

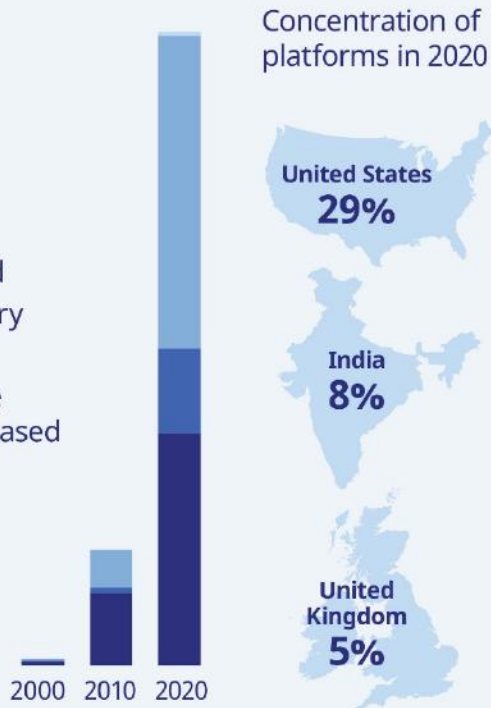
# ► World Employment and Social Outlook 2021

The role of digital labour  
platforms in transforming  
the world of work



## ► Rapid growth of platforms...

**5x** rise  
since 2010



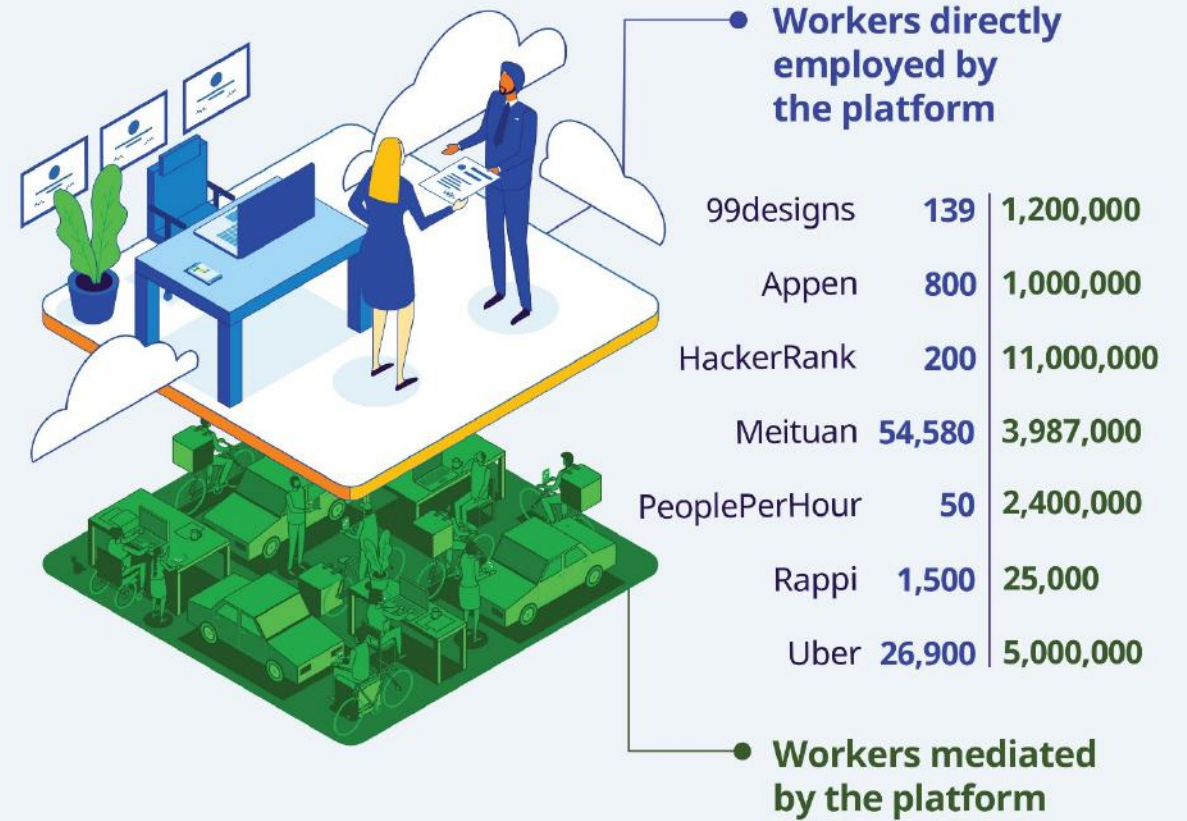
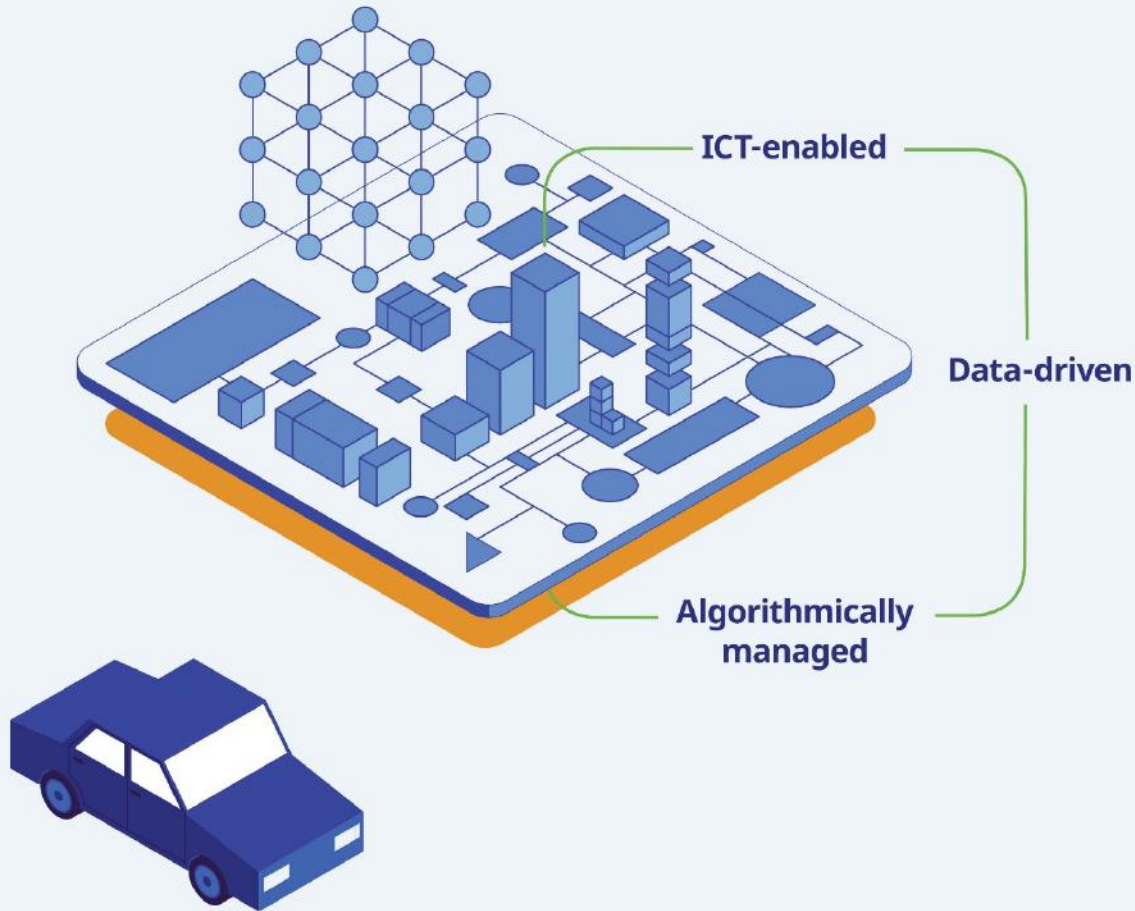
► Exponential growth in the number of platforms

## ► Rise of the digital labour platforms

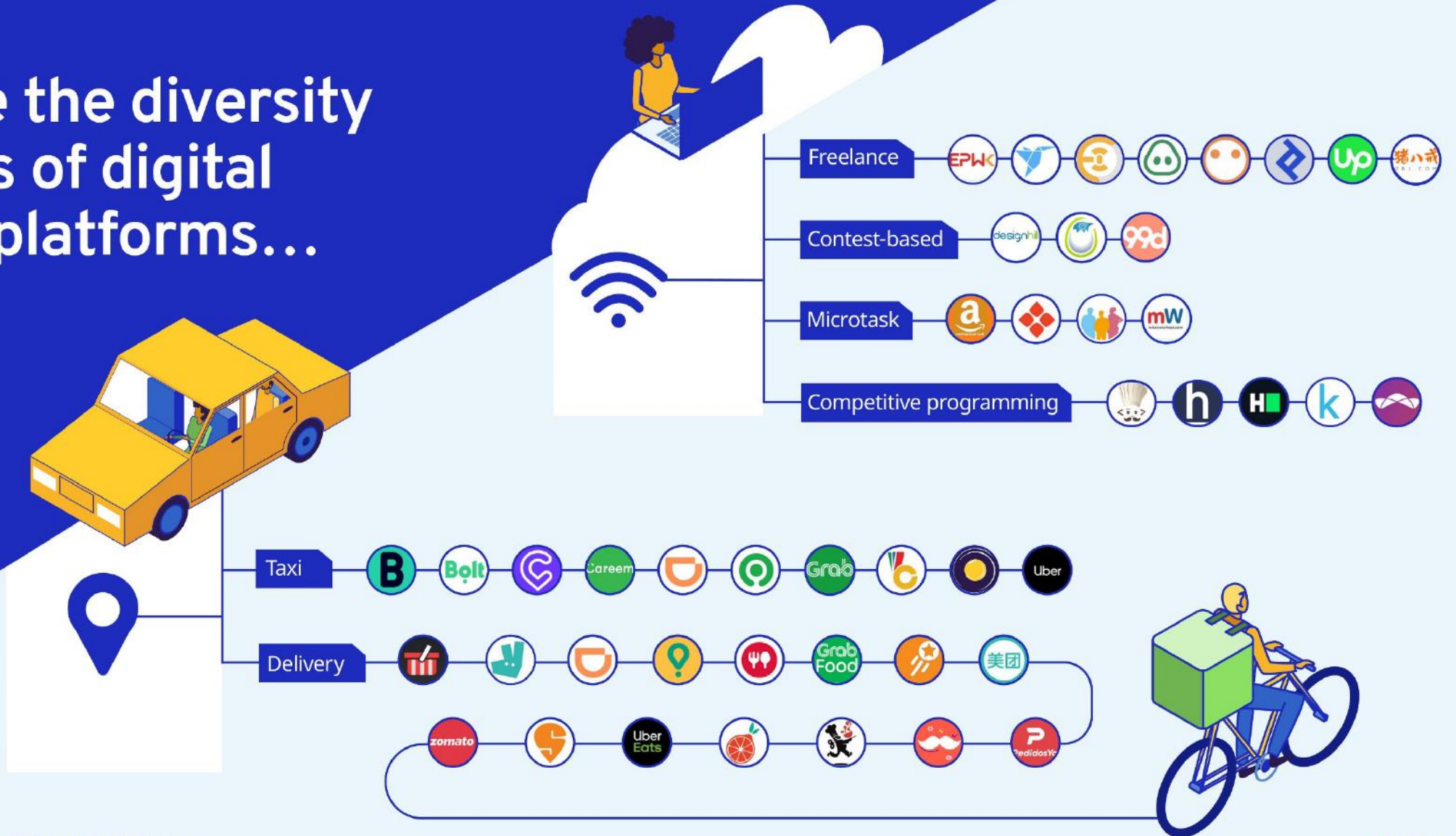
- Cloud computing and infrastructure
- Use of big data and algorithms
- Availability of venture capital funds
- Innovative ways of working, and flexibility for both workers and businesses
- Increasing relevance with COVID-19 pandemic



## ► Features of platform business model



# ► Despite the diversity in types of digital labour platforms...





# ► ... 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
- ▶ Taxi and delivery sectors

**Representatives of:**

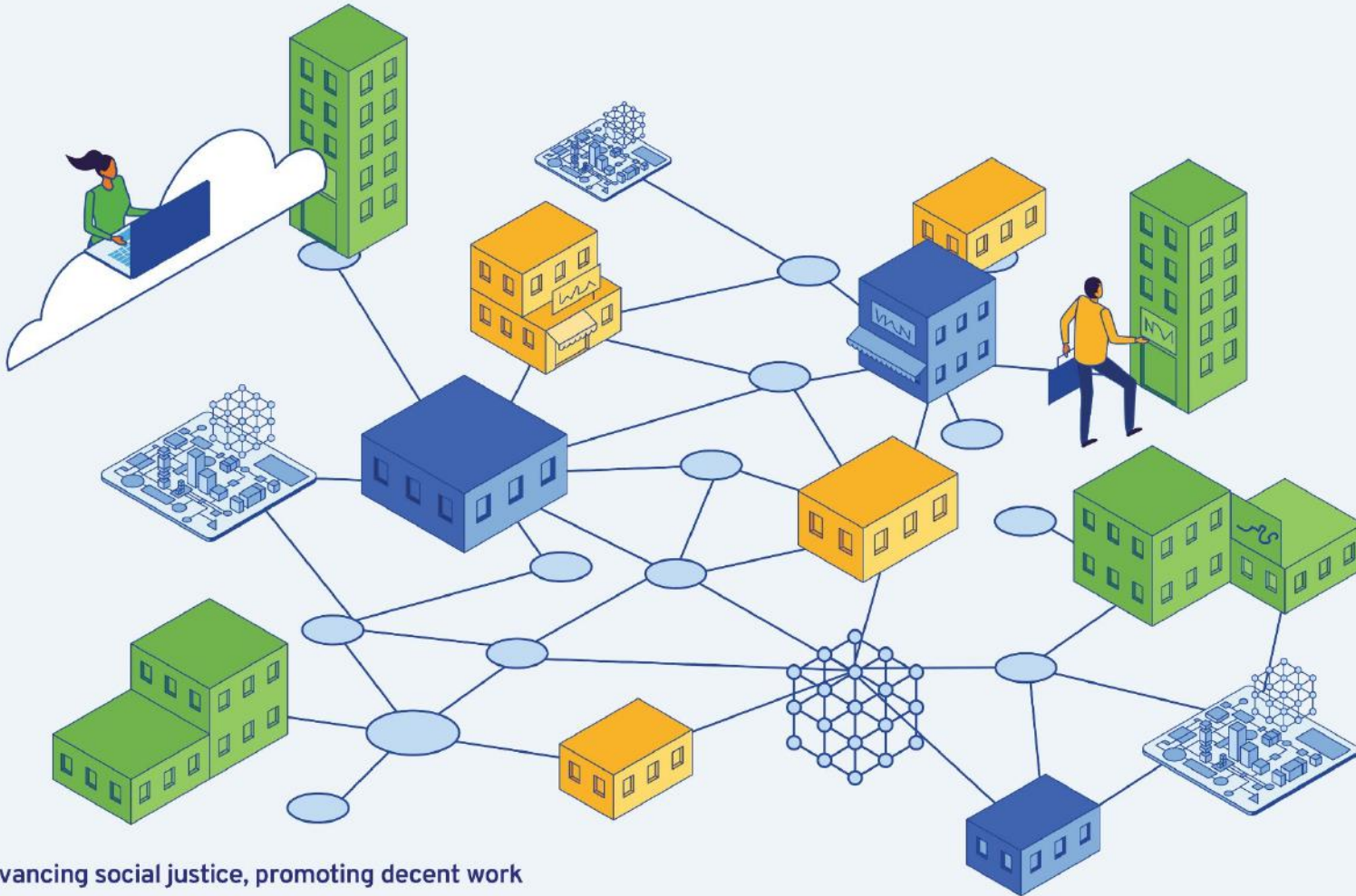
**70** businesses of different types

**16** platform companies

**14** platform worker associations



# ► From start-ups to Fortune 500 companies, many businesses are using digital labour platforms



## ► Businesses use online web-based platforms

- Recruitment
- Accessing knowledge for innovation
- Cost reduction and efficiency

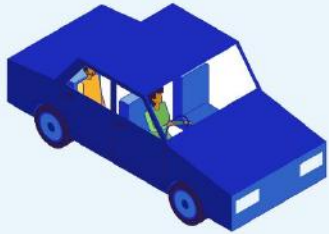
## ► Opportunities for business process outsourcing companies and start-ups

- Transformation and expansion of BPO companies
- Proliferation of AI start-ups

## ► Businesses and consumers use location-based platforms

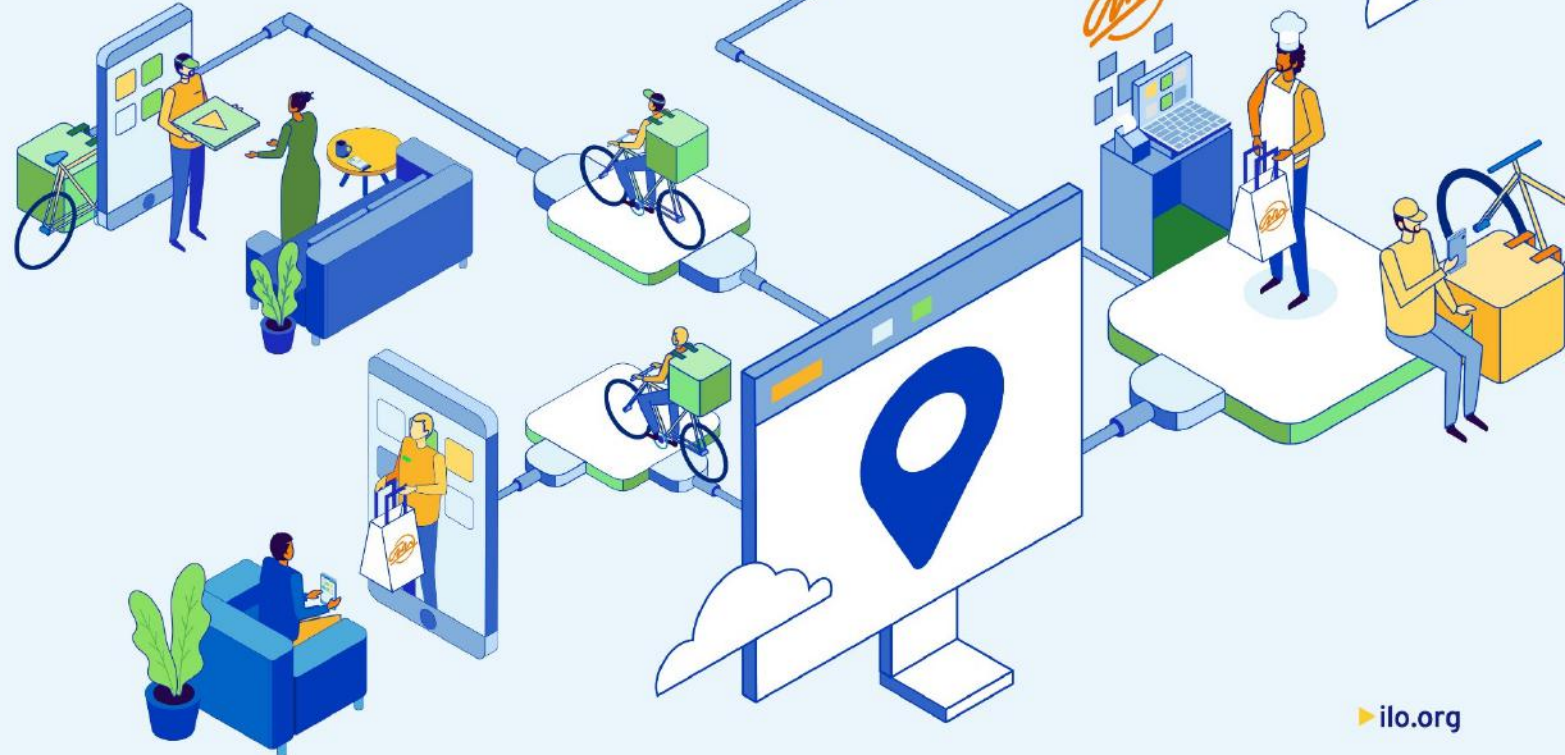
### Taxi sector

- Safety
- Convenience
- Competitive price



### Delivery sector

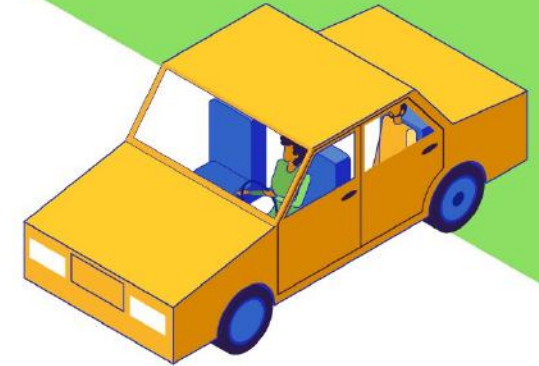
- Improved visibility
- Enhanced productivity
- Increased demand
- Expansion of customer base





## ► Who are the platform workers?

- Majority are below the age of 35 years
- Often highly educated, particularly in developing countries
- Mostly men, but women are also finding work on platforms
- Women comprise:
  - 4 in 10** workers on online web-based platforms
  - 1 in 10** workers on location-based platforms
- Opportunities also for persons with disabilities and migrant workers
- Classified as independent contractors or partners or self-employed



## ► What motivates workers to perform tasks on platforms?

- Complementing pay and flexibility (freelance and microtask)
- Improving skills and career opportunities (competitive programming)
- Lack of alternative employment opportunities, work flexibility and better pay (taxi and delivery)
- For many women (developing and developed countries): work from home or work flexibility is an important motivating factor





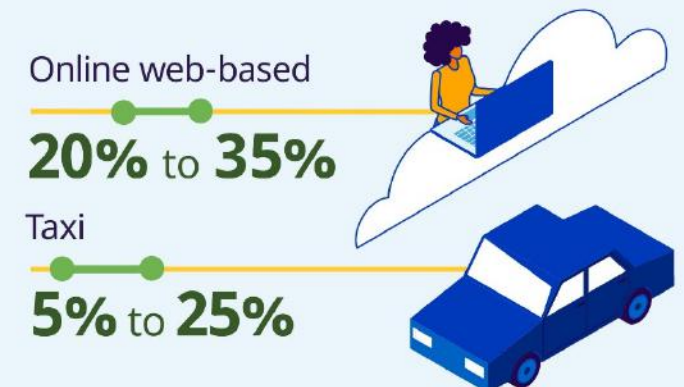
## ► Earnings vary across countries and types of platforms

- Most workers earn less than the average on online platforms (US\$3.4)
- Location-based platform workers earn more than their traditional counterparts in the taxi and delivery sectors
- Differences can be observed between countries and gender:
  - **Workers in developing countries tend to earn less than those in developed countries on freelance platforms (60 per cent less)**
  - **A significant gender pay gap can be observed on some platforms at the country level, while the findings are quite mixed globally**
- Commission fees have a major impact on incomes

### Hourly earnings



### Commission fees



## ► Poor social protection coverage...

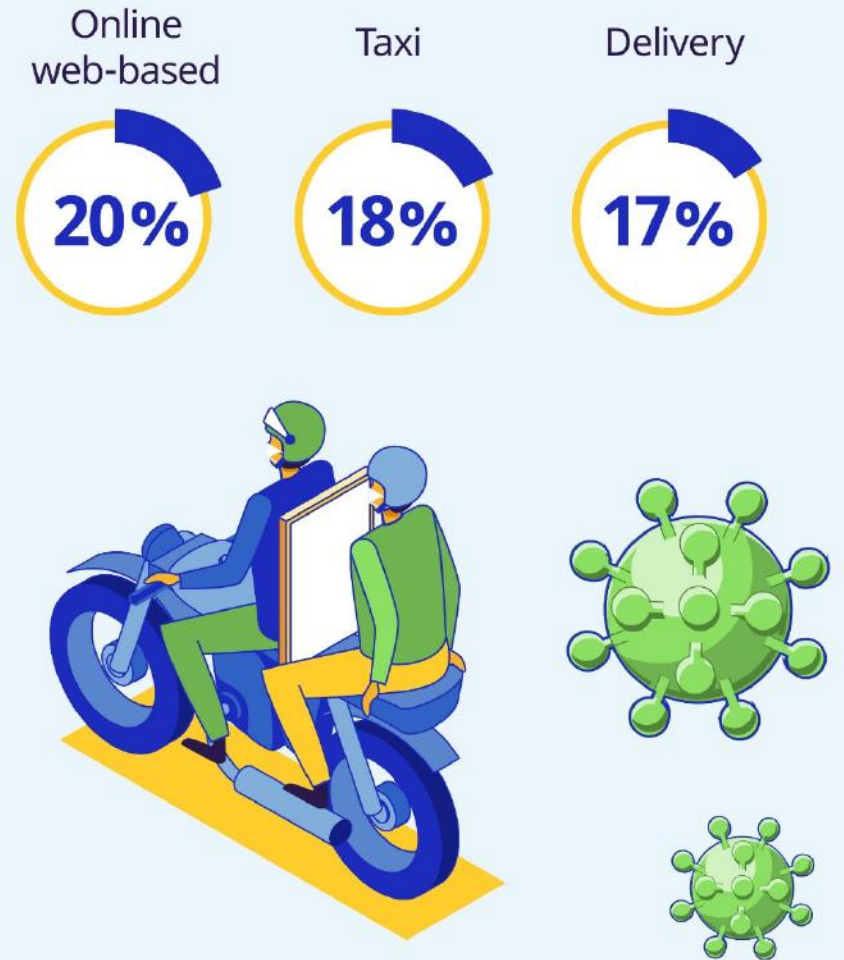
- Majority of workers on digital labour platforms are lacking social protection coverage
- Large gaps in health insurance; work-related injury provision; unemployment and disability insurance; and old-age pension or retirement benefits

### ...leaving platform workers at risk from COVID-19

- On location-based platforms, **7 out of 10 workers** indicated not being able to take paid sick leave, or to receive compensation, in the event they were to test positive for the virus



## Social protection (access to pension)







## ► COVID-19 has impacted availability of work and incomes

### Online web-based platforms

- Supply has been rising faster than demand

### Location-based platforms

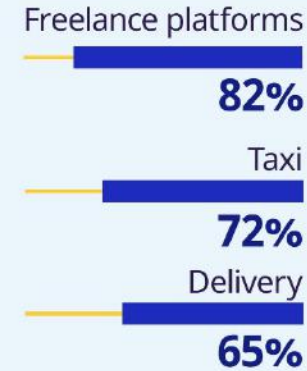
- Many workers had to take a break from working
- **9 out of 10 taxi drivers** and **7 out of 10 delivery workers** reported a decline in demand
- For **90 %** of taxi drivers and over **70 %** of delivery workers COVID-19 had consequences for the financial situation of their household

## ▶ Algorithmic management is defining the everyday experiences of workers

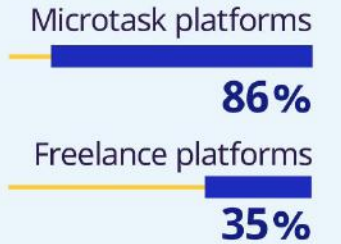
- ▶ Ratings and reputation are decisive for accessing work
- ▶ Rejection of work and low ratings are common
- ▶ Unable to refuse or cancel work without negative impacts
- ▶ Some workers face account deactivation
- ▶ Many are unaware of formal process for filing a complaint or seeking help
- ▶ Monitoring of work processes and tracking of workers



**Workers' ratings are decisive for accessing work**



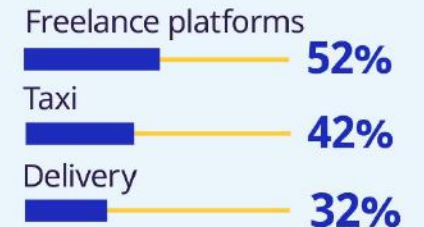
**Workers whose work was rejected**



**Workers whose account was deactivated**



**Lack of awareness of a dispute resolution mechanism**



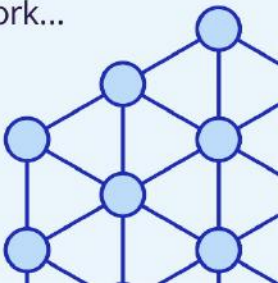
**Workers on freelance platforms**

**47%** are monitored by their clients for hours **worked...**

**46%** are required to take screenshots of their work...

**43%** are required to be available during a specific time...

▶ **on a regular basis**





## ► 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

