

# TOWARDS A SUSTAINABLE PLATFORM WORK

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Philippine Institute for Development Studies  
*Surian sa mga Pag-aaral Pangkaunlaran ng Pilipinas*

# KEY MESSAGE 1: *Recent developments have changed how we live and work.*

**ADVANCEMENTS in ICT,**  
**DIGITECH:** Telemigration or virtual migration

Predates way back in 1980s when companies have started offshore outsourcing to take advantage of talents in low-cost nations (e.g. BPO)

Increase in the exports of services (Baldwin, 2019b)

Offshore outsourcing evolved into work arrangements mediated by **digital platforms.**

- \*Bring together markets
- \*Firms: access to a pool of diverse and geographically dispersed human resources.
- \*Individuals: access to economic opportunities that are not available in the local labor market.

# KEY MESSAGE 1: *Recent developments have changed how we live and work.*

## COVID-19 PANDEMIC

Reshapes consumption habits-significant impacts on employment in MSMEs and services sectors

Accelerates the digitization of work as companies implement WFH schemes

Adoption of telecommuting and virtual collaboration as a new normal **will blur the line that separates online and offline work.**

\*Firms adjust their operations to losses

\*Workers calibrate their preferences and evaluate their attitudes towards risk.

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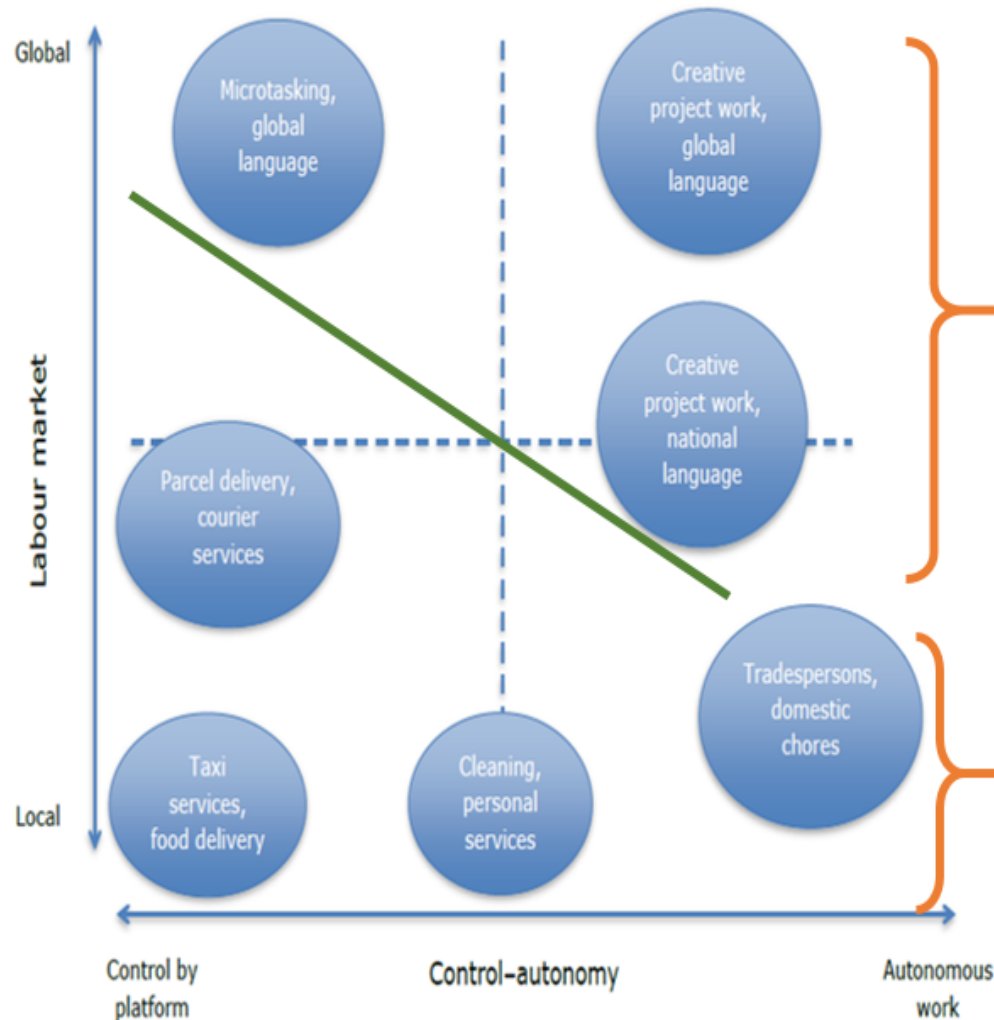
Platforms facilitate the demand and supply of at least three commodities: tangible (e.g. Amazon, eBay, Etsy) and non-tangible goods (e.g. Netflix, Spotify) and **labor** (e.g. Grab, Food Panda, Upwork, Crowdfunder, Amazon Mechanical Turk)



**Flexibilization** of labor markets, one that allows firms to choose from a number of workers to finish short-term tasks at a relatively low cost (**firm-driven flexibility**) and one that allows workers to achieve work-life balance (**worker-driven flexibility**) (Hunt and Samman, 2017).

Important selling pitch to most women due to the realities of care economy and housework.

## Forde et al (2017): Typological mapping of labor platforms



Hunt et al (2017)/  
Kuek et al (2015)/  
Schmidt (2017)

**Crowdwork/**  
**Online outsourcing/**  
**Cloud work:**  
commissioned by firms  
and is transacted and  
delivered online

**1. Macrotask/Online**  
**freelancing:** LT projects,  
require specialized skills,  
e.g. IT programming or  
graphic design, final price  
can be negotiated

**2. Microtask/Microwork:**  
Clerical, non-negotiable  
contract price

**On-demand work/**  
**Gig work:**  
Work that requires close  
interaction between  
workers and demanders

## Typology on Economy

Gig economy:  
Commodification of labor  
(Hunt et al, 2017; Graham  
et al, 2017b)

Platform Economy (Forde  
et al, 2017)

## Collaborative economy

Sharing Economy (PWC  
2015; Vaughan and  
Davario, 2016)



CONTRACTORS/SELF-EMPLOYED

NO SECURITY BENEFITS/ENTITLEMENTS



**INEQUALITIES DUE TO ASYMMETRIES**  
(VALUE, RISK, INFORMATION, POWER)

LACK OF COLLECTIVE REPRESENTATION

DISCONTINUITY IN EMPLOYMENT

# SUSTAINABLE AND DECENT WORK IN PLATFORM WORK

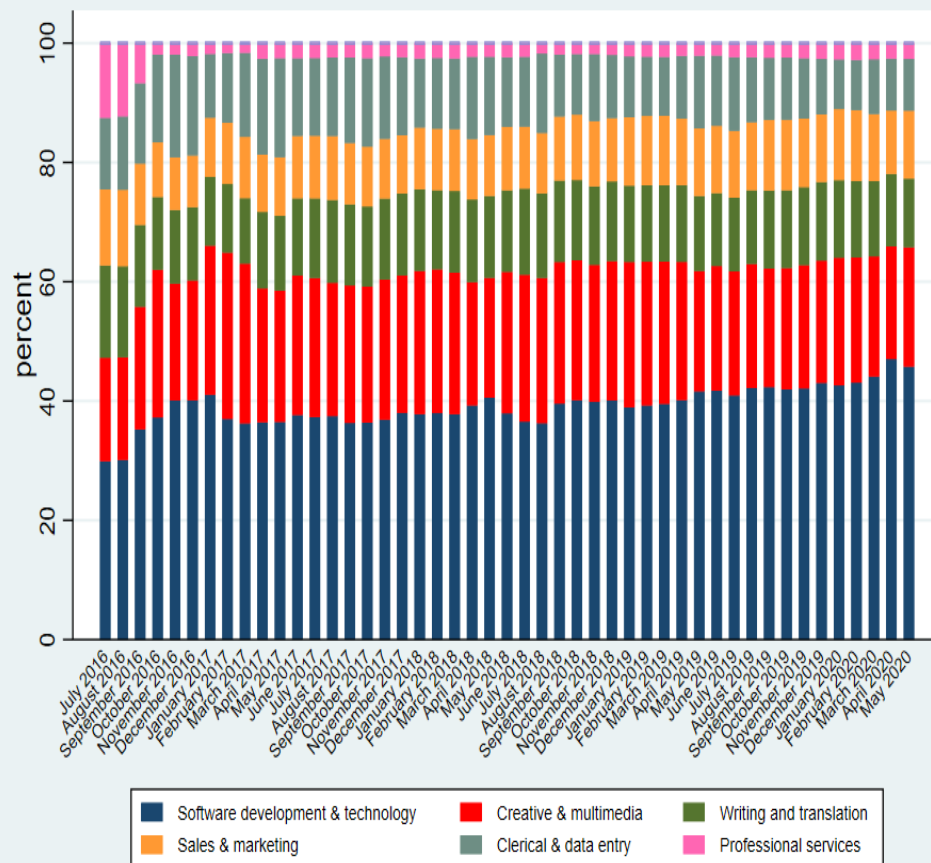
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**Crowdwork** vs. on-demand platform work:

- Difficult to enforce national labor laws since transactions typically cross borders
- Sustainability: creates a pool of human resources with skills and expertise that are useful in any type of work arrangement
- Decent work: rights at work, social protection, social dialogue, and productive and freely chosen work

# KEY MESSAGE 2: *There is a need to create systems for skills and training.*

Distribution of online work, by occupation



2020: 50% is in software, dev/tech,  
20% is in creative and multimedia

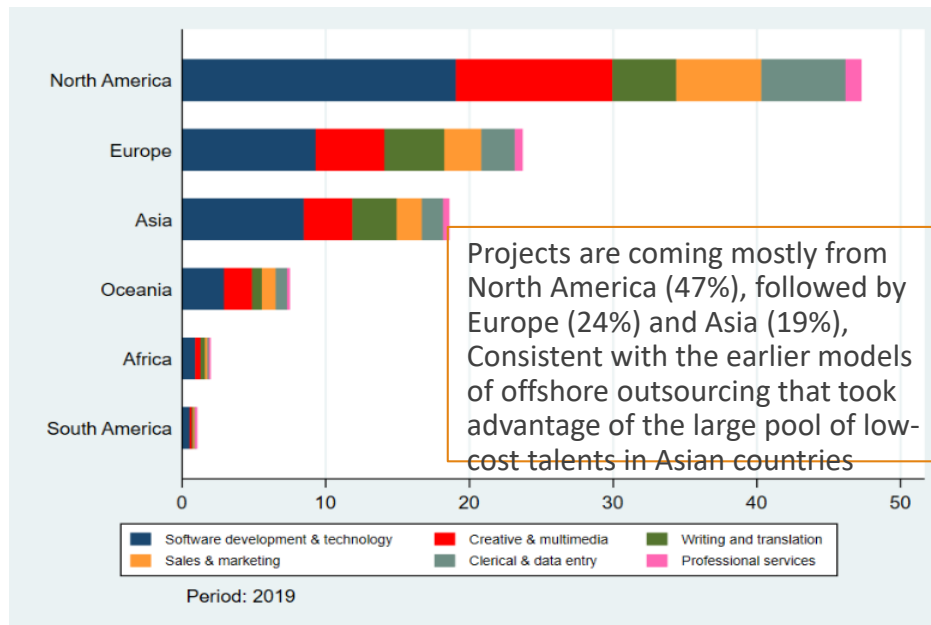
**Resilient:** Jobs related to software development/technology

**Decreased:** Jobs related to creative and multimedia and sales/marketing support(Stephany et al, 2020).

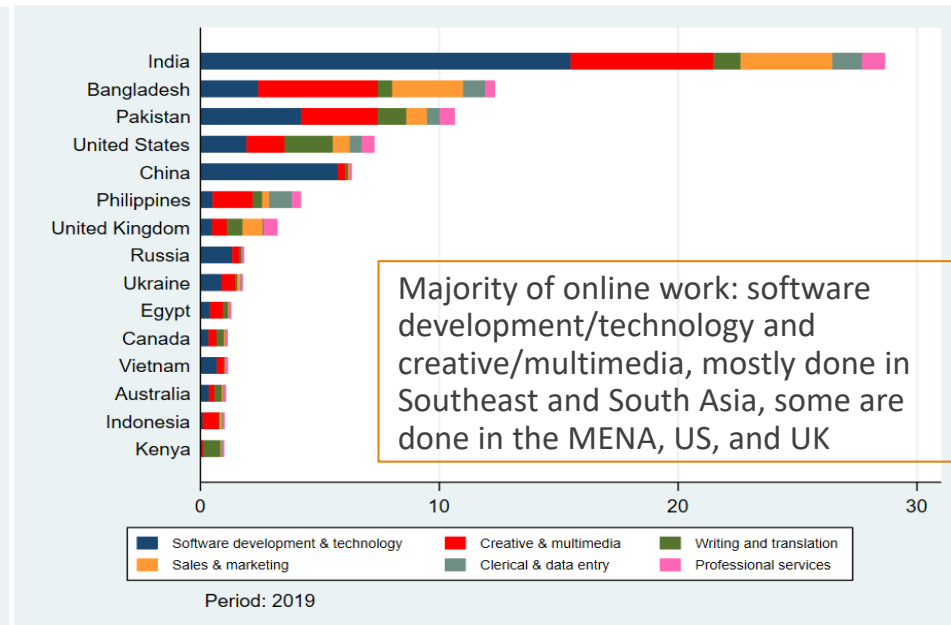


# KEY MESSAGE 2: *There is a need to create systems for skills and training.*

Distribution of online work, by employer



Distribution of online workers, top 15



Source: Online Labour Index

## Workers from countries with heterogeneous income levels compete for work, Implications on the bargaining power of workers

- Crowdworkers in Northern America, Europe, and Central Asia earn more than those in Africa and Asia and the Pacific (see Berg et al, 2018)
- Non-western workers could be poorly rewarded in online work (Beerepoot and Lambregts, 2014).

## KEY MESSAGE 2: *There is a need to create systems for skills and training.*

Labor oversupply on one major platform

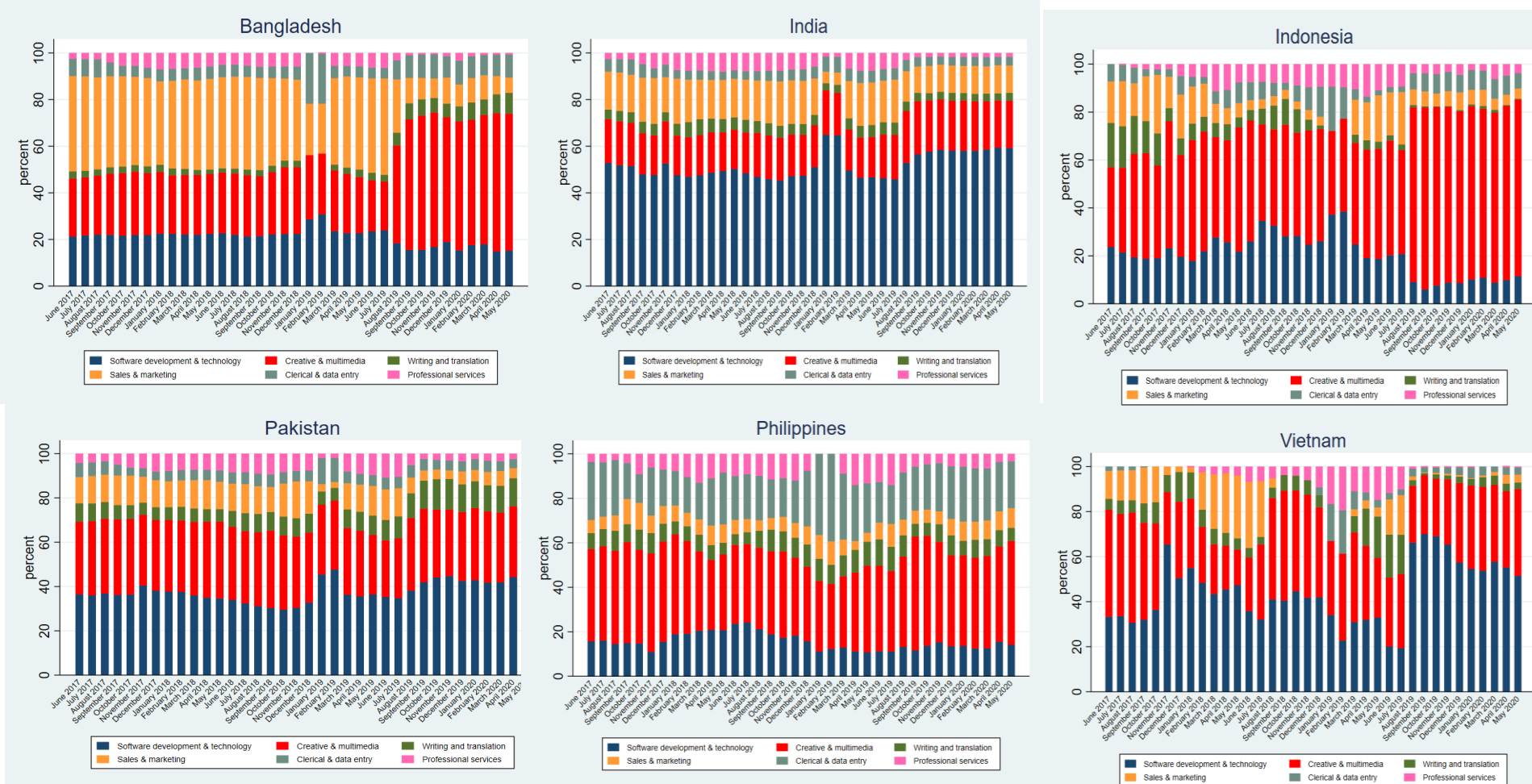
Country	Potential workforce	Successful workers	Over-supply
Global	1,775,500	198,900	1,576,600
PHL	221,100	32,800	188,300
Malaysia	11,900	500	11,400
Vietnam	7,700	1000	6,700
Kenya	21,700	1,500	20,200
Nigeria	7000	200	6800
S. Africa	10,200	800	9400

Source: Graham et al (2017)

**Oversupply exerts downward pressure on compensation and creates a set of challenges to the workers' bargaining power**

2015 ILO Survey of Crowdworkers:  
PHL: Delayed communications of crucial instructions and getting a failing mark even after following the work requirements/specifications.

BGD, INO, PAK: of time-bound outputs without any rooms for revision, unscrupulous firms who simply did not want to pay



Disparity in the distribution of online work done in each country, reflects how a country's comparative advantage is viewed by the global market.

- IND, VNM, and PAK ( software dev/tech). BGD, INO and PHL (creative and multimedia tasks)
- PHL: Large portion of online workers in the Philippines are working in jobs that have low value-added, the largest relative to the fraction of these workers in other countries.
- BGD, INO: Creative and multimedia have become key sources of online employment in late 2019

# Importance of skills development and training support for people who

...consider platform work in their LT career portfolio.

Facilitate the shift from simple and repetitive **microtasks** to high value-adding **macrotasks**

...consider platform work as a temporary engagement

Experience in the platform can enhance their employability in any types of work arrangement.

Work experience is essential in securing a job on platforms

Those without strong credentials may find it difficult to find opportunities in the platform setting.

Increasing number of job seekers whose skills are honed from their previous platform engagements or developed from their other form of work

# KEY MESSAGE 2: *THERE IS A NEED TO CREATE SYSTEMS FOR SKILLS AND TRAINING.*

Skills needed on the platform (IT skills, numeracy, literacy, communication, negotiation etc.) are the same skills needed in the traditional work arrangement.

Focus on the creation of a sustainable ecosystem of skills programs and training support, useful in any type of work arrangement.

## **National upskilling program**

SkillsFuture of Singapore  
\*provides comprehensive mapping of resources on education, career, and training  
\*credit of SG\$500 to enhance skills mastery and pursue lifelong learning

**Leverage digital platforms to develop skills and training systems**

**Whole-of-society approach:**  
government, academe, industry, workers' association, training providers)

\*ensures the continuity of the skills system

\*strengthens the sharing of information, tools and resources as the system evolves

## KEY MESSAGE 3: *There is a need to design a social protection system that covers all types of work arrangement.*

<b>Platform workers classified as contractors or self-employed, likely to not have security benefits and protection entitlements</b>	2015 ILO Survey of Crowdworkers	60% were covered by health insurance and around 35% had a pension plan (Berg 2016)
	2017 Survey of five major platforms	36% are subscribed into a personal pension while 70% could not access protections such as maternity, childcare, and housing benefits (Forde et al 2017)
	May 2020 PIDS-DICT Online Survey of market and non-market work, PHL	60% are subscribed into a social security fund, 90% are covered by Philhealth

## Certain segments of the population, more likely be drawn to online work

Young people	<p>Major platforms</p> <p>Average age of crowdworkers is 33 yo</p> <p>developing countries (28 years)</p> <p>developed economies (35 years)</p> <p>PHL: the average age of platform workers is 31 years</p> <p>estimated probability of a 25 yo being a platform worker is around 8 PP higher than a 35 yo</p>	<p><b>Age composition of platform workers can result in the erosion of contribution base.</b></p> <ul style="list-style-type: none"><li>*Increasing coverage gaps</li><li>*Weakening of the sustainability of social protection schemes, issues on financing future entitlements</li><li>*Straining public finance because of social assistance to the unemployed, in-between jobs</li><li>*Crowding out of other government programs especially in the time of crisis</li></ul>
Women	<p>Flexibility</p> <p>PHL survey: Probability of platform engagement is 16-18 PP higher than men.</p>	<p><b>Gender composition of platform workers can exacerbate gendered inequalities.</b></p> <ul style="list-style-type: none"><li>*SP is tied to formal employment.</li><li>*50% are not in the LF.</li><li>*Those who are working are, 50% are own account.</li></ul>

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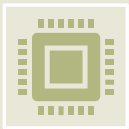
Suggestions from various fronts	Issues
Decouple social protection from employment	<ul style="list-style-type: none"><li>*Some workers may not be able to accumulate sufficient entitlements due to their work and income patterns--inadequate coverage and benefits</li><li>*Giving too much role to private entities</li><li>*Weakening of the employers' responsibility towards their workers</li></ul>
Universal basic income	<ul style="list-style-type: none"><li>*Benefit levels being not enough to cover a decent standard of living</li><li>*Crowding-out of other public services</li></ul>



# KEY MESSAGE 3: *THERE IS A NEED TO DESIGN A SOCIAL PROTECTION SYSTEM THAT COVERS ALL TYPES OF WORK ARRANGEMENT.*



**Universal and equal access** (ILO and OECD, 2018; WEF, 2017) and **flexibly designed** (Johal, 2018): Flexible eligibility definition, covers workers in any work arrangements and can be customized to accommodate the needs and preferences of workers.



**Portable** (WEF, 2017), **agile** (WEF, 2018), or **transferable** (ILO and OECD, 2018): It should seamlessly support workers' mobility and recognize that workers can move in and out of work in response to local and global opportunities.



**Integrated with allied services and programs** (Johal, 2018): e.g. unemployment insurance that not only provides minimum income while unemployed but also covers reskilling/upskilling training cost to facilitate movement in-between jobs



**Facilitated by technology:** Leverages technology to facilitate enrollment, payment of contributions the payment of benefits.

# KEY MESSAGE 4: ASIAN NATIONS CAN EXPLORE THE PLATFORM ECONOMY AS AN AREA OF COOPERATION.



PROBLEMS OF NON-PAYMENT, LOWER WAGES FOR ASIAN WORKERS, REJECTION OF OUTPUTS

LACK GRIEVANCE MECHANISMS OR MECHANISMS FOR DISPUTE RESOLUTION



IN A STANDARD WORK ARRANGEMENT, WORKERS ORGANIZE INTO LABOR GROUPS, PROVIDE A VOICE FOR ADVOCACY AND NEGOTIATION.



GEOGRAPHICALLY-DISPERSED AND ANONYMOUS POOL OF PLATFORM WORKERS WHO VIEW EACH OTHER AS COMPETITORS

MOUNTING A CALL TO ACTION OR ORGANIZING A LABOR RIGHTS GROUP CAN BE CHALLENGE.



**COLLECTIVELY ADDRESS CRITICAL ISSUES**

**INFLUENCE NARRATIVE FROM COMPETITION TO COLLABORATION**

**INFLUENCE UNFAVORABLE PRACTICES SUCH AS UNDERBIDDING AND RACE-TO-THE-BOTTOM MENTALITY,**

# KEY MESSAGE 5: THERE IS A NEED TO IMPROVE THE VISIBILITY OF PLATFORM WORK TO FILL IN CRITICAL KNOWLEDGE GAPS.

**Defining platform work and classifying** the range of economic activities in platform work

Absence contributes to challenges in data collection and measurement

**Including a module of platform work as a rider to standard labor surveys**

may not be adequate to capture the scope and complexity of existing work arrangements in the platform.

**Tracking down platform workers and enticing them to participate and truthfully disclose information** are problems that need to be highlighted on its own but more so on the heels of potential taxation of the online economy.



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policy research

# Thank you!

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