



ILO Report: World Employment and Social Outlook 2021

Summary of Report

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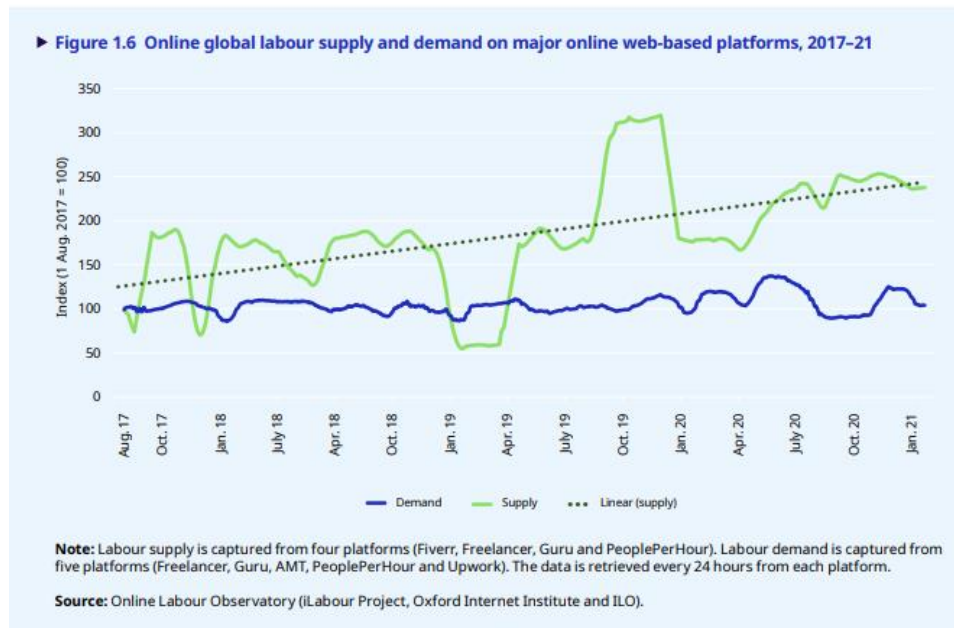
This report by the International Labor Organization, part of the World Employment and Social Outlook series, discusses the impact of the rise of digital labor platforms and their subsequent effect on the world of work and its effect on employers and employees alike.

This year, the series is focused on platform work. The report relies on the data from surveys conducted on around 12,000 workers in 100 countries around the world. In addition to these surveys, the report also utilizes interviews conducted with representatives of 70 different business types, including 16 platform companies and 14 platform worker associations in various regions of the world. This report also concerns itself with the regulatory gaps resulting from this relatively new labor force as well as how to address the challenges of digital labor. Finally, the report concerns itself with how to sustainably develop this new labor force and meeting the [United Nations Sustainable Development Goals](#). Some of the more specific issues that the report addresses include but are not limited to: the disparity between the supply and demand of work on digital platforms, the unequal investment in digital labor between developed nations and developing nations, unequal pay and working conditions for digital laborers, and harassment and discrimination faced by workers on these platforms.

Digital labor platforms and their role in the economy have been on the rise for quite some time. Given the COVID-19 pandemic, there is a rise in the popularity and necessity of digital labor platforms globally as digital labor might seem one of the best viable working options in the face of the pandemic, namely considering the closures of non-digital labor institutions.

The digital labor platform is also rising in popularity thanks to the access to work that it provides to workers who generally have less opportunity. Women workers, people with disabilities, immigrants, and young workers all have an easier time of getting work on these digital platforms than in-person work. Digital labor platforms are split into two types; online web-based and location-based platforms, both with different challenges and opportunities associated with them. On both platforms, however, freelance workers are much more common than workers considered under proper employment.

Developing countries and developed countries engage differently with these digital platforms and therefore their workers do as well. Generally, developed countries are far more invested in the digital labor than developing countries. 96 per cent of investment comes from Asia (US\$56 billion), Europe (US\$12 billion) and North America (US\$46 billion). In developing countries, the investment of 4 per cent comes from Latin America, Africa and the Arab States totaling US\$4 billion compared to the US\$114 billions of developed countries. This inequality extends to the supply and demand of labor between developing and developed countries as well. Particularly on online web-based platforms, the online labor supply exceeds the demand. The online labor supply sources from developing countries, while the demand sources from developed countries. As a result of this unequal supply and demand, it puts a downward pressure on wages in developing countries. As a result, workers from developing countries on online digital platforms earn about 60% less compared to their counterparts from developed countries. To further the issue, workers on digital platforms have significantly less protections than other, in-person workers.



ILO (2021), *World Employment and Social Outlook 2021: The role of digital labour platforms in transforming the world of work*, p. 52

The work experience is vastly different for digital workers. They tend to work about 23 hours per week, with 8 hours of unpaid labor contained in these hours. Some work other jobs in addition to their platform work, and the hours are uncertain and unguaranteed. Many wish to work more, but cannot due to a lack of time. In addition, they're reliant on ratings to guarantee them work and if their ratings go down, they lose work. Their working conditions are based on the terms of service of the platform they're working on. In addition, digital workers in addition are

unable to utilize collective bargaining and most do not have any form of social security. Some face harassment and/or discrimination, particularly women and workers in developing countries. For women, the digital workplace is majority male and highly-educated; on these platforms, gender segregation becomes much more likely. Finally, COVID-19 has put a strain on many location-based online platform workers, as the pandemic creates a significantly lower demand for their labor. Some governments have begun to put measures in place to combat these challenges.

The unregulated nature of these platforms gives much leeway for poor working conditions, like uncertain hours as noted above, and unstable pay, as hours are reliant on the demand for labor supply, which as noted prior, is often lacking. These poor working conditions paired with low demand for labor creates a competitive environment in which these digital workers are willing to undergo less pay and poor treatment just for the purpose of gaining some work rather than none. In addition, the brunt of this mistreatment falls generally to women and workers in developing countries. Already experiencing harassment and discrimination because of the unregulated nature of these platforms, these workers are much more likely to accept whatever work – no matter how poor the pay or quality - that comes their way due to their difficulty of getting it already on these platforms.

Countries have begun regulatory responses, such as occupational safety and health laws, social security, classifying the employment relationship of digital labor workers, access to data and privacy, defining working time, and more concrete dispute resolution. Workers organizations too have gotten involved thanks to the rise in popularity. Organizations also recognize the necessity for international coordination and policy dialogue, given the multi-jurisdictional nature of these digital platforms.

Looking to the future, the ILO's [independent Global Commission on the Future of Work](#) recommends the creation of an international governance system regulating minimum rights and protections for digital workers. Ultimately, social dialogue is necessary to elevate platform workers to the status of regular workers and ensure them the rights and protections due to any workers in the economy. The rise of the digital labor market necessitates an evaluation of the world of work given the unique circumstances of digital labor and its rise in popularity as part of the global work world.

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