

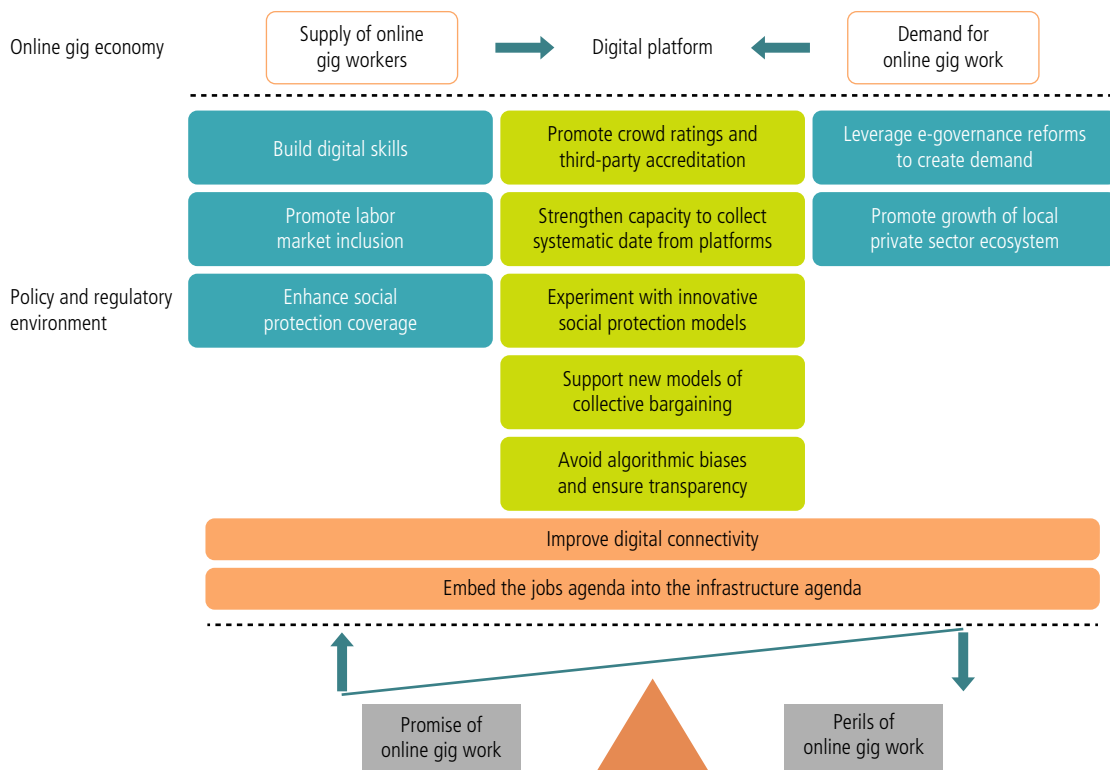
# CHAPTER 8

## What Can We Do?

### Policy Recommendations

**Online gig work is a rapidly increasing new form of work that poses tough challenges and trade-offs for policy makers.** On the upside, it brings opportunities for income generation, especially in developing countries, where most people work in low-productivity, low-quality, often informal jobs. Gig work provides locational and temporal flexibility for vulnerable groups such as women, youth, migrants, and people with disabilities. These jobs could be a stepping stone to better-quality jobs for young or low-skilled workers by helping them learn critical digital skills and close the digital divide. Such jobs also enable companies to flexibly adjust their workforce in response to changes in market demand, to increase their productivity, and to grow their businesses. For policy makers, online platforms could provide entry points to reach informal and self-employed workers, who often remain invisible to expanded government protection programs. On the downside, gig jobs offer little to no protection for workers, who often face uncertainty in income streams and no clear career progression pathways. Gig workers are not protected by labor regulations against unfair practices or abuse or injuries at work. There is no recourse or membership in collective networks. In addition, gig work raises challenges for regulation of data security, privacy, antitrust, and the like. Moreover, there are no clear models for regulation that seem to fit the developing country context.

**How can policy makers balance the promise and peril of gig work?** Finding that balance, especially in low-capacity job-scarce environments, isn't straightforward and might need to be *incremental* and *experimental*. Testing and calibrating according to context will be important. Besides, "perfect" regulation might simply remain perfect on paper, given the low levels of implementation of labor laws in some countries. The following recommendations are suggestions on ways to maximize the upside and to address risks or the downside of online gig work. They take into consideration various stakeholders in the gig ecosystem, from both the supply and the demand sides, as well as the operation of digital platforms (Figure 8.1).

**FIGURE 8.1: Policy recommendations to reap the benefits and avoid the risks of online gig work**

Source: Study team.

## 8.1 BUILD DIGITAL SKILLS WHILE SUPPORTING PEOPLE IN EARNING ADDITIONAL INCOME

**Governments can use the potential of online gig work to build human capital and develop digital skills, while also providing opportunities for individuals to supplement household income.** Our study has found that people are turning to gig work for a variety of reasons, including income generation during difficult transitions such as job loss (making it a form of unemployment insurance) or combining work with other demands on their time, like school or childcare responsibilities. Vulnerable groups with mobility constraints use gig work because of the flexibility it offers in location or because they can tap into work opportunities in other regions or countries when local jobs aren't available. Populations living in poverty often forgo training opportunities because of the need to work and earn a livelihood. Gig work addresses that barrier and enables people to learn while earning an income. For example, the eRezeki program in Malaysia worked especially with the bottom 40 percent of the population in income and supported them as they accessed microwork and freelancing income opportunities. Therefore, policy makers should use this new form of flexible work to increase access to a wider variety of income-earning opportunities for a wider variety of people, especially the disadvantaged, so that they can also build critical digital skills in the process.

**Digital public works boost demand for online gig workers and offer promising opportunities for short-term income generation to low-income populations, as well as the chance to build digital skills.** The additional benefits of digital public works are that they build digital government architecture and assets and promote transparency, efficiency, and good governance. (See the case study on a Kenya pilot in chapter 7).

## 8.2 USE ONLINE GIG JOBS AS A SHORT-TERM INSTRUMENT TO PROMOTE LABOR MARKET INCLUSION

**Gig jobs could be used as one of several instruments to promote female labor force participation**, especially in areas where mobility is a constraint—for example, in conflict-affected situations. An example is the World Bank’s Click-On Kaduna operation in Nigeria, which trained women in a fragile region to use gig work to earn income. To ensure a higher degree of gender inclusion, policy makers need to create targeted training programs that combine training in technical digital skills with practical on-the-job skills such as negotiation, bidding, and managing client interactions. Our study found that while digital skills are a must, they alone aren’t enough to access the increasingly online world of work. For women, we found that mentoring, confidence building, and exposure to successful role models are especially effective. Interviews with female freelancers in Khyber Pakhtunkhwa (Pakistan) show that with the right programs, women not only became successful freelancers but also went on to become digital entrepreneurs who in turn trained additional women to do gig work.

**Spatial inclusion is another policy goal to promote more equitable regional development of smaller cities, towns, and villages.** Investments in digital infrastructure and last-mile connectivity could bring new types of job opportunities to secondary towns and rural areas. One of the advantages of online gig work is that it is not location dependent, which means that people living in smaller cities and towns can participate in the gig economy as easily as those in larger cities. This is particularly relevant to workers in smaller towns, where the lack of good-quality local jobs forces residents to migrate to capital cities or other countries. Our global survey shows that more than half of online gig workers live in smaller cities, which suggests that expanding online gig work opportunities is one approach to narrowing the employment and earning gaps between larger cities and smaller towns or rural areas, at least in the short term. Policy makers could consider investments in digital infrastructure to connect government buildings and other public buildings such as schools, libraries, clinics, and job and community centers and expand programs to offer free internet access in those places. Reliable access to electricity is necessary, because powering digital devices is often another impediment. Exploring possible partnerships with large tech companies is another option. For example, World Bank’s Digital Jobs for Khyber Pakhtunkhwa (Pakistan) developed a partnership with Jazz, Pakistan’s largest private sector telecommunications company, to support the provincial government in improving internet connectivity (see chapter 7 for details).

## 8.3 INVEST IN DIGITAL INFRASTRUCTURE AND ACCESS TO DEVICES

**Access to digital infrastructure is a must.** Affordable access to digital information and communication technologies (ICTs) (internet, mobile phones, mobile money, and so on) for all citizens, including disadvantaged groups such as youth and women, is crucial and urgent. This can be done through policies that reduce the cost of internet and bring broadband connectivity to rural areas, poor neighborhoods, and groups in need. A potential gig worker requires access to three key things: a reliable internet connection (mobile or fixed broadband), an internet-enabled device (smartphone, tablet, or computer), and a reliable energy source (electricity). The availability of high-speed, reliable, and affordable internet across rural and urban areas vastly expands opportunities for individuals to engage in online work. From a jobs perspective, digital access is vital.

**In addition, digital devices such as laptops, smartphones, and tablets can open new opportunities for work.** Access to a desktop is especially essential for freelancers. The share of online gig workers who responded to our surveys from desktop computers is 10 percentage points higher than that for non-gig workers. Our global and platform-based surveys also revealed that one of the

most highly sought-after benefits from platforms is access to loans for purchasing digital devices. Governments could consider lower tariffs and taxes on computers, direct cash subsidies or vouchers to low-income families or students, and partnerships with large tech firms. In the short to medium term, policy makers could identify existing public resources or venues such as public universities and government-owned telecenters to maximize the use of existing infrastructure, help lower the entry barriers for the least-privileged people, and support access to online work. See chapter 7 for examples, such as eRezeki in Malaysia and the Ajira Digital Program in Kenya.

## 8.4 EMBED THE JOBS AGENDA IN THE INFRASTRUCTURE AGENDA

**Programs to promote jobs should not be an afterthought but should go hand in hand with infrastructure programs.** While access to infrastructure and digital connectivity is foundational, it is also vital that policy makers be intentional, right from the start, about integrating a jobs agenda into the digital infrastructure expansion agenda. For example, one component of the World Bank's Kosovo Digital Economy Project (KODE), which aims to expand high-speed broadband coverage in remote areas, is designed exclusively to support the training of young people, especially women, to access new online gig work opportunities.<sup>219</sup> Integrating a jobs lens into digital infrastructure projects will maximize the economic impact on local livelihoods and create more job opportunities closer to home for vulnerable youth and others. There are several other types of jobs beyond online gigs that become possible when an area is connected to the internet—for example, cell phone repair and cybercafes. Such job promotion programs need to be designed along with the infrastructure investments. However, this obviously requires a Ministry of ICT to work closely with a Ministry of Labor, for example.

## 8.5 ENGAGE WITH PLATFORMS TO ENHANCE SOCIAL PROTECTION COVERAGE FOR INFORMAL WORKERS

**Wider coverage of all types of informal workers is the best way to protect gig workers without segmenting the labor market.** However, informal workers often remain unobservable and hard to reach for policy makers. Platforms would provide strategic entry points toward this objective. Several governments are beginning to work with digital platforms to promote coverage of informal workers in social security programs. Offering some level of organization to the otherwise unorganized sector, the digital platforms have the technological capacity to conduct massive outreach activities—even individually tailored framing and messaging—through automatic enrollment, payment reminders, and enabling small yet frequent contribution deductions. Innovative partnership models with platforms could help create win-win solutions. Policy makers should find innovative ways of partnering with platforms to provide support and training for persons from vulnerable and disadvantaged backgrounds. For example, the state government of Selangor in Malaysia collaborated with Workana, an online gig jobs platform, on the Selangor Freelance Initiative, which provides better job opportunities to residents. Workana provides training of independent freelancers that includes soft skills like client and project management. Participants receive a cash incentive for training and a profile on the platform, as well as a “free” five-star rating on a project to kick-start

<sup>219</sup> KODE project achievements include the following: (a) connection of 201 villages to high-speed broadband infrastructure, representing 4,376 households (around 24,000 people), (b) bringing the national average broadband penetration to 99.8 percent, the highest in Europe; (c) establishment of the Kosovo Research and Education Network (KREN) and connection of Kosovo to the pan-European network of universities (GÉANT); (d) connection of universities in Kosovo to KREN and provision of innovative, cost-effective, and reliable services; (e) and the launch of the Youth Online and Upward (YOU) Program, which will train 2,000 young people in high-demand advanced digital skills (trainings have already been completed by 400 beneficiaries in seven regions of Kosovo).

their gig careers on the platform. From the platform perspective, this helps promote a cadre of skilled freelancers that helps attract more clients to their platform. The workers, in turn, onboard to the platforms. From a policy perspective, it provides a practical way to build human capital while also supporting vulnerable populations to earn additional income. Another way in which governments can partner with platforms is to use platforms to reach workers and connect them to national social protection registries and other databases. The e-Shram portal in India is an example of how self-employed workers can be included in a comprehensive national database to facilitate last-mile delivery of social protection programs for unorganized workers. Informal workers often remain invisible to governments, and platform workers could be a more easily reached category of informal self-employed workers (see chapter 6 for details). By requiring mobile payments and identity information, platforms could be important partners for policy makers to increase uptake of government social insurance plans, for example.

## 8.6 EXPERIMENT WITH INNOVATIVE SOCIAL INSURANCE MODELS

**Countries should experiment with various pilots and methods to establish effective social protection and insurance for online gig workers.** Online gig work is a relatively new and rapidly growing segment of the workforce, and traditional labor protections have not kept pace with the changing nature of work. As a result, gig workers are often without adequate social protections such as health insurance, sick leave, or retirement benefits, leaving them vulnerable to economic shocks and personal emergencies. Moreover, online gig jobs are often project based and exhibit more income volatility than traditional jobs over time. Building consensus for an international governance system to ensure minimum rights and social protection for platform work might take years. Therefore, experimenting with different pilots and methods depending on the local context is highly relevant. Ongoing pilots and interventions initiated by governments and platforms and their collaboration should continue and be encouraged. More specifically, government should establish social protection floors to ensure that platform workers are protected in the event of covariate and idiosyncratic shocks; expand social registries in partnership with gig work platforms to facilitate gig worker access to social programs for which they are eligible; facilitate the accreditation of gig workers and create a regulatory sandbox to test how behavioral tools that promote pension savings can be successfully deployed at scale; and supplement social protection programming with digital public works interventions that leverage digital platforms on a pilot basis, given the nascent nature of digital public works. Also, government should explore partnering with private insurers to offer benefits to freelancers or to link gig workers to existing, publicly provided social security programs. Southeast Asia's ride-hailing platform Grab and insurance provider NTUC Income partnered to establish a micro-insurance product for driver-partners to facilitate affordable critical illness protection featuring a flexible, pay-per-trip micropremium and accumulative coverage. Participation in the retirement savings plan, however, is still entirely voluntary. A simple choice experiment suggests that subsidization (in the form of either matching contributions or a direct contribution subsidy) and allowing more frequent payment of contributions in smaller amounts would make retirement programs more appealing to gig workers and to informal workers in general.

## 8.7 USE E-GOVERNANCE REFORMS TO CREATE NEW DIGITAL WORK OPPORTUNITIES

**Governments can also drive demand for online gig work as they implement e-governance and digital reforms for various sectors.** There is a broad push for transparency and e-governance in quite a few countries. As a result, many governments are digitizing records and putting them online, as they move toward e-governance. Ways in which governments can drive demand include

programs to digitize archives, public records, and court files and to transcribe public health information and government services, all of which require digitally trained workers. There are also growing opportunities for telehealth for public hospitals, transcription of public health information and government communications, and digital cultural preservation. For example, the KEPISA pilot in Kenya, which focuses on digitization and transcription of court records, generated domestic demand for local online gig workers. The project group estimated that if all government departments were to digitize, that would contribute about 40 percent of the total demand for digital work in Kenya. Such big government contracts can create substantial demand for online gig workers and small regional platforms.

## 8.8 PROMOTE GROWTH OF THE LOCAL PRIVATE SECTOR ECOSYSTEM

**Online gig workers are a crucial source of talent for micro, small, and medium enterprises (MSMEs) and start-ups** and hence play an important role in the formation of a private sector development agenda. Our study finds that start-ups and smaller companies often turn to gig workers for cost-effective talent that they may otherwise have difficulty finding. However, most regional and local platforms struggle to establish themselves as a profitable business. This aspect needs attention from development organizations that work to promote entrepreneurship, start-up ecosystems, and firm growth, which are vital for the creation of good jobs in an economy. Local gig work platforms could be allies in developing an ecosystem for the local private sector, which includes firms that list access to a skilled workforce as a hindrance to their growth. Programs need to work on increasing the capacity of local MSMEs and start-ups to encourage them to use digital tools for productivity, improve quality, and overcome constraints in accessing skilled talent, for example, through online work platforms (see chapter 5 for details).

## 8.9 PROMOTE CROWD RATINGS AND THIRD-PARTY ACCREDITATION

**Applying the very mechanism of ratings used by platforms (to rate workers) to platforms themselves** could be an effective way to incentivize platforms to protect workers. Third-party monitoring and ratings could be used to align platform incentives with those of workers and policy makers. An example of this is the work being done by Fairwork Foundation that rates platforms on principles like the extent to which a platform ensures fairness in pay, fair working conditions, representation, and so on. Including worker-friendly policies to gain higher ratings may create the right incentives for a platform, as it attempts to appear attractive to both new gig workers and to new clients, who may also seek to address reputational risks involved in using a gig workforce. Another example of crowd rating is Turkopticon, a website and browser plug-in that enables Amazon Mechanical Turk workers to submit information on clients, rate clients, and check a client's record before accepting a task. These mechanisms use reputational ratings as a sort of regulatory instrument to incentivize good practices (see chapter 6 for details).

## 8.10 SUPPORT NEW MODELS OF COLLECTIVE BARGAINING

**New forms of collective bargaining would be needed** to support this new distributed model of work and to address worker protection. Traditional forms of collective bargaining are ineffective for online gig work since the workers, platforms, and clients are spread across the globe. This is another issue for which innovative models that keep pace with new forms of digitally enabled work need to be explored. A unique feature of some recent structures of collectivization is the leveraging of technology to scale access and impact. Self-initiated groups on Facebook, Reddit, WeChat, or

WhatsApp are bringing gig workers—including those working on location and online—together from across the world.

### 8.11 ADDRESS RISKS AND INCREASE TRANSPARENCY

**Although our report does not examine these important issues, avoiding algorithmic biases and ensuring transparency in the operation of online gig work platforms are essential to achieve efficiency and equity.** Online gig platforms collect data from gig workers and employers and use algorithms to assign tasks. Governments need to establish data safeguard standards and to ensure transparency in how platforms use data to match tasks in order to address discrimination embedded in algorithms, such as geofencing. Moreover, there should be documented due process for decisions affecting workers. Gig workers must be able to appeal decisions affecting them and be informed of the reasons behind those decisions. However, there could be a risk for overregulation, so balancing the opportunity and the risk associated with such measures should be duly studied. Governments could consider supporting third-party monitoring to ensure worker protections.

### 8.12 STRENGTHEN CAPACITY TO COLLECT SYSTEMATIC DATA

**Gig work is challenging to regulate.** For governments to address any risks associated with this form of work, they need to first understand the size, scale, and scope of gig work before designing any regulation. But to understand the nature of gig work, governments need reliable data and the ability to track and monitor trends in real time, considering how rapidly these trends are changing. Labor force surveys need to adapt to and measure these new forms of work. Given the nonnegligible and increasing share of online gig workers, standard labor force surveys need to adapt the questionnaires and agree on standard ways to define this type of work and collect relevant labor market information about them. The International Labour Organization is leading global efforts toward standard definitions to supplement labor force surveys, which is an encouraging initiative. Moreover, governments should frame appropriate measures to enforce standards of data sharing by platforms. Online gig platforms record transactions that exhibit characteristics like those of the informal sector. This transactional data can be leveraged to monitor labor market conditions associated with contracts that were previously unrecorded and typically absent in the informal economy. International coordination would be needed for such standards to be effective.