



**HOW DIGITAL
LABOUR PLATFORMS
CAN TRULY SUPPORT
THE TRANSITION TO
THE FORMAL ECONOMY
THROUGH A FAIR AND
EFFECTIVE REGULATION?**

INSP!R

International Network for
Social Protection Rights



WSM
We Social Movements

With more than 150 million people¹ worldwide working in the digital platform economy across a wide range of sectors – including transport, delivery, personal and pet care, domestic services, tutoring and data processing services – it is essential to ensure an appropriate regulatory framework that enables these workers to defend their social rights and benefit from social protection.

This rapidly expanding model of work calls for ensuring the full implementation of the Decent Work Agenda and finding ways to improve the working conditions of these millions of workers.

ACV-CSCi, WSM, the INSP!R network, and their various partners are requesting essential rights to protect platform workers, including freedom of association (organization and collective bargaining), occupational health and safety, fair compensation and remuneration, social security, algorithm transparency, and access to data, among others.

“ My friend told me to start working as a driver. I had to take a loan to buy a bike, and it took me over two years to reimburse it. I earn around 11\$ daily but I just can't manage to save anything. I do not have any social security coverage, so there is nothing like a pension for me. Though we have to give 20% of each ride to the platform as a commission, we even have to buy our own accident insurance, which costs 53\$ a year. I work from 6 AM to midnight, but not during the weekend, because I have three kids. I want to see them. All my money goes to their education but if anything should happen to me, we will be in big problems. I really hope we can get social coverage. ”

- An Indonesian driver -

TESTIMONY



¹ The number of workers engaged in activities on online work platforms ranges from 154 million to 435 million (ILO, 2024)



Social protection on platforms: A key missing piece

In the current context of polycrises, digital labour platforms have rapidly positioned themselves as an important lifeline for workers in general, especially for the youth, women, LGBTQ+ populations, migrants and workers of foreign origin, who are facing poor job demand. They are finding in digital labour platforms a rapid solution to improve their earning potential, but at the expense of longer work hours and other decent work deficits.

A recent study from the KU Leuven (Belgian University) has shown that the vast majority of digital labour platforms in low and middle income countries (LMICs) score very low on the five Fairwork principles. In fact, many platforms register total scores of 0, meeting none of the five Fairwork principles (HIVA, 2026). The main challenge finds itself in the classification of workers. By denying the work relationship, it significantly impacts social protection, often excluding these workers from social security schemes designed mainly for traditional employees. Various barriers in this ultra flexible work environ-

ment prevent these workers to have basic coverage: from a lack of information and transparency regarding contributive or voluntarily schemes, unpredictable earnings, using various platforms at the same time, to a more global lack of effective regulation. As digital labour platforms continue to emerge in LMICs, it is crucial to secure access to social protection that does not depend on full employment status.

Furthermore, as a growing economy, the platform economy needs to fairly contribute to the social security schemes, either from the workers or directly via the platforms, to improve the financial and fiscal inclusion, which is currently a key missing piece. Otherwise, this platform economy will continue to weaken the welfare state, using loopholes or legal gaps to avoid liability, leaving the state and the workers resourceless.



(In)formalisation of labour conditions

Despite different opportunities of formalisation through financial inclusion, traceability of money transaction, taxation of local subsidiaries, standardization, compliance in informal services, digital labour platforms have failed using these new formalization avenues to the next level, by making social protection floors a reality for these platform's workers.

Some platforms operating in countries with high levels of informality claim to be transforming platform workers into formal workers. However, these

claims are deeply concerning, as their practices in reality create favourable conditions for the expansion and entrenchment of informality. With a weakened state, high labour informality and lack of worker's representative bodies, the failure of establishing an effective regulatory framework has worsened working conditions. Therefore, the significant increase of platform economy in LMICs must come with effective regulations to protect workers.

FIND THE FULL STUDY (IN)FORMALISATION IN DIGITAL LABOUR PLATFORMS:

**Pending challenges for workers in low- and middle- income countries
with the 4 country cases in Indonesia,
Burkina Faso, Peru and Brazil on
www.wsm.be**

KU LEUVEN

HIVA

Dream vs. Reality : the truth behind the working conditions on digital platforms

1

Flexibility vs. Controlled work : a precarious status

- a. Lack of transparency in the flexibility arrangement
- b. Imposition of standards and fare in the services provided
- c. Remuneration below minimum and living wages

2

Employers vs. Intermediary : the hidden cost for worker's protection

- a. Wrongful classification of an employment relationship
- b. Absence of fair contract and management

3

Individualist work vs. Collective workers representation

- a. No fair workers' representation body
- b. Lack of (algorithmic) transparency measures to challenge the opacity of the management system
- c. Lack of structural social dialogue with platforms to address workers' vulnerability

4

Livelihoods vs. Labour precarity and increased inequalities

- a. Harmful forms of subordination in loans and rental agreement leading to excessive debts
- b. Biases in gender, race and migration status leading to discrimination and inequalities

5

A fragmented and volatile environment vs. Social security system

- a. No homogenous systems and development of ad hoc or voluntary schemes leading to discriminatory practices and creating a second-tier category of workers
- b. Weakest Fairwork's scores regarding fair wages to cover basic living needs, be protected against accidents, illness, and income loss, and be shielded from unfair contract terms

Therefore, **we call for an effective ILO regulatory framework through the adoption of a strong Convention and a Recommendation that has to be largely ratified and need effective implementation at national level with the full participation of trade unions, civil society and representation of informal workers.**



ABOUT US

INSPIR is an international network (connected by WSM), present in Asia, Africa, Europe and Latin America and the Caribbean that brings together different social movements: trade unions, mutual health organisations, women organisations, youth movements, organisations of the elderly, cooperatives, initiatives of the social and solidarity economy, farmer organisations, indigenous peoples' movements, organisations of informal economy workers etc. For more than 15 years, united in this multi-stakeholder network, the network defends and promotes the construction of solidarity-based, inclusive, participatory and transformative social protection systems.

The ACV-CSC, or Confederation of Christian Trade Unions, is Belgium's largest trade union.

WSM is the NGO of the Belgian Christian Workers' Movement and its member organizations. It works to strengthen social movements across several continents and brings them together in networks so that current and future generations can enjoy the universal right to a dignified life and social protection.

Solutions to lead the way to formal and decent work

The recent study² from the KU Leuven (Belgian University) highlight the main issues regarding social protection and in-formal work in digital labour platforms, **presenting key recommendations to ensure decent work:**

1. Legal recognition of work relationship

- ▶ Legal frameworks should clearly define subordination conditions to establish a work relationship between workers and platform companies.
- ▶ To enable national courts to intervene in disputes, companies must have legal representation within the territory where workers are based to operate legally.
- ▶ Banning forms that can engage workers in further subordination beyond the work relationship, especially credit loans that are automatically deducted from workers' earnings.
- ▶ Platform regulations should be incorporated into the national labour code rather than being isolated in specific sectors (e.g., transport).
- ▶ Legislation should ensure that payment calculations are based on the minimum wage, with the aim of moving towards a living wage.
- ▶ Companies should refrain from inflated commissions on the worker remuneration, including over tips and awards.
- ▶ Companies should not reduce worker pay to cover costs arising from inherent service risks, such as accidents.

2. Social protection

- ▶ Avoid reducing social protection to a voluntary arrangement for independent workers. For these workers, mixed arrangements that combine contributions from companies, workers, and governments could provide more flexible ways to ensure minimum protection. In these cases, companies could oversee workers' affiliation to secure their enrolment in social protection systems.
- ▶ Regulatory frameworks should require complete social protection for workers whose hours align with full-time employment as defined by the national labour code, granting them the same benefits as full-time employees under traditional labour arrangements.
- ▶ Regulatory frameworks must address the condition of multi-applying. For these cases, mixed arrangements proportional to the hours of work in each platform could be applicable.

3. Anti-discrimination measures

- ▶ Banning algorithmic and other management measures that disadvantage vulnerable groups, especially women, young people and migrants, in job offers.
- ▶ Prohibiting premium-payment options for workers to access rights, benefits, job offers, and special fares.
- ▶ Establishing formal channels for reporting discrimination, where reporting does not jeopardise job opportunities or risk deactivation.
- ▶ Implementing effective and transparent communication strategies to inform workers about prohibited discriminatory practices and reporting channels.
- ▶ Providing rest areas for vulnerable populations, proportionate to the number of workers in the area.



- ▶ Providing specific insurance and protection measures for pregnant women.
- ▶ Allowing maternity leave without penalisation by algorithms upon return to work.
- ▶ In the case of domestic work and similar services, platform regulation should not contradict the rights established for these workers in national labour's codes or regulations, including ILO's Convention N°189 on domestic work.

4. Algorithmic transparency

- ▶ ILO should provide an international definition of algorithmic transparency, establishing the type of information workers and governments can demand from companies. This information could be periodically revised by tripartite bodies comprising representatives from workers, the government, and the companies.
- ▶ Regulations should clearly prohibit companies from unilaterally deactivating workers without offering them a formal hearing beforehand.
- ▶ Transparency measures should also encompass details about commissions and other discounts that companies apply before workers start services, allowing sufficient notice before any change takes effect.
- ▶ Prohibiting the use of economic punishment, reduced job offers, or deactivation measures if workers refuse to participate in company campaigns or incentives that require extra working hours, services, or other demands.

5. Workers representation

- ▶ Regulatory frameworks must acknowledge the right of association for dependent and independent workers, and specify communication channels for social dialogue with workers' organisations.
- ▶ Labour authorities must facilitate clear guidelines for the official registration of workers' associations on digital platforms.
- ▶ Companies should inform new workers about the existence of workers' associations that could aid them in case of disputes.

In addition, the INSP!R network demands:

- ▶ That digital platforms provide, at no cost to workers, the work equipment necessary to carry out their tasks in safe, healthy and dignifying conditions.
- ▶ The development of platform workers's skill through adapted training.
- ▶ Inclusive digital labour platforms that promote social and solidarity economy.
- ▶ To ban algorithmic measures impacting negatively workers' safety and health, or offering premiums to risk-taking workers.

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