



New Work, Data and Inclusion in the Digital Economy:  
A Middle East and North Africa (MENA) Perspective



# SOCIAL SECURITY PROVISIONS FOR WORKERS IN THE PLATFORM ECONOMY: POLICY OPTIONS WITH FOCUS ON EGYPT



Policy Paper



# **SOCIAL SECURITY PROVISIONS FOR WORKERS IN THE PLATFORM ECONOMY: POLICY OPTIONS WITH FOCUS ON EGYPT**

*Policy Paper*

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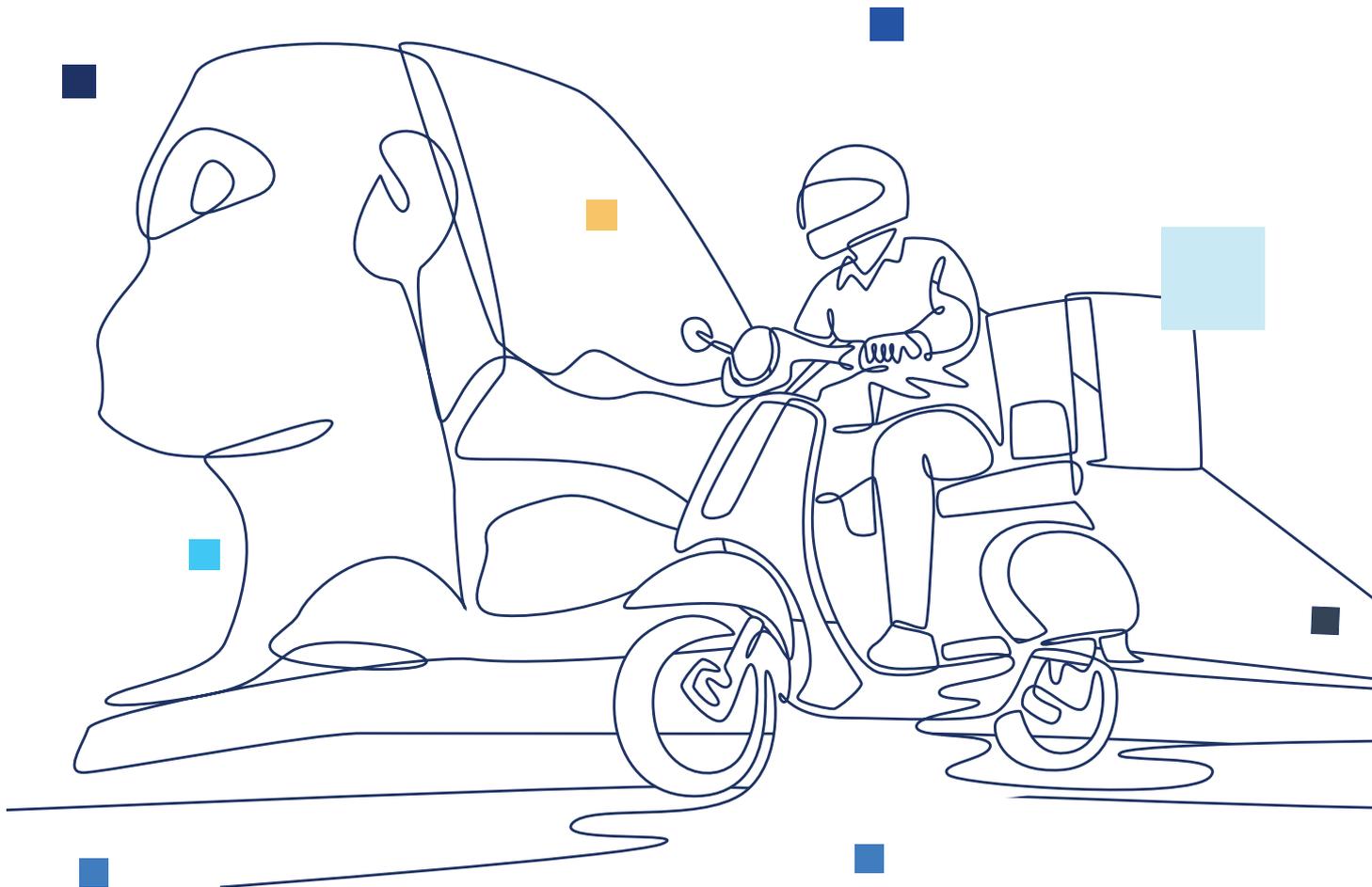
## ABSTRACT

The platform economy offers great opportunities for economic integration for different groups of workers that would be otherwise excluded. Yet, protection through labor standards and social security remains a key global challenge for workers within the platform economy. Situated within the legal framework of social insurance in Egypt, this paper presents two policy approaches to the inclusion of platform workers within the social protection purview. The first extends the existing legal framework potential by making participation easier and open to own-account workers, such as platform workers, with tax obligations on a voluntary basis. This requires simplifying the enrollment process and eliminating requirements pertaining to business registration and/or syndicate membership. The second policy option is to mandate social insurance contributions similar to the taxation process, and build an alliance between the two functions of taxation and social insurance contributions, similar to the experience of the Monotax regime in Uruguay. The benefits and challenges of each option, along with the role envisioned for platforms, are discussed.

## I. INTRODUCTION

Protection through labor standards and social security remains a key global challenge for workers within the platform economy. This is particularly the case in the Global South, where social protection infrastructure and tools are weak and a large proportion of the workforce have no access to contributory schemes. This paper seeks to address the question of optimal policy approaches for the inclusion of workers in the platform economy through contributory schemes, with a focus on the experience of Egypt. For the purpose of analytical clarity, this paper adopts Tucker's (2020) differentiation between platform mediated ground work (typically in transportation/ride hailing and food delivery); and platform-based cloud work (typically on-line services such as consulting and other technical services). The paper builds on a desk review of research on the platform economy in Egypt and the nascent global experience for the inclusion of platform workers in social insurance systems, and the different design approaches to such systems.

It is important to acknowledge at the outset the power and the great potentials of the platform



economy in creating transnational work opportunities and allowing groups of workers with mobility challenges to work (Gerber, 2022), particularly female workers. Platform jobs can offer flexibility and convenience that far exceed the potentials of traditional forms of work. It has been recognized as central to the understanding of the future of work globally (ILO, 2017). Platforms promise prospects for income generation to workers in less-developed economies, where most people work in low-productivity, low-quality, often informal jobs (Datta et al., 2023). The virtual nature of some platform work also provides flexibility for often neglected groups such as women, youth, migrants, and people with disabilities (ibid.).

However, it is globally recognized that workers on digital platforms often struggle to find sufficient well-paid work to earn a decent income, creating a danger of falling into the working poor (e.g., ILO, 2021, Fairwork, 2023). The majority of platform workers do not have access to social protection (ILO, 2021), with data from a global survey among some 12,000 workers in 100 countries around the world working showing that only 20% of online workers had access to a pension scheme and only 27% of app-based taxi workers had access to injury insurance (ibid.). Platform work has persistent challenges pertaining to uncertain income streams and no clear career pathways, and little to no protection against unfair practices, abuse or injuries while working. Platform work also raises challenges for managing data security and privacy (ibid.).

There are serious repercussions for workers who do not contribute to social insurance and have no access to any other form of social protection. First, from a demographic perspective, this lack of social protection among those in the working age population could result in a large cohort of an aging population with no access to pension schemes (Behrendt and Nguyen, 2018). This issue has already been highlighted in research on Egypt (Barsoum, 2016). Second, the contributions of this large working cohort are needed to make social pension system funds more resilient. Most pensions are funded based on a pay-as-you-go system, including that of Egypt (Maait and Demarco, 2012). The poor contribution rate of the working age population seriously affects the sustainability of social insurance funds. When these workers age without



contributing to social insurance schemes, they are bound to become a burden on tax funded social assistance systems.

This paper proposes two distinct approaches for the inclusion of workers in the platform economy in social security schemes, based on the global experience and the analysis of the policy context in Egypt. The first is to focus efforts on platform economy workers as independent workers who need access to voluntary, flexible and accessible packages for social protection. The second is to provide mandated access to social insurance that can be facilitated through a platform without engaging these companies in traditional work relationships. Governments are choosing between active and passive regulatory approaches, with a diverse set of policies both providing oversight and incentivizing engagement. Given the current low level of development in Egypt's platform economy, the government will likely adopt supportive strategies for an extended period to promote its rapid and healthy growth.

The research emphasizes the importance of enhancing access to social protection for workers in

the platform economy. It also demonstrates to the policy circles the possibility of the inclusion of this seemingly unreachable group. Furthermore, the study underscores the critical role of social insurance system design issues in determining access and coverage. This paper puts together thinking that is still being discussed in different policy circles, allowing a point of reflection and a critical analysis of the different options.

The paper proceeds as follows. Section 2 provides an overview of the social security landscape and the public pension system in Egypt and introduces a typology of reforms. Section 3 discusses the state of knowledge about platform work in Egypt in terms of key players and volume. A conceptual framework for understanding the policy approach towards access to social insurance for workers on platforms follows. Sections 4, 5 and 6 describe the two policy options proposed and the envisioned role of platform companies in both options. Section 7 concludes.

## II. THE SOCIAL SECURITY LEGAL FRAMEWORK IN EGYPT

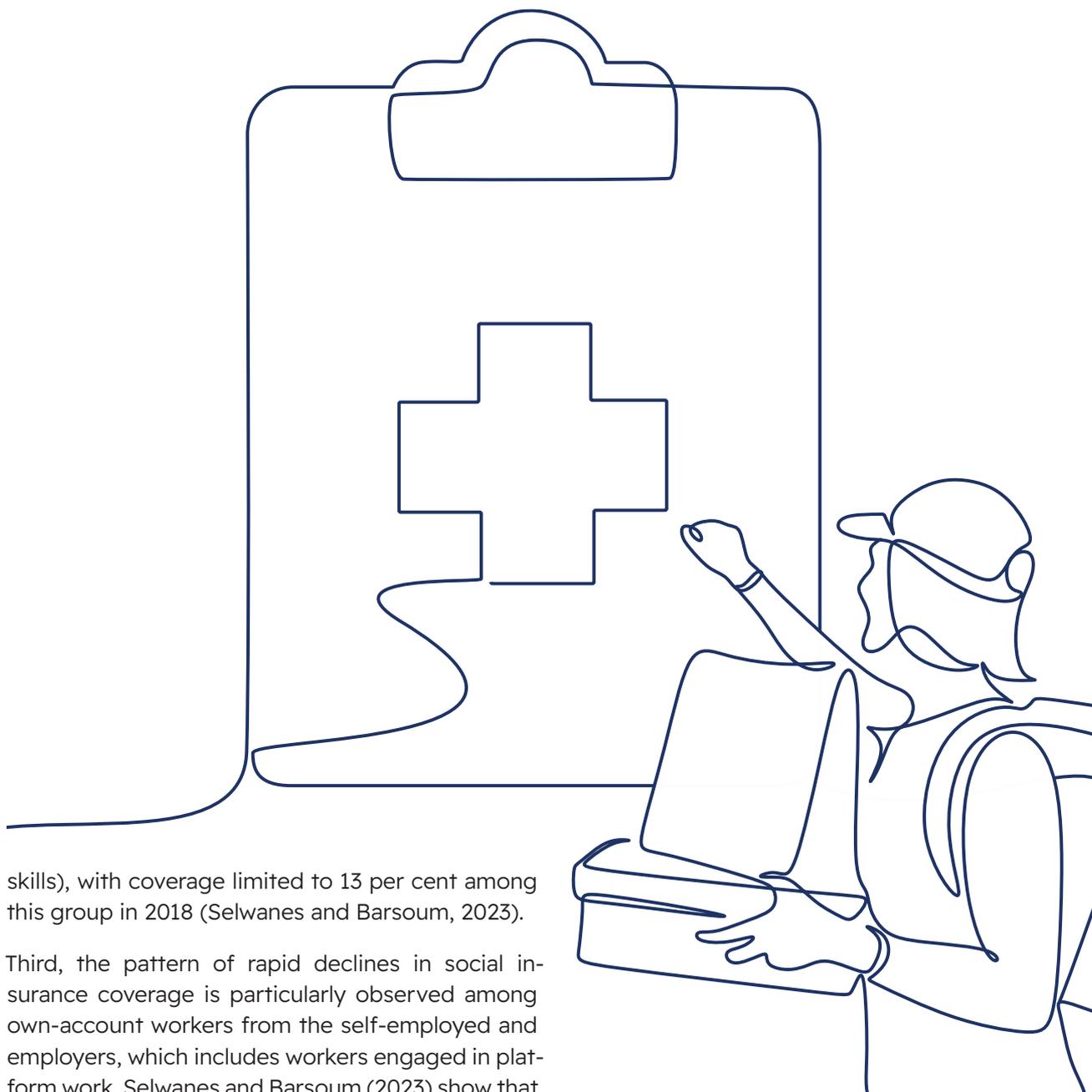
Egypt has one of the oldest social insurance systems in the Middle East region. The first full-fledged social insurance law was promulgated in 1959 (Garrison, 1978), building on a number of initiatives that were started in the 1940s (ibid.). The system was modified several times, most recently in 2019 (Law 148), with an announced objective to expand coverage and explicitly target the integration of workers in the informal economy (NOSI, 2018).

The Egyptian social insurance system is designed as a defined benefit scheme. Common to this design, employee and employer pay is specified and amounts to a fixed rates of their income into a fund with predictable benefits calculated based on a formula that takes into account years of service, compensation history and a benefit percentage factoring the cost of macroeconomic shocks, which is shifted to the sponsor (ex. government). Although the system was initially built on a fully funded basis, it has gradually shifted to a partially funded pay-as-you-go (PAYG) structure due to inefficient investment policies (Maait and Demarco, 2012). The risks insured by the scheme are old-age, disability, survivorship, work injuries and occupational diseases,

sickness, maternity, and unemployment. It also retained the same definition of survivorship beneficiaries, who include spouses, parents, single daughters (with no age limit unless formally employed), sons, brothers younger than age 21 (or 26 age for students, or no age limit if disabled), and widowed female spouses with no income revenues who were married to the deceased for at least 20 years (ISSA and SSA, 2017). To encourage contributions and expand coverage, the recent changes to the legal framework (Law 148 of 2019) reduced the contribution rates for both employers and employees, indexed the growth of pension levels to the inflation rate, and aggravated penalties for employers not registering their workers (Barsoum and Selwanes, 2021). Despite these changes, which reflect a global pattern (Rys, 2010), Egypt has been witnessing a progressive decline in the performance of contributory social security schemes over the last few decades (Selwanes and Barsoum, 2023).

Analysis of data on Egypt shows a number of key patterns of social insurance access among different groups of workers. First, there is universal access to social insurance among workers in the public sector, with little variance by gender, level of educational attainment and economic activity (ibid.). This has been historically the case not only in Egypt but in other countries in the region. In fact, it is commonly acknowledged that the size of the public sector is a predictor of the level of social insurance access in these contexts (Robalino et al., 2005). However, the share of this sector in total employment is decreasing. Assaad and Barsoum (2019) show a consistent pattern of decline in public sector hiring in Egypt and other countries in the region. In Egypt, the share of public sector hiring dropped from 24 per cent of overall employment in 2006 to 21 per cent in 2018.

Second, less than a quarter of traditional wage workers in the private sector (24 per cent) contributed to social insurance in 2018, down from 30 per cent in 2006 and 36 per cent in 2012 (Selwanes and Barsoum, 2023). This sharp decline in coverage rates in 2018 affected all workers, regardless of worker characteristics (ibid.). Confirming the commonly held linear association between education and social insurance coverage (Gatti et al. 2014), the lowest coverage rates were observed among workers with limited skills (illiterate or have basic literacy



skills), with coverage limited to 13 per cent among this group in 2018 (Selwanes and Barsoum, 2023).

Third, the pattern of rapid declines in social insurance coverage is particularly observed among own-account workers from the self-employed and employers, which includes workers engaged in platform work. Selwanes and Barsoum (2023) show that the coverage level among own-account workers has dropped among the self-employed from 24% in 2009 to 14% in 2021. It also dropped among employers from 32% in 2009 to 17% in 2016, reaching 16% in 2021. The majority of these employers are in small-scale and generally informal economic units.

Closely related to the growing presence of non-standardized work, including platform work, research shows a decreasing access to social insurance among the highest educated segment in Egypt. Selwanes and Barsoum (2023) show that while 54 per cent contributed to social insurance in 2006, 52 per cent contributed in 2012, and only 39 per cent contributed in 2018. This is a high and significant

change that reflects a serious deterioration in the level of access to social insurance, with almost two-thirds of wage workers with higher education not contributing (*ibid.*). This phenomenon of educated workers without access to social insurance is well documented (see Barsoum 2015, 2016b, 2020).

Own-account workers are a key category of focus for the purpose of analysis in this paper. The options available to this group constitute the key approach for the inclusion of platform workers. The Egyptian social insurance legal framework (Law 148 of 2019) offers stipulations for own-account workers in two forms. For those who are highly skilled (with 15 occupations mentioned in the law including medical

doctors; engineers, artists and other syndicated professionals; owners of formal businesses and large landowners) and owners of registered businesses, participation is obligatory. Workers pay 21% of relevant income brackets among 23 income brackets identified in the law. However, enterprise formality is a pre-condition for enrollment for both employees and employers. In both cases, employers must provide a valid business/professional registration '*Rakam el monsha*'. Only in this situation would enrollment to social insurance be mandatory. This means that the legal system considers business registration as a pre-condition for enrollment into social insurance.

The second form for the inclusion of own-account workers is focused on workers without registration or work documentation. For this group, the legal framework allows for participation on a voluntary basis, but the requirement of documentation of the status of employment is often difficult to attain (Barsoum and Selwaness, 2022). For this group of irregular own-account workers, the contribution rate is only 9% of monthly wage earnings (or of the minimum wage stipulated by the government) whereas the government pays the rest of their contribution (12%). Because this is a major subsidy, compared to the 21% paid by own-account workers in formal enterprises, and to discourage informality, the law identifies specific occupations (article 7 of the executive bylaws) as highlighted by Barsoum

and Selwaness (2022). These include groups such as landlords and small land owners, construction workers, domestic workers, and the self-employed in non-registered fixed enterprises among others. The required documentation makes the registration process for some of them to the scheme almost impossible. Specifically, a required national identity (ID) card that shows that the worker's occupation is required, which serves as proof of occupation. This is, of course, difficult to obtain for this type of workers. Other documents, as highlighted by Barsoum and Selwaness (2022), include an employment history from the civil register and a medical certificate that the worker is physically fit to undertake the job. While they are required to join by the law, the means to join are difficult and there is no penalty for not joining.

Unlike the taxation process, where a national ID suffices to be part of the taxation system, the current legal framework for social insurance in Egypt does not allow for self-enrollment into the system unless the business is registered. This means that independent non-salaried workers, such as platform workers, who have tax obligations, are not required or allowed to join the system. This is a major policy gap that is relatively easy to address. A contributory liability should ideally be processed at the time of paying taxes. A good example comes from China. The country has long decoupled social insurance from employee status, rendering all workers



eligible to enroll (Zhang and liu, 2024). Nguyen and da Cunha (2019) show a number of other countries adopting the same strategy including Thailand, Laos, and Myanmar.<sup>1</sup>

### III. PLATFORM WORKERS IN EGYPT

There is a sparsity of data on the size of the platform economy and its workers in Egypt. Survey data does not adequately provide a sense of this growing phenomenon, which is also absent from national statistics on labor (CAPMAS, 2024). Companies, perhaps for fear of competition, also do not readily disclose many of their details.<sup>2</sup>

There is a globally accepted categorization of platforms as either location-based or online web-based (ILO, 2021). Tucker (2020) refers to the former as platform-mediated ground work (typically offering transportation and food delivery) and the second as platform-mediated cloud work (mainly online services to business clients). The ILO estimated that there were 777 active platforms operating globally in January 2021 that provide online web-based work (both location-based or web-based).

<sup>1</sup> A recent development, building on meetings at the NOSI, shows that the Uber workers are required to contribute to insurance through a special card, “kart tashgheel”, through the Traffic authority, that is similar to construction work system.

<sup>2</sup> A recent notable contribution has been the work by Fairwork in Egypt, collecting data on platform work on a regular basis.

The number of platforms in the delivery and ride hailing sectors (location-based platforms) is the highest (383 and 283 platforms respectively). It is followed by online web-based platforms (283). The report also refers to five hybrid platforms which provide varied types of services such as taxi, delivery and e-commerce (ILO, 2021). These platforms are not equally distributed globally, with a number of key distinct hubs identified in the data including the United States of America (29 per cent), India (8 per cent) and the United Kingdom of Great Britain and Northern Ireland (5 per cent) (ibid.).

While the MENA region is not one of these hubs, there is a growing presence of work platforms. For example, the MENA Uber insights for 2023 provided a very large number of rides and driver ratings. In 2022, Uber released that it had 703,000 drivers in Egypt, 530,000 drivers in Saudi Arabia and 18,000 drivers in the UAE. Uber is the only exception in terms of data availability with specific data per country. Some countries only show global-level statistics about their total number of drivers (e.g. In-Drive),<sup>3</sup> but they do not publicize their country-specific details.

A web search identifies a number of platforms accessible in Egypt for on-line web-based freelancing and remote work. These include Upwork; Freelancer; Fiverr and *Khamsat*. The latter is self-identified

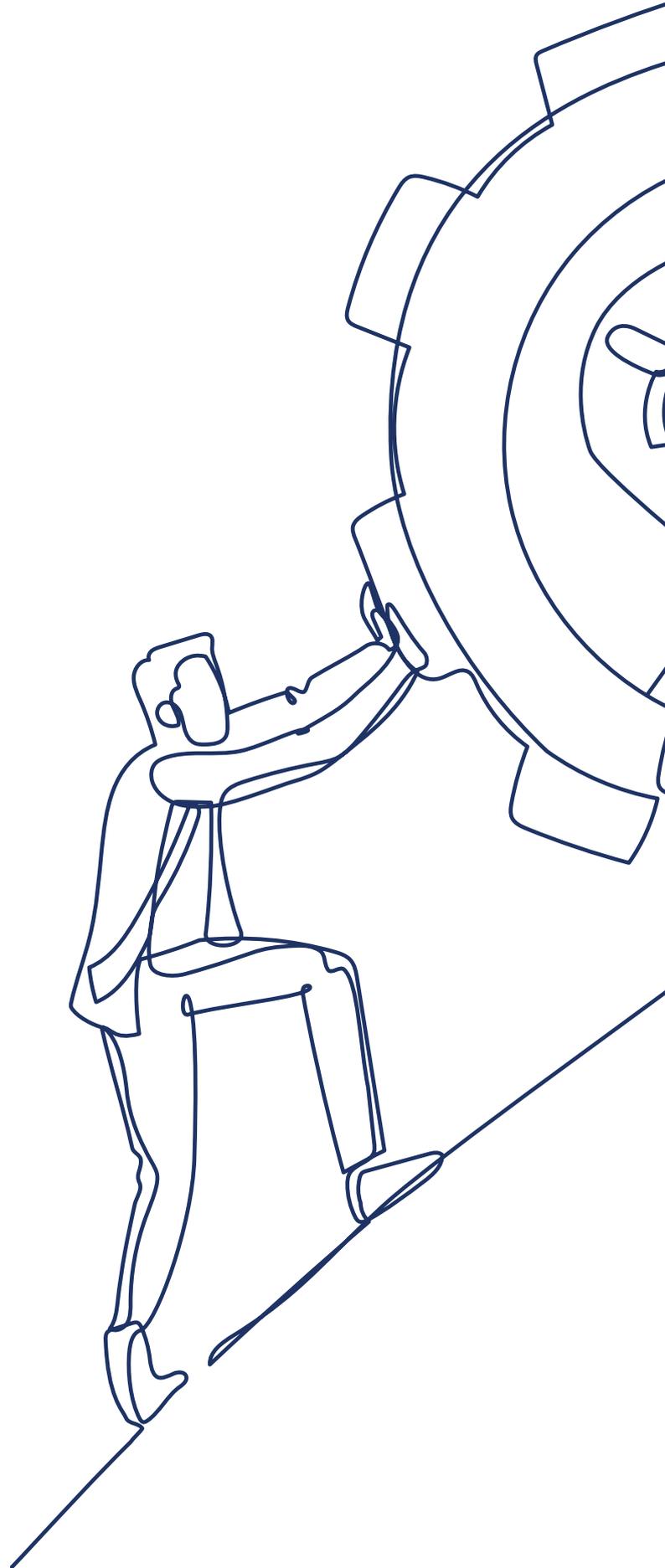
<sup>3</sup> <https://indrive.com/ar-eg/company>



as a regional platform for Arabic-speaking freelancers, offering services similar to Fiverr but specifically targeting the MENA region. Location-based online work includes commonly known ride-hailing platforms (Uber, DiDi, and In-Drive) and a growing number of grocery and food delivery platforms such as Talabat, Elmenus and InstaShop. There are also microtasks platforms open to applicants from Egypt including Amazon Mechanical Turk, Clickworker and tutoring service such as Nagwa, an online educational platform with opportunities for educators in Egypt to offer lessons and tutoring.

These platforms provide a wide range of opportunities for Egyptians to work locally or remotely, catering to both traditional employment and gig-based work models. While the taxation system is increasingly addressing web-based entrepreneurs as independent workers with income tax obligations, there is no social insurance modality available for these workers as discussed above. However, a recent study focusing on the key ten platforms in Egypt shows that while platform work in Egypt has enabled workers to generate new income, or supplement already existing ones, its impact has been diminished as a result of rising inflation and the substantial increase in the cost of living (Fairwork, 2021).

There is emerging literature seeking to document the working conditions of some groups within platform workers, particularly location-based workers (e.g. Fairwork, 2021, 2023). The analysis acknowledges the power of platform work in enabling workers to generate new or supplementary income. However, it also shows how workers are strained by low income and the impending impact of rising inflation (Fairwork, 2023). Delivery workers, mostly young men, also have to contend with low wages, lack of social insurance, and lack of adequate measures to protect them from work-related dangers (ibid.). While, the Egyptian Ministry of Social Solidarity has undertaken recent interventions to work with a number of platform companies to launch a program that offers insurance schemes against injury and death (ibid.), establishing formal legal requirements to enhance working conditions for workers across all platforms is essential to reducing workers' vulnerabilities.

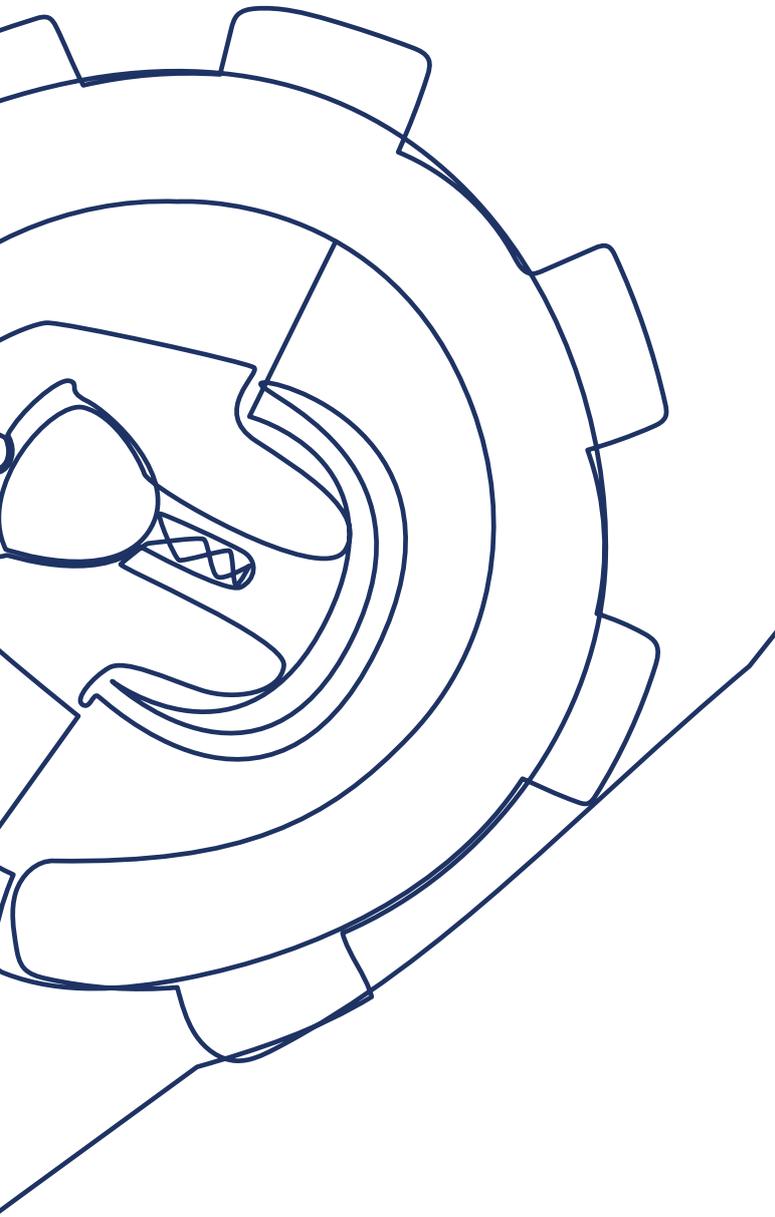


#### IV. CONCEPTUAL MODELS FOR SETTING POLICY OPTIONS TO INCLUDE PLATFORM WORKERS IN SOCIAL PROTECTION

There are two commonly recognized historical approaches for the extension of social insurance to workers that seem to continue to inform decisions in this field (Scholz, 2016). The Bismarckan model was first introduced in 1883, when the Bismarck government in Germany covered industrial workers with the world's first social security act, the "Sickness Insurance Act". This model is funded through contributions from multiple parties including employees, employers, and the government (Esping-Andersen, 1990). Formal employment relationship is typically a prerequisite for enrolling in this social insurance paradigm. The social insurance system in Egypt is built on that model. The other model, originating from the UK's Beveridge Report in 1942 (thus known as the Beveridge model), is primarily financed through taxation and provides universal social protection for all citizens (Scholz, 2016).

Zhang and Liu (2024) highlight how these two paradigms have affected government approaches to tackling the negative impact of employment de-standardization, including platform work, on the inclusiveness of social protection. The Beveridge Model, they note, is adopted in countries such as Australia, the UK, and Sweden. This approach, following its paradigmatic design, is tax-funded and takes a universal approach to social welfare. Because it offers non-discriminatory protection to all citizens, the Beveridge model is less affected by employment de-standardization (ibid.). By contrast, countries which have historically adopted the Bismarckan model, Egypt included, are facing an increasing coverage crisis with non-standardized work, including those related to platform work. These countries have either required self-employed gig-workers to contribute to social insurance on a mandatory basis (e.g. Germany, France, and Spain) with self-sponsorship; or on a voluntary basis (e.g. China) (ibid.). Behrendt and Nguyen (2018) argue that countries with mandatory schemes tend to have higher levels of coverage than countries with a voluntary system.

The dominant approach has been to consider platform workers as independent self-employed work-



ers. This group is particularly under-represented among insured workers. As noted above, this group also has the highest incidence of work informality in Egypt and poor access to social protection.

An ideal consideration for the inclusion of this group relies on the implementation of flexible and innovative approaches to include workers that are part-time and short-term. There is also a need to facilitate coverage for workers with multiple employers at the same time (Behrendt and Nguyen, 2018). Other key parameters for the inclusion of workers in this group include lowering the legal minimum thresholds on working hours or earned income and duration of employment. A policy approach to include this group of workers should aim to tap into increased levels of contributions to improve access to benefits and reduce the requirements for access to social insurance.

There have been two approaches to perceiving the role of platform companies that are informed by the historically set design of a social insurance system. In voluntary systems, platform companies are perceived as catalysts for social insurance ac-

cess. In this capacity, their role is limited to nudging workers and offering them possible market options (Behrendt and Nguyen (2018). In mandatory systems, however, platform companies can play the role of administering deductions of contributions to the social insurance system, similar to the income tax system in some countries. In this situation, platforms act as quasi employers (ibid.).

Another important classification of social protection is short-term versus long-term insurance packages (e.g. Findley and Caliendo, 2009). Short-term insurance typically offers protection against life-cycle risks including temporary sickness, a need to attend to a newborn, work accident, loss of job, or payment upon the death of a breadwinner. Provisions for these risks are made on a lump sum basis. Long-term insurance, on the other hand, primarily focuses on pensions during longevity and survivorship. The literature has long grappled with the effect of myopic thinking on the side of contributors, discounting the future and underestimating their social security benefits (e.g. Feldstein, 1985). It is, therefore, important for policy design to consider these tendencies.

These conceptual models lead the discussion to offer two policy options as follows:

### **Option 1: Voluntary and Accessible Insurance Options to Platform Workers**

It is almost universally shown in research that workers, including platform workers, do demand access to insurance against immediate risks of illness, injury and those associated with economic shocks. Based on cumulative work analyzing global surveys involving platform workers, Datta et al. (2023) show that platform workers often demand for short-term benefits include unemployment insurance, sick and paid leaves along with old age saving for pension. Similarly Barsoum (2016, 2020), building on interviews with young men and women (not involved in platform work at the time) in Egypt, shows the importance that these workers place on access to social insurance and long-term benefits of pensions upon retirement. Recent experimental-design research in Malaysia (Ghorpade et al., 2023) shows that platform workers demand such benefits and that the challenge is primarily in the design of policies that are flexible and accessible to them.



*“The legal framework for social insurance in Egypt is still unprepared for this group of workers. Designed in the early 1960s, the system is still geared towards the protection of standardized work in full time long-term employment relations.”*

A key challenge to voluntary access to social insurance in Egypt is the administrative burden of system requirements, primarily in relation to business registration (Barsoum and Selwanes, 2022). As noted above, countries such as China (Zhang and Liu, 2024), Thailand, Laos, and Myanmar (Nguyen and da Cunha, 2019) have long decoupled access to social insurance from employee status, offering eligibility to all workers. For example, Thailand offered such a model in 1994, with short-term benefits for the self-employed with benefits of sickness, disability, death, maternity and old-age lump sum – on a voluntary basis. According to data from the International Labor Organization, the voluntary approach has led to the expansion of coverage to this group, with the government subsidizing one-third of contributions to workers in the informal economy. Eligibility for sickness benefit requires 3 months of contributions and certain conditions to be met, while death benefits need six to 12 months of contributions.

Focusing on platform workers, Zhang and Liu (2024) show that platforms that offered voluntary schemes to workers have extended coverage to 32.3% of workers. While social security programs are supposed to be inclusive, it has become an important policy question if voluntarism can achieve comparable coverage to mandatory enrollment (ibid.). Voluntary systems acknowledge the choice of individuals. They can also provide a testing ground for the validity and desirability of a certain policy option, as opposed to making such option mandatory, risking public resentment and backlash.

Within this voluntary modality, platforms can serve as catalysts for voluntary participation systems. Platforms could play a role of awareness raising among the workers-users of the platforms, or even as enrollment portals to various programs of the government. They can be low-cost tools for client acquisition for public social insurance schemes or for alternative private insurance providers or act as collection agents for the government – without the high cost of the social insurance regular employment relationship (Sluchynsky, *forthcoming*). This builds on the conventional knowledge and the long-established experience with own-account workers, particularly in India, with systems focused on various specific groups. In fact, platforms are able to introduce an element of organization into an

otherwise unorganized segment of the labor market, which is an opportunity that can be leveraged for the provision of social insurance (Sluchynsky, *forthcoming*). In a void of public sector solutions, the private sector often steps in to cover some of those risks.<sup>4</sup>

Private sector provision of insurance benefits is also becoming increasingly common on such platforms and includes everything from work accident insurance to pensions. In certain cases, those products are offered voluntarily, as embedded insurance products by third parties; in others, they represent a complementary benefit co-financed by the platforms. In 2018, Uber started offering an optional bundle of short-term benefits to its drivers in the UK. The 2018 package included coverage of sickness or injury leading to more than 7 consecutive days of inability to work; maternity or paternity leave and work-related injury coverage. Subsequently, in 2021, Uber announced that it would provide a Defined Contribution (DC) pension benefit on top of the short-term benefit package. Pension contributions were split between the worker and Uber (5% and 3%, correspondingly). The administration of individual accounts was facilitated by an external vendor.<sup>5</sup>

### **Option 2: A Mandatory Social Insurance Scheme for Platform Workers**

Similar to taxation, social insurance contributions can be mandatory, pushing all workers, including own-account workers, to enroll. Uruguay's experience with the Monotax regime for own-account workers, is a key example for this approach of combining tax withholding with social insurance contributions (see Sluchynsky, *forthcoming*). The Monotax is based on an administrative alliance between the tax authority and the social security institution. Introduced in 2001, it simplified and unified collection from micro and small enterprises. The scheme was subsequently reformed in 2007 to make it more effective; by eliminating various conditions for joining the scheme, such as place of the activity and type of activity. In 2011, Monotax was extend-

<sup>4</sup> Details discussed in this part are based on presentations at the World Bank technical workshop on coverage expansion on February 15, 2024

<sup>5</sup> <https://www.uber.com/gb/en/drive/insurance/>

ed to cover independent workers under one-person enterprises and joint entrepreneurship.

While the contribution to pension coverage is mandatory in the Monotax, the taxable/insurable income is presumptive, that is based on predefined income categories. This is similar to the social insurance system for the self-employed in Egypt. Under the Monotax regime, taxes and social security contributions are started with lower rates than general taxes to encourage participation, with a gradual phase-in tax schedule. In the first and second years of joining the scheme, small businesses pay only 25 per cent then 50 per cent, respectively of the full liability. The supplementary affiliation in the health insurance regime is voluntary, however, entrepreneurs can choose to make contributions to protect their children and spouse as well. In just 5 years following the 2007 reform, the number of active businesses affiliated with the basic payment scheme (BPS) under the single tax regime increased over 7 times compared to the situation before the tax reform. The coverage rate of independent workers in Uruguay is one of the highest in Latin America.<sup>6</sup>

While the debate about classification of work relationships enabled by digital platforms is ongoing, withholding of different types of taxes (VAT, PIT, etc.) for services provided through such platforms is becoming increasingly prevalent, notably by some Latin American countries. As an example, in Mexico, starting from 2021, intermediaries must withhold tax on income earned through digital platforms. Most recently, in 2022, in response to government's legislative work to bring platform workers under the formal coverage of the social security scheme, Uber and DiDi have collectively proposed offering certain social security benefits to their drivers.<sup>7</sup> However, these primarily remain on a voluntary basis. In all cases, there is an obvious global realization that social protection to workers in such forms of non-standardized work should be covered by some form of protection.

Zhang and Liu (2024) found that mandatory systems lead to significant increases in access to so-

cial insurance, as opposed to voluntary schemes. However, their data shows that mandatory schemes were primarily applied to those hired as employees at the platforms, not to crowd-sourced workers.

## V. THE ENVISIONED ROLE OF PLATFORM MANAGEMENT IN BOTH OPTIONS

While the relationship between platforms and their workers will continue to be a form of short-term non-standardized contractual employment relationship, there are two roles envisioned for platforms. In the voluntary approach, as noted above, they can serve as catalysts, promoting different insurance packages (either public or private) to workers. Needless to say, such policies should be portable and not connected to one specific platform. While workers could benefit from promotional packages through the insurance carriers, these should not be tied into the continuity of service with this specific platform. Tying the service to the platform would harm the workers and reduce their options to work with other platforms.

In a mandatory approach to social insurance, platforms will play a similar role to that related to income tax. Platforms are progressively being involved in different taxation systems, withholding VAT in many contexts, and as noted above in withholding income tax in some contexts, with Mexico as a key example. This sets the precedence of the possibility of combining taxation with social protection packages.

## VI. DISCUSSION AND CONCLUSION

The platform economy offers great opportunities for economic integration for groups that would be otherwise excluded. It also offers flexibility and convenience that far exceed the potentials of traditional forms of work and is therefore recognized as central to the understanding of the future of work globally (ILO, 2017). Yet, platform work creates new forms of non-standardized work that lack social protection and carries a risk for platform workers to fall into the working poor with no protection.

The legal framework for social insurance in Egypt is still unprepared for this group of workers. De-

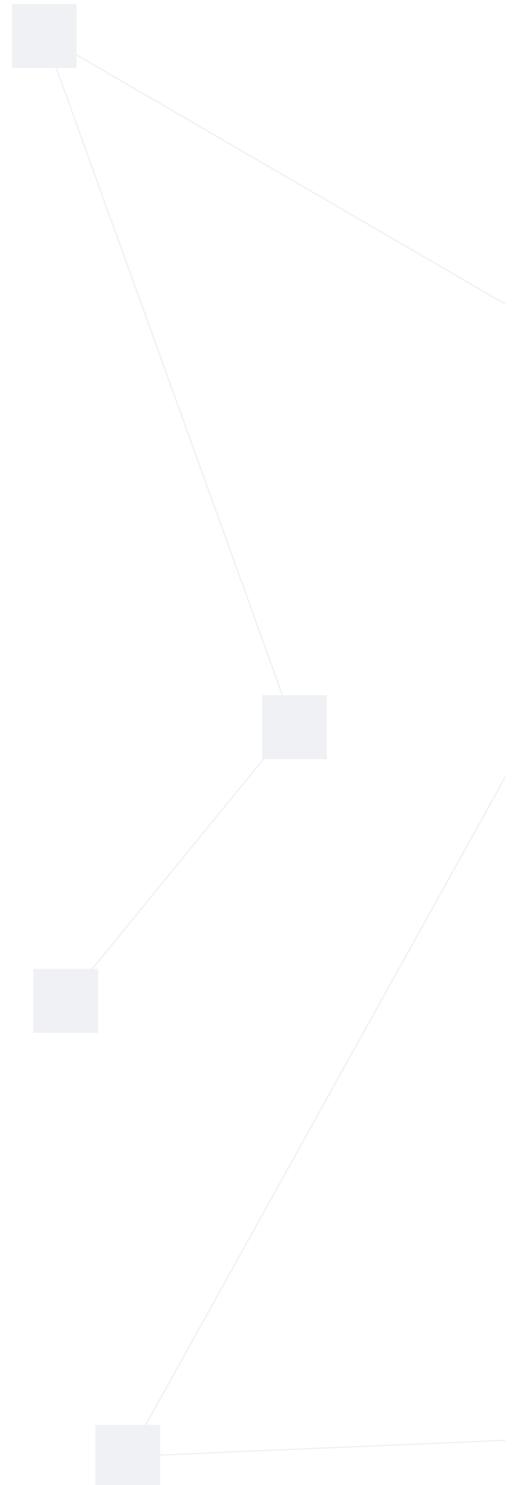
<sup>6</sup> Details on the Monotax are based on presentations at the ESCWA Workshop on social insurance for irregular workers in Egypt, 21 – 23 May, 2024.

<sup>7</sup> Details discussed in this part are based on presentations at the World Bank technical workshop on coverage expansion on February 15, 2024.

signed in the early 1960s, the system is still geared towards the protection of standardized work in full time long-term employment relations. The short-term and temporal nature of platform work is a challenge to this system design, which is built on the Bismarckian tradition of selective access. The framework also has bureaucratic hurdles against contribution that discourages workers in such temporary employment relationships to contribute.

This paper underscores two policy approaches to the inclusion of platform workers within the social protection purview. The first extends the existing framework potential by making participation easier and open to all workers with tax obligations on a voluntary basis. By simplifying the enrollment process, workers who voluntarily choose to join the system will be allowed to do so, without the current requirement of a business registration. These workers can opt to choose between government-managed social insurance systems and private systems. The other policy option is to mandate social insurance contributions similar to the taxation process, and build an alliance between the two functions, so that contributions are automatically withdrawn.

These policy options are meant to instigate a focused conversation on the inclusion of platform workers in social insurance. Globally, countries are choosing between active and passive approaches to platforms. Acknowledging the economic power and job creation potential of platform companies, governments tend to refrain from an active regulatory policy approach. Striking a balance between protecting workers and encouraging investment is a perennial challenge that faces governments. Platform work is a new reminder of such a challenge.



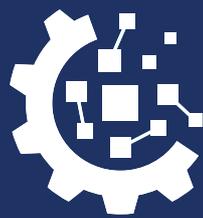
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