regarding oversight and control being similar to that of an employee relationship.

- **Scope for negotiation in prices determined by complexity of task.** In general, platform workers can determine the price for which their services are sold. However, as services are generally standardised, it puts pressure on prices as competitors' prices are also visible. Simpler tasks tend to have more standardised pricing schemes, whereas for more complex tasks there is more room for negotiation.
- **Workers can choose to bid for work or can be requested by customers.** Platform workers have the option to bid for work that is posted by potential customers. Customers can also request a specific platform worker to do a task for them. Failing to respond to direct requests may have a negative rating consequence for workers.
- **Workers are screened and trained, suggesting an employee relationship.** For platforms that facilitate a specific service, such as Vconnect, workers are often screened and trained to ensure they possess the requisite skill set to render the service. Some platforms also offer a guarantee on the work completed by workers, which is indicative of supervision by the platform.
- **Platforms exclude workers if their average rating becomes too low.** Service consumers, or clients, lodge complaints or provide a poor rating of the service provider via the platform. This may result in exclusion of the service provider from the platform. Because the recording of the dispute occurs via the platform and does not directly involve the service provider, the service provider has limited negotiation power in the dispute resolution process.
- **Workers are not restricted to the platform.** The platforms do not limit service providers' use of other platforms, possibly due to the locality of the work creating a natural barrier to working on other platforms.

3.2.1.4. Cloud-work platforms

The nature of the relationship between service providers and consumers on cloud-work platforms resembles an employee–employer relationship the least. It is important to note that the cloud-work platforms surveyed for this study are some of the largest online platforms that have established market power (related to network effects). The results may differ for smaller platforms with less market power.

- **Prices are negotiable and workers can set their own rates.** While workers are free to set their rates at any level, the visibility of competitor prices puts downward pressure on asking rates. Furthermore, for less complex tasks, such as image-tagging, per-unit pricing is often predetermined by the platform.
- **Workers can mostly choose which work to bid for.** In general, workers have a high degree of autonomy as to which tasks they do. However, some platforms limit the number of bids workers can make per month unless they pay a monthly subscription to the platform. One platform also charges maintenance fees for inactivity.
- **Most platforms provide limited screening, though some do include tools to monitor workers' work.** To ensure platform workers work the hours they bill, some platforms employ tools for monitoring work. These activity trackers are used in conjunction with escrow options to help provide certainty of payment and work being done. Some platforms that offer per-hour work also restrict the amount of per-hour work that can be done per week.
- **Some restrictions on trade are evident.** There are some examples of where cloud-work platforms are restricting trade for cloud workers. A number of platforms restrict service providers from using Google Ads to advertise their services on the platform. Platforms also make it impossible for service providers to transfer resumé or ratings data to other cloud-work platforms.

Box 4: Freelancer.com

Freelancer is one of the largest cloud-work platforms. It had a gross payment volume of AUD181.4 million in 2019.

The pricing of the tasks is clear on the platform. Basic access to the platform is free for workers and job posters, with optional additional cost either to attract more applicants or to make bids stand out. Workers are free to choose which projects to bid for but have limited bids. To get more bids, freelancers need to purchase a membership to Freelancer. In contrast, job posters can post as many jobs as they want at no cost.

Dispute resolution also makes use of financial incentives to limit the time the platform has to spend reviewing disputes. If a dispute occurs, both parties are required to pay a nominal fee (USD5.00 or 5% of the dispute amount, whichever is greater) for the dispute resolution. In case of failure to pay, it results in an automatic loss of the dispute. While the fee is nominal, this may still be restrictive for low-income cloud workers.

For some tasks, usually hourly contract work, cloud workers can use a tracker that takes regular screenshots of cloud workers' progress, to build trust. These screenshots provide assurance to the client that the work is being completed. The tracker is also advertised as resulting in higher rates for freelancers as well as making it easier to complete timesheets.

Freelancer.com does not impose restrictions on trade, but ratings on the platform may act as a natural barrier to move to other platforms. Cloud workers' ratings on the Freelancer.com site are extremely valuable, because job posters screen applicants based on their ratings. Therefore, there is an incentive for cloud workers to maximise their ratings and build their resúmes on a single platform to attract the best job offerings.

Source: Authors' own

Conclusion

The following conclusions can be made from the research presented in Section 3:

- In all of the focus countries, the majority of employment opportunities are in independent contract work or informal employment.
- Across all the labour platform types, gig workers are classified as independent contractors in the respective terms and conditions of the individual platforms.
- For transportation platforms and delivery and logistics platforms, the nature of the relationship between the platform and the worker suggests a closer employee–employer relationship than for the other platform types. However, a universal finding is not possible.
- The lack of portability of service provider data, particularly ratings, holds across all platforms.
- Significant dispute resolution challenges exist, particularly with regard to holding foreign platforms accountable.

These conclusions suggest that, even though there are some cross-cutting themes, policymakers should take a nuanced approach based on the type of labour platform as well as the ability of the local authorities to enforce regulations.

4. Labour regulation of gig work in case countries

As new forms of work emerge in the platform economy, harnessing the productive potential of a growing contingent of workers depends on ensuring that they receive regulatory and social protections, and appropriate skills training to access and effectively participate in the gig economy. The research team conducted a comprehensive scan of the labour and social protection regulations that apply in the case countries.

There are a number of similarities across the case countries in terms of existing labour regulations and social protection provisions. See a summary in Table 4 below. Collective bargaining, notice periods, minimum wages, minimum leave and the provision of safe work environments are consistent elements in labour regulation. However, the enforcement of labour regulations in all the case countries is often inconsistent and sometimes weak. Some of the case countries, such as Nigeria and India, also have older labour regimes that require an update to be relevant in a modern labour market environment.

Countries	Healthcare	Sickness benefit	Work injury/OSH	Unemployment insurance	Permitted overtime	Old age pension	Minimum monthly wages (USD)
Kenya	Universal Healthcare Coverage (UHC)	 	 	No provision	Paid 1.5x and 2x on Sundays/public holidays	Pension and provident fund (formal and informal)	Set per sector, per location See for more recent:
Nigeria	National Health Insurance Fund (NHIF)	 	 	No provision	Not explicitly mentioned - implied	Pension fund (formal only)	85 p/m (2019)
Rwanda	National Health Insurance Act	 	 or 	No provision	No provision – receive extra leave day if worked on public holiday	Pension fund (formal only)	Set by Ministerial Order for each occupation (not yet done)
Myanmar	Contributory social health insurance for formal economy employees	 	 	No provision	20 hours a week (factories) 12 hours a week (shop workers)	No statutory old-age pension*	98.88
Philippines	Contributory social health insurance for formal economy employees Targeting UHC	 	 	For government employees	N/A	Social insurance	144.14-288.3
Thailand	Universal Healthcare Coverage (UHC)	 	 	Yes, for all residents	36 hours a week	Social insurance	276-295
India	National Health Insurance Scheme for underprivileged Mandatory subsidized provision for private sector formal employees	 	 	No provision	No limit. Compensated at 2x regular wages.	Pension fund for formal sector only	Labour Code on wages sets a minimum wage, but it's not enforceable at the state level

Legend:  Employer's liability  Social insurance

Table 4: The state of social protection

However, most labour regimes do not provide for gig workers. Unsurprisingly, our scan of the labour regulation showed that none of our case countries make separate provisions for online work or gig workers specifically in their employment codes. India is a slight exception. It is currently amidst a labour law reform process where the new proposed social security code recognises gig workers as a separate category, but it does not go far enough to propose legislation specific to gig workers.

In terms of legal definitions used of employment in the case countries, gig workers are not classified as employees. Employment tests used by the case countries consider characteristics such as control and oversight, the provision of tools and the ability of the employer to delegate work. Consequently, platform workers are considered to be self-employed and therefore fall under the purview of the same regulations that govern self-employed workers. In our case countries, this means that platform workers are not explicitly included in labour regulations.

Gig workers are not entitled to social protection in case countries, other than universal social protection schemes that may apply. The reason is that gig workers are currently not linked to social protection through deductions like formal employees are. Therefore, even in cases where platforms exert control similar to regular employers, gig workers are considered self-employed or contract workers where the employer, or digital intermediary in this case, is not responsible for the provision of social protection. Thus, in the absence of government provision of universal schemes or public programmes that specifically target self-employed workers, there are few protections available to gig workers.

None of the case countries explicitly considers labour as part of their national strategic plans for the digital economy. Much of the focus is on how to seize the opportunities presented by digital platforms, how to improve digital skills development and how to digitise government effectively. The labour component is left to the labour ministries. A lack of coherence across the different government agencies makes it difficult to devise a coherent strategy that takes into account both the interests of gig workers and those of platforms.

Conclusion

The following conclusions can be made from the research presented in Section 4.

- Labour regimes do not provide for gig workers, with none of the focus countries currently providing for gig workers in their employment codes.
- Legal definitions of labour status used in labour regulations do not make it possible for gig workers to be considered employees.
- Gig workers are not entitled to social protection beyond universal social protection, which covers them as a citizen and not a worker.
- The policy focus of case countries lies on the economic opportunity offered by platforms and not on the regulation thereof.

These conclusions suggest that a new approach is required in how policymakers view labour and social protection regulation to promote more inclusive economies.

5. Policy recommendations

5.1. Stakeholder landscape

As labour platforms gain greater traction and become an increasingly important source of income, multilateral, regional and national regulatory frameworks must adapt to the shifting realities of technologically driven economies and labour markets. *Appendix 1: Change-makers* lists some key players that can contribute to crafting a regulatory framework for the evolving gig economy in the Global South.

Even as platform companies such as Uber access markets across the globe, and cloud-based gig workers provide services that sometimes span multiple countries, there are no international normative frameworks to govern gig work mediated through labour platforms. In the absence of specific, systematic data that differentiates the diverse realities of platform work from other existing forms of self-employment, multilateral organisations rely on existing frameworks to set standards. Yet existing frameworks are outdated and inadequate; they still rely on conventional binaries of the employee-employer relationship, or a self-employed entrepreneur and consumer, that are no longer appropriate.

There is a need for the International Labour Organization to adopt normative standards to help governments manage gig work – both location-based and cloud-based. There is also room for institutions such as the Organization of Economic Cooperation and Development to include best practices for platforms under its Guidelines for Multinational Enterprises. Other multilateral entities that are engaged in outlining standards for enterprises, such as the United Nations Global Compact, can also adopt guidance for platforms to improve the quality of gig work.

Regional organisations such as the Association of South East Asian Nations, the African Union and others can serve as platforms for countries to share best practices and set normative standards as the new digital economy evolves. Such regional partnerships can also limit labour arbitrage and rent seeking in the platform economy. European institutions have been proactive in this regard. For instance, the European Commission and the High Representative of the Union proposed a strategy for partnership with Africa to help manage the digital transformation¹⁶. Similarly, the European Social Partners' Autonomous Framework Agreement on Digitalisation¹⁷ seeks to codify the shared commitment of European cross-sectoral social partners in dealing with the impact of technology on work. These regional experiences can help provide precedent and best practices where relevant to emerging and developing economies.

At the national level, countries at different levels of digital adoption will likely have varying propensities to regulate the digital economy (see Section 2.4). The remainder of this section outlines recommendations aimed at case countries, categorised by their digital adoption, how they may go about improving their regulatory regimes to harness the benefits and minimise the costs of platforms and gig work.

16 For more information see: https://ec.europa.eu/international-partnerships/system/files/communication-eu-africa-strategy-join-2020-4-final_en.pdf

17 For more information see: https://www.etuc.org/system/files/document/file2020-06/Final%2022%2006%2020_Agreement%20on%20Digitalisation%202020.pdf

5.2. Policy considerations

When addressing labour concerns in platform work, it is important to consider context. The economic context of the Global South is different from the economic context of the Global North. Economies in the Global South tend to have pervasive and persistent informal employment and smaller formal sectors. Income levels are lower, and fiscal capacity to support extensive social protection schemes is less. The negative sentiment in the Global North towards platforms is often driven by the comparisons of labour relationships with formal employment arrangements. In the Global South, it is unclear whether platform work is better, worse, or the same as other informal arrangements. These are important considerations when determining the extent to which labour relationships in the platform economy should be regulated.

Even though the focus of this study is on labour policy, policy considerations on the phenomenon of online gig work is much broader than only labour policy. Many other regulatory domains are relevant to platform work. The development of platform work is indicative not only of an evolving labour market but also of an evolving economy. Therefore, it is necessary that a cross-cutting approach be considered when addressing regulatory issues that arise from the platform economy. Regulatory domains such as trade and industry, education, competition, taxation and data governance all apply to the platform business model.

The policy and regulatory recommendations articulated in this study are based on the following principles for gig work in the digital economy:

1. **Follow a tiered approach calibrated to the level of market development and existing public interests.** Countries where platform work constitutes a small and almost insignificant portion of national work have limited public interest in regulating the platform economy. Countries with high levels of digital adoption have larger platform markets and greater need for regulation (see Section 2).
2. **Differentiate location-based work from cloud-based work.** Location-based work tends to have a larger economic presence, tends to involve other functional regulation (e.g. transport) and legal entities more likely to be domiciled locally. Cloud-work platforms are often domiciled offshore with very limited economic presence.
3. **Migrate from traditional to digital supervisory tools.** Traditional regulatory and supervisory tools work best for traditional business models and analogue decision-making. Platforms are digital by default, use algorithmic decision-making and require new regulatory and supervisory approaches.
4. **Balance national agency with regional and global cooperation.** Governments must strike a balance between national regulation where they are able to enforce it and reliance on regional and global cooperation where national enforcement can be counter-productive or ineffective.

5.3. Tiered policy approaches¹⁸

The policy objectives of governments should be tailored to the economy's level of digital development and the significance of the platforms in the country. Digital development is occurring at a more rapid pace in some of the case countries compared with others. In general, the Asian case countries lead the African case countries on digital development – and this trend is expected to continue. When considering the formulation of policy options,

¹⁸ The recommendations articulated in this section draws on the work from the Oxford Internet Institute: <https://www.oii.ox.ac.uk/publications/gigwork.pdf> and research done by the JustJobs Network: <https://t20japan.org/wp-content/uploads/2019/03/t20-japan-tf7-13-new-opportunities-in-the-platform-economy.pdf>

it is necessary to keep in mind both the level of digital development and economic development to ensure the appropriateness of the recommendations. If not, there is a risk that the proposed policy options will stifle the platform economy, rather than promote equitable growth. Our policy recommendations are formulated according to the country classification approach discussed in Section 2 and build on each other. In other words, they are cumulative from one tier to the next. The following policy domains were considered in the proposed recommendations¹⁹:

- **Trade and industry policy** deals with the bigger digital development plan for the economy and also the institutional regulation. It addresses the question “what is a platform and how should this form of industrial structure be regulated?”
- **Education and skills policy** deals with ensuring the citizens have the necessary skills to participate and be productive in society. It addresses questions such as “how do we prepare our population for engagement with and work on digital platforms? How do we prepare our people to design and run digital platforms?”
- **Labour and social protection policy** deals with concerns on the fair treatment and outcomes of workers. It addresses questions such as “how do gig workers fit into the labour and social protection regimes and how should disputes between platforms and their workers be resolved?”
- **Data policy** deals with the responsible access, use and storage of data. It considers questions such as “how should countries govern the privacy of personal data including data generated by all platform users, how is data used in the supervision of platforms, and how do we regulate decision-making based on data and the algorithms that feed on this data?”

Note that countries will not necessarily follow the tiered approach exactly. Countries that, based on an objective assessment of their market conditions, should fall in Tiers 1 or 2, may already be adopting regulation more suitable to Tiers 2 or 3 respectively. The decision to move ahead with regulation of the platform economy will usually depend on the political prominence of the national public debate on platforms. We also observe that the attention to labour platforms and its regulation are sometimes driven by the prominence of other types of platforms, especially social media and e-commerce platforms, in the national economy and engagement.

Below follows a description of the overall policy direction proposed per tier, with more detail on proposed recommendations on the following page:

- **Tier 1 – nascent digital economies.** For Tier 1 countries, the platform economy is only in its infancy and the contribution to the labour market and broader economy is still limited. The policy focus should be on the scoping and inclusion of platforms in existing regulatory frameworks. Policymakers should aim to gain a basic understanding of the functioning of platforms in their economies. Table 5 provides specific policy priorities for Tier 1 countries.

¹⁹ This is a first attempt at structuring a policy framework to respond to labour platforms. As such, it serves as input to a process of consultation that is already being sparked in several countries and multilateral forums.

- **Tier 2 – growing digital economies.** For Tier 2 countries, the platform economy is starting to show potential as a real employer of workers. Policymakers should focus on creating an enabling environment and growing the platform economy. Regulation, such as data protection, that is required for the effective functioning of the platform economy should be put in place. Further, as the platform ecosystem develops, education and skills development initiatives should pivot more towards digital skills to provide for the needs of platform businesses. Table 5 provides specific policy priorities for Tier 2 countries.
- **Tier 3 – maturing digital economies.** For Tier 3 countries, platforms have become an integral part of the broader economic system. In these countries, the majority of the population engages in economic activities online, whether it be work or making transactions. Policymakers should focus on market development and enhancing benefits accruing to broader society. Rather than including platform business in existing regulations, the government should develop regulatory frameworks that deal specifically with the platform economy. There should be a strong policy drive to develop local platforms to grow the domestic economy and provide work opportunities for citizens. Table 5 provides specific policy priorities for Tier 3 countries.

The proposed recommendations emphasise the need for a collaborative approach to regulating platforms in the digital economy. The platform business model spans across multiple conventional regulatory domains and is relevant to a set of varied regulators. Therefore, it is imperative that policymakers, regulators and development partners focusing on different sectors of the economy work together to formulate a cohesive strategy on developing and regulating the platform economy. If not, there is a significant risk that activities in one sphere of government may be in contradiction to that of a different sphere of government.

Policy area	Policy priority
Tier 1	
Trade and industry	<ul style="list-style-type: none"> ● Develop a coherent digital development plan that encourages technology adoption for productivity gains, including platform formation ● Monitor growth of the platform economy
Education and skills	Invest in forward-looking digital skills ²⁰ development focusing on consumer digital skills ²¹ and productive digital skills ²²
Labour and social protection	<ul style="list-style-type: none"> ● Adapting existing labour regulation to domestic platforms within the context of local enforcement levels ● Facilitate dispute resolution for platform workers
Data	Regulators develop understanding of the role of data in platform business models
Tier 2	
Trade and Industry	<ul style="list-style-type: none"> ● Develop a platform economy development plan ● Provide for the registration (as opposed to licensing) of platforms in addition to their functional licensing (e.g. for provision of transport)

20 Cenfri, in partnership, with the Mastercard Foundation, conceptualised a Skills for a Digital Economy framework. The skills framework describes the various digital skills that people require to seize employment opportunities in the digital economy. For more information, see: <https://cenfri.org/publications/digital-skills-in-africa/>

21 Consumer digital skills are skills people require to be an effective consumer, social peer and citizen in the digital economy.

22 Productive digital skills are skills people require to produce value by applying digital technologies.

Policy area	Policy priority
Education and Skills	Invest in developer digital skills ²³
Labour and social protection	Ensure that platform workers receive the same social protection benefits as other equivalent workers, i.e. self-employed or independent workers
Data	<ul style="list-style-type: none"> • Implement data governance regulation • Enter into data-sharing agreements with platforms • Build robust public data collection infrastructure
Tier 3	
Trade and industry	<ul style="list-style-type: none"> • Promote the use of technology for increasingly higher value-added production of goods and services • Implement a differentiated regulatory structure based on the different types of platforms • Licensing of platforms, according to a set of criteria • Establish jurisdiction over foreign domiciled platforms through Significant Economic Presence regulation²⁴
Education and skills	<ul style="list-style-type: none"> • Sectoral skills development for different platforms in line with skills development obligations imposed on the rest of the economy • Facilitate e-leadership digital skills²⁵
Labour and social protection	<ul style="list-style-type: none"> • Compulsory notification to workers of changes to platform algorithms that affect their interests – to ensure transparency of platform business models • Permit digital collective action for platform workers • Create integrated taxation and social protection frameworks for platforms – including the possibility of algorithmic deductions (per transaction)
Data	<ul style="list-style-type: none"> • Implement portability of work histories and benefits for platform workers • Facilitate workers’ access to some parts of platform data

Table 5: Tier policy recommendations

²³ Developer digital skills are the skills people require to produce value by creating and modifying digital technologies.

²⁴ For more information on Significant Economic Presence regulation, see *Appendix 3: Significant economic presence*.

²⁵ E-leadership digital skill are the ability to lead structural change in a digital economy to facilitate the creation of value.

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7. Appendix 1: Change-makers

This table contains the key multilateral stakeholders the research team identified through which change can be effected in the platform economy.

Organisation	Activity	Change maker
International Labour Organisation	The ILO has a stream on the Future of Work that can specifically frame and release guidance on standards for the gig economy in line with the FairWork Foundation’s norms for location-based gig work and separate norms for cloud-based work.	<ul style="list-style-type: none"> Deputy Director-General for Policy: Deborah Greenfield Deputy Director-General for Management & Reform: Greg Vines Director Social Protection Unit: Shahrashoub Razavi
Organization of Economic Cooperation and Development	The Future of Work Initiative – nested under the Directorate for Employment, Labour and Social Affairs	<ul style="list-style-type: none"> Director of Employment, Labour and Social Affairs: Stefano Scarpetta Head of the Skills and Employability Division, Directorate for Employment, Labour and Social Affairs: Mark Keese
G20/T20	Future of Work working group in the Think Tank 20 initiative	Former chair: Peter Morgan, Vice Chair for ADB Institute
African Union	Special Technical Committee (STC) on Social Development, Labour and Employment	
African Development Bank	Joint ILO–ITU partnership programme on “Boosting decent work and enhancing digital skills for youth in Africa’s digital economy” supported by African Development Bank. The programme, which operates at both continental and national levels, will initially focus on six countries: Côte d’Ivoire, Kenya, Nigeria, Rwanda, Senegal and South Africa.	
Smart Africa	<p>The Smart Africa Alliance comprises 30 member states and 40 private sector members. It has five pillars: (1) Policy, (2) Access, (3) e-Government, (4) Private Sector/Entrepreneurship and (5) Sustainable Development.</p> <p>Countries champion flagship projects: Digital Economy (Kenya); Entrepreneurship, Youth Innovation and Job Creation (Mali) and potentially Innovation and Entrepreneurship (Egypt).</p>	

Organisation	Activity	Change maker
Association of South East Asian Nations	<p>ASEAN Labour Ministers' Work Programme 2016-2020 included commissioning JustJobs Network to conduct an analysis of the region's digital transformation. The study was intended to help harmonise the strategies and programs under the ASEAN Socio-Cultural Community Blueprint and those in the ASEAN Economic Community Blueprint in the areas of employment and decent work against the backdrop of the region's digital transformation.</p> <p>ASEAN also has a range of declarations and instruments relating to technology, jobs and skills, including for example, the ASEAN Declaration on Innovation (2017) and The Vientiane Declaration on Transition from Informal Employment to Formal Employment towards Decent Work Promotion in ASEAN (2016).</p>	<ul style="list-style-type: none"> • Secretariat. Head of Labour and Civil Service Division: Mega Irena • Vietnam²⁶ Ministry of Labour, War Invalids and Social Affairs. Deputy Director General: Ha Thi Minh Duc
Asian Development Bank	<p>The Asian Development Bank has a fair bit of research examining different aspects of the digital transformation in the region from fair taxation to financial inclusion and trade. The 2018 Asian Development Outlook included a theme chapter examining <i>How Technology Affects Jobs</i>.</p>	Peter Morgan, Vice Chair for ADB Institute

This table contains the key national stakeholders the research team identified through which change can be effected in the platform economy.

Country	Change-maker
India	<ul style="list-style-type: none"> • Ministry of Labour and Employment Secretary: Heeralal Samariya • Ministry of Skills Development & Entrepreneurship Secretary: Praveen Kumar • Niti Aayog CEO: Amitabh Kant • Senior Advisor on Labour and Employment: Parag Gupta
Myanmar	<ul style="list-style-type: none"> • Social Security Board (Ministry of Labour, Immigration and Population) Assistance Director: Mr Ye Zaw Win • Ministry of Labour, Immigration and Population Deputy Director of Department of Labour: Mrs Thet Zin Htun • Ministry of Labour, Immigration and Population Staff officer: Mr Thiha Zaw
Philippines	<ul style="list-style-type: none"> • Employees' Compensation Commission Division Chief: Ms Maribel S.T. Oliveros • Institute for Labour Studies Acting Chief Labour and Employment Officer: Ms Miraluna C. Tacadao • Bureau of Local Employment Labour and Employment Officer: Ms Charish D. Mungcal
Thailand	Minister of Labour: Mr Jatamongkol Sonakul

²⁶ Vietnam has the ASEAN Chairmanship 2020

Country	Change-maker
Kenya	<ul style="list-style-type: none"> Ministry of Labour and Social Protection Cabinet Secretary: Hon. (Amb.) Ukur K. Yatani State Department of Social Protection Principal Secretary: Mr Nelson Marwa Sospeter, CBS Principal Secretary, State Department for Labour, Eng. Peter K. Tum, OGW Ministry of ICT, Innovation and Youth Affairs Joseph Mucheru, Cabinet Secretary Ministry of ICT, Innovation and Youth Affairs (previously the Google sub-Saharan Africa Ambassador) Jerome Ochieng, Principal Secretary ICT & Innovation
Nigeria	<ul style="list-style-type: none"> Federal Ministry of Labour and Employment Minister of Labour and Employment: Dr Chris Ngige The Employment and Wages Department is responsible for inter alia formulation and implementation of employment policies.
Rwanda	<ul style="list-style-type: none"> Ministry of ICT and Innovation: Paula Ingabire Permanent Secretary: Yves Iradukunda Other influencers linked to the ministry: Rwanda Utilities Regulatory Authority Rwanda Information Society Authority Ministry of Public Service and Labour: Rwanyindo Kayirangwa Fanfan

8. Appendix 2: Platforms researched

These tables contain information on the platforms included in the research for this note. For each of the platforms, the research team evaluated the terms and conditions that service providers agree to in order to operate on the platform. The research team also gauged the size of each of the platforms by using the SEMRush traffic analysis for the month of February 2020.

India

Platform	Platform type	Number of visits	Unique visitors
Zomato	Transportation and delivery services	15,661,911	7,410,374
Uber	Transportation and delivery services	8,114,800	4,166,007
Swiggy	Transportation and delivery services	12,483,195	3,949,912
Olacabs	Transportation and delivery services	6,210,347	2,954,927
Delhivery	Transportation and delivery services	5,125,223	1,392,632
Urbanpro	Cloud-based work	1,954,789	1,064,690
Urban Company	Household and personal services	1,565,984	1,061,996
Behance	Cloud-based work	2,112,765	762,752
Upwork	Cloud-based work	4,293,752	742,366
Fiverr	Cloud-based work	2,761,900	623,822

Thailand

Platform	Platform type	Number of visits	Unique visitors
Foodpanda	Transportation and delivery services	752,982	283,821
Behance	Cloud-based work	283,907	137,752
Grab	Transportation and delivery services	77,818	51,408
Toluna	Cloud-based work	231,802	49,850
Fiverr	Cloud-based work	142,608	40,152
Dribbble	Cloud-based work	28,922	24,921
Line	Transportation and delivery services	68,629	22,946
Upwork	Cloud-based work	50,578	18,659
Uber	Transportation and delivery services	21,227	15,006
Getthailand	Transportation and delivery services	16,997	10,338

Kenya

Platform	Platform type	Number of visits	Unique visitors
Uber	Transportation and delivery services	197,617	84,903
Upwork	Cloud-based work	198,587	44,201
Fiverr	Cloud-based work	212,305	30,630
Bolt	Transportation and delivery services	57,337	29,439
Freelancer	Cloud-based work	59,902	19,583
Behance	Cloud-based work	48,511	17,688
Jumia	Transportation and delivery services	48,072	15,911
Swagbucks	Cloud-based work	34,460	12,335
Dribbble	Cloud-based work	11,180	10,496
Toptal	Cloud-based work	10,454	10,454

Nigeria

Platform	Platform type	Number of visits	Unique visitors
Vconnect	Household and personal services	440,897	343,040
Gigm	Transportation and delivery services	262,800	153,972
Uber	Transportation and delivery services	363,723	134,718
Bolt	Transportation and delivery services	240,190	134,397
Fiverr	Cloud-based work	675,130	99,698
Jumia	Transportation and delivery services	276,723	78,977
Operapay	Transportation and delivery services	75,828	50,311
Upwork	Cloud-based work	154,834	44,909
Freelancer	Cloud-based work	173,065	43,349
Behance	Cloud-based work	101,724	31,298

Rwanda

Platform	Platform type	Number of visits	Unique visitors
Line	Transportation and delivery services	3,113	1,896
Freelancer	Cloud-based work	1,644	1,644
Behance	Cloud-based work	2,414	1,207
Neobux	Cloud-based work	1,046	1,046
Toptal	Cloud-based work	2,058	1,029

9. Appendix 3: Significant economic presence

There is increasing consensus that the current global and national tax frameworks are not adequately designed for the taxation of the digital economy. As the digitalisation of economies accelerates, revenue authorities have struggled to apply principles under general tax regulation to digital transactions. Consequently, public revenues have suffered. The key issue at play is the number of market operators that provide services in a jurisdiction without having a physical presence in said jurisdiction.

The Significant Economic Presence concept attempts to address this challenge. With Significant Economic Presence, the emphasis shifts from physical permanent presence as a necessary condition for taxation to the significance of the economic presence, whether it be virtual or physical. In other words, market operators are deemed liable for tax in a national jurisdiction according to the revenue they generate in that jurisdiction, regardless of whether they have a physical presence. This approach to taxation is considered in the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting²⁷, which attempts to address gaps in tax rules (OECD, 2019).

The idea of a specific tax on digital services is not uncommon. At least three of the case countries considered in this study have already implemented some form of digital taxation on digital companies:

- **Nigeria**²⁸. From Andersen Global: “The Finance Act, 2019 amended the Companies Income Tax Act (CITA) in relation to the determination of the profits of non-resident companies derived from Nigeria and introduced the concept of Significant Economic Presence as a basis for determining the profits of non-resident companies providing digital services and technical, management, consultancy or professional services. The Minister of Finance recently issued an order that brings this into effect from February 2020, and the order has clarified that “electronic and wireless apparatus” include digital or related activities carried on through satellite and that foreign companies involved in these activities have Significant Economic Presence in Nigeria if they fall under any of these three categories:
 1. If the foreign company derives gross turnover or income of more than NGN25 million (approximately USD65,000) or its equivalent in any currency from:
 - Streaming or downloading services of digital contents
 - Transmission of data collected about Nigerian users generated from users’ digital activity
 - Provision of goods or services other than technical, management, consultancy or professional services
 - Provision of intermediation services through a digital platform that links suppliers and customers in Nigeria
 2. If the foreign company uses a Nigerian domain name (“.ng”) or registers a website address in Nigeria

27 For more information, see <https://www.oecd.org/tax/beps/public-consultation-document-addressing-the-tax-challenges-of-the-digitalisation-of-the-economy.pdf>

28 For more information on Significant Economic Presence in Nigeria, see Andersen Tax: <https://andersentax.ng/minister-of-finance-issues-companies-income-tax-significant-economic-presence-order-2020/>

3. If the foreign company has a purposeful and sustained interaction with persons in Nigeria by customising its digital page or platform to target persons in Nigeria, including reflecting prices, billing and payment options in Nigerian currency.”
- **Kenya**²⁹. From the KPMG analysis of the 2020 Finance Bill: “The Kenyan Government recently submitted revenue-raising proposals in the Finance Bill 2020. Among other proposals, a digital service tax on income derived or accrued in Kenya is one of the main mechanisms through which the Government intends to bolster public revenues. The finance bill proposes that revenue from services provided through a digital marketplace in Kenya will be taxed at the rate of 1.5% on the gross transactional value. The digital services tax will be deducted from resident entities and is to be treated as an advance tax, available for set-off against the tax payable for the year of income. To operationalise and enhance the administration of the digital services tax, the bill proposes the appointment of digital service agents by the Commissioner of Income Tax.”
 - **India**³⁰. From the Tax Foundation: In March 2020, India announced that the equalisation levy will be expanded. The equalisation levy has been in place since 2016 and was originally designed as a 6% tax on gross revenues from online advertising services. The new expansion will apply a 2% rate on revenues of e-commerce operators and suppliers. The change essentially expands the equalisation levy from online advertising to nearly all online commerce done in India by businesses that do not have a taxable presence in India. Just as with the original proposal, this expansion only applies to non-resident companies. All non-resident e-commerce companies that sell more than INR 20 million (USD267,000) of specified goods or services to Indian customers will be subject to the tax.

29 For more information, see KPMG analysis:

https://home.kpmg/content/dam/kpmg/ke/pdf/tax/KPMG%20Analysis%20of%20the%20Finance%20Bill_2020_Final.pdf

30 For more information, see the Tax Foundation’s article: <https://taxfoundation.org/india-digital-tax-in-a-difficult-time/>