



MENA OBSERVATORY
ON RESPONSIBLE AI
مرصد الشرق الأوسط وشمال إفريقيا للأداء الاصطناعي المسؤول



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



NEW FORMS OF WORK, OLD FORMS OF EXPLOITATION: AN ANALYSIS OF TUNISIA'S PLATFORM AND INFORMAL ECONOMIES



NEW FORMS OF WORK, OLD FORMS OF EXPLOITATION: AN ANALYSIS OF TUNISIA'S PLATFORM AND INFORMAL ECONOMIES

Asma Ben Hassen & Jacob Emont

This report was carried out with the support of the Access to Knowledge for Development Center (A2K4D) at the American University in Cairo's (AUC) Onsi Sawiris School of Business as part of the project titled "New Work, Data and Inclusion in the Digital Economy: A Middle East and North Africa Perspective," with the aid of a grant from the Ford Foundation. The views expressed herein do not necessarily represent those of A2K4D and the Ford Foundation.

CONTENTS

INTRODUCTION	4
BACKGROUND	5
<i>Informality in Tunisia</i>	5
<i>The Emergence of the Platform Economy</i>	6
<i>The Platform Economy and International Labor Standards</i>	6
<i>Tunisia's Platform Economy</i>	7
<i>Tunisian Regulatory Framework</i>	7
<i>Social Protection and Work in Tunisia</i>	10
<i>The Intersection of the Platform and Informal Economies</i>	10
RESEARCH QUESTIONS	11
METHODOLOGY	12
FINDINGS AND ANALYSIS	12
<i>Platform Worker Profile: Cloud Workers</i>	13
<i>Jobs of Necessity, not Flexibility</i>	13
<i>Low Pay, High Risk and Transferred Costs</i>	16
<i>Informality and Lack of Regulatory Structure</i>	18
<i>Organizing and Collective Action²⁰</i>	
<i>Response from Firms</i>	21
CONCLUSION AND POLICY CONSIDERATIONS	23
WORKS CITED	26

INTRODUCTION

It has been over 40 years since the International Labor Organization (ILO) first used the term “informal sector” to identify the billions of unprotected workers engaged in legal but unregistered enterprises outside formal economic structures. Since then, the world’s economies, large and small, have undergone booms and busts, but the most underdeveloped and vulnerable countries have remained those with the largest rates of informality. Informal employment is often characterized by poor working conditions, low wages, a lack of social protections, and, in most cases, a lack of understanding by policymakers and civil society due to a dearth of data and other information about the informal economy and informal employment.

Tunisia, like the majority of developing countries, is experiencing an expansion of informality, both in the number of people employed and in terms of the number of informal sectors. The platform economy is one of these areas of expansion in the informal economy.

The platform economy refers to economic activity involving Platform-Mediated Work (PMW), such as transactions between a buyer and seller or service provider made through an app, website, or online marketplace. PMW comprises numerous economic activities, primarily including platform-mediated ground work (PMGW), which includes on-the-ground activities, such as transportation and delivery services, and platform-mediated cloud work (PMCW), which includes services provided online (Tucker 2020).

The platform economy, which had already been on the rise but saw significant growth during the COVID-19 pandemic, has, from its start, mimicked the employment practices of the informal sector. Not only are many platform workers operating informally, but many platforms have developed in a way that builds on the long-held structures of informal work by shifting traditional employer-held risks and responsibilities onto workers. These interconnected phenomena have meant that the rise of the informal and platform economies in Tunisia — just as they are around the world — are linked.

Informal work is generally characterized by a lack of social protection; undefined workplaces; inde-

cent working conditions; low-skill work; irregular incomes; and difficult access to finance, training, and government benefits. Despite sharing high rates of informality as characterized by lack of formal registration, the platform economy may not necessarily have many other characteristics in common with the traditional informal economy. Given its relative novelty, work in the sector may present new challenges in terms of rights and protections but also may provide new opportunities in terms of employment and income.

To address these possibilities, our study aims to better understand the social and economic situation of informal workers in the platform economy, including workers engaged in PMGW and PMCW. Our data sheds light on the socio-economic demographics, characteristics, working conditions, social protection and income of platform workers through qualitative findings and analysis. The study also aims to identify platform workers’ main challenges and potential opportunities available to them compared to traditional groups of informal workers in more classic sectors. This kind of information and analysis is a key first step in facilitating measures to improve the social and economic inclusion of workers in the platform economy and, more specifically, to improve analysis on how social protection and fiscal regulatory systems in Tunisia should be adapted to respond to the emergence of these new forms of work.

Our findings include information on the demographics of workers, characteristics of work in the platform sectors, informal workers’ financial situations, transitions into and out of the formal economy and attitudes regarding working conditions and social protection rights. Also included are findings from interviews and consultations with key platform economy stakeholders in government, civil society and the private sector. We close by providing policy considerations gleaned from our research and analysis, as well as recommendations for areas where additional data collection and analysis would be useful to further improve the integration of Tunisia’s platform economy and informal workforce.

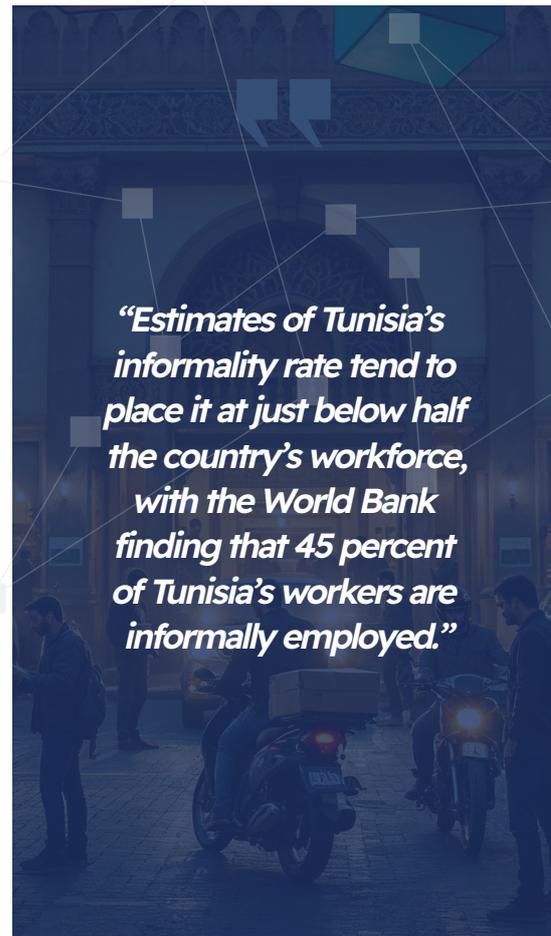
BACKGROUND

Informality in Tunisia

Since the 2011 revolution, Tunisia has experienced a remarkable political transition, but significant economic and social challenges have persisted. Tunisia's economy is characterized by macroeconomic imbalances, low levels of inclusiveness, high unemployment and slow growth. Tunisia's 2022 unemployment rate was 16.1 percent, barely lower than the pandemic high of 16.4 percent in 2020. And this was much worse for the country's youth, with 37.1 percent of eligible workers between the ages of 15-24 being unemployed in 2022 (World Bank, 2023). In addition to and complicating these high rates of unemployment in the formal economy is Tunisia's substantial informal economy, metrics for which are definitionally not captured in unemployment statistics.

Informality represents a core part of economies across the world, and Tunisia is no exception. Estimates of Tunisia's informality rate¹ tend to place it at just below half the country's workforce, with the World Bank finding that 45 percent of Tunisia's workers are informally employed (World Bank, 2020) and Tunisia's National Institute of Statistics approximating the rate at 44.8 percent (INS, 2020). While this informality rate falls below the global average, evidence suggests that Tunisia's informal economy has negatively impacted economic growth (Mhadhbi and Terzi, 2022). For this and other reasons, such as the desire to tax this substantial part of the economy and regulate informal, often-precarious work, addressing the informal economy has long been a priority for Tunisian and international leaders, including the IMF and World Bank (IMF, 2022), as well as the ILO, which in Recommendation 204² provided guidance on the Transition from the informal to the formal economy.

However, addressing Tunisia's informal sector is easier said than done, primarily due to its complex and diverse nature. In fact, the very term "infor-



mal sector" may be a misnomer, as it suggests a clean division between Tunisia's formal and informal economies. The reality is far more intertwined. While some workers and firms operate either in the formal or the informal economies, many exist in both simultaneously. Formally registered businesses employ workers informally. Formally employed workers may hide some of their work from authorities to decrease their tax obligations. Informal workers may face tax obligations, such as local and municipal taxes for sales or vending locations, despite their unregistered nature on a national level. Workers may register their activities with parts of government but not others and still be considered by government metrics as informal workers. These and other nuanced scenarios define Tunisia's informal economy (Mekkaoui et al., 2022).

Yet, addressing informality in Tunisia remains an essential task because of the significant vulnerabilities that informal workers face. Unregistered and unregulated, Tunisian informal workers lack essential social safety nets, including medical coverage

¹ Herein informality is defined for simplicity as workers who are not registered with Tunisia's social security administration, CNSS. However, informality is not a binary state, and a significant amount of economic activity has both formal and informal characteristics. This phenomenon is discussed further below, but for more analysis on this definitional issue refer to Mekkaoui et al., 2022.

² <https://www.ilo.org/resource/ilc/104/recommendation-no-204-concerning-transition-informal-formal-economy>

and social insurance (Ben Cheikh, 2022). They also face greater work risks than their formal counterparts, often laboring in unsafe conditions and lacking government inspection or union advocacy to address threats to their safety and livelihoods (Gallien, 2018).

For these reasons, informal workers were disproportionately affected by COVID-19, but their unregistered nature meant that they were among the least likely to benefit from government relief efforts (Marouani et al., 2022). A survey of women working informally in 2021 found that 84 percent lost income and 71 percent fell into debt because of the pandemic (Tunisia Inclusive Labor Initiative, 2021). Such economic challenges, paired with advances in technology, have led many informal workers to seek opportunities in the platform economy.

The Emergence of the Platform Economy

The platform economy — or gig economy, sharing economy, collaborative economy, and a host of other phrases — refers to economic activity facilitated by digital platforms such as apps, websites and online marketplaces. These platforms act as a third party and digital interface connecting two-party transactions (a sale of a good or service from a vendor to a buyer) (Migai et al., 2019). Despite this simple construct, platform work is remarkably diverse and can entail numerous different employment scenarios. Digital platforms can facilitate the completion of online ad hoc projects, such as data entry, web design, or translation, and the offline provision of goods or services, such as food delivery, taxi rides, or dog walking. In this paper, we use Eric Tucker’s terminology to distinguish between these two main types of platform-mediated work: platform-mediated cloud work (PMCW) and platform-mediated ground work (PMGW). For platform workers, this work may constitute their full-time job, an occasional source of additional income, or something in between (Horodnic et al., 2023).

The platform business model is growing at a remarkable rate. Some of the world’s most valuable companies — Facebook, Alibaba, Tencent and Amazon — are in whole or part platforms that facilitate the provision of goods or services. Furthermore, analysis of publicly listed platform companies found that they reported nearly twice the profits, growth rates and market capitalizations of the oth-

er major firms in the same sectors and businesses over a period of 20 years (Cusumano et al., 2020). As internet availability, and particularly smartphone penetration, has expanded across the world, more and more people have gained access to the platform economy, both as customers and workers.

The Platform Economy and International Labor Standards

The relative novelty and rapid rise of the platform economy has necessitated that international organizations integrate the concept into their standards and regulations. In late 2022, the International Labour Organisation (ILO) stated that, “among official institutions, including the ILO, no definition exists as to what the platform economy might be” (ILO, 2022). However, the platform economy is not so alien of a concept that existing labor standards cannot apply. It rather presents new and often more flexible ways of working that do not render labor standards moot, but may make them easier to circumvent.

A key factor affecting how the platform economy interacts with existing labor standards, tax regimes and other regulations is how platforms classify their workers. The vast majority of platforms “describe themselves as technological intermediaries” and therefore identify their workers as self-employed rather than provide employment contracts (ILO, 2022). This tendency elides the often dependent nature of workers to the platforms on which they work. The question of whether contract work for platforms should be treated as traditional employment has been litigated in numerous court cases around the world in recent years (Huws et al., 2017).

While labor standards such as those outlined in the 1948 Universal Declaration of Human Rights or the more recent 2011 UN Guiding Principles on Business and Human Rights set out broad protections that apply to workers regardless of the specifics of their work, a number of more specific ILO conventions may also be applicable to the platform economy. For instance, Article 7 of ILO Convention 177 states that health and safety regulations must apply to individuals who work away from their employer’s premises, yet as discussed above, whether a platform is an employer remains a controversial matter of significant litigation (ILO, 2020). Similarly, on the issue of social protections, the 109th session of the

International Labour Conference stated that ILO members should “improve coverage of those not yet adequately protected, including by ensuring access to adequate social protection for workers in all types of employment” and “support Member States in providing access to adequate social protection for workers in all types of employment, including self-employment, and in ensuring the preservation and portability of acquired entitlements, in the light of new developments in the world of work” (ILO, 2021).

As the platform economy develops and grows, countries and firms will no doubt conflict in their interpretations of how these and other international standards apply to new forms of work.

Tunisia's Platform Economy

In Tunisia, the platform economy has been seen as a key lever for economic growth, innovation and social inclusion. Digital transformation is considered a national priority, and, as such, the Tunisian government has launched several related initiatives, including the National Digital Strategic Plan 2025, SmartGov 2020, and the new Digital Code. These initiatives aim to accelerate growth, create jobs, promote social inclusion and improve the quality of social services in Tunisia. At the same time, economic platforms in Tunisia including e-commerce sites, home delivery services and online booking platforms played a critical role during the pandemic, saw usage increase and provided economic opportunity to those hit hard by the crisis.

Today, in Tunisia, the platform economy can be found in many parts of everyday life. An estimated 200 digital platforms are operating in major sectors of Tunisia's economy, including e-commerce, transportation and logistics, providing jobs for Tunisians engaged in both PMGW and PMCW. Tunisians hail taxis through Bolt (an Estonia-based ride-hailing company) and scooters through IntiGo (a Tunisian startup), order food through Glovo (a Spain-based delivery app), find tutoring services through Homeschool (a Tunisian tutoring service), book babysitters and eldercare through Bambinosit (a Tunisian care-matching platform), shop on Jumia (a Nigeria-based digital marketplace) and connect with local businesses through Facebook.

While platforms may seem to have a wide reach, at least in cities, the Portulans Institute Network Readiness Index suggests that Tunisia lags behind many of its peers in terms of platform economy uptake, ranking 107th out of 131 economies in the prevalence of the gig economy, which includes both PMGW and PMCW (Portulans Institute, 2022). In response, development projects, such as GIZ's Digital Transformation Center, have prioritized supporting platform economy growth to help tackle Tunisia's high unemployment rates.

However, little research has been conducted on the specificity of Tunisia's platform economy and its effects on the labor force. Tunisia's national statistics body has not made any moves to address the emergence of the platform economy in its employment or other economic surveys, so official data is lacking. In the limited academic research available, such as Fairwork's study of domestic platform work in the Middle East and North Africa, fieldwork from Tunisia found that platform workers face numerous risks in the course of their work, including issues of safety, non-payment for services, abuse and disrespect. Furthermore, surveyed workers had no safety net — should they sustain an injury or become ill and unable to work, they were given no compensation from the platform and had no right to claim social protection (Fairwork, 2022). The European Training Foundation's recent overview of platform work in Tunisia similarly found that its largely informal nature was one of the primary challenges presented by the emergence of the platform economy in Tunisia. But the Tunisian government has taken little action beyond occasional public statements to recognize this emerging form of work (European Training Foundation, 2023).

Tunisian Regulatory Framework

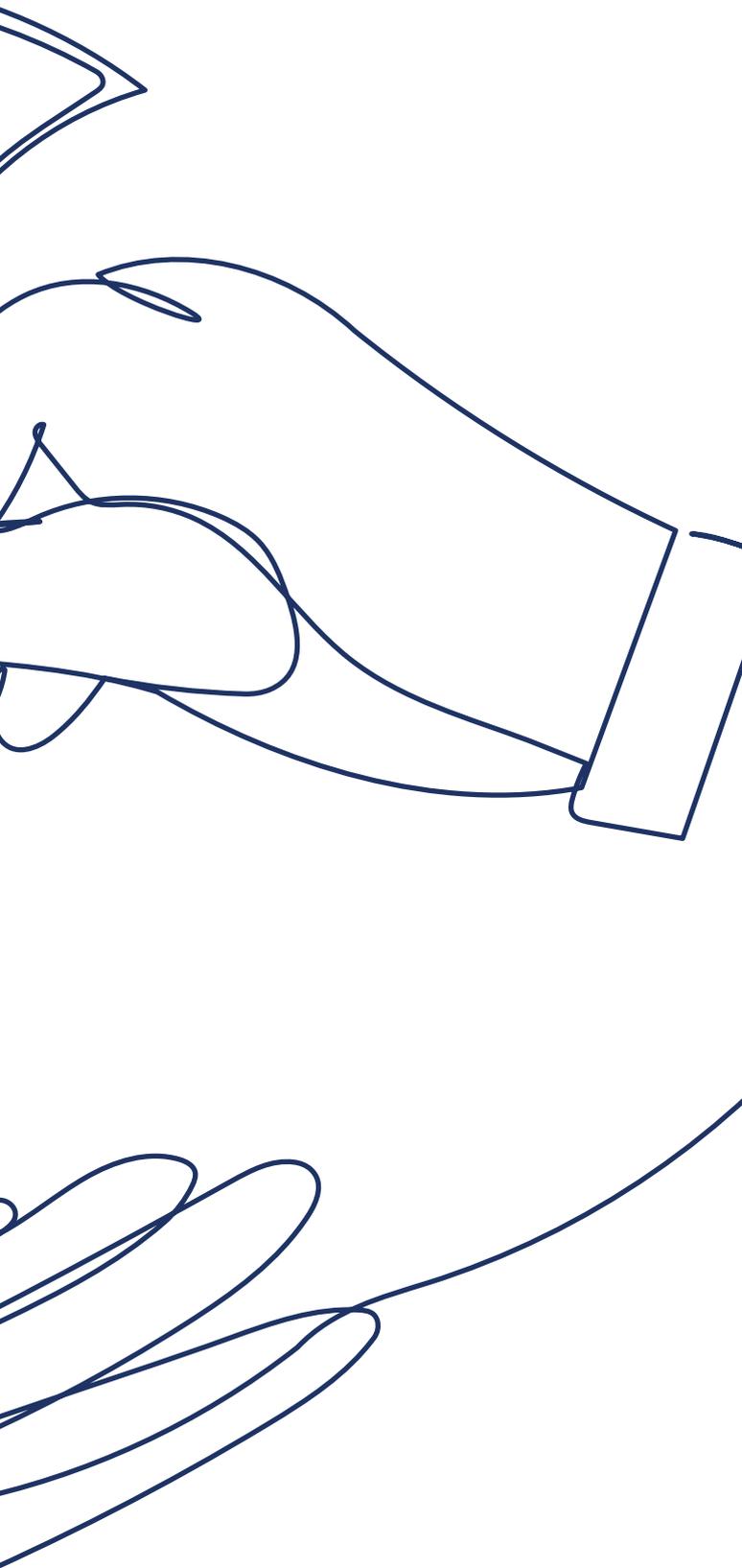
Regulatory employment frameworks are an essential and complex topic as they relate to the platform economy. As discussed above, many platform firms benefit by not entering into a traditional employment relationship with platform workers. As the platform economy has grown, so too have efforts to directly address this form of work through regulation. A key development in these efforts has been the European Commission's recently adopted proposed reforms aimed at determining the proper employment status for workers engaged

in both cloud-based and ground-based platform work. The proposed regulations would mandate that a person should be presumed a worker and afforded appropriate benefits and protections if three of the following seven criteria are met: the digital labor platform (1) determines upper limits for the level of remuneration, (2) requires the person to respect certain rules with regard to appearance and conduct toward the recipient of the service or performance of work, (3) supervises the performance of work, including by electronic means, (4) restricts the freedom to choose one's working hours or periods of absence, (5) restricts the freedom to accept or refuse tasks, (6) restricts the freedom to use subcontractors or substitutes, and (7) restricts the possibility to build a client base or to perform work for any third party (European Council, 2023). However, these new regulations are not yet law as they must first be negotiated with the European Parliament.

In Tunisia, few regulatory steps have been taken to address PMGW or PMCW, even as both have grown in recent years. Despite the Tunisian government's insistence that the platform economy is a key aspect of its aforementioned digital transformation efforts, little action has been taken to address it through legislation. Through interviews with government officials, we found that the Vocational Training and Employment Ministry has been regulating new forms of work as a strategic objective. Elsewhere in government, the National Strategy to promote Tunisia's business climate includes measures to support the digitization of the economy, to modernize the foreign currency exchange code, to develop a new mapping of the labor force, to update the nomenclature for different types of work. Yet discussions with government officials and platform firms, which we analyze further in the Findings and Analysis section, confirmed that platform firms operating in Tunisia are not subject to tailored regulation and therefore are able to select employment classifications and other legal regimes as they see fit.

Some relatively recent Tunisian employment regulations, while not designed specifically with the platform economy in mind, likely do have implications for platform work. The 2018 startup act was developed to explicitly address a lack of regulatory structure for small businesses, particularly those





in the digital sector (Sold, 2018). The act defined a startup and terms for tax exemptions, created funding opportunities for entrepreneurs and streamlined registration processes for small businesses. Government officials informed us that this law will soon be reviewed and updated.

The 2020 auto-entrepreneurship decree was similarly focused on streamlining registration processes, this time focused on individuals working in the informal sector. Designed for own-account workers, the designation intends to significantly ease the process of registering businesses, paying a simplified tax and accessing the social security system (Gallien et al., 2021). Where workers previously faced complex and often insurmountable bureaucratic barriers to formalize their activities, the auto-entrepreneur designation was designed to address the realities of hundreds of thousands of workers in Tunisia's informal economy. However, efforts by the Tunisian government to implement the auto-entrepreneur platform are still ongoing.

While both of these regulatory developments, even if not designed for the platform economy, may have implications for it, both are designed to expand regulatory options for platform *workers*. Both the startup act and the auto-entrepreneur decree are in general tailored to the situation of small businesses rather than the often large, international platform firms entering the Tunisian market. Individuals engaged in both PMCW and PMGW may consider these new regimes as they seek to register their work and attempt to formalize their activities, but platforms themselves cannot register workers through these frameworks. Little has been done by Tunisian regulators to directly address platform firms, which is a continuation of the overwhelming trend regarding the platform economy of shifting responsibilities that have traditionally been borne by firms onto workers. While this reality does not make Tunisia unique — as these regulatory matters are still a matter of great debate and frequent inaction around the world — it does provide an opportunity for Tunisia to address its emerging platform economy in the near future.

In addition to the lack of platform-oriented worker and business registration frameworks, Tunisia has also not taken steps to address PMW in terms of the country's labor code, social protection schemes, or competition regulations. All of these are key issues

for platform firms and workers, yet little to no action has been taken to address them. We discuss our findings related to these areas, as well as related policy considerations, throughout this paper.

Social Protection and Work in Tunisia

In Tunisia, much of the social protection landscape is tied to employment. The National Health Insurance Fund (CNAM), established in 2004, was designed for public and private sector employees and their families. Employees contribute to the health system based on their income level. Similarly, both major social insurance funds — the National Pension and Social Insurance fund (CNRPS) for public sector workers and the National Social Security Fund (CNSS) for private sector workers — are contributory and directly tied to workers' employment status (Nasri et al., 2022). Other targeted, non-contributory social protection schemes do exist and are primarily focused on providing medical care and cash transfers to Tunisia's neediest households. However, numerous Tunisians — particularly those working in the informal sector — neither qualify for the contributory schemes based on their lack of a formal job nor the non-contributory schemes due to their income level.

Given this situation, Tunisia has worked to create a National Protection Floor, which aims to provide a level of social protection for all Tunisians, regardless of their specific income or employment situation (CRES, 2015). This initiative, called the AMEN Social Program, has been in development for many years but still has not provided the promised universal floor. Recent developments, such as a \$60 million infusion from USAID, have still focused on targeted groups, such as needy families with children (USAID, 2022).

Analysis of Tunisia's national employment and household budget surveys found numerous demographic trends associated with lack of social protection coverage. These include lower rates of coverage in individuals living away from the Tunis and coastal areas, lower rates among individuals with lower educational attainment, lower rates among single Tunisians and lower rates among Tunisians engaged in temporary or seasonal work (Mekkaoui et al., 2022). Many of these phenomena are not unique to Tunisia but rather speak to the important connections between social protection and em-

ployment — connections which are often complicated by new forms of work.

The Intersection of the Platform and Informal Economies

Informal work and the platform economy are naturally intertwined. As a novel, rapidly growing business model and a business model that often classifies its employees as independent entrepreneurs, the platform economy has created numerous opportunities for the proliferation of informal work (Migai et al., 2019). Furthermore, the factors that allow for the flexibility that is generally associated with platform work (Dunn et al., 2023) are the same factors that produce precarity for informal workers, whose work is often defined by temporary, seasonal and irregular work (Maurizio, 2016).

Additionally, platform work generally transfers operational costs to workers, which has long been a key characteristic of the informal economy. Where firms may have once provided training, insurance and other benefits, platforms tend to shift the responsibility and cost for insurance coverage and skill development onto workers (Wood et al., 2019). Moreover, the often-ephemeral nature of platform work transfers risk to workers as well. Instead of employing a labor force that can weather macroeconomic shifts, platform firms manage risks through "on-demand labor" from a workforce of contractors who are not guaranteed stable work and labor at the whims of the platform and its algorithms (Tubaro et al., 2022). Firms, both formal and informal, have long employed workers informally to obtain these same risk management benefits. Generally working without a contract and unguaranteed social protection, training and other benefits traditionally associated with formal work, informal workers take on risks for firms because they lack better employment options elsewhere (OECD, 2019).

Despite these key areas of alignment, research on the relationship between informality and the platform economy is still emerging given the relative novelty of digital platforms. Some studies of the matter have found that the platform economy can be a catalyst for facilitating the transition from informal to formal work. A qualitative study of online labor platforms in Panama and Mexico based on interviews with platform economy founders and ground workers found that platform firms can in-

form workers of the benefits of formalization, offer assistance in the formalization process, build loyalty to maintain workers' formal operations and combat workers' attempts to revert back to the informal sector (Weber et al., 2021). Similarly, policy analysis has suggested that the digital nature of platform work itself, both for PMGW and PMCW, as well as its relative novelty, creates significant opportunities for tailored regulation that can encourage a more formalized labor market with increased tax collection and better jobs (Randolph et al., 2019).

However, a body of research is also emerging that suggests the opposite. Instead of functioning as drivers toward formalization, platforms may be serving to entrench informality while further exploiting workers who seek the flexibility and other benefits that platforms promise. In fact, digital platforms have the potential to enhance the benefits of employing informal workers for firms by combining the existing benefits of informal employment — such as tax evasion and not having to provide benefits or entering into an employment relationship with workers — with those that have previously been associated only with formal work, including surveillance, performance evaluation and greater ability to control the hours, movement, and actions of workers (Vaclavik et al., 2022). Interviews with delivery drivers suggested the existence of this novel form of employment: workers turned to informal gig work when they couldn't find formal jobs because of its presumed flexibility, but quickly found that an algorithm was controlling their actions, app alerts were chastising them for taking breaks, and the decentralized nature of the platform economy limited opportunities for collective bargaining and action (Nair, 2022).

A study of women working as estheticians in India also found that workers who were attracted to platform jobs for their flexibility faced the reality of platforms exercising control over their work through scheduling and other means. These workers, however, were able to overcome the decentralization of platforms to form information networks through which they voiced concerns, shared learnings and organized acts of resistance against the control and exploitation of the platform (Tandon et al., 2022). Research conducted by the ILO has identified numerous other cases of collective action and organizing among platform economy work-

ers around the world through Facebook groups, Whatsapp chats, workers' organizations, unions and other means that have led to bargaining, negotiations and strikes (Hadwiger, 2022).

Even with this rapidly growing body of research, numerous questions remain about the relationship between informality and the platform economy, particularly given the diversity of situations that both can entail. Do platform mediated ground workers differ in their experiences from platform mediated cloud workers? Are internationally imported platforms more likely to entrench informality than their locally developed counterparts? Do workers in different types of platforms or sectors experience different rates of informality? Do local laws dictate the relationship between the platform and informal economies, or is the relationship immune to attempts to regulate it? Importantly, the answers to these questions may differ for PMGW versus PMCW, as well as sectors therein. This study seeks to begin to answer these important questions in the Tunisian context.

RESEARCH QUESTIONS

Informal work is generally characterized by a lack of social protection; undefined workplaces; indecent working conditions; low-skill work; irregular incomes; and difficult access to finance, training, and government benefits. Despite sharing high rates of informality as characterized by lack of registration, the platform economy may not necessarily have many other characteristics in common with the traditional informal economy. Given its relative novelty, work in the sector may present new challenges in terms of rights and protections but also may provide new opportunities in terms of employment and income. This study therefore seeks to better understand the social and economic situation of informal workers in Tunisia's platform economy, both those engaged in PMGW and in PMCW. We also identify the main challenges and potential opportunities platform workers face. Additionally, through our efforts to answer these questions, we explored numerous policy recommendations emanating from our desk research, discussions with government and civil society stakeholders and consultations with platform workers. The final section of this study outlines some of these actionable

recommendations drawn from our research and informed by our findings and analysis.

METHODOLOGY

To answer these research questions, our study used a mixed methods approach to obtain data that allowed researchers to conduct an in-depth analysis drawing from a combination of semi-structured interviews, focus group discussions and survey responses. Qualitative research methods involved in-depth interviews with 56 platform ground and cloud workers, four platform corporate representatives, seven Tunisian government officials, four CSO representatives, a representative from the ILO's Tunisian regional office and two independent experts. Additionally, four focus groups were conducted to allow for further discussion and dialogue. Researchers surveyed 40 workers engaged in location-based platform work, such as ride-hailing, delivery services and personal services (termed "ground workers" or "PMGW" hereafter) and 16 workers using web-based platforms to engage in remote technology work, such as web and graphic design (termed "cloud workers" or "PMCW" hereafter). Ninety percent of workers resided in the Tunis area and most were men — the gender breakdown of platform work, as well as the different experiences of men and women in the platform economy, are explored in our findings and analysis.

The study aimed to ensure that interviews with and survey data collected from platform workers recognized the significant diversity that exists within the world of platform work. To this end, researchers targeted distinct groups of platform workers to allow for a diversity of situations to be represented in the data collection process. Participating platform workers included workers from both types of PMW: ride-hailing drivers and food delivery workers representing "ground workers" and web designers, statisticians, data analysts, audiovisual services providers and others representing "cloud workers." Because of the differences in situations, certain survey and interview procedures were altered to fit the contexts of the different respondents. Due to their time constraints, some workers were interviewed during the course of their work. For instance, researchers booked long rides on ride-hailing platforms and interviewed drivers en route to their destinations. Similarly, researchers paid some de-

livery workers to reject delivery opportunities so as to enable them to complete interviews. Conversely, platform workers working in more technical and web-based fields were reached through more digital means, with some of them filling out surveys online and some participating in in-person interviews. In many cases, these cloud workers proved difficult to identify because so many of the individuals who are a part of relevant online communities (such as Facebook groups dedicated to cloud work) merely aspire to participate in remote cloud work but have yet to be paid for providing such services. Researchers took these sometimes-differing means of data collection into account while analyzing our findings in the sections ahead.

FINDINGS AND ANALYSIS

Platform Worker Profile: Ground Workers

Of the 40 surveyed ground workers, most were unmarried young men living in multi-person households in the Tunis area. However, the group surveyed was far from homogenous. This group of primarily ride-hailing and delivery platform workers included 29 people in their 20s or younger and 10 over 35 years of age. The majority were unmarried, and 75 percent lived in households of three to five people. The vast majority of households included one child or none. Thirteen of the 40 surveyed were the solely employed person in their household, and 20 lived in two-wage earner households. Most workers had attained a form of secondary education, but many had not received their diplomas. Of those who had spouses or partners, their spouses or partners did not work.

Importantly, the gender breakdown of platform workers is heavily dependent on the type of platform work. While we estimate that men make up the majority of platform workers in Tunisia and are particularly represented among jobs in the delivery and transportation sectors, the gender dynamics flip for platform work that involves caring for children or the elderly, cleaning homes and other roles that are more traditionally filled by women workers. That being said, interviews suggested that there has been a recent trend in women moving toward PMW work more broadly. Informal groups and networks have arisen through apps like Facebook and Whatsapp, which have advertised PMW opportuni-

ties and helped connect potential workers to these jobs. Some women interviewed reported feeling safer engaging in these employment opportunities because they had been vouched for through these networks.

Most of the surveyed ground workers found their jobs through personal or family connections, and roughly half were unemployed prior to starting their current platform work. Of those who were previously employed, the majority were employees and a few were self-employed. More than half had no employment contract, and the vast majority had not worked in the digital economy prior to their current job. Affirming the purported transitory nature of this type of work, one-third of the surveyed ground workers had held their current job for less than a year, and none had held their job for more than a year and a half.

Platform Worker Profile: Cloud Workers

Similar to the ground workers, the majority of surveyed cloud workers were young and single. However, there were many notable differences in the profile of cloud workers compared with the ground workers surveyed. Twelve of the 16 cloud workers surveyed were in their twenties or younger, and only four were married. Twelve were university degree holders, and 14 were students prior to or while starting their current platform work. Of the 10 men and six women surveyed, most lived with family members and were not the only income-earners in their household. Only two were the sole income earners in their household, while nine were one of two income-earners. Four surveyed workers had partners, the majority of whom didn't work.

Most found their job on the internet, but a few heard about it through personal connections. Five of those surveyed had previously worked in the digital economy. Only one cloud worker classified themselves as an employee, while the other 15 referred to themselves as self-employed. Twelve out of 16, also classified their work as "occasional" rather than permanent, but eight still said it was their primary job. Of those who worked part time, some were still students and one was in vocational training. Five had worked in the digital economy prior to their current job, and 11 had held their current job for a year or less.

Jobs of Necessity, not Flexibility

Much of the marketing and analysis around the platform economy tends to highlight its purported flexibility — that platform workers can work when they want, for however long they want. For this reason, platform work is often promoted as a potential side job — a source of additional income to help make ends meet. Prior research has challenged this assumed flexibility and found that platform workers who assumed they would be engaged in flexible work ended up disappointed by the more controlled reality. Nair (2022) found that platform algorithms and alerts were pushing workers to work longer hours and punishing them for taking breaks, and Tandon and Sekharan (2022) found that some platforms were dictating onerous and unwanted work schedules for platform workers.

Our findings similarly suggest that platform work in Tunisia may not, in reality, be characterized by the flexibility often promised by platform firms, but, distinctly, we also find that flexibility may not be what platform workers seek. Numerous survey and focus group findings suggest that Tunisian platform workers engaged in this work not because they thought it would be a particularly good, flexible fit for their lifestyles, but simply because it was a way to earn money. This was particularly evident with ground workers, who sought employment opportunities after periods of unemployment or precarious work, rather than cloud workers, who were more likely to view platform work as an opportunity to build their skills and progress in their careers.

Tunisia's persistently high unemployment rate limits the agency that workers have when searching for jobs. When asked why they engaged in their current job, most surveyed groundworkers answered that they needed the money and had few other options. Yet, the majority said that their current pay was either somewhat insufficient or not at all sufficient. Most also asserted that their current work did not match their level of educational attainment. Only two of the 40 surveyed ground workers said they took their job because of an interest in the activity and only three cited flexibility as a reason they took the job. Only two ground workers said they were "very satisfied" with their professional situation.

A number of other survey findings suggest that Tunisian platform workers engage in their jobs out of

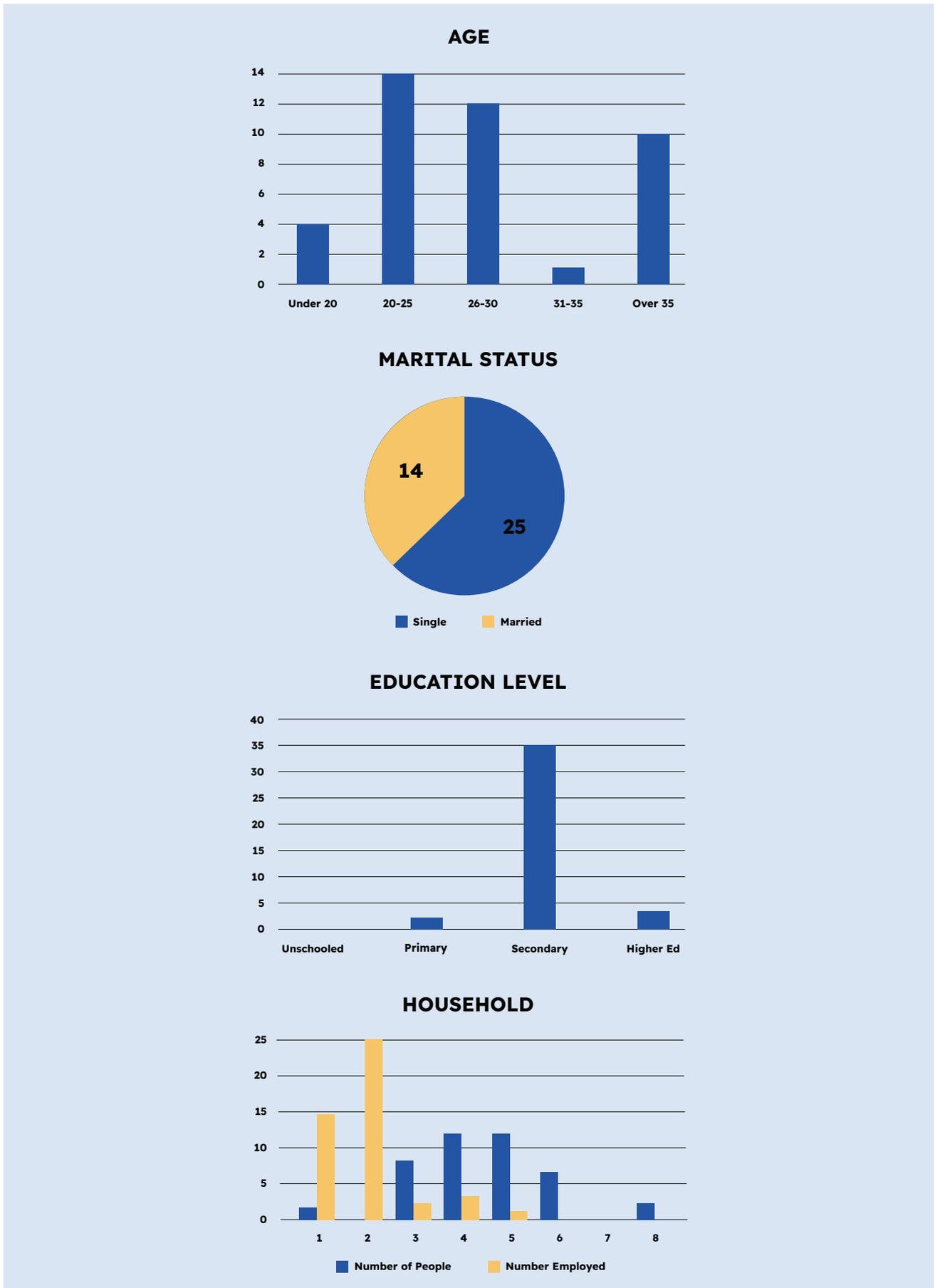


Figure 1: Results of a survey of 40 Tunis-based ground workers

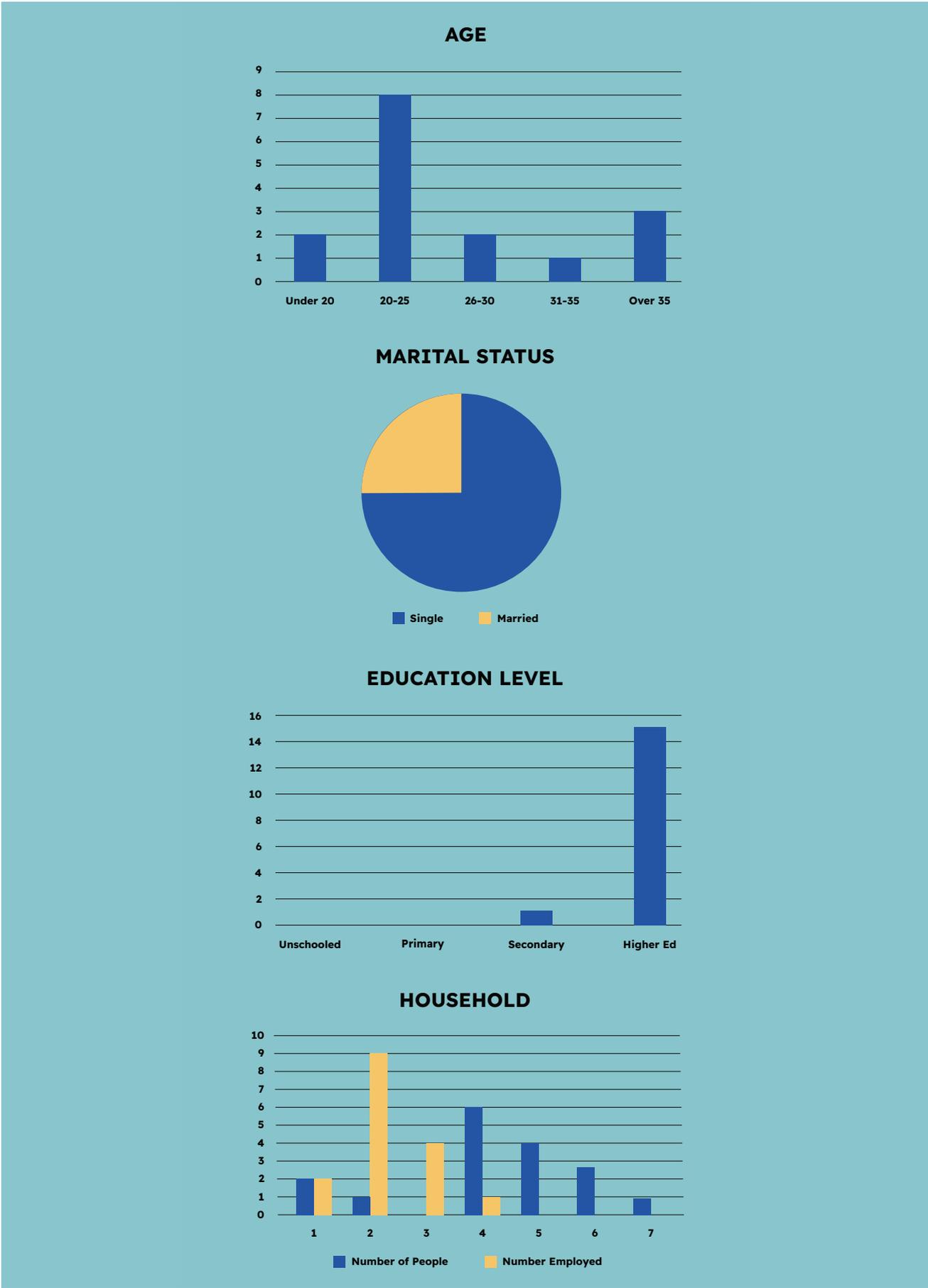


Figure 2: Results of a survey of 16 Tunisia-based cloud workers

necessity, not choice. Thirty-six of the 40 surveyed ground workers reported that their platform work is a permanent job rather than an occasional side gig. None of the ground workers surveyed has another job, and only two said they had other sources of income. The vast majority of ground workers said they had never rejected a job offer during their job search. Three-quarters of ground workers said they were currently looking for another job, and many were actively looking to exit the platform economy. Three-quarters said they had friends and family members who also worked in the platform economy, but less than half said they would recommend their current work to family or friends.

However, these indications were far less pronounced among the surveyed cloud workers. Cloud workers reported far more diversity in their work situations, with some working only two or three days a week, some a few hours per day, and others for up to 10 or 12 hours. When asked why they engaged in this work, 11 said out of personal choice, eight said they needed the money, and eight others said the flexibility of the activity did play a role in their decision to accept the job. While none of the cloud workers reported being “completely satisfied” with their job, all but one said they were “moderately satisfied.”

Low Pay, High Risk and Transferred Costs

Platform economy earnings in Tunisia are not high for workers. Among the ground workers surveyed, most were earning just above Tunisia’s minimum wage and a quarter earned below the Global Living Wage Coalition’s 2020 Living Wage estimate of 695 Tunisian dinars, or roughly US\$222, per month.³ Moreover, the majority of respondents reported spending at least 20 percent of earnings on costs related to their jobs. These costs included vehicle repair and maintenance, telephones, internet service, fuel, insurance and more. Most workers said there was no system related to salary increases, and only four said they had an opportunity to negotiate their salaries.

³ In considering these findings, the researchers note that the nature of this type of platform work meant that earnings were self-reported and interviewed workers did not have pay stubs or other means by which to verify these figures. While any self-reported survey findings are subject to error, this risk is compounded when gathering income data, as respondents can be wary of information being shared with authorities and leading to tax penalties. This is particularly true among informal workers, who fear their lack of formal status may be used as an opportunity for harassment and punishment by authorities.

These ground worker findings were similar to those of cloud workers, many of whom similarly earned below the living wage estimate. However, cloud workers were more likely to be working part time or to not be relying on their platform work as their sole source of income. Due to the nature of their work, all surveyed cloud workers were compensated in fixed amounts corresponding to assigned tasks and all set their own rates. All but three received their compensation after the entire task was complete. Most cloud workers, 13 of the 16 surveyed, reported spending at least 20 percent of their earnings on their activity, including for repair and maintenance, internet connection, platform fees, equipment and software, and subscriptions or insurance. Ten said that the digital platform charges a commission for their work, with most reporting that the platform’s cut is 10 percent of their earnings.

In addition to low earnings, survey results displayed concerning noncompliance with Tunisian labor law. Most but not all surveyed workers said they were entitled to leave and rest time during the week, but over half of both ground and cloud workers said they did not receive overtime pay. A third of ground workers said they faced accidents at work, as well as harassment from police and other authorities. However, three-quarters of ground workers lacked social security and medical coverage and even more lacked insurance. The vast majority said that if they are injured on the job, they alone are responsible for their medical expenses. Only one ground worker said their employer would cover work-related medical costs.

In addition to lacking labor rights and protections to which they are entitled, many platform workers also reported being responsible for numerous work-related equipment and benefits that are traditionally the responsibility of employers. Three-quarters of surveyed ground workers said they were provided with no equipment by their platform firm. Of those who did receive equipment, three received a smartphone, five personal protection equipment, and two fuel. To begin their work, the majority of ground workers had to create an online account and enroll in training provided by the platform firm. The vast majority reported, however, that these trainings did not cover matters related to occupational health and safety.

Results were similar for cloud workers. Thirteen of the 16 surveyed cloud workers had to buy a laptop to work for their platform and many relied on financial support from family members to do so. Fifteen bought additional hardware and 10 were required to buy software to do their work. Six cloud workers said their platform provided training, but other cloud workers reported that training was a requirement for employment, meaning that the workers had to seek out relevant training courses themselves. None said their platform provided training related to occupational health and safety.

For ground workers, those surveyed reported that the provided training generally focuses on using the platform applications and typically do not exceed half a day. Most delivery workers said that they were not provided with a contract during the recruitment process and only signed a document recognizing the amount of money workers must provide contractors, roughly 1,000 to 3,000 Tunisian dinars, or US\$320 to US\$960, as part of their onboarding process. These refundable deposits are required to ensure that workers, who spend their days making deliveries and accepting cash as payment, do not disappear with a day's revenues without compensating the platform and giving the contractors a cut.

This is reflective of a common dynamic in Tunisian ground work: on popular delivery platforms such as Jumia, Yassir, or Glovo, the firm's direct contractors tend to have a formal, licensed status. These contractors are then tasked with recruiting delivery drivers through the aforementioned debt contracts, which are made only between the contractors and the drivers. Focus groups with delivery workers suggested that most knew they had no chance of having a direct employment relationship with the delivery platform because doing so would require a prerequisite of having capital reserves of up to 80,000 Tunisian dinars, roughly US\$25,580. Instead, these workers are compelled to do business with existing contractors who are known to take a 12 to 20 percent commission, employ between 80-300 delivery workers, coordinate with other contractors to divide up delivery zones and collude with black-listed fired workers. Aside from the aforementioned "debt commitment" letters, interviewed delivery drivers had no other formal contract regarding their work. The researchers attempted to interview one



or more of these contractors, but found them to be intentionally difficult to contact due to the gray areas in which they conduct their business.

While on the job, few surveyed ground workers had significant opportunities for development or growth. Only eight surveyed ground workers said that their platform firm held regular meetings with workers, which were held via contractors. Three-quarters said their platform had a system for customers to evaluate their performance, which constitutes a key metric for platform firms in hiring and firing decisions. However, the majority of ground workers said that they did not have access to that system. Only one cloud worker said their platform held regular meetings. But the majority had access to their platform's performance evaluation system.

For ground workers in particular, focus group findings indicated that platform workers had little sense of what their futures might hold. They felt that these jobs were temporary by nature and that there was no real future for them in their current industry.

However, the low remuneration and long hours typically associated with their work meant that these workers did not have time to participate in training, continue their education or take other steps to expand their future opportunities. Some focus group participants were hoping to save enough money to start a small business in the future, but many others were working to save the roughly 8,000 Tunisian dinars, roughly US\$2,558, needed to cross the Mediterranean by boat in search of better opportunities in Europe. This journey has been increasingly seen as an outlet for Tunisians who cannot find work at home, despite the growing death rate among those who attempt to cross the sea.

Informality and Lack of Regulatory Structure

A common thread throughout interviews, focus group survey results and across all stakeholder commentary was the agreement that Tunisia lacks a regulatory framework for the platform economy. The 2018 startup act is the law closest to addressing this relatively new type of business, yet that and other laws lack clear classifications of professions, delineations of professional statuses and a variety of other key regulatory considerations that could govern the platform economy. Interviews with experts and government officials underscored how the novel nature of the platform economy has presented challenges defining and classifying this new form of work, leaving workers straddling different legal statuses.

Tunisia is not unique in lacking a specific regulatory framework for platform work, but this reality, combined with the numerous other factors contributing to Tunisia's substantial informal economy, means that it is easy for platform workers to fall through the cracks. Given the lack of regulation, platforms are free to characterize workers how they wish. Instead of classifying workers as employees, many platforms designate them as self-employed independent contractors, shifting costs and responsibilities onto workers. By not formally employing their workers, platforms place the onus of formalization and attaining social protections on the workers themselves. However, our research showed that most workers do not know where they might fit into Tunisia's complex regulatory framework, so most do not try to figure it out.

Of the 40 ground workers surveyed, 22 considered themselves employees, 17 as self-employed, and one an employer themselves. Despite all surveyed ground workers answering this question, the majority could not clearly or confidently describe their status, as their work tends not to fit into conventional categories. Furthermore, over half said they lacked any sort of employment contract dictating these terms. Thirty-three of the 40 were not affiliated with CNSS, Tunisia's social security scheme, and only one had any sort of medical coverage. Among the three-quarters of surveyed ground workers who were actively looking for a different job, the vast majority desired a contract, affiliation with CNSS and a higher income. Cloud worker findings were similar. Only five had employment contracts. Three were affiliated with CNSS. And few had medical coverage. Notably, when factoring in the aforementioned work-related costs, numerous ground workers earned below the minimum wage, but their informal and/or self-employed status shields platforms from accountability for this reality.

When asked about their lack of social protection, as well as why many did not pay taxes, the overwhelming response from surveyed ground workers was that they lacked an understanding of how they might fit into these various government schemes. The vast majority of ground and cloud workers said they wanted social protections, but few said they knew anything at all about affiliation procedures. Only two said they understood the different social security schemes, and just one said they thought their platform would offer support for registering for social protections. Thirty ground workers said they did not know how to file their taxes. Thirty-one said their platform provided no tax filing guidance. When asked why they didn't pay taxes, one-third of ground workers said they did not know how much to pay, six said the amount was too high and half said they did not want to be in contact with the tax authorities. However, over half of the surveyed ground workers said they would be willing to pay taxes if they knew they would receive certain benefits, such as social protections, respect for workers' rights and legal professional status in return for their formalization.

These findings were similar among cloud workers, who also displayed an interest in social protections but had a lack of understanding of how they might

fit into schemes not designed for their situations, as well as no support from their platforms in doing so. Twelve cloud workers expressed an interest in social protections, but just one reported having an understanding of the schemes. Only two cloud workers knew how to file their taxes, and 10 were willing to do so if they knew how to. None of the cloud workers knew or thought that their platform would offer any support with social protection affiliation or tax procedures.

Officials from the Social Security Fund said in interviews that both ground and cloud workers should register as auto-entrepreneurs and obtain a fiscal license to benefit from social protection regimes, yet our survey results suggest this message has not made it to the workers. Of the surveyed ground workers who classify themselves as self-employed, only 11 said they had a fiscal license. The majority of these 11 were taxi drivers (see Figure 5 for more detail on this dynamic). Most did not know how to register with the tax authorities, and most didn't know how much tax to pay or the frequency of payment. Most said they did not register their businesses because they didn't consider it an option. When asked what could lead them to formalize their work, half said they would require more information on benefits and approaches and some said they would need support to carry out the registration procedures. Only a few said they would require lower taxes or the possibility of accessing finance. Workers did not know the costs of registration, and most expected that it would be a very complex process. When asked what prevents formalization, a few ground workers alluded to discriminatory practices. Half said bureaucratic challenges, one-third corruption and one-third a lack of transparency. The majority said they would need support to formalize their activities. Most would turn to family and friends for this support, while one-third would consider asking for support from their platform. None would seek support from the government. One-third said that working informally had certain advantages, while the remaining workers said it did not or that they didn't know.

Just 4 of the surveyed cloud workers had their fiscal license despite most being self-employed. Fiscal licenses were created in Tunisia to enable workers to obtain social protections and open bank accounts, but have not been adapted for the

needs of platform workers. Some felt their activity did not require a license, but many thought they would face barriers in obtaining one due to their informal status. Only three said they knew how to register their business activities with the tax authorities. When asked why their small businesses were informal, five said they didn't think about formalizing. Six said they didn't know how to formalize. And five said they tried but were discouraged at the difficulty of the formalization process. Just two cloud workers said they were intentionally working informally to evade taxation. Twelve cloud workers said that, if they were to formalize their businesses, they would require additional information to do so, and five said they would need outside support. Ten said bureaucracy was a major barrier to formalization, while a few others alluded to discriminatory practices and a lack of transparency. Thirteen said they would turn to experts for formalization support. Six said they would consult government officials, and just three said they would seek help from their platform.

In addition to the more conventional bureaucratic and regulatory barriers cloud workers face, focus group findings suggested that, in many cases, the current Tunisian employment regulatory framework stifles opportunities to take advantage of certain benefits of platform work. These challenges were particularly evident among Tunisian students, many of whom were drawn to platform work both as a way to make a bit of extra money, as well as an opportunity to complement their studies and develop skills in the real world. However, because their status as a student is listed on their identification cards, many students reported challenges taking advantage of platform opportunities. Existing regulation doesn't allow for them to work as freelancers and prevents them from obtaining a fiscal license. This means that they cannot open commercial bank accounts or take other essential steps to be formally compensated for their work. Another key regulatory issue stemmed from Tunisia's austere currency restrictions. Many cloud platforms — particularly the larger, more lucrative internationally based platforms — require that certain payments be made in US dollars, but Tunisian workers often face difficulties complying with these requirements.

Beyond its dramatic impacts on workers, the lack of regulatory structure presents numerous addi-

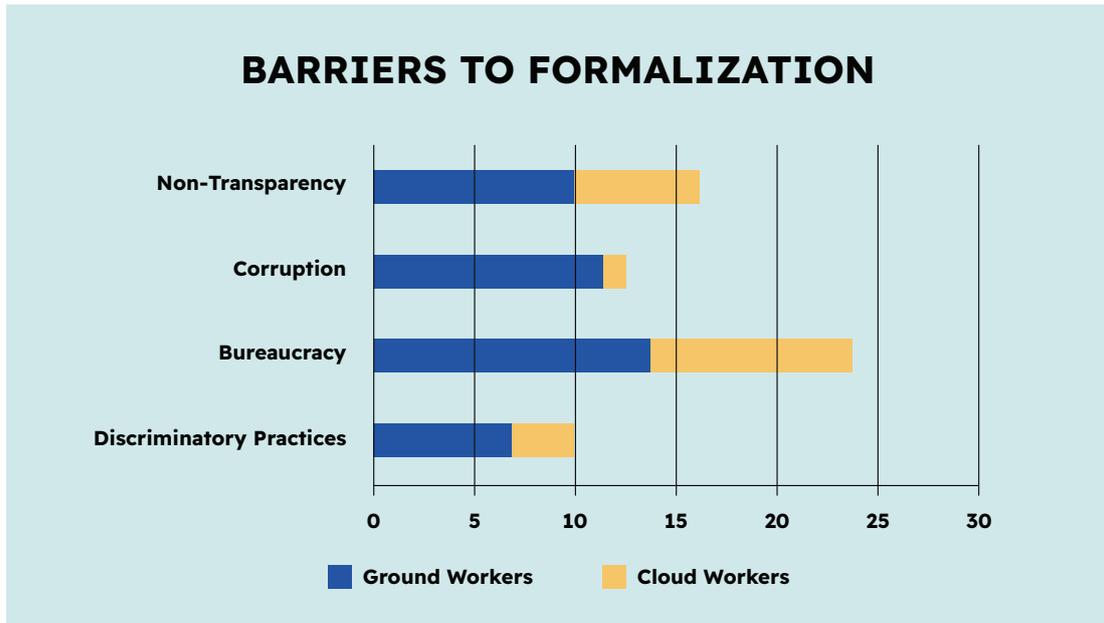


Figure 3: Responses from 40 surveyed ground workers and 16 surveyed cloud workers when asked what prevents them from formalizing their activities

tional challenges for Tunisian policymakers. In interviews, government and civil society stakeholders discussed a variety of other concerns, such as the ability of large, established international platforms to monopolize the market and crowd out domestic startups in their sector. Similarly, lax regulations can lead to allegations of unfair competition. Established industries and firms may view platform businesses as unfairly operating under different regulatory frameworks that allow them to illegally undercut costs. While workers engaged in both PMGW and PMCW face potential exploitation, inadequate wages and poor working conditions, consumers may also be at risk, lacking regulations to protect their safety and the quality of goods and services they receive.

Stakeholders also expressed doubts about the government's ability to measure the economic value platforms create in the absence of clear regulation, as well as potential difficulties in properly collecting tax revenues from platform transactions. Numerous stakeholders highlighted the current lack of official data related to the platform economy as a key challenge in these efforts. Officials from the Tunisian government's National Observatory of Employment and Qualification confirmed that the government has no clear definition of the platform economy, let alone the distinctions between PMGW and PMCW, which makes data collection difficult. This lack of an official definition or distinc-

tion between different forms of platform work has made it difficult for other government agencies to target the platform economy: officials from the Employment and Vocation Training Ministry said there is no specific training or professional instruction available to platform workers, while officials from the Finance Ministry said there is no specific fiscal regime tailored to platform workers.

Organizing and Collective Action

Most platform workers see room for improvement in their work. Of the ground and cloud workers surveyed, all said there was something they would change about their current job. For the vast majority of ground workers, a higher salary was their first priority, followed by more free time, a contract and stability, access to social security and medical coverage, and better working conditions. One-third were frustrated by the lack of a clear status as an employee. Half said they were underpaid, and many reported facing challenges accessing social protections. Cloud workers had similar desires. Although addressing their lack of professional status was their primary concern.

Beyond their dissatisfactions, surveyed platform workers also recognized the need for organizing and collective action to address these problems. Most ground and cloud workers said they had opportunities to communicate with their colleagues

and reported that communications included discussions around strategies to improve pay, desired changes to the platform, and the need for improved working conditions. Roughly half of the ground workers and six of 16 cloud workers said they were knowledgeable about their rights as workers. However, less than a quarter of ground workers and less than one-half of cloud workers had discussed opportunities for collective action with their fellow workers. Despite this lack of communication, workers saw this as a central issue: over three-quarters of ground workers and two-thirds of cloud workers said they thought they would need to take collective action if they wished to improve working conditions. Focus group discussions also made clear that ground workers were aware that they were owed legal protections and regulation to ensure companies treated and classified them fairly. Workers said they thought the government should extend these protections and the broader labor code to apply to their ground status.

A major factor contributing to this disparity appears to be the lack of existing initiatives to organize platform workers. Only two surveyed ground workers were members of an association, and both were taxi owners — a profession that has long been organized in Tunisia (see Figure 5, below, for additional information). Similarly, just one cloud worker was a member of an artists’ union. The majority of workers said they were not aware of any platform

organizing initiatives, and, of those who did, most only knew of informal efforts and groups on social media. These social media groups tend not to be dedicated to organizing efforts, however, and are instead focused on coordinating ground work and sharing information on risks, such as police harassment and theft. Over three-quarters of both ground and cloud workers said they would be interested in joining a union or association for platform workers if one were created, and most were interested in improving working conditions, as well as issues related to their professional status and guaranteeing payment for their work. However, delivery drivers in particular expressed that they would want to join a union discreetly and would not want the contractors they report to know of their membership out of fear of retribution and blacklisting.

Response from Firms

In the absence of a clear regulatory framework, platform firms in Tunisia are free to interpret the legal landscape as they wish. Given the relative novelty of this sector of the economy, even industry-led self-regulatory efforts are not widespread and are just now being explored. Our interviews found that the platforms at the forefront of self-regulatory efforts are those that are more established internationally, and thus attract more scrutiny around their corporate conduct.

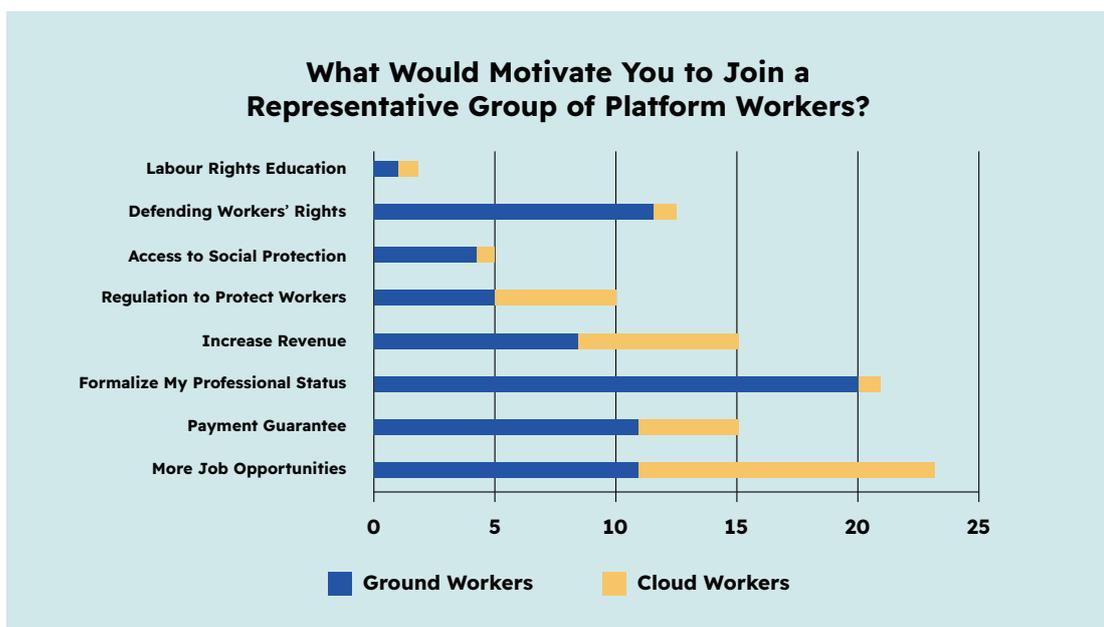


Figure 4: Responses from 40 surveyed ground workers and 16 surveyed cloud workers on motivations for organizing.

THE UNIQUE CASE OF TUNISIAN TAXI DRIVERS

As ride-hailing platforms such as Bolt have grown in use across Tunisia, transportation platform workers have often had experiences that are distinct from workers in other platform sectors. This is primarily due to Tunisia's long history of transportation-sector organizing. Rather than entering into an unregulated sector and making up the rules as they grew, transportation platforms were forced to integrate into a sector with preexisting regulations and powerful stakeholders. Tunisia's union of taxi drivers exercises significant influence over the sector, as does the Ministry of Transportation, with whom they have a productive working relationship. These realities do not necessarily mean positive outcomes for workers – many report significant barriers to entry for this type of work – nor do they necessarily create positive outcomes for consumers, many of whom have trouble finding a taxi without using a platform but are forced to pay much higher prices if they do.

However, because of the preexisting regulatory landscape, it is far easier for taxi drivers to work formally when compared to their colleagues in other platform economy sectors. This reality has made it easier for collective action to exist in the platform sector as well. In fact, the Union of Independent Taxi Drivers partners with a ride-hailing platform, and an interviewed union leader emphasized that the union is making worker rights a central part of their engagement with platform firms. Yet, similar to the contractor dynamic described among delivery platforms, a hierarchy sometimes exists in the ride-hailing sector as well: researchers spoke with individuals operating informally who were themselves employed by formal taxi drivers.

Figure 5: The Unique Case of Tunisian Taxi Drivers.

Glovo, a PMGW delivery platform operating in dozens of countries, has highlighted their Couriers Pledge, which they say aims to strengthen the benefits and rights of couriers. The program, which has been launched in 17 countries so far, was recently announced for Glovo's Tunisia operations. The Couriers Pledge was developed after Glovo was the subject of a number of controversies involving their treatment of workers. While Glovo states that the program was created in collaboration with Fairwork, Fairwork offered only a moderate statement of support for the program, stating that it “falls short of standards of fair work in a number of important areas” (Fairwork 2021).

Beyond programs like Glovo's — which appears to just scratch the surface of the numerous worker rights concerns raised by the platform economy — little additional action has been taken by ground- or cloud-based platform firms. Notably, Glovo highlighted in an interview that the pledge applies to all couriers who use the platform, whether they are self-employed, directly employed, or a service provider. This framing may seek to highlight the platform economy's purported flexibility for workers, but it also highlights the limits of the actions firms are willing to take in support of workers. Glovo and its peers are so far unwilling to abandon the economic model that has shifted costs and risks to workers and has led to firms' success, even if doing so would alleviate many of the challenges workers face. Furthermore, this dynamic highlights our findings that the delivery workers at most risk are those who have no formal relationship with companies like Glovo: the company told researchers that everyone they employ and contract with operates formally, but this is only possible because platform firms limit their interactions with workers actually making deliveries on their behalf, relying instead on contractors to handle employment relationships.

The majority of emerging homegrown national platforms such as Ijani, Trustit, and others (at this point all Tunisia-based platforms known to researchers are platforms for PMGW; no Tunisian cloud-working platforms were interviewed), acknowledge the informal status of many of their workers. Many of these platforms are still in early stages of growth, often supported by development programs such as GIZ's Platforms for Tomorrow initiative. Interviews with Tunisian platform founders participating in these programs found that they have, in most cases, been approached by local ILO officials offering training to enhance their businesses and promote decent work. One of the objectives of GIZ's partnership with the ILO is to support the formalization of platform work, with a focus on facilitating workers' access to social protection.

CONCLUSION AND POLICY CONSIDERATIONS

While the platform economy may remain a relatively novel concept, its rapid growth is having significant impacts on Tunisia's economy, workers, and consumers. Currently operating unchecked by regulators, platform firms are able to shift costs to workers and consumers, evade taxation, and run afoul of longstanding laws regulating labor rights and consumer protection. Tunisia is far from alone in facing this reality, but the country's weak economy and persistently high unemployment has exacerbated these negative effects, leaving workers to grasp at any job opportunity they may be able to find, no matter how low the pay or how bad the conditions. Additionally, Tunisia's already complex regulatory environment pushes platform workers and firms alike toward the informal economy, presenting significant challenges for the government in its attempts to regulate firms, collect revenues, and jumpstart economic growth.

Based on our findings and analysis, we close by providing a number of considerations for policymakers to address Tunisia's platform economy:

Enhance and Institutionalize Data Collection: Despite triumphing the platform economy as central to Tunisia's digital future, too many policymakers lack sufficient data and information regarding this key issue. Interviewed stakeholders from the office of the Prime Ministry, and ministries of employment and finance all said that the lack of platform economy data presented a real problem in their work. Yet little is being done by the National Institute of Statistics or other official bodies (such as the National Observatory of Employment and Qualification, which has expressed interest in conducting studies on the platform economy) to resolve this problem. Policymakers should prioritize increasing data collection on platform businesses operating in Tunisia, as well as details about platform workers, transactions, user demographics and income levels and working conditions. Such efforts must be shaped by an understanding of the landscape and the complexities of the platform and informal economies. For example, PMGW and PMCW can operate very differently, and efforts to study and quantify each must take these differences into account. Furthermore, interviewed experts suggested that updating the Tunisian Activities Nomenclature — the list

of activities currently defining work under Tunisian law — will be essential to these efforts. Only if provided with an accurate delineation and description of these different types of work will the National Institute of Statistics be able to carry out improved data collection.

In pursuing these efforts, officials may consider pursuing partnerships with platform firms to access anonymized data for research and analysis. In this same vein, officials may also consider workers' rights to their own data. These collaborative efforts can produce deeper insights and understandings of the platform economy's dynamics and impact. Policymakers may also push platforms to increase transparency when it comes to their operations, terms of service, algorithms, and data usage to build public trust and facilitate better assessment. Furthermore, collaboration may allow officials to leverage the reach and access of platforms to encourage formalization and help workers access the benefits and protections they are owed.

Analyze the Impacts of the Platform Economy: Using this increased data, policymakers should direct deeper analyses of the various and wide-ranging impacts of the platform economy. These may include:

- The economic impact of the platform economy, assessing its contributions to GDP, productivity, innovation, and employment.
- The job quality and working conditions of platform work (as well as the differences in job quality in PMGW versus PMCW), exploring worker well-being, challenges facing workers' rights, and the responsibilities that platforms shift onto their workforce.
- Effects on consumer protection, assessing whether preexisting consumer protection measures are able to govern the platform economy while ensuring that users' rights and safety are adequately safeguarded in platform transactions.
- Social and environmental impacts, considering the platform economy's role in shaping urban mobility, consumption of resources, and influence on social inequalities.

Facilitate Worker Representation: Beyond seeking a better understanding of the platform economy and its impacts, it is essential that policymakers empower platform workers to represent them-

selves in national dialogues and discussions about policy considerations that have direct impacts on their livelihoods. Precariously employed and not formally registered, many platform workers lack an ability to have their voices heard, yet possess the most important and relevant information and opinions regarding potential regulation or other government action. Encouraging worker representation and collective action would allow these workers to speak with a unified voice to inform and influence policy that will affect their lives. Interviews with government officials echoed this suggestion, as many said that in the absence of an organized body of platform workers, stakeholders had little understanding of what these workers want or need. Additionally, facilitating such representation could also mitigate the existing lack of trust among platform workers of the government and its institutions that has contributed to their informal status.

Regulate Platform Labor: It is essential that policymakers understand, monitor, and adapt to the conditions and realities faced by platform workers. Labor market regulations must address the unique challenges and opportunities of the platform economy, balancing worker protections with the flexibility that has allowed platform work to grow. Labor regulations must safeguard workers' rights and provide clarity on the status of their work, assigning specific rights and benefits. Potential regulatory options may include:

- A persisting lack of affirmative classification, leaving decision-making to the judicial system (although this status quo option has until now led to the challenges identified throughout this paper).
- Establishing an intermediate status that exists somewhere between being a dependent worker and being self-employed, such as the “economically dependent self-employed worker” in Spain that is assigned specific legal rights and benefits. Experts suggested that this status could be the existing *auto-entrepreneur* status if the law is updated to include platform work.
- Reversing the burden of proof and making formal employment relationships the default option so that the platform, not the worker, must demonstrate the existence of genuine self-employment.

A helpful exploration of these options, as well as a detailed listing of existing regulatory interventions is included in the ILO's 2022 Decent Work in the Platform Economy. Additionally, other regulatory changes unrelated to the labor code are likely necessary, such as reforms to allow cloud workers to receive foreign currency as payment for their work.

- *Enforce Existing and New Regulation for Platform Work:* Beyond adapting existing regulations and creating new ones, the enforcement of regulations will be essential to addressing the challenges that platform firms and workers face. Key to these efforts is the role of Tunisia's Labor Inspectorate. In recent years, labor inspectors were trained on bringing different forms of work, such as informal work, under their remit. Similar steps should be taken for PMW. Labor inspectors should be trained on the unique nature of platform work, so that they are able to properly apply their efforts to the unique employer-employee relationships, safety and security risks and other dynamics that platform workers face. Additionally, beyond the specific work of labor inspectors, regional labor offices can promote enforcement by developing new trainings and monitoring programs aimed at platform workers.
- *Adjust Existing Programs and Legal Structures:* By regulating workers' statuses, policymakers will enable platform workers to interact with existing government programs. Social safety net programs should be adjusted and/or developed with platform workers in mind, attuned to their employment status and providing them with benefits and protections during periods of low income. Policymakers may consider how existing legislation such as the startup act or auto-entrepreneur decree can be leveraged to integrate platform firms and platform workers into the existing regulatory framework and what adjustments must be made to ensure that these laws can be effectively enforced.
- *Explore Sector-Specific Regulation:* In assessing the platform economy and its impacts, policymakers may consider whether tailored regulation is needed for specific platform sectors. It is important to understand the significant diversity that exists within the platform economy, including but by no means limited to the often stark differences between PMGW and PMCW. This means that rules governing ride-hailing or

food delivery may not be well-suited to regulate freelance services or childcare. For example, expert interviews suggested that there is an immediate need for Tunisia's competition council to regulate certain sectors such as the transportation sector to promote fairness, as the growth of platform work has significantly impacted taxi prices. The nuances and diversity inherent to platform work must be carefully considered before applying too broad a brush to platform economy regulation.



WORKS CITED

- Nidhal Ben Cheikh. “L’extension de la protection sociale à l’économie informelle à l’épreuve de la transition en Tunisie.” Centre de Recherches et d’Etudes Sociales 2013. http://www.cres.tn/uploads/tx_wd-biblio/extension_couverture_secteur_inform-el_01.pdf
- CRES (2015). Les Socles nationaux de protection sociale: Émergence du concept, meilleures pratiques internationales et pertinence pour la Tunisie. La lettre du CRES, no. 7. http://www.cres.tn/uploads/tx_wdbiblio/lettre_7_du_31_d%C3%A9cem-bre_2015_01.pdf
- Michael A. Cusumano, David B. Yoffie, and Annabelle Gawer. “The Future of Platforms.” MIT Sloan Management Review 61, no. 3 (Spring 2020): 46-54. <https://www.proquest.com/docview/2381627670/fulltextPDF/BE44FEB98F244965PQ/1?accountid=14214>
- Michael Dunn, Isabel Munoz, and Mohammad Hossein Jarraji. “Dynamics of flexible work and digital platforms: Task and spatial flexibility in the platform economy.” Digital Business 3, no. 1 (June 2023) <https://www.sciencedirect.com/science/article/pii/S2666954422000321>
- “EU rules on platform work.” European Council (2023). <https://www.consilium.europa.eu/en/policies/platform-work-eu/>
- “New Forms of Work and Platform Work in SEMED: Country profile: Tunisia.” European Training Foundation (2023). <https://www.etf.europa.eu/sites/default/files/2023-12/New%20forms%20of%20work%20and%20platform%20work%20in%20SEMED%20-%20Country%20profile%20Tunisia.pdf>
- “Domestic Platform Work in the Middle East and North Africa.” Fairwork (2022). <https://fair.work/wp-content/uploads/sites/17/2022/12/Fairwork-MENA-report-2022-en.pdf>
- Fairwork. “Glovo announces improvements to the working conditions of couriers in consultation with the Fairwork Project.” October 28, 2021. <https://fair.work/en/fw/blog/glovo-announces-improvements-to-the-working-conditions-of-couriers-in-consultation-with-the-fairwork-project/>
- Max Gallien. “Understanding Informal Economies in North Africa: From Law and Order to Social Justice.” Friedrich Ebert Stiftung: International Policy Analysis. July 2018. <https://library.fes.de/pdf-files/iez/14573.pdf>
- Max Gallien, and Osman Bourhaba. “Informal Work and Auto-Entrepreneurship Laws in the Maghreb: What can Tunisia Learn from Morocco?” International Centre for Tax and Development. January 19, 2021. <https://www.ictd.ac/blog/informal-work-auto-entrepreneurship-laws-maghreb-tunisia-learn-morocco/>
- Felix Hadwiger. “Realizing the opportunities of the platform economy through freedom of association and collective bargaining.” ILO Working paper 80, International Labour Organisation (September 2022) https://www.ilo.org/global/publications/working-papers/WCMS_857284/lang-en/index.htm
- Khaled Nasri, Mohamed Amara, and Imane Helmi. “Landscape of Social Protection in Tunisia.” Economic Research Forum. Working paper no. 1592. September 2022. <https://erf.org.eg/publications/the-landscape-of-social-protection-in-tunisia/>
- Ioana Alexandra Horodnic, Collin C. Williams, Andreea Apetrei, Mara Matcu, and Adrian V. Horodnic. “Services purchase from the informal economy using digital platforms.” *The Service Industries Journal* 43, no. 11-12 (March 2023): 854-874. <https://www.tandfonline.com/doi/full/10.1080/02642069.2023.2189242>
- Ursula Huws, Neil H. Spencer, Dag S. Syrdal, and Kaire Holts. “Work in the European Gig Economy.” Foundation for European Progressive Studies. 2017. https://uhra.herts.ac.uk/bitstream/handle/2299/19922/Huws_U_Spencer_N.H_Syrdal_D.S_Holt_K_2017.pdf
- “Promoting employment and decent work in a changing landscape.” 109th International Labour Conference. International Labour Organization. 2020. https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meeting-document/wcms_736873.pdf
- 109th International Labour Conference session. International Labour Organization. 2021. <https://www.ilo.org/ilc/ILCSessions/109/lang-en/index.htm>

- “Decent work in the Platform Economy,” reference document for the experts meeting on decent work in the platform economy. International Labour Organization. 2022. https://www.ilo.org/wcmsp5/groups/public/--ed_norm/--relconf/documents/meetingdocument/wcms_855048.pdf
- “IMF Staff Reaches Staff-Level Agreement on an Extended Fund Facility with Tunisia.” International Monetary Fund. October, 2022. <https://www.imf.org/en/News/Articles/2022/10/15/pr22353-tunisia-imf-staff-reaches-staff-level-agreement-on-an-extended-fund-facility-with-tunisia>
- Marouani, M., Krafft, C., Assaad, R., Kennedy, S., Cheung, R., Latifi, A., and Wojcieszynski, E. (2022). Tunisia COVID-19 Country Case Study. *International Labour Organisation and Economic Research Forum*. https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@africa/@ro-abidjan/@sro-cairo/documents/publication/wcms_839018.pdf
- Maurizio, R. (2016) Non-standard forms of employment in Latin America: Prevalence, characteristics and impacts on wages. *International Labour Organisation*. https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_protect/@protrav/@travail/documents/publication/wcms_486160.pdf
- Najjat El Mekkaoui, Yeganeh Forouheshfar, Asma Ben Hassen, Nidal Ben Cheikh, and Lacob Emont (2022). “Social Security Coverage and Informal Workers in Tunisia.” *Economic Research Forum*. Working paper no. 1576. <https://erf.org.eg/publications/social-security-coverage-and-informal-workers-in-tunisia/>
- Khalil Mhadhbi, and Chokri Terzi. “Shadow economy threshold effect in the relationship finance-growth in Tunisia: A nonlinear autoregressive distributed lag approach.” *Journal of International Development* 34 no. 3 (2022): 636-651. <https://ideas.repec.org/a/wly/jintdv/v34y2022i3p636-651.html>
- Clement Migai, Julia de Jong, and Jeffrey Owens. “The sharing economy: turning challenges into compliance opportunities for tax administrations.” *eJournal of Tax Research* 16 no. 3 (2019): 395-424. <https://research.wu.ac.at/en/publications/the-sharing-economy-turning-challenges-into-compliance-opportunit-5>
- Gayatri Nair. “‘New’ terrains of precarity – gig work in India.” *The Service Industries Journal* 30 no. 3 (2022): 388-401. <https://www.tandfonline.com/doi/abs/10.1080/09584935.2022.2099813>
- “Rapport INS: les indicateurs de l’emploi informel 2019.” Institut National Des Statistiques. 2020.
- “The Network Readiness Index 2022.” Portulans Institute. 2022. https://download.networkreadinessindex.org/reports/nri_2022.pdf
- OECD/ILO. “Tackling Vulnerability in the Informal Economy” in *Development Centre Studies*. OECD Publishing. 2019. <https://www.oecd-ilibrary.org/docserver/939b7bcd-en.pdf?expires=1680792377&id=id&accname=guest&checksum=80E075DBD-8F0E199C73AAF5C666C1197>
- Gregory Randolph, and Hernan Galperin. “New Opportunities in the Platform Economy: On-ramps to Formalization in the Global South” in *The Future of Work and Education for the Digital Age*. G20 Japan 2019. <https://t20japan.org/wp-content/uploads/2019/03/t20-japan-tf7-13-new-opportunities-in-the-platform-economy.pdf>
- Katrin Sold. “The Tunisian Startup Act.” *Sada*, Carnegie Endowment for International Peace–Middle East Program. 2018. <https://carnegieendowment.org/sada/76685>
- Ambika Tandon, and Abhishek Sekharan. “Labouring (on) the app: agency and organization of work in the platform economy.” *Gender and Development* 30 no. 3 (2022): 687-706. <https://www.informahhealthcare.com/doi/abs/10.1080/13552074.2022.2130515>
- Paolo Tubaro, and Antonio A. Casilli. “Who Bears the Burden of a Pandemic? COVID-19 and the Transfer of Risk to Digital Platform Workers.” *American Behavioral Scientist* 0 no.0 (2022). <https://journals.sagepub.com/doi/full/10.1177/00027642211066027>
- Eric Tucker. “Towards a political economy of platform-mediated work.” *Studies in Political Economy* 101 no. 3 (2020): 185-207. <https://www.tandfonline.com/doi/abs/10.1080/07078552.2020.1848499>
- “COVID-19’s Impacts on Women Informal Workers in Tunisia.” Tunisia Inclusive Labor Initiative. 2021.

“The Ministry of Social Affairs, UNICEF, and the United States Launch Tunisia’s Social Safety Net Partnership to Benefit Children and Vulnerable Families.” United States Agency for International Development. 2022. <https://www.usaid.gov/tunisia/press-releases/oct-13-2022-ministry-social-affairs-unicef-and-US-launch-tunisias-social-safety-net-partnership>

Marcia Cristiane Vaclavik, Andrea Poletto Oltramari, and Sidinei Rocha De Oliveira. “Managing the informal economy: a theoretical debate in light of the gig economy.” *Fundação Getulio Vargas, EBAPE–Escola Brasileira de Administração Pública e de Empresas* 20 no. 2 (April 2022): 247-258. <https://www.proquest.com/docview/2666604374?pq-orig-site=gscholar&fromopenview=true>

Clarissa E. Weber, Mark Okraku, Johanna Mair, and Indre Maurer. “Steering the transition from informal to formal service provision: labor platforms in emerging-market countries.” *Socio-Economic Review* 19 no. 4 (October 2021): 1315-1344. <https://academic.oup.com/ser/article/19/4/1315/6173761>

Alex J. Wood, Mark Graham, Vili Lehdonvirta, and Isis Hjorth. “Good Gig, Bad Gig: Autonomy and Algorithmic Control in the Global Gig Economy.” *Work, Employment and Society* 33 no. 1 (2019): 56-75. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6380453/>

“Tunisia Economic Monitor, Fall 2020: Rebuilding the Potential of Tunisian Firms.” World Bank. 2020. <https://www.worldbank.org/en/country/tunisia/publication/tunisia-economic-monitor-december-2020-rebuilding-the-potential-of-tunisian-firms>

“Unemployment, total and youth total.” World Bank. 2023. <https://data.worldbank.org/indicator/SL.UEM.TOTL.ZS?locations=TN&https://data.worldbank.org/indicator/SL.UEM.1524.ZS?locations=TN>



NEW WORK

FORMS OF

and Inclusion in the Middle East
and North Africa

The Access to Knowledge for Development Center
AUC Onsi Sawiris School of Business

March 2025