Advisory service

The challenge

According to the International Labour Organization (ILO), the number of online labour platforms used to match supply and demand for location-specific services such as ride-hailing and care services or cloud work (including software development and proofreading) rose globally from 142 to 777 between 2010 and 2020. Compared with local offline labour markets, platform work offers millions of people in partner countries the opportunity to generate higher income under potentially better working conditions. However, labour platforms also present employees and governments with considerable challenges. For example, it is often those who would benefit most from such platforms – such as the rural population, people with impaired mobility and women – who have only limited access. At the same time, these labour platforms often exercise a strong, untransparent control over their workers, yet do little to protect them from exploitation and precarious working conditions and expose them to the risk of fictitious self-employment. These inadequacies are further exacerbated by the over-supply of platform workers relative to the demand for their services. The digital and frequently transnational nature of labour platforms also makes it more difficult for governments to collect taxes from platforms and implement minimum social and labour law standards.

Our approach

Our approach is geared towards the integrated approach to employment promotion of the German development cooperation. On the supply side, this includes current and future job seekers possessing the technical, social, and digital skills to meet the needs of the platform economy. Digital (learning) platforms can play an important role in providing training in this context. On the demand side, the focus is on the cooperation with online labour platforms, users of their services and civil society. For example, public assessments of working conditions can put work platforms and clients under pressure to improve these conditions and offer entry points for corresponding advisory services. The imbalance between supply and demand on labour platforms can, in turn, be addressed by advising more companies on the use of fair platform work and by such companies consequently using the platforms to outsource (more) tasks. This applies especially to high-skilled tasks. In terms of aligning supply with demand, persons in isolated labour markets or people with mobility restrictions – such as women in patriarchal cultures or people with disabilities – should be particularly sensitized for the opportunities and risks of platform work and – if they are interested – be introduced to it. Finally, a suitable strategic and legal framework must be created that helps realise the full potential of platform work, while at the same time ensuring that reliable labour and social standards are safeguarded for the workers themselves. Support for civil society structures such as trade unions (in consultation with political foundations) that advocate for such a framework to be put in place and complement it, plays a key role here.

Our services

We tailor our services in the area of platform work to our partners’ requirements. Therein, we have a focus on:

» Assessment of the needs of the platform economy and corresponding adaptation of the curricula of (vocational) education and corresponding training (vocational school) trainers and instructors

» (Participatory) assessment of the working conditions of-
ferred by the labour platforms; advice to platforms and their users on improving these conditions

» Support for the establishment of state- and community-based digital work and placement platforms in partner countries (see also our advisory service ‘Job Placement Services’)

» Advice to companies in industrialised and partner countries on the use of fair platform work

» Sensitization of jobseekers regarding the potentials and challenges of platform work, including information about basic labour rights and possibly also an introduction to fair platform work

» Advice to governments on incorporating labour platforms into development and employment strategies, on preparing and enforcing a legal framework for minimum social standards and basic labour rights on such platforms, and on their taxation

» Support for knowledge sharing among platforms, workers, trade unions, regulatory authorities and the scientific and academic community to agree on global principles for fair work in the platform economy

The benefits

Through its objective of using platform work to create not only more job prospects but also better and fairer job prospects in its partner countries, GIZ is honouring its long-term, global commitment in the (vocational) training and education, labour market, private sector development, and digitalisation sectors. Comprehensive experience in cooperation with the private sector underpins this commitment. Close dialogue with key actors in the labour market sector and the platform economy such as ILO, the Oxford Internet Institute (OII) or the JustJobs Network (JJN) enables GIZ to develop supra-regional and target group-oriented solutions.

An example from the field

On behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), GIZ supports the Oxford Internet Institute and the Berlin Social Science Center (WZB) in establishing and scaling up the activities of the Fairwork Foundation. The aim of Fairwork is to improve working conditions on digital platforms and make them more transparent. Through a global network of researchers, the project assesses and ranks platforms in more than 20 countries, based on five principles for fair work (fair pay, fair conditions, fair contracts, fair management, fair representation). As a result, the Fairwork Foundation provides platform workers with important information on selecting platforms. It also gives incentives for platforms to improve their working conditions and offers guidelines for regulators.