



# The role of Digital Labour Platforms in Transforming the World of Work

## 1st BRICS Employment Working Group Meeting under the 2021 Indian Presidency

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## ► Rapid growth of platforms...

**5x** rise  
since 2010



2000 2010 2020

► Exponential growth in  
the number of platforms

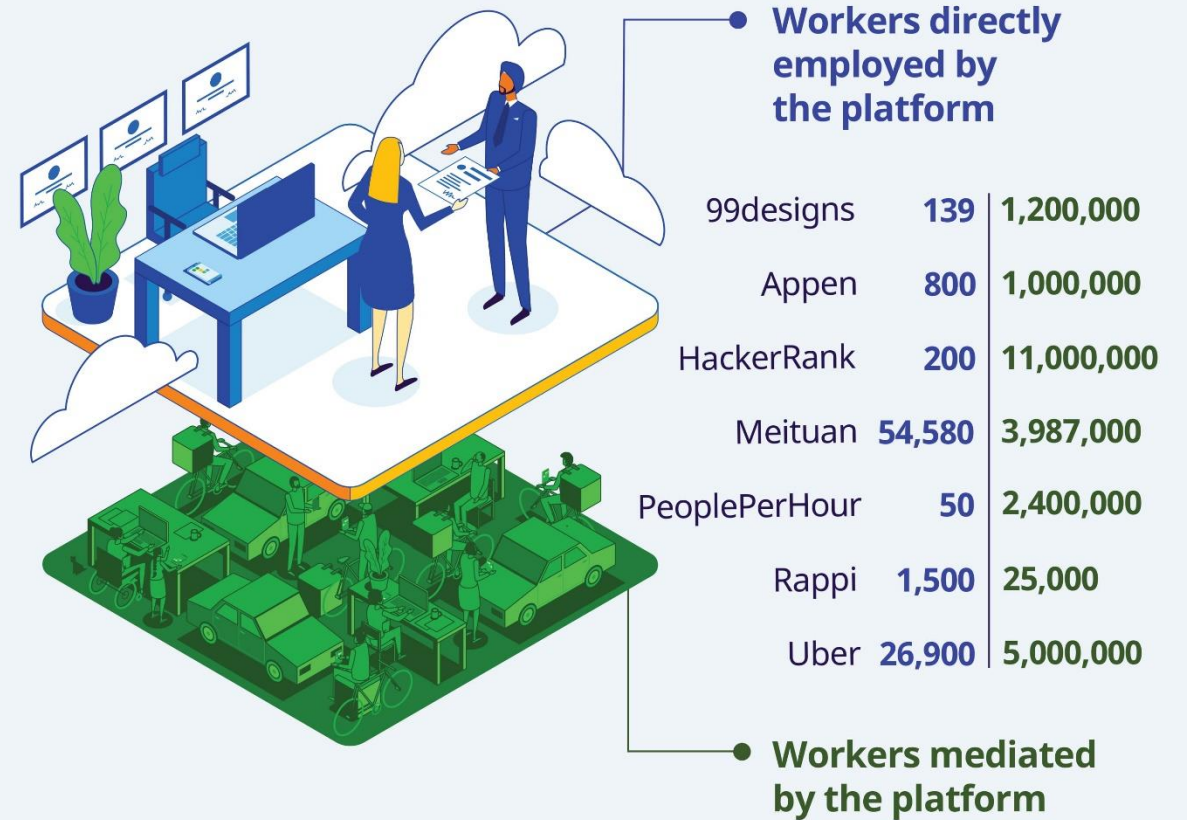
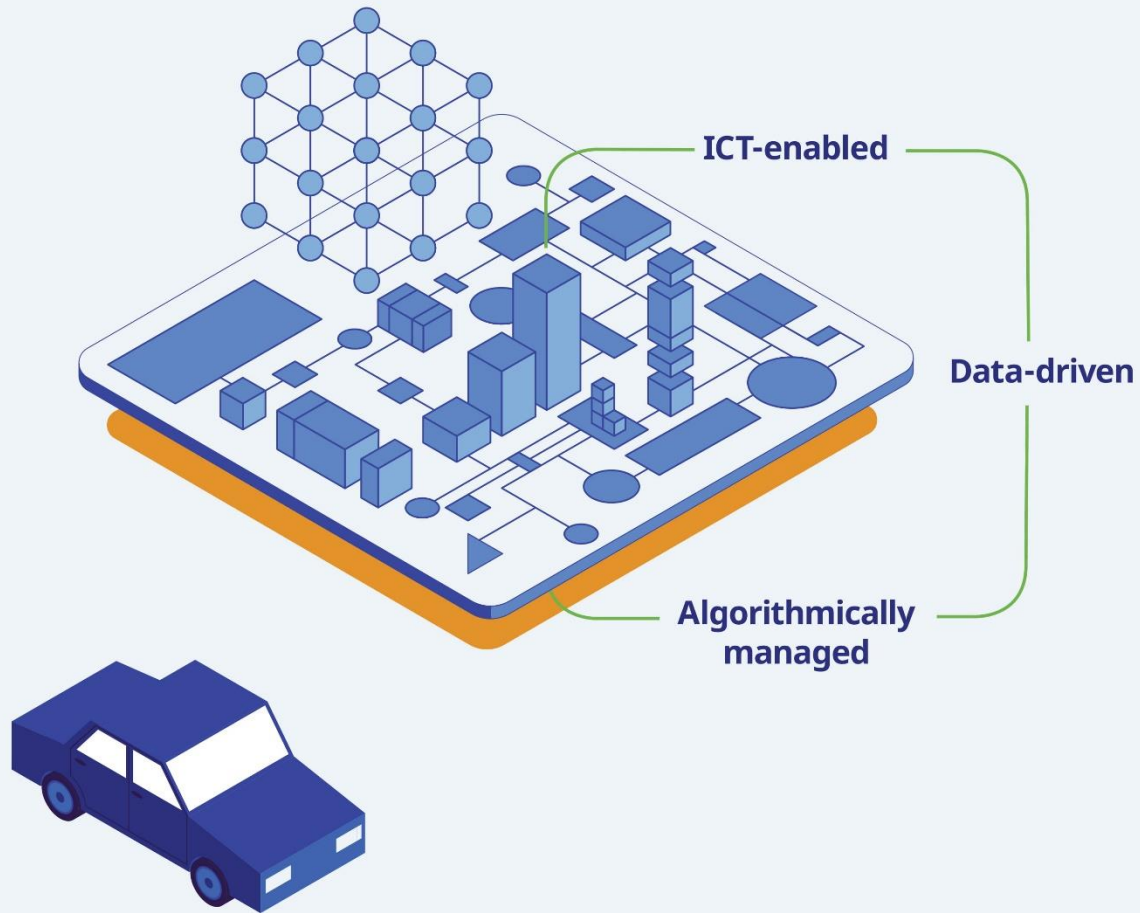
Concentration of  
platforms in 2020



## ► Rise of the digital labour platforms

- Cloud computing and infrastructure
- Use of big data and algorithms
- Availability of venture capital funds
- Innovative ways of working, and flexibility for both workers and businesses
- Increasing relevance with COVID-19 pandemic

## ► Features of platform business model





# ► ... the business model has common elements

## Indicators for matching clients and workers

### Allocation of work Determining pay rates



### Unilaterally determined by platforms:

- Exclusivity clauses
- Deactivation of accounts
- Dispute resolution

## Recruitment and matching

## Revenue model

Commission fees  
and subscription  
plans are integral  
to platform  
revenue model

## Business model

Ratings  
Refusing work

## Work processes and performance management

Monitoring,  
tracking and  
evaluating  
workers through  
digital tools  
and algorithms

## Rules of governance



The report draws on the findings of surveys and interviews

**12,000** workers in **100** countries

- ▶ Freelance, contest-based, competitive programming and microtask platforms (2,400 workers were surveyed in BRICS countries)
- ▶ Taxi and delivery sectors

**Representatives of:**

**70** businesses of different types

**16** platform companies

**14** platform worker associations



## What motivates workers to perform tasks on app-based taxi and delivery platforms?

- ▶ Lack of alternative employment opportunities
  - ▶ Taxi India – 44%; Delivery India – 21%
- ▶ Pay is better than other available jobs
  - ▶ Taxi India – 40%; Delivery India – 64%
- ▶ Complementing pay
  - ▶ Delivery China – 32%
- ▶ Work flexibility
  - ▶ Delivery China – 24%

## What motivates workers to perform tasks online web-based platforms?

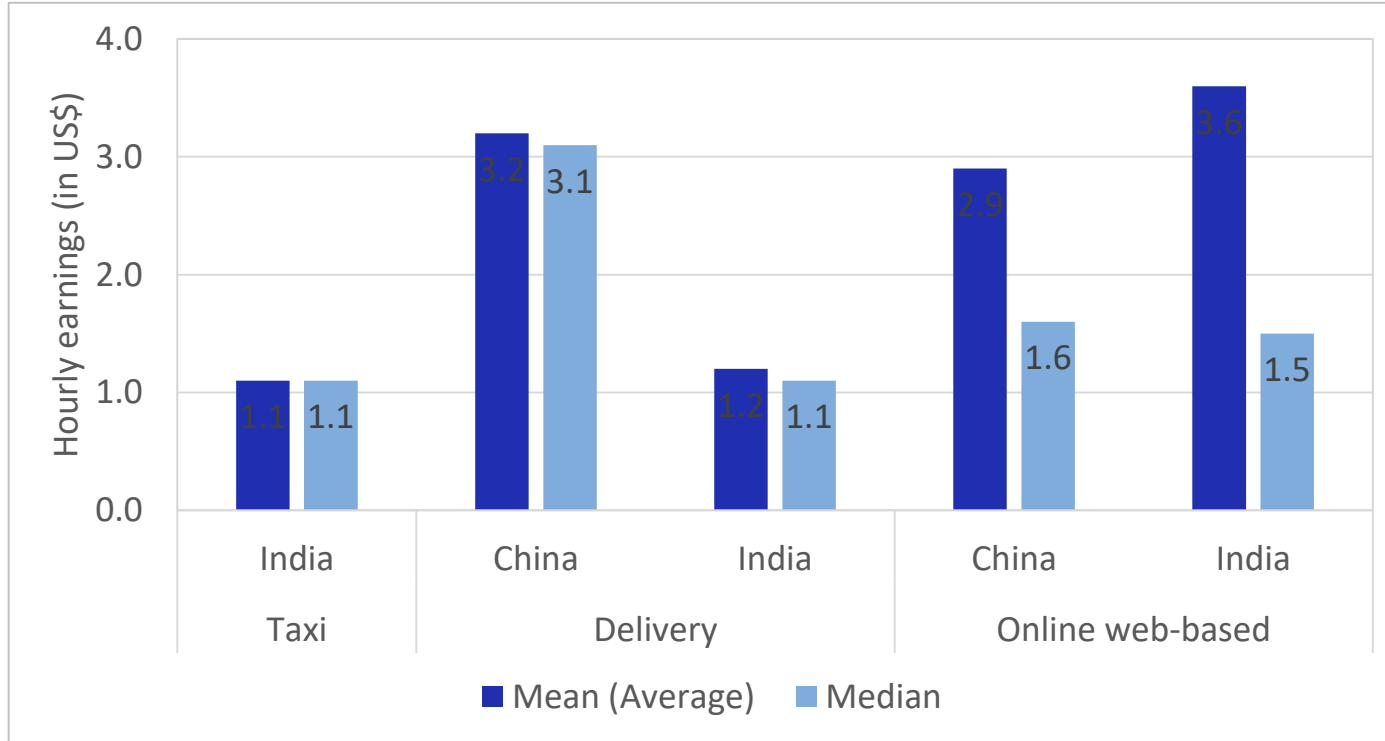
- ▶ Work flexibility  
(microtask, freelance)
- ▶ Improving skills and career opportunities  
(freelance, competitive programming)
- ▶ Complementing pay  
(microtask, freelance)
- ▶ Working from home, work flexibility and complementing pay (women workers)



## ► How do platform and traditional labour markets compare?

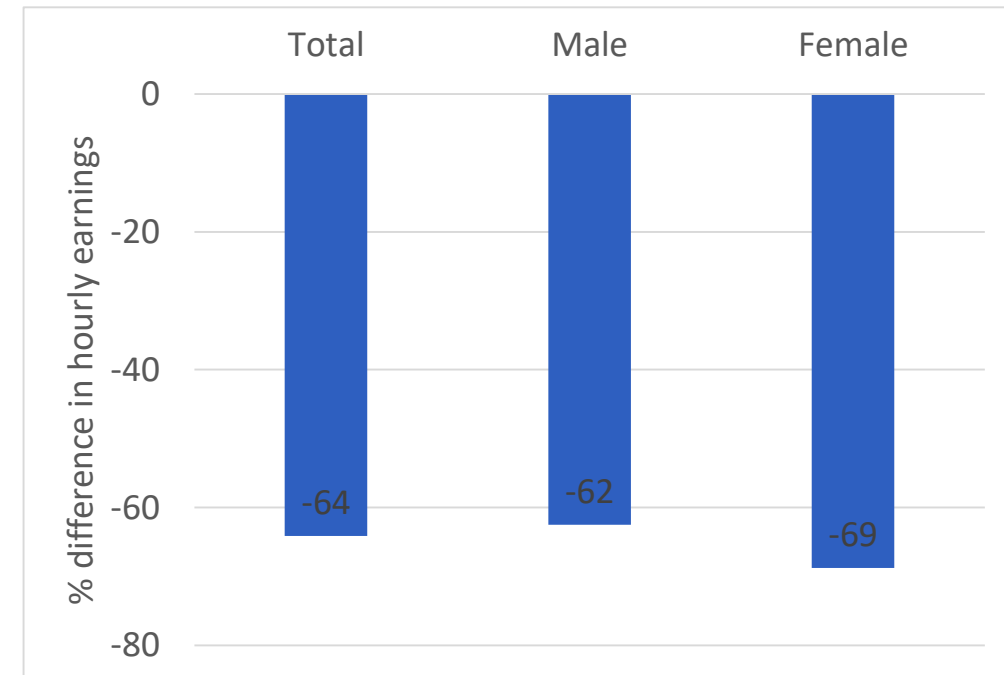
| Indicators                             | Platforms                                                                                                                                                                                                                                                                                                    | Traditional labour market                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Employment status</b>               | Driver-Partner, Self-employed, Independent contractor                                                                                                                                                                                                                                                        | Self-employed, based on contractual agreement (permanent or temporary)                                                                                                                                                                                                                                                                                    |
| <b>Access to work</b>                  | Algorithmically determined based on the location of the worker or based on the task                                                                                                                                                                                                                          | <ul style="list-style-type: none"><li>• Taxi companies or taxi stands</li><li>• Within the company</li><li>• Restaurant, Retail store</li></ul>                                                                                                                                                                                                           |
| <b>Determination of fares or rates</b> | <ul style="list-style-type: none"><li>• Taxi fares and delivery rates determined by the app<ul style="list-style-type: none"><li>▶ distance travelled</li><li>▶ time the ride takes</li><li>▶ surge pricing (only for taxi)</li></ul></li><li>• Price determined by the client or platform company</li></ul> | <ul style="list-style-type: none"><li>• Taxi fares determined in the local municipality or States or regions<ul style="list-style-type: none"><li>▶ distance travelled</li><li>▶ there is a basic minimum fare</li></ul></li><li>• Delivery workers are paid based on their contractual agreement</li><li>• Based on the contract of the worker</li></ul> |

# ► How do workers fare in terms of earnings?



- Commission fees
  - Taxi: 15% - 44%
  - Freelance: 15% – 40%
- Bonus & Incentives
  - Taxi: 74% (India)
  - Delivery: 89% (India); 31% (China)
- Social protection benefits are quite low
- Reaching or exceeding certain number of rides

- Workers on microtask platforms earn 64% less compared to their counterparts performing similar work in the traditional sector



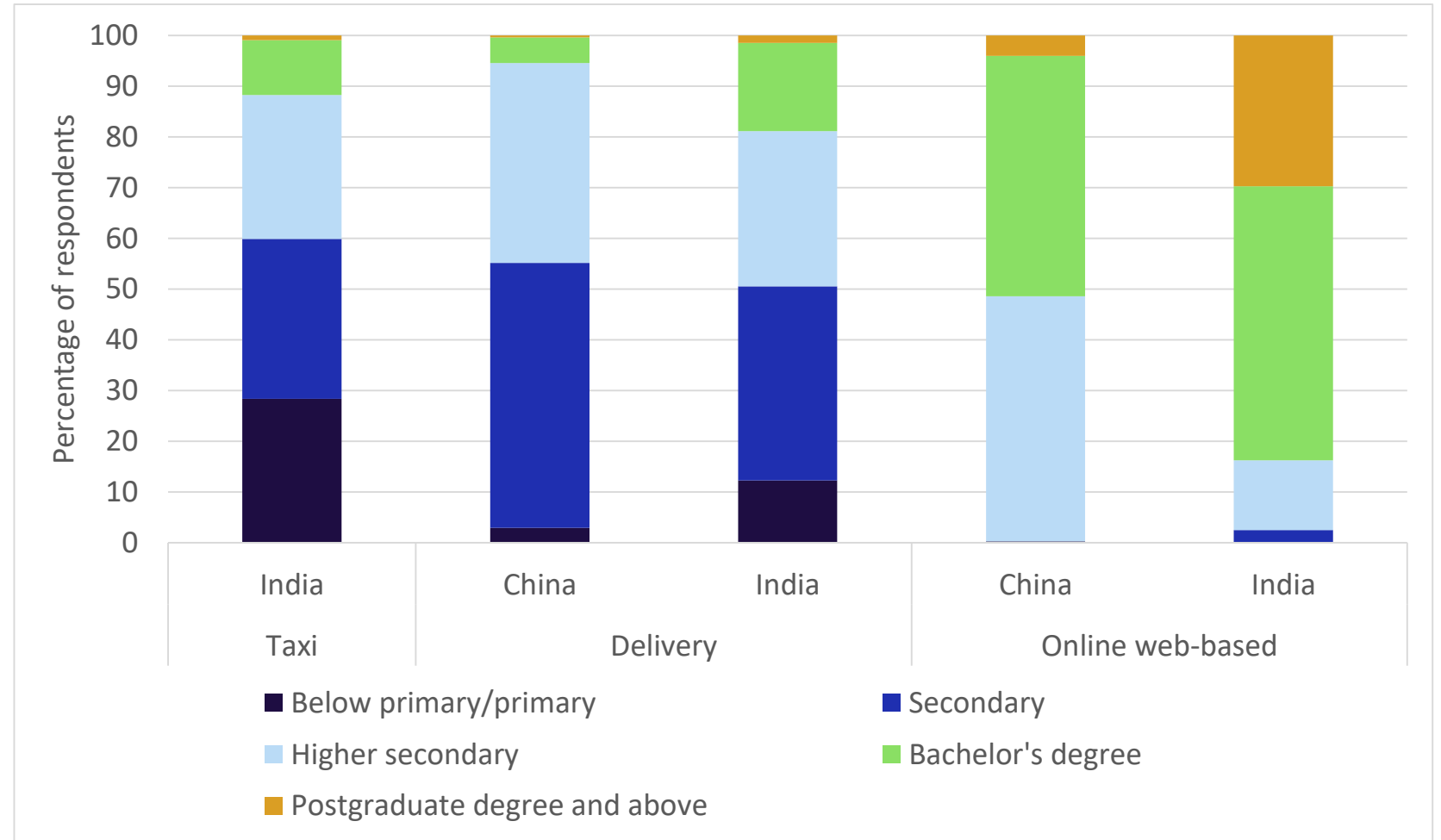


## ► Workers' performance management

| Indicators                                                                                          | Platforms                                                                                                                            | Traditional labour market |
|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| <b>Performance management</b>                                                                       |                                                                                                                                      |                           |
| Refusal or cancellation of rides or tasks                                                           | Face repercussions (access to work, ratings and account deactivation, payment of fine)<br>Taxi: 56% (India)<br>Delivery: 77% (India) | Not applicable            |
| Rejection of work                                                                                   | Online web-based platforms: 64%                                                                                                      | Not applicable            |
| Ratings                                                                                             | Decisive for accessing work<br>Taxi: 77% (India)<br>Delivery: 54% (India)<br>Online Freelance platforms: 83%                         | Not applicable            |
| Deactivation of accounts (lower ratings, non-acceptance of work, customer complaints, taking leave) | Taxi: 26% (India)<br>Delivery: 9% (India)                                                                                            | Not applicable            |
| Dispute resolution mechanism (Awareness)                                                            | Taxi: 93%<br>Delivery: 85%<br>Online Freelance platforms: 46%<br>Local, national or international jurisdictions???                   | Local jurisdictions       |

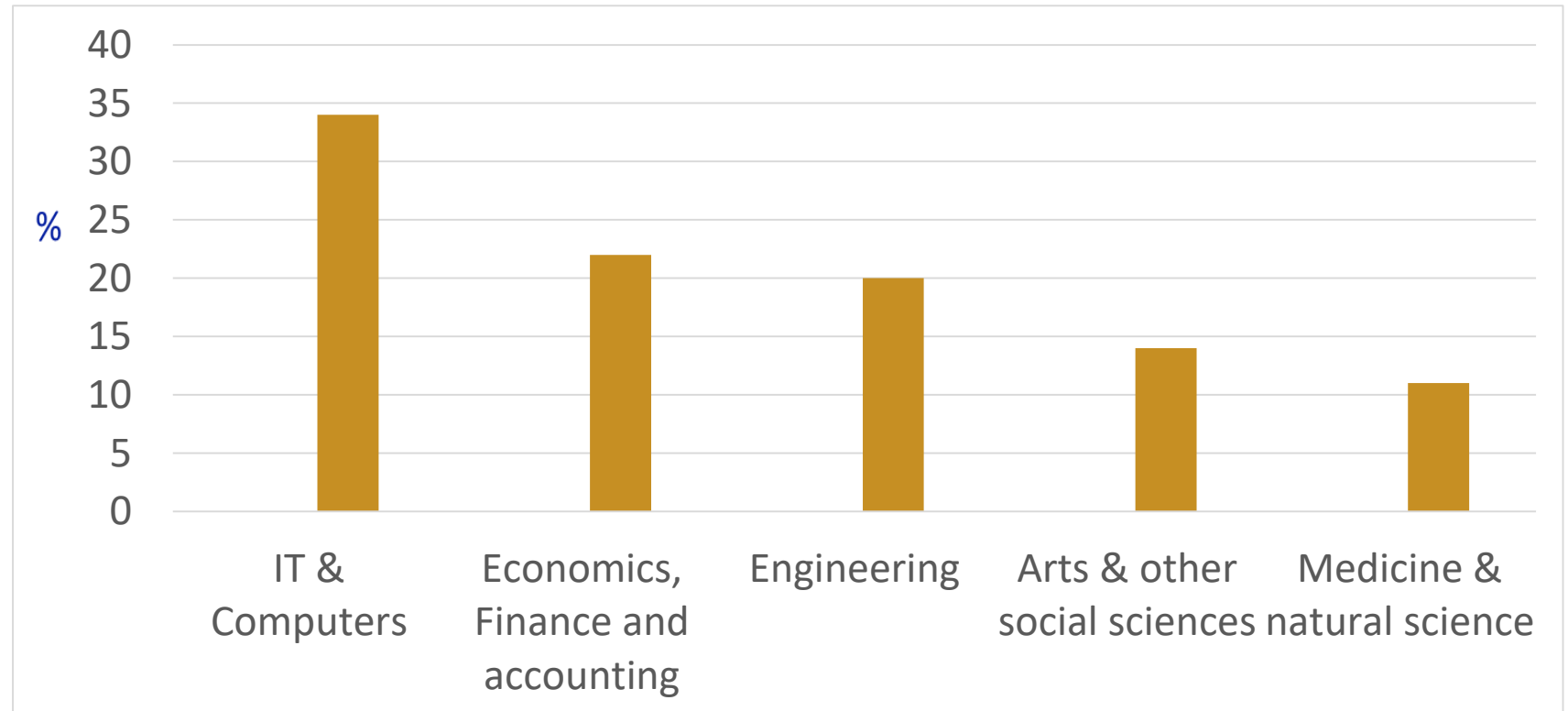
## ► Platform workers are highly educated in BRICS countries...

- Traditionally, low-skilled activities (taxi and delivery) with low levels of education
- Workers in these sectors have higher education compared to those in traditional sector
- Highly educated workers performing tasks on online web-based platforms



## ► Field of study of highly educated workers on online web-based platforms

- Underutilization of skills
- Workers with higher education not necessarily finding work which is commensurate with their skills (microtask platforms)
- Workers performing tasks on freelance platforms often have more skills than required





## ► Diverse practices of regulation for platform workers across the world



## ► A way forward through international policy dialogue and coordination

- Employment status
- Right to bargain collectively
- Adequate social security benefits
- Dispute resolution mechanism
- Fair termination process
- Fair payments and working time standards
- Non-discrimination
- Occupational safety and health
- Transparency and accountability in algorithms and ratings
- Access to local jurisdictions
- Data protection
- Portability of worker data and ratings
- Enabling environment for sustainable enterprises

