

September 2023

**JOBS**

## WORKING WITHOUT BORDERS: HOW THE ONLINE GIG ECONOMY IS TRANSFORMING THE NATURE OF WORK

Over the past decade, technology has fundamentally shifted traditional work patterns, creating new ways in which work is contracted, performed, managed, scheduled, and remunerated. Business models enabled by new technologies, such as digital platform firms, can foster job creation and bring economic opportunities to millions of people who do not live in industrial areas. Digital platforms are mediating new forms of work, known as online gig jobs, which match workers and clients for tasks that are performed fully online.

The recent World Bank report [“Working Without Borders: The Promise and Peril of Online Gig Work”](#) employs an innovative mix of data science methods, website traffic data, and surveys across 17 countries conducted in 12 languages. The study examines the size, scale, and patterns of online gig work in developing countries and provides recommendations for practitioners to design policies and operations to harness the potential of online gig work.

According to the report, online gig work is gaining prominence in the labor market. Currently, it accounts for up to 12% of the global labor force, with over 400 million workers. This new job modality has brought opportunities, especially for vulnerable populations, to smooth the transition into labor markets.

Online gig work provides vital work opportunities for youth, women, and workers in areas that lack local jobs. The report shows that most online gig workers are under 30 years old, drawn to gig work for income generation, skill acquisition, or the flexibility to combine it with education or other forms of employment. Moreover, online gig work contributes to closing the gender gap, as women in most regions participate more actively in the online gig economy compared to the general labor market, the services sector, or the informal sector. Women especially value the flexibility online gig

work provides that helps them overcome constraints they face in accessing the traditional labor market.

**Remarkably, nearly three-quarters of these platforms operate at the regional or local level.** They perform a crucial, albeit less recognized, role in local labor markets by lowering entry barriers and promoting local private sector development while enhancing inclusion, especially in non-English speaking countries. Surprisingly, six out of ten online gig workers reside in smaller towns and villages rather than major urban centers, highlighting an opportunity for policymakers to address regional job disparities in peri-urban areas that often lack sufficient local employment opportunities.

**However, these new opportunities also usher in fresh policy challenges.** Despite the promise online gig work holds, a large majority of workers lack comprehensive social protection. To address this challenge, governments can explore innovative partnership models with online gig platforms to enhance the visibility of informal workers and extend social protection coverage to encompass all informal workers, including those engaged in gig work. Novel models of collective bargaining are imperative to support workers engaged in nonstandard forms of work, and digital technology may provide innovative solutions to this end.



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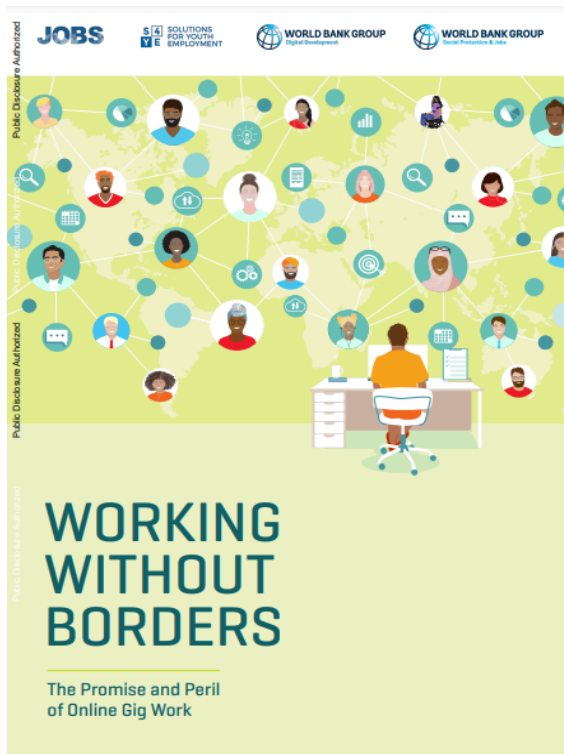


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FEATURED STUDIES IN THIS DIGEST



## Working Without Borders: The Promise and Peril of Online Gig Work

Datta et al. | Report | September 2023

- The **full report** is available on the [World Bank Open Knowledge Repository](#).
- The **Chapters** of the report can be downloaded as individual files.
- The **Overview**, containing the **key findings** of the report is available in several languages:

[Arabic](#)  
[Chinese](#)  
[English](#)  
[French](#)  
[Russian](#)  
[Spanish](#)

- The key findings are also available in a [video](#).

## World Employment and Social Outlook 2021: The Role of Digital Labour Platforms in Transforming the World of Work. Geneva: International Labour Office

ILO | Report | February 2021

The report offers a comprehensive picture of the experience of workers and businesses on online web-based and location-based platforms, drawing on surveys and interviews with some 12,000 workers and representatives of 85 businesses around the world, in multiple sectors. It also provides insights into the business model of digital labor platforms, examines regulatory responses around the globe, and presents a way forward to ensure that all platform work is decent work.

## How Many Online Workers Are There in the World? A Data-Driven Assessment

Kässi et al. | Working Paper  
 October 2021

The authors conduct a comprehensive analysis, leveraging data from multiple sources, to construct a data-driven assessment of the global population of online freelancers. Their findings suggest that while there has been a significant increase in registered online workers since 2015, highlighting the growth in the online freelancing sector globally, it remains distributed thinly across various countries and sectors.

## Fairwork Cloudwork Ratings 2023: Work in the Planetary Labour Market

Fairwork | Report | July 2023

The Fairwork Cloudwork Ratings 2023 assessed 15 web-based digital labor platforms based on five Fairwork principles: fair pay,

## Women in the Platform Economy: Emerging insights

Deshpande et al. | Report | May 2022

The study highlights that while women are more likely to approach platform work as a long-term income source and are open to

conditions, contracts, management, and representation. The report reveals that most platforms fall short of meeting basic standards of fair work. Microwork platforms, which support AI development, received some of the lowest scores, highlighting challenges and unfair working conditions for workers in this sector.

adopting financial services, platforms and financial service providers often overlook barriers preventing women from fully utilizing these opportunities. By understanding women's unique needs and preferences, there's potential to create more inclusive platforms and collaborations between platforms and financial service providers that benefit both parties.

## OTHER ESSENTIAL READINGS ON THE TOPIC

### **Digital Jobs for Youth: Young Women in the Digital Economy**

S4YE | Report | September 2018

Utilizing a newly developed digital job classification system, the report identifies factors driving demand in various categories of digital work. It highlights specific design elements and strategies that are beneficial in facilitating young women's participation in the digital economy and concludes by providing recommendations for shaping and executing gender-inclusive digital job programs for youth.

### **The Changing Nature of Work**

World Bank | Report  
2019

The rise of the digital platform firm means that technological effects reach more people faster than ever before. Digital technology is changing how people work and the terms on which they work. Even in advanced economies, short-term work, often found through online platforms, is posing similar challenges to those faced by the world's informal workers. The Report analyzes these changes and considers how governments can best respond.

### **Digital Labour Platforms in the EU: Mapping and Business Models**

Valet, Sauer & Tolsma | Research Article | July 2021

Digital Labor Platforms (DLPs) serve as intermediaries for a large range of services, including freelance work, contest-based tasks, microtasks, taxi and delivery services, as well as home and professional services. While DLPs that intermediate similar services often adopt comparable business models, there can be notable variations in working conditions, even within the same platform when comparing different countries.

### **Labor Market Change: New Forms of Employment: 2020 Update**

Eurofound | Report | December 2020

The report focuses on nine innovative employment forms within the 27 EU Member States, along with Norway, and the UK. It examines the policy frameworks of each country while also mapping the scale and scope of these new employments. The report concludes with some policy recommendations, taking into account the future of work that will be shaped by the twin transition to the digital age and a carbon-neutral economy.

## RECENT PAPERS ON THE BROADER JOBS' AGENDA

### Identifying Skills Needs in Vietnam: The Survey of Detailed Skills

Granata et al. | Working Paper  
September 2023

The paper introduces a new survey called the "Survey of Detailed Skills," designed to gather comprehensive and specific information about required skills and tasks for various occupations in Vietnam. The survey categorizes skills into various groups, such as socioemotional, digital, routine, and interpersonal skills, providing clarity for respondents and offering interpretable measures of skill and task importance.

### Understanding Urban Informality in Iraq: Findings from the Informal Sector Enterprise Survey

Moosa et al. | Report | May 2023

The report underscores the crucial role played by Iraq's informal sector in its employment landscape. It concludes by recommending a comprehensive "Protect – Promote – Enforce" framework for informal sector policies and initiatives. This framework encompasses social assistance, skills enhancement, improved financial access, business environment reforms, and a phased enforcement strategy that primarily focuses on higher-income informal businesses.

### A Growing Crisis: Work, Workers, and Wellbeing in Myanmar

World Bank | Report | May 2023

The report evaluates the effects of internal and external shocks on Myanmar's economy and workforce since 2020, comparing employment data from 2017 and 2022. It highlights substantial challenges for workers, especially women, who have seen reduced employment opportunities. Job quality and wages have declined, with a growing prevalence of casual and self-employment.

### Togo Jobs Diagnostic: Confronting Challenges and Creating Opportunities for More Good Quality Jobs for All

Karlen & Rother | Report | August 2023

The report utilizes a data-driven, multisectoral approach to comprehensively assess Togo's employment challenges, trends, drivers of economic transformation, sources of job creation, productivity enhancement, and constraints on labor market outcomes, including issues related to skills mismatches and supply-side limitations.

### New Technologies and Jobs in Europe

Albanesi et al. | Working Paper  
July 2023

The study analyzes the relationship between labor market developments and new technologies, such as artificial intelligence (AI) and software, in 16 European countries from 2011 to 2019. The research reveals that, on average, employment shares increased in

### Generative AI and Jobs: A Global Analysis of Potential Effects on Job Quantity and Quality

ILO | Report | August 2023

The study examines the potential global exposure of occupations to Generative AI, with a focus on GPT-4, and suggests that the technology's primary effect will be augmentation rather than automation of jobs. It

occupations more exposed to AI, especially those with a higher proportion of younger and skilled workers, aligning with the Skill Biased Technological Change theory.

emphasizes that high and upper-middle income countries, particularly those with a significant share of clerical occupations, will experience the most substantial impact emphasizing the gendered aspects and the necessity for proactive policies that prioritize job quality, equitable transitions, and effective regulation through dialogue and collaboration.

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This newsletter is a joint product of the Jobs Group and the Labor & Skills Global Solutions Group of Social Protection & Jobs Global Practice. For more information kindly contact Kevwe Pela (kpela@worldbank.org).

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