



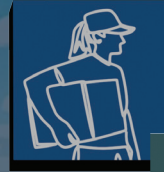
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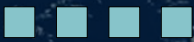
New Work, Data and Inclusion in the Digital Economy:  
A Middle East and North Africa (MENA) Perspective



The American  
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# THE PERILS OF DIGITAL WORK IN LEBANON: LESSONS FROM TAXI AND DELIVERY WORKERS



## **THE PERILS OF DIGITAL WORK IN LEBANON: LESSONS FROM TAXI AND DELIVERY WORKERS**

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## INTRODUCTION

The world is experiencing a transformation of work, and Lebanon is no exception. At the heart of this transformation is technological innovation, which stretched productivity for adaptive firms,<sup>1</sup> and introduced scalable economic opportunities that are characterized by fast and cheap services and remuneration.<sup>2</sup> Accelerated following the Covid-19 pandemic, the integration of technological tools into labor arrangements has catalyzed the growth of a once-untapped digitalized labor market in both developed and developing economies.<sup>3</sup> The world of digital work, which is mediated by a growing number of digital labor platforms,<sup>4</sup> encompasses geographically-tethered work—where the service performed is constrained to specific locations—and cloudwork—which includes remote freelancing and microwork, both of which are not restricted geographically.<sup>5</sup> And over the recent years, both modalities of work—which are of a non-standard form—have seen growth in exposure and labor entrants, making up as much as 13% of the global workforce.<sup>6</sup>

This case study focuses on Lebanon’s location-based, platform work. Amid a tumultuous economic landscape, digital labor platforms found fertile ground to attract a precarious labor market reeling from a series of severe shocks it has faced since 2019 (Box 1). In fact, informality makes up 62% of the economy, the unemployment rate in 2022 (30%) is almost threefold that measured four years prior, and the labor force participation rate is seven percentage points less.<sup>7</sup> Such economic characteristics and negative outlook on the future of work render workers susceptible to non-standard forms of work, such as disguised self-employment arrangements.<sup>8</sup> And while its workforce has yet to be sized, the platform economy in Lebanon currently houses at least eight active digital labor platforms—up from two in 2014<sup>9</sup>—covering ride-hailing, food and grocery delivery, and tutoring services.<sup>10</sup>

Still at nascency, there is growing research on Lebanon’s platform economy. A study in 2022 found that online delivery workers are situated within a “missing middle”, deprived of social security that comes with traditional employment, and excluded from social assistance due to not meeting the poverty criteria.<sup>11</sup> Moreover, a recent study in 2023 assessed six digital labor platforms against five principles of fair work—

1 World Bank. 2019. “World Development Report 2019: The Changing Nature of Work.” World Bank Group. Cirera, X., D. Comin, and M. Cruz. 2022. “Bridging the Technological Divide: Technology Adoption by Firms in Developing Countries.” World Bank Group.

2 World Bank. 2023. “Working Without Borders: The Promise and Peril of Online Gig Work.” World Bank Group.

3 International Labor Organization. 2021. “World Employment and Social Outlook: The role of digital labor platforms in transformation the world of work.” International Labor Organization.

4 Ibid.

5 Woodcock, J. and M. Graham. 2019. “The Gig Economy: A Critical Introduction.” Cambridge.

6 World Bank. 2023. “Working Without Borders: The Promise and Peril of Online Gig Work.” World Bank Group.; International Labor Organization. 2021. “World Employment and Social Outlook: The role of digital labor platforms in transformation the world of work.” International Labor Organization.

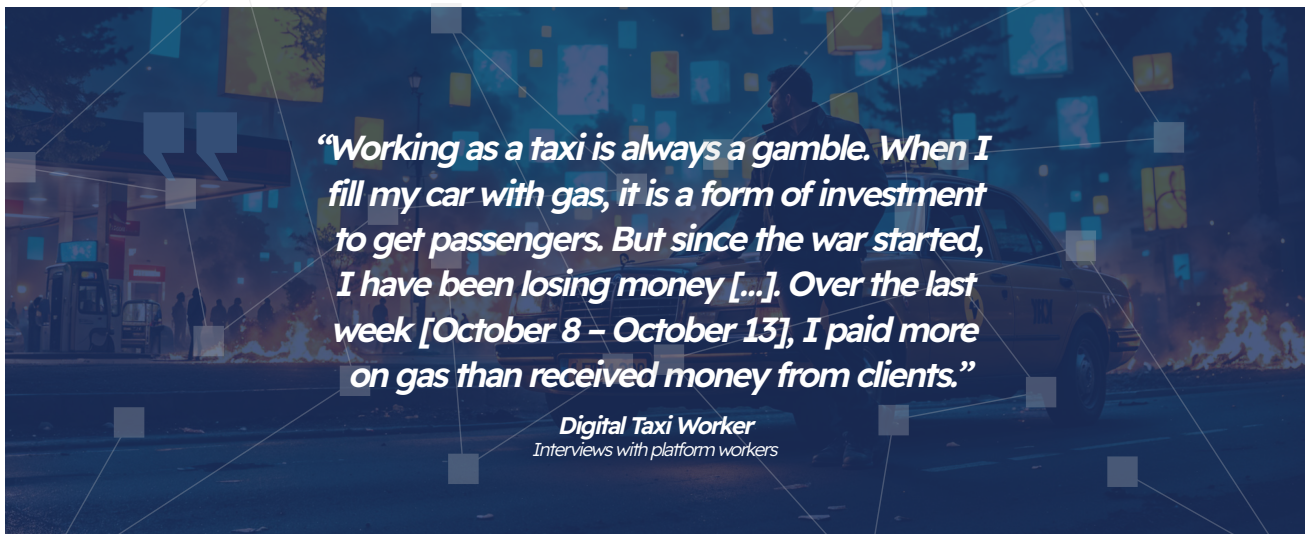
7 Central Administration of Statistics and International Labor Organization. 2022. “Lebanon Follow-up Labor Force Survey.”

8 Congregado, E., A. Golpe, and A. Stel. 2009. “The ‘recession-push’ hypothesis reconsidered.” International Entrepreneurship and Management Journal.

9 Maktabi, W., O. Alyanak, and M. Graham. 2023. “Fairwork Lebanon Ratings 2023: Platform Work in Times of Crisis.” University of Oxford and The Policy Initiative.

10 These include Uber, Bolt, InDrive, TaxiF, Toters, Gozilla, Rush, and Ostaz. Gogo Driver would have been the ninth, but it is not active at the time of writing.

11 Maktabi, W., S. Zoughaib, and C. Abi-Ghanem. May 2022, “Lebanon’s Missing Middle: Online delivery workers under precarious conditions.” The Policy Initiative.



pay, conditions, contracts, management, and representation—and found that none qualified for any of the principles.<sup>12</sup>

This report builds on research on the future of work in Lebanon and zooms in on the characteristics and conditions of digital workers. It offers an assessment of the geographic and legal barriers that impede participation in Lebanon’s ride-hailing and delivery platform economy, the access of workers to formal social protection and the elements of control that digital platforms engage over them, and the impact of the financial crisis on workers’ lifestyles.

To this end, the report is divided into six sections. The first presents the methodology, containing the survey design and administration and key informant interviews. The second section provides a profiling of the surveyed workers, unpacking the gender composition, education levels, and previous work history. The third conceptualizes and highlights the types of barriers that limit the participation of certain segments of the population, mainly those unable to commute to work in the capital city and those without legal documentation, in the platform economy. The fourth diagnoses digital workers’ lack of access to social protection and reveals the extent to which hiring platforms violate the freelancing contractual relationship by withholding disciplinary authority. The fifth section unpacks the impact of the financial crisis—specifically the currency shock—on workers’ livelihood, with a focus on their income sources, lifestyle coping mechanisms, mental health, and grievances. Finally, the sixth section concludes with policy recommendations to extend universal coverage of social protection, size, regulate, and invest in the platform economy to enhance labor force participation, and empower workers by removing barriers to legal representation.

## I. METHODOLOGY AND DATA

This study relies on three sources of data. The main one is a survey of platform workers in the ride-hailing and delivery sectors. The second is a desk review of Lebanese legal texts governing the access to work in the country and the rights of workers in the two chosen sectors. And the third is qualitative interviews with experts and bureaucrats on the barriers to legal and social protection, as well as the official employment classification of platform workers by the state.

<sup>12</sup> Maktabi, W., O. Alyanak, and M. Graham. 2023. “Fairwork Lebanon Ratings 2023: Platform Work in Times of Crisis.” University of Oxford and The Policy Initiative.

## 1. Platform workers

The data for this report relies on a survey conducted with delivery and ride-hailing workers in Lebanon in September and October 2023. The survey was structured into six sections, totaling around 100 questions,<sup>13</sup> and aimed to infer how workers joined the platform economy, what their day-to-day labor conditions are in practice, and how they have navigated work and coped during the crisis. More specifically:

*Section 1:* The worker's profile and demographic characteristics, which include questions on gender, nationality, age, education level, place of residence, and place of origin.

*Section 2:* The worker's work history and drivers to joining the platform economy, which includes questions on previous and current labor arrangements, duration of work in the platform economy, the number of digital labor platforms engaged in, and the motivations behind participating and remaining in platform-based work.

*Section 3:* The workers' relationship with the management, which includes questions on the obligations of the worker—whether he/she has signed a work contract or not—towards the hiring platform management, and the latter's responsibilities towards the worker.

*Section 4:* The platform's payment structure and worker's earnings, which includes questions on the frequency and amount of pay to the worker, the worker's number of hours/assignments spent/completed on the platform per day, and how these have changed since the onset of the financial crisis.

*Section 5:* The worker's access to social protection and fringe benefits, which includes questions on whether the worker has applied or received additional benefits from the platform, formal social protection from the state, or informal social protection from family, friends, and/or charity, religious, or political groups.

*Section 6:* The worker's mental health and outlook for the future, which includes questions on the worker's perceived mental health status, satisfaction at current job, and desire to relocate to traditional private sector employment and/or another country.

The survey was administered in colloquial Lebanese Arabic language to 50 platform workers, and sampled through plat-

### LEBANON'S CRISIS LANDSCAPE

*Lebanon's economic landscape has been marked by volatility since 2019. The country faced a currency shock that exposed the insolvency of the banking sector and triggered a sovereign default, and an explosion in the capital city that killed hundreds and displaced thousands. The pass-through effects on society have been particularly detrimental with the absence of structural policy corrections from the state, as the size of the economy shrank by 70% since 2018, the minimum wage lost 80% of its pre-crisis value, informality exceeded 60%, emigration became prevalent, and the poverty rate covered most of the middle class.*

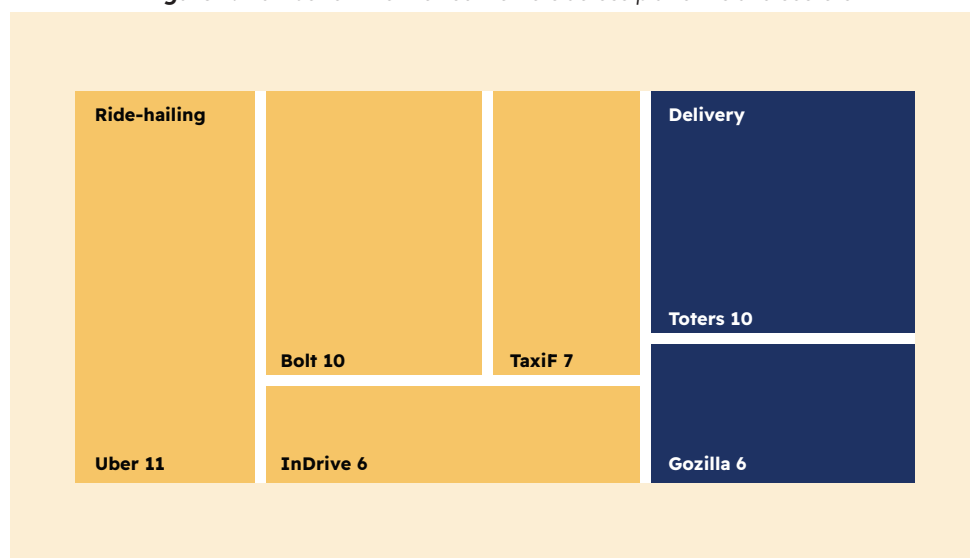
*Adding to this, a threat of a war escalating with Israel looms over Lebanon. The ongoing attack on Gaza have already spilled over to the Lebanese territory and is harming its tourism and service sector, which encompasses most of businesses and the workforce. In fact, the influx of travelers to Lebanon in October 2023 decreased by 15% and restaurants have seen an 80% decline in business volume compared to the year prior.*

*The slowdown in economic activity, aside from wiping out any "stabilization" outcomes that the economy managed in the past four years, carries significant implications for the taxi sector. As a highly seasonal sector, drivers rely on summer and winter tourist seasons to generate most of their yearly incomes. Yet the winter holiday period in Lebanon is already hit. Indeed, two of the interviewed digital drivers claimed the requests for transportation services diminished noticeably after October 7, 2023.*

<sup>13</sup> This includes 30 questions that are restricted to workers who were in the platform economy before the crisis.

forms' assignment algorithms and snowball technique. The sample comprised 34 workers in the ride-hailing sector and 16 in the delivery sector, across the six widely-used platforms in the country, namely Uber, Bolt, InDrive, TaxiF, Toters, Gozilla (Figure 1). Workers were made aware that their participation in the survey was optional, that they could skip any question or stop the interview at any moment, and that their identity would be kept confidential. The interviews with workers were done in person, except for five, and spanned 70 minutes on average.

**Figure 1:** Number of interviewed workers across platforms and sectors



Source: Interviews with platform workers.

## 2. Lebanese legal texts

To situate the analysis in the Lebanese policy setting, this study reviews legal frameworks that govern the access to private sector employment in the country—and particularly in the taxi and delivery sectors—, the labor rights and obligations of workers across employment statuses, and the determinants for the access to social protection and union representation. These include a plethora of legal texts,<sup>14</sup> of which the main ones are the Labor Code—promulgated in 1946—the Code of Obligations and Contracts—promulgated in 1932—the Trade Union Law—promulgated in 1953—the Social Security Law—promulgated in 1963—with its amendments, and the application circular of the Income Tax Legislative Decree—promulgated in 2002.

## 3. Interviews with experts and bureaucrats

The study relies on lawyers, social protection advisors, and bureaucrats in public administrations to cover information gaps and gray areas resulting from the fragmented nature of legislation governing platform workers. For instance, at the time of writing, there is no consensus on how platform delivery workers are accounted for in the state's labor statistics. Moreover, most labor and employment-related legal cases are not promulgated by the Lebanese judiciary, making the grounds on which contractual relationships are reversed to employment ones contentious. To reconcile with this, two interviews with an expert in labor law and social protection were conducted, over the phone, following a semi-structured format.<sup>15</sup>

<sup>14</sup> Leaders for Sustainable Development. 2019. "The Labour Sector in Lebanon: Legal Frameworks, Challenges, and Opportunities."

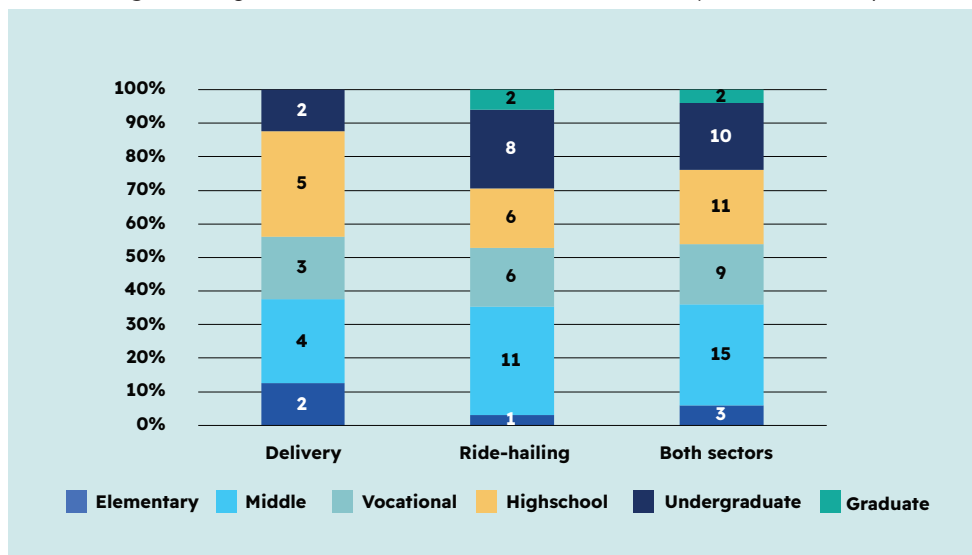
<sup>15</sup> Additional interviews are expected to be held with bureaucrats in the Ministry of Finance, Ministry of Labor, and/or the Central Administration of Statistics.

**Figure 2:** Age distribution in the digital delivery and ride-hailing sectors



Source: Interviews with platform workers.

**Figure 3:** Highest level of education attained in Lebanon’s platform economy



Source: Interviews with platform workers.

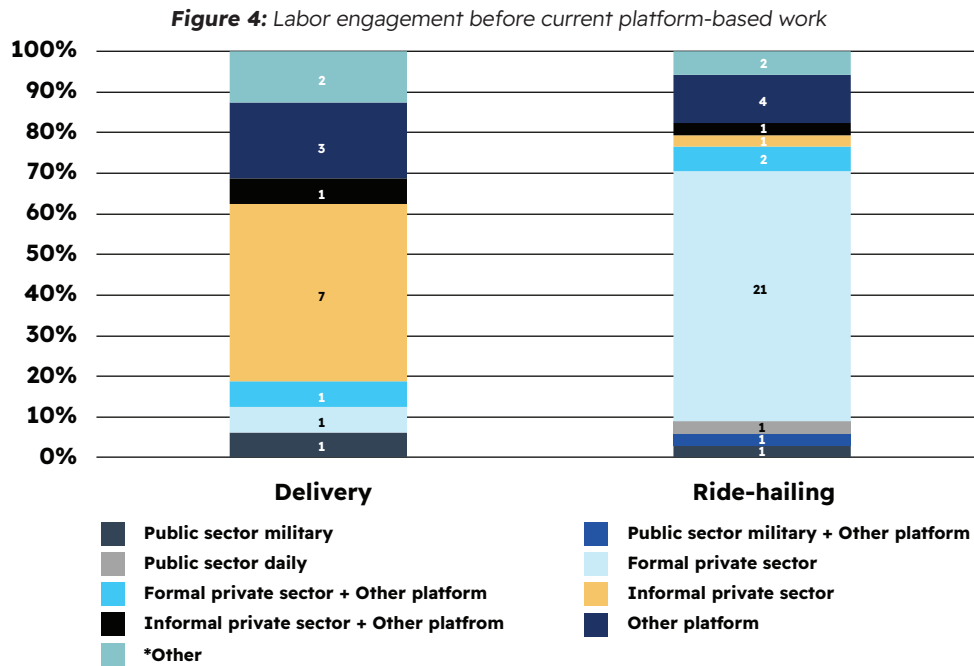
## II. PROFILE OF WORKERS

The platform economy in Lebanon accommodates workers of different age brackets and educational levels. And while the digital taxi sector is restricted to Lebanese nationals, the delivery sector is not. The sample of interviews yielded 36 Lebanese, 10 Syrians, and 2 Palestinians, with an average age of 39, or 26 in the delivery sector and 44 in the ride-hailing sector (Figure 2). Only one female worker was interviewed, who provided taxi services through one of the major ride-hailing platforms in the country.

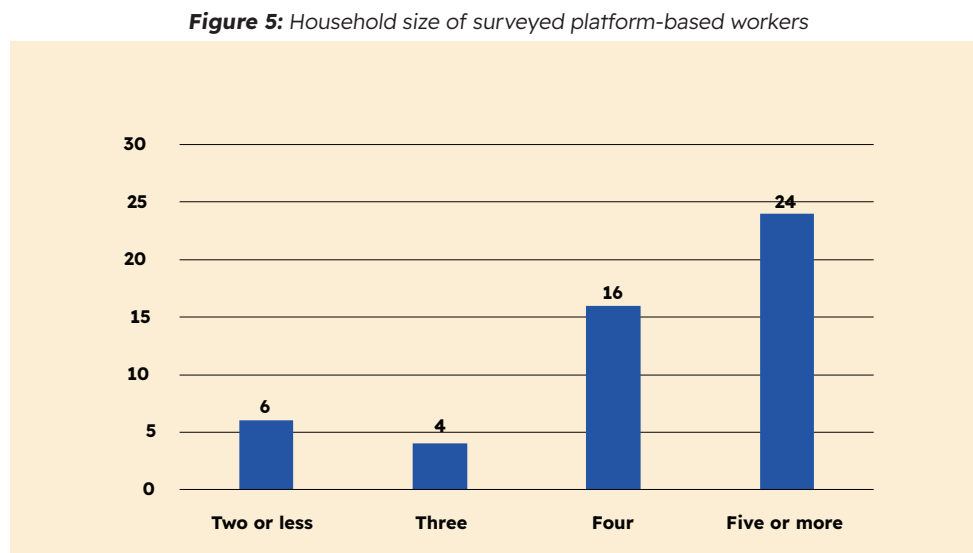
Moreover, most of the interviewed workers did not access university schooling (38), with 11 having only reached highschool, eight vocational training, and 18 either elementary or middle school (Figure 3). Two taxi workers claimed to have reached masters studies, one in law and one in computer science.

In terms of previous labor engagements, most of the interviewed digital ride-hailing drivers participated in the formal private sector (Figure 4), working in the taxi sector via their ownership or rental of a car and red license plate. Seven workers (21% of the digital taxi sample) were already participating in the platform

economy over the past year, suggesting a continued influx of the workforce into platform-based work during the crisis. Two public sector workers, specifically a daily worker and a military officer, joined the digital taxi sector between April and May 2023, to generate additional income amidst the depreciate value of salaries in the public sector.<sup>16</sup> In the digital delivery sector, almost all workers were in low-skilled jobs. Around one-third of interviewees (5) worked in a competing delivery platform (Zomato) before the current one they work in, and seven were working informally, including as concierge, cleaner, and restaurant delivery.



Note: \*Other includes micro-business owner, offline on-demand work, and no responses.  
 Source: Interviews with platform workers.



Source: Interviews with platform workers.

The survey conducted among digital delivery and taxi workers also reveals a high concentration of workers with large households. Among the 50 interviewed workers, nearly one half (24), reported living in a household with five members or more, and an additional 16 workers indicated a household size of four.

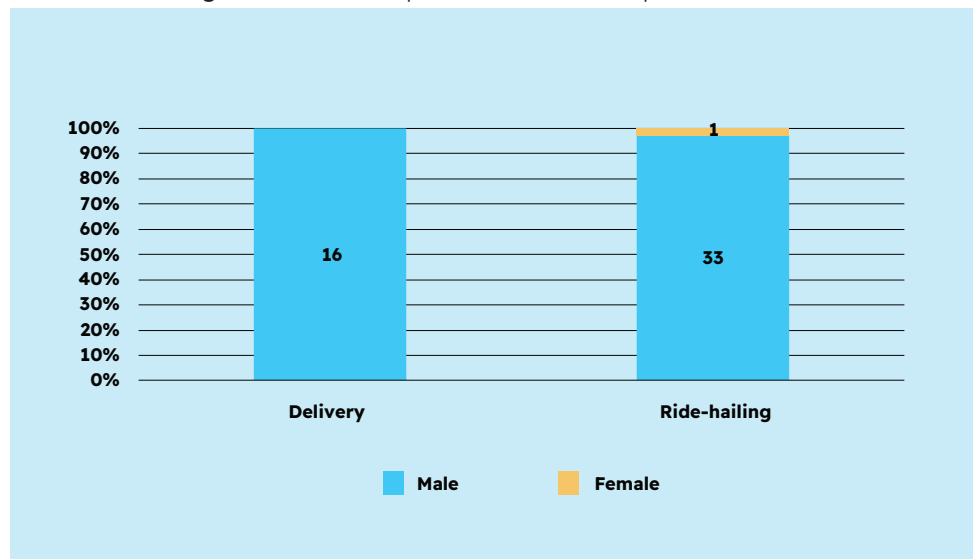
16 Ghoussaini, J. December 2021. "Force For Funds: Saving Lebanon's Army from Financial Collapse." Triangle.

Of these 40 workers living in large households, most (32) report carrying the financial responsibility of at least four dependents. In contrast, 4/50 workers lived in a household with three people, and 6/50 workers reported living in a rather small household of two or fewer people. The prevalence of larger households suggests an increased risk of financial vulnerability, and by extension, falling prey to precarious and exploitative labor conditions.

### III. THE BARRIERS TO ENTER LEBANON'S PLATFORM ECONOMY

Revered globally as a sector with easy access for the labor force,<sup>17</sup> the entry to the platform economy can still be constrained by platforms' contractual requirements and the state's legal frameworks. This section reveals the barriers limiting the access to Lebanon's ride-hailing and delivery platform-based work. It is based on interviews conducted with workers, a review of the paperwork that workers must apply when recruited by platforms, and on Lebanese legal texts to determine the prerequisites for such documentation. The section highlights three types of barriers. First, gender, which is a function of the predominance of sectors that are culturally male-dominant. Second, geography, where platform work is highly centralized in the capital city and its neighboring districts and workers are forced to cope by commuting or relocating. And third, nationality, where the ride-hailing sector is restricted to Lebanese nationals by law and the delivery sector is subject to different paperwork requirements depending on the platform.

**Figure 6:** Gender composition of interviewed platform workers



Source: Interviews with platform workers.

#### 1. Gender

While the platform economy is an income-generating opportunity for marginalized groups,<sup>18</sup> it also yields occupational segregation and wage gaps across genders.<sup>19</sup> In the United States, less than one-fifth of delivery workers are females.<sup>20</sup> Moreover, a 2020 study found that male taxi drivers on Uber earn on average 7% more than their female counterparts due to factors related to work experience, location preferences,

<sup>17</sup> Cantarella, M and C. Strozzi. December 2022. "Piecework and Job Search in the Platform Economy." Institute of Labor Economics.

<sup>18</sup> Woord, A., M. Graham, V. Lehdonvirta, and I. Hjorth. 2018 "Good Gig, Bad Gig: Autonomy and Algorithmic Control in the Global Gig Economy." Work, Employment, and Society.; Popan, C. and E. Anaya-Boig. 2021. "The intersectional precarity of platform cycle delivery workers." Open Science Framework.

<sup>19</sup> Morell, M. 2022! "The gender of the platform economy." Internet Interdisciplinary Institute.

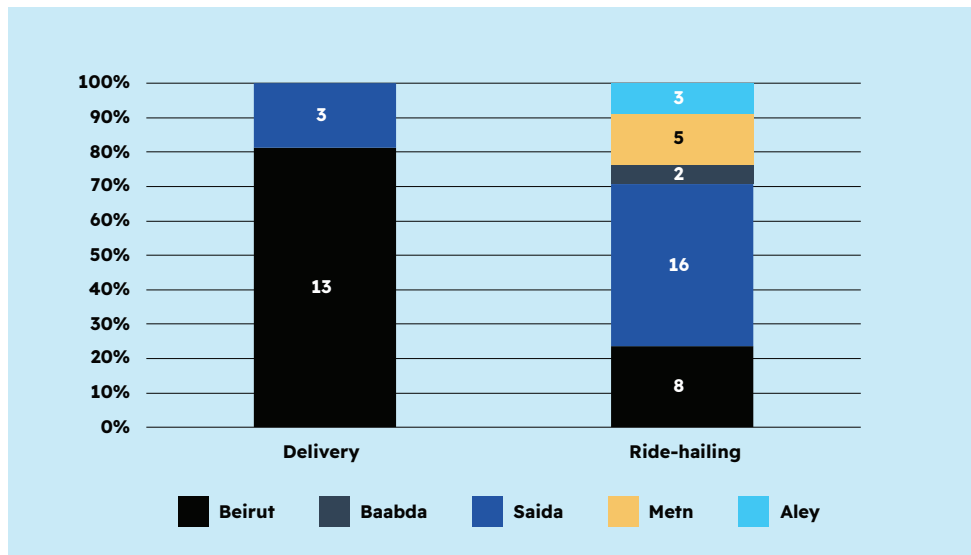
<sup>20</sup> Zippia. March 2022. "What percentage of delivery drivers are female?"

and driving speed.<sup>21</sup> And according to statistics from Bolt—a ride-hailing and delivery platform—a whopping 93% of its delivery workers are male.<sup>22</sup> It has thus become a convention that delivery and ride-hailing services are more accommodating to the male segment of the labor force.

Based on the gender composition of the interviewed sample of workers, it is highly suggestive that Lebanon is keeping with the global trend. Among 50 interviewed platform workers, only one was a female, who worked in the ride-hailing sector (Figure 6) as a hobby when her children are at school. *“My husband works all the time and I’m the one who takes the kids to and picks-up them up from school. During my spare time, instead of going home, I like to turn on [a ride-hailing platform] to cruise around and chat with passengers while making additional money for me.”*<sup>23</sup>

The underrepresentation of women in the Lebanese platform economy is in line with the country’s severely low labor force participation rate for females (22%, compared to 66% for males),<sup>24</sup> and anecdotal evidence. And while Toters—a delivery platform—had launched a social media campaign to encourage Lebanese women to join as delivery courier, the results have yet to be observed by daily users of the platform.

**Figure 7:** Digital workers district of residence



Source: Interviews with platform workers.

## 2. Geography

In a country notorious for its regional disparity in infrastructure and economic activity,<sup>25</sup> geography poses an important barrier to the platform economy. Known in the literature as digital divide,<sup>26</sup> the geographic barrier to the Lebanese platform economy is highly restricted to the capital city and the greater Beirut area due to their high degree of urbanization. The relatively constrained geographic reach of platform

21 Cook, C., R. Diamond, and J. Hall. 2020. “The Gender Earnings Gap in the Gig Economy: Evidence from over a Million Rideshare Drivers.” Stanford University.

22 Bolt. September 2023. “Women courier partners redefining the delivery sector.” <https://bolt.eu/en/blog/women-courier-partners/>

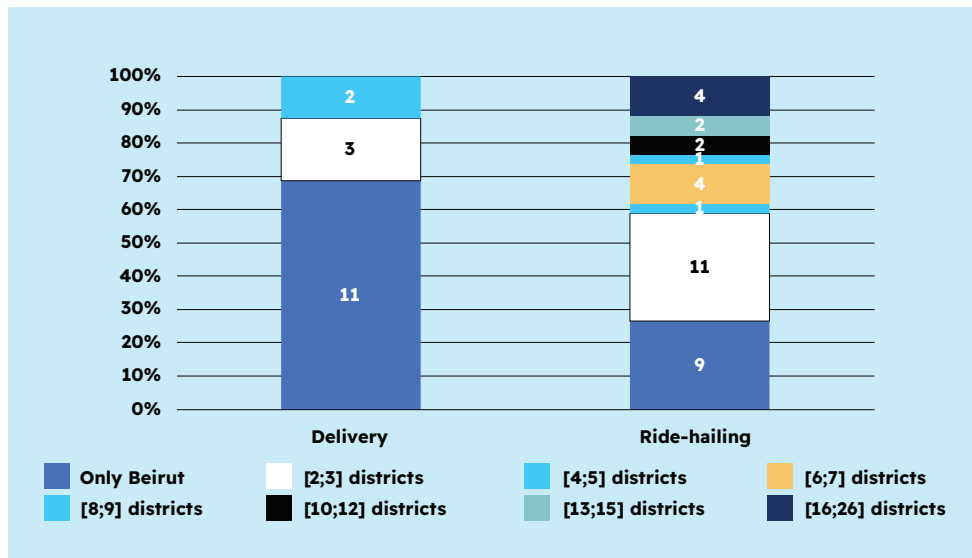
23 Quote from interviewed digital taxi driver.

24 Central Administration of Statistics and International Labour Organization. (2022). “Lebanon follow-up Labour Force Survey.”

25 Sanchez, D. January 2018. “Perpetuating regional inequalities in Lebanon’s infrastructure: The role of public investment.” Lebanese Center for Policy Studies.

26 Quimba, F., M. Rosellon, and S. Calizo. “Digital Divide and the Platform Economy: Looking for the Connection from the Asian Experience.” Philippine Institute for Development Studies.

Figure 8: Digital workers number of working districts



Source: Interviews with platform workers.

work posits that labor entrants who are non-residents of the region are forced to relocate or commute large distances.

Looking at the current place of residence for digital workers reveals that all delivery workers are constrained to the greater Beirut region—specifically Beirut (80%)—compared to counterparts in the taxi sector, where 30% of interviewed drivers live outside of it (Figure 7).

Moreover, the geographic reach of the digital delivery sector extends little beyond the place of residence of workers, with only two claiming to deliver to Jbeil and Metn. In contrast, taxi drivers—who drive a car as a mode of transportation—enjoy a wide geographic reach that extends to all the Lebanese territory (Figure 8), with three drivers claiming to have taken passengers to all 26 districts. Moreover, only 12% of interviewed delivery workers work in up to five districts, compared to 41% in the digital taxi sector.

### 3. Documentation

Aside from Lebanon’s demographic endowments, sectoral regulations and platforms’ paperwork requirements pose an additional barrier in the form of a nationality constraint and access to documentation that impedes access to digital work.

#### 3.1 Taxi sector

Legally, working as a taxi driver in Lebanon—whether through a platform or not—requires the acquirement of a red license plate and a permit, which are conditioned on the driver being Lebanese. The legal sectoral requirements to work as a taxi also impose barriers on Lebanese, as an applicant would need to possess an identification card proving they are Lebanese for more than 10 years and over 21 years of age, a clean criminal record, a valid driver’s license specific for taxis (four-doored vehicle), and permission from the union for taxi drivers. Once an applicant submits these, they would have to wait for a license issued by the Ministry of Public Works and Transport before starting to work. However, the enforcement of these regulations has become increasingly poor, particularly after the state’s loss of resources during the crisis.<sup>27</sup>

27 The national budget is a measure of the state’s resources, see Maktabi, W., S. Zoughaib, and S. Atallah. September 2023. “Lebanon’s 2023 Draft Budget: Aimless Expenditure.” The Policy Initiative.; Maktabi, W., G. Dagher, S. Zoughaib, and S. Atallah. September 2023. “Lebanon’s 2023 Draft Budget: Taxing the many, sparing the rich.” The Policy Initiative.

In fact, while taxi license plates are issued by the government—which it suspended in the 1990s—the high demand for them has created a market where they can be sold or rented at inflated prices.<sup>28</sup>

The low enforcement of regulations in the platform economy also raised alarming particularities for those working in it and those using its services. Examples from two digital taxi platforms are noteworthy. As of at least July 2023, an emerging taxi platform in Lebanon has been providing illegal transportation services via motorcycles and non-licensed vehicles. This, however, is not the first time that a digital labor platform has violated Lebanon’s traffic law, as disputes between unlicensed and licensed drivers had become prevalent since November 2021 when an older taxi platform was recruiting motorcycle drivers and white license plate holders.<sup>29</sup> After protests and disputes between licensed and unlicensed drivers and legal complaints from unionized drivers, the Ministry of Interior and Municipalities suspended the illegal services for one of the platforms.<sup>30</sup> As for the emerging taxi platform, the illegal transportation services are still being offered at the time of writing (January 2024), with one interviewed worker from a competing platform claiming that he and a group of workers are attempting to tamper with it until the state intervenes to enforce regulations. “*We are observing the [emerging taxi platform] from afar. It is still small with few drivers and clients using it. But if it expands, we will escalate and protest like we did in February 2023, when we forced the Ministry of Interior and Municipalities to address our demands. Right now, some of my friends and I mess up with the [emerging taxi platform] by ordering a service and canceling it at the last minute. We have a WhatsApp group and coordinate on it for such antics.*”<sup>31</sup>

### 3.2 Delivery sector

There are no sectoral legal barriers that are specific to the delivery sector. In general, working in the sector posits that entrants are nationals or have work permits. Instead, hiring delivery companies are the ones that impose recruitment conditions that restrict entry. The studied digital delivery platforms in Lebanon exhibit starkly contrasting restrictions, with one imposing stringent measures and the other adopting more lenient policies. The lenient one, according to interviewed workers, requires no paperwork from Lebanese and Syrian applicants alike. In fact, some delivery workers claim they have no registered papers and/or have not registered their vehicle. “[*The platform*] asked me to give them any identifying paper I carried. I only showed them an old identity Syrian identity card I had and was allowed to start working the next day. They are only strict about working schedules and swiftly responding to delivery orders, but not about paperwork.”<sup>32</sup>

The more stringent delivery platform, however, which happens to be the bigger one, demands from nationals and non-nationals to have an identity card, a driver’s license, and their vehicles registered and insured. For non-nationals, the platform also requests proof of residence and legal residency papers from Syrian applicants exceptionally.<sup>33</sup>

## IV. STRUCTURAL VULNERABILITY OF DIGITAL WORKERS

After workers surpass the barriers to enter the platform economy, they are faced with a set of vulnerable particularities for working in a largely unregulated sector. This section unravels the limitations to access-

28 Yassin, J. and U. Rani. December 2022. “Ride-hailing versus traditional taxi services: The experiences of taxi drivers in Lebanon.” International Labor Organization.

29 Megaphone. November 2021. “Service drivers vs Bolt: Rivalry and informal employment | النمر الحمراء ضد بولت.”

30 ElNashra. May 2023. “مولوي طلب توقيف تطبيق Bolt الإلكتروني عن العمل ريثما يتم التأكد من عدم مخالفته للقوانين.”

31 Quote from an interviewed taxi worker in an established platform.

32 Quote from an interviewed digital delivery worker.

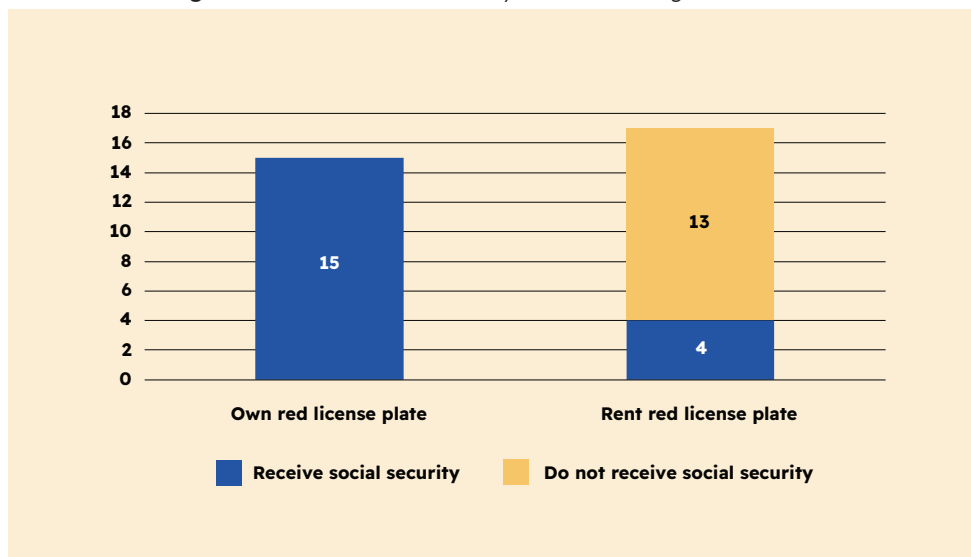
33 Syrian interviewed workers claim the platform used to demand work permits.

ing social protection and the real labor conditions of platform workers, who are disguised as independent workers by platforms in Lebanon, highlighting the extent to which they are subject to control from the platform. It uses the determinants of an employment relationship—outlined in the application circular of the Income Tax Legislative Decree—to contend that the legal employment status of digital delivery workers has a serious case to be reviewed by the Labor Arbitration Council. The case for digital taxi workers, while not suffering from labor misclassification to a similar scale, also reveals a power asymmetry that is skewed towards platform management’s algorithms. By legal design, the contractual relationship of digital workers with their hiring managers is a key deterrent to their enrollment in Lebanon’s social security, which was highly revered by the private sector and provided large provisions before the 2019 crisis when the National Social Security Fund (NSSF) became insolvent.<sup>34</sup>

## 1. Access to formal social protection

The conditions for taxi and delivery workers to access social security are different. In Lebanon, a taxi permit, which all drivers must acquire in the form of a red license plate number to legally work,<sup>35</sup> endows drivers with the provisions of social security. However, based on surveyed digital taxi workers, more than one-half rent the red license plate (17),<sup>36</sup> of which 13 are deprived of its social benefits (Figure 9). Renting taxi licenses from people has become increasingly conventional since the government suspended the issuance of new ones in the mid-1990s, allowing red license plates to become effectively commodified in the market.<sup>37</sup> Moreover, when renting, drivers can choose whether to pay an additional fee, or a premium, to benefit from the social security provisions of the red license plate. Yet with the crisis depreciating the value of such benefits, most drivers are not incentivized to do so. The four workers who do not own a taxi license receive social security provisions, namely health insurance, family compensation, and end-

**Figure 9:** Access to social security in Lebanon’s digital taxi sector



Note: One worker did not answer and one worker used his white license plate.

Source: Interviews with platform workers.

<sup>34</sup> Merhej, K. and K. Chehayeb. March 2022. “The Full Story Behind the Looming Collapse of the National Social Security Fund.” The Public Source.

<sup>35</sup> Lebanon New Traffic Law (2012).

<sup>36</sup> One worker did not answer and one worker used his white license plate.

<sup>37</sup> Yassin, J. and U. Rani. December 2022. “Ride-hailing versus traditional taxi services: The experiences of taxi drivers in Lebanon.” International Labor Organization.

of-service indemnity through their secondary jobs: two work in the public sector and two in a formal private business.<sup>38</sup>

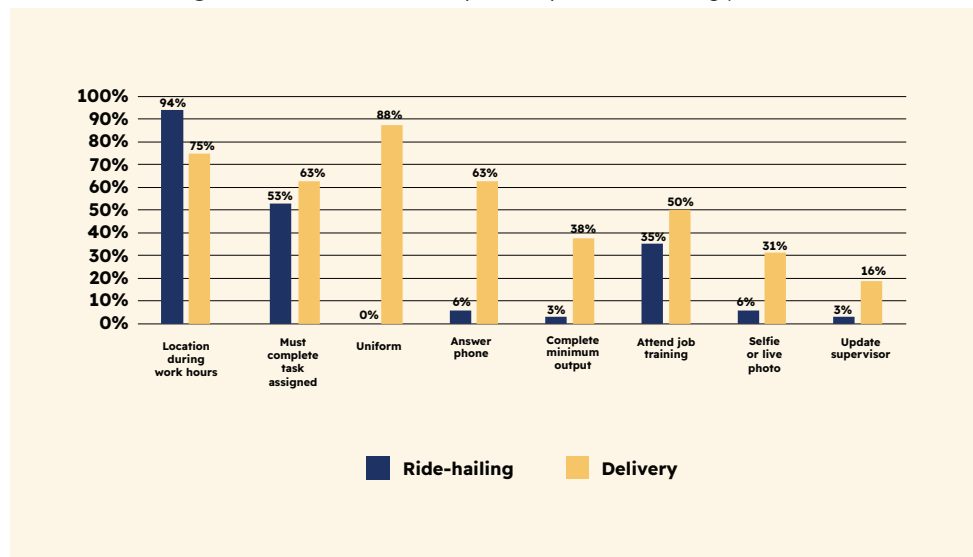
For delivery workers, enrollment in social security has two tracks. The mandatory scheme, which is conditioned on the existence of an employment relationship whereby contributions to the NSSF are paid by the employer and employee.<sup>39</sup> And the voluntary one, which is an option only for Lebanese nationals and provides health insurance exclusively.<sup>40</sup> Digital delivery workers in Lebanon, considered independent service providers or “freelancers” in both Toters and Gozilla, are not qualified for the mandatory scheme and are not enrolled in the voluntary one, with 12 of the 16 workers being non-Lebanese.

## 2. Platform control

Based on legal frameworks of private employment and key informant interviews, the overarching determinant of an employment relationship is the wage-earner’s subordination towards the employer.<sup>41</sup> Circular 2539/2002 outlines 15 elements that make up “a relationship of subordination” to delimit the scope of the Income Tax Legislative Decree.<sup>42</sup> Yet not all elements must be satisfied for a contractual relationship to be reversed to an employment one, as the Labor Arbitration Council bases such decisions on the existence of subordination—or “علاقة تباعية”.

In the context of platform work, the presence of worker subordination can be measured by the extent to which platforms withhold control over workers. The elements of control, which serve to enforce a code of conduct at work, can take the form of setting instructions for workers to wear a uniform, attend training, and complete a minimum number of assignments/hours, under the threat of a positive punishment, like decreasing ratings, issuing suspensions, and imposing fines. For delivery platforms, these elements of

Figure 10: Instructions set by delivery and ride-hailing platforms



Source: Interviews with platform workers.

38 Unlike the case for the private sector, public sector workers also have a pension system.

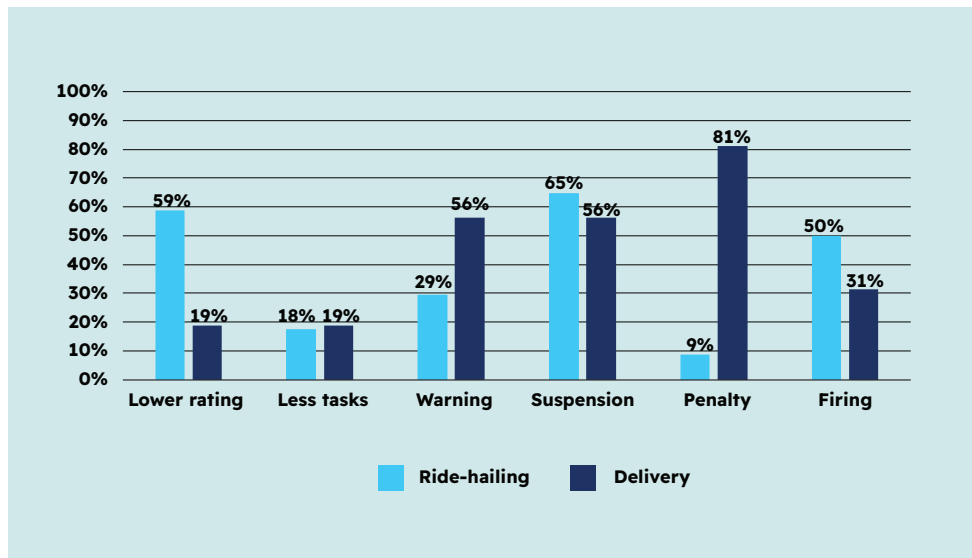
39 Lebanon National Social Security Law (1963).

40 Ibid.

41 Leaders for Sustainable Development. 2019. “The Labour Sector in Lebanon: Legal Frameworks, Challenges, and Opportunities.”

42 تعميم رقم 2539 ص1. 2002. “تحديد أصول تطبيق أحكام الباب الثاني من المرسوم الاشتراعي رقم 144 تاريخ 12/6/1959 وتعديلاته (قانون ضريبة الدخل)”. Also see Maktabi, W., S. Zoughaib, and C. Abi-Ghanem. May 2022. “Lebanon’s Missing Middle: Online delivery workers under precarious conditions.” The Policy Initiative.

**Figure 11:** Punishment enforced by delivery and ride-hailing platforms



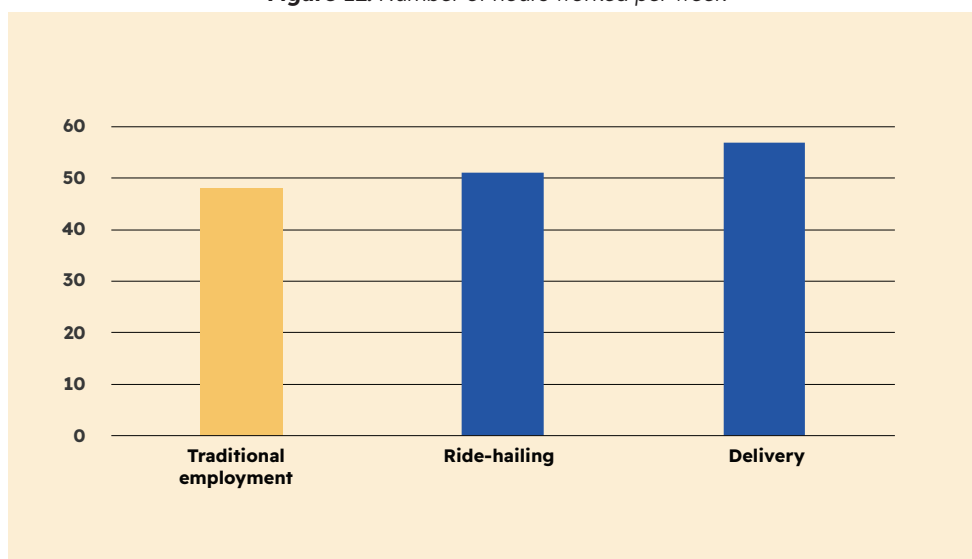
Source: Interviews with platform workers.

control appear to be more diverse and pronounced compared to counterparts in ride-hailing platforms (Figures 10 and 11).

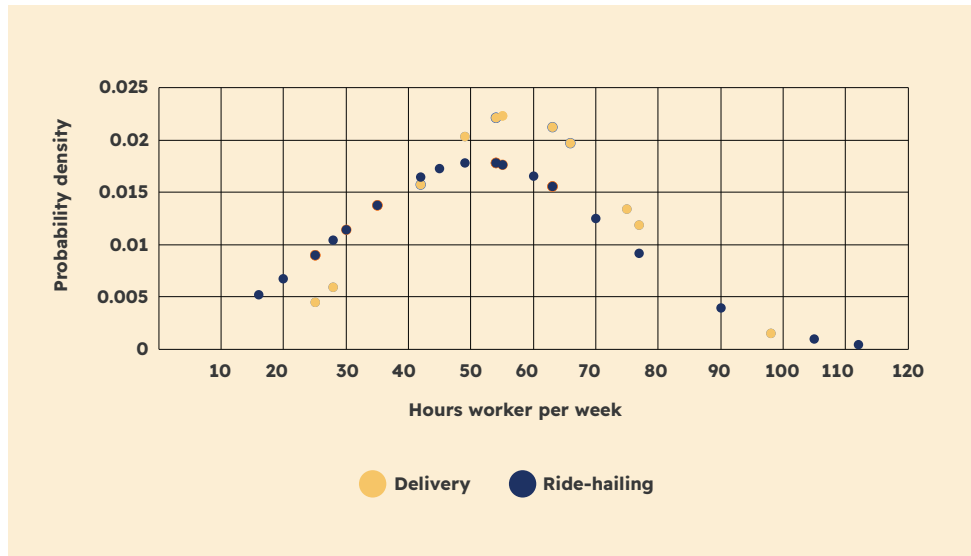
On instructions, almost all interviewed digital delivery workers are requested to wear a uniform (88%), and around two-thirds are requested to constantly share their locations (75%) and answer phone calls (63%) during online presence, as well as adhere to the task the platform assigned to them (63%). For workers in the ride-hailing sector, platforms only request constant access to location (94%), with one-half of interviewed drivers also claiming they must complete the task they were assigned (53%).

To enforce these instructions, 65% of interviewed taxi drivers and 56% of interviewed delivery workers claim that their platforms resort to temporary suspensions if workers fail to abide by platform standards, yet delivery workers are granted a warning beforehand while taxi workers are not (56% compared to 29%). Interestingly, a rating penalty is a tool mostly practiced by ride-hailing platforms (59% of workers say so), while financial penalties are more prevalent in delivery platforms (81% of workers say so).

**Figure 12:** Number of hours worked per week



Source: Interviews with platform workers.

**Figure 13:** Distribution of hours worked per week, by sector

Source: Interviews with platform workers.

Moreover, both sets of digital workers work for longer hours per week than the threshold outlined in the Labor Code for traditional employment arrangements (Figure 12). Delivery workers spend an average of 57 hours per week at work through one affiliate platform, while taxi workers do 51-hour work weeks and are more likely to multi-app (26/34 work on more than one platform).

The Labor Arbitration Council has previously reversed freelancing contractual relationships into employment ones based on legal precedence. These, however, did not happen in the context of platform work. With such evidence robust almost two-years apart,<sup>43</sup> digital workers—particularly delivery ones—can make a strong case if they seek legal representation, setting the tone and a critical precedence for the platform economy.

## V. CRISIS IMPACT

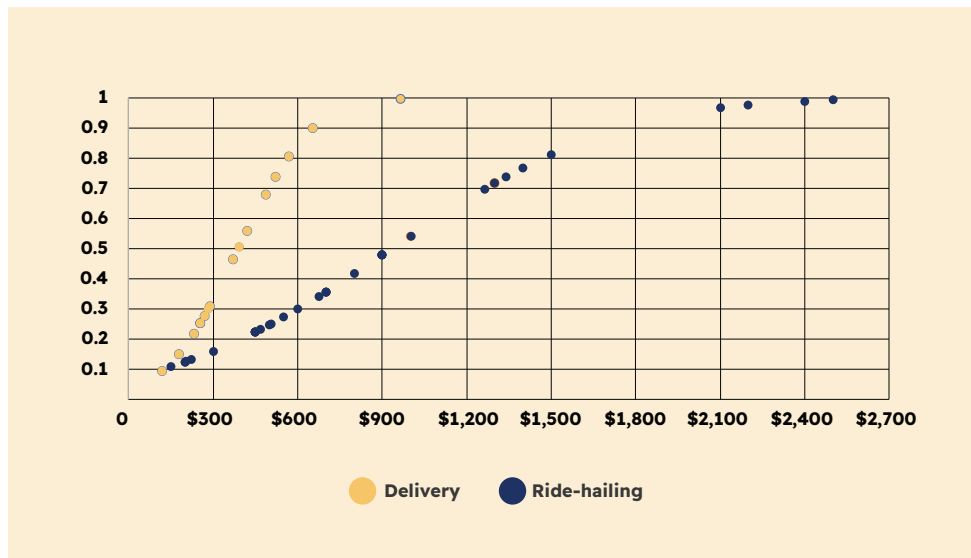
In addition to the structural perils of the platform economy, which relate to the barriers to entry and the platform's high degree of control over workers, digital workers in Lebanon were also impacted by the financial crisis that carried a severe pass-through effect on livelihoods. This section assesses workers' incomes (before costs) during the crisis,<sup>44</sup> their lifestyle coping mechanisms, such as working hours, expenditure patterns, and access to formal and informal social assistance, and mental health. It reveals an alarming trend of digital workers whose incomes are volatile and inadequate, awareness and access to social protection is limited, and working conditions and lifestyle choices pose health risks that have harmed psychological well-beings, with at least one-half of interviewed workers feeling stressed, fatigued, and a general sense of hopelessness.

### 1. Income

The distribution of income for interviewed digital workers has a wider dispersion in the ride-hailing sector compared to the delivery sector, while both are large. The average income for digital taxi workers in Lebanon stands at \$935, with four workers earning more than \$2,000 and three earning less than or equal to \$200 (Figure 14). According to eight digital taxi workers who were also active before the onset

<sup>43</sup> Maktabi, W., S. Zoughaib, and C. Abi-Ghanem. May 2022. "Lebanon's Missing Middle: Online delivery workers under precarious conditions." The Policy Initiative.

<sup>44</sup> Calculation based on the average market exchange rate at the time (USD/LBP 89,000).

**Figure 14:** Income distribution for digital delivery and taxi workers

Source: Interviews with platform workers.

of the financial crisis in 2019, their average income was 15% higher, indicating a near recovery in taxi rates. For delivery workers, the average income before accounting for costs stands at \$390, with one worker earning just over \$100 and one just under \$1,000. The fact that all interviewed workers earn higher than the official minimum wage (LBP 9,000,000, or \$100) is only indicative of the depreciated local currency, which lost 95% of its value since 2019.

Platform taxi workers who treat platform work as a supplementary income to their private taxi services (adaptive strategy) generate more money than their counterparts who spend the totality of their working hours on the platform (resilient strategy). Adaptive digital workers in the taxi sector exploit its seasonal nature to actively seek tourists from avenues other than the platform, thus allowing them to set their own price rates. *“In this type of work, you have to be smart. Clients like me because I am sociable and [can be relied on]. Now I have a set of clients that ask me to drive them everywhere when they are here from travel. I rely on clients from [the ride-hailing platform] or “services” when they are not here.”*<sup>45</sup>

For delivery workers, no trend is discernible other than the fact that Lebanese workers are paid more for their time (\$1 per hour online) compared to their Syrian counterparts (\$0.7-\$0.8 per hour) in one delivery platform, and are exposed to twice as many financial bonuses compared to their Syrian and Palestinian counterparts in another platform.

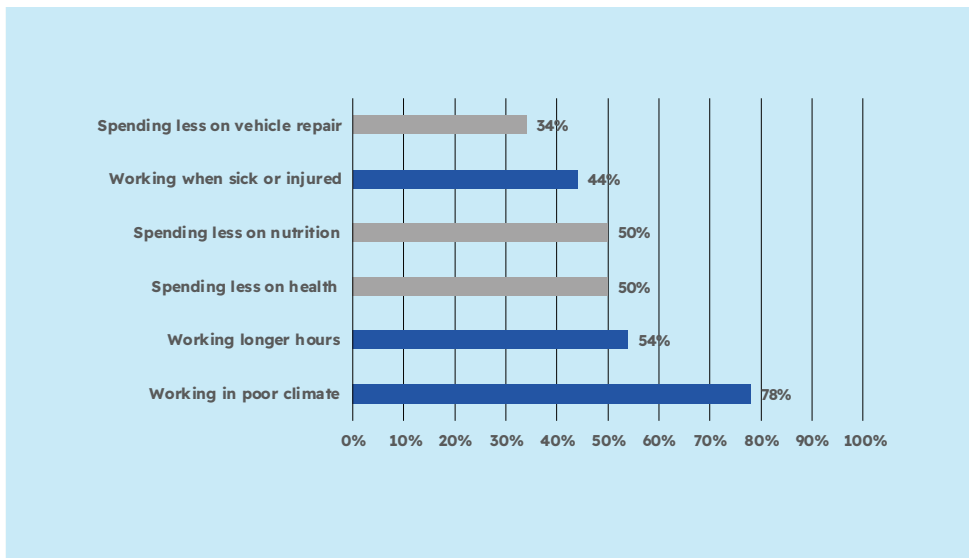
## 2. Lifestyle coping mechanisms

To cope with the crisis, lifestyle choices concerning working hours and expenditure patterns have been nearly symmetrical across nationalities and sectors. The vast majority of digital workers claim to work regardless of climate conditions (78%; Figure 15). Interviewees also point out alarmingly dangerous coping strategies, whereby one-half of digital workers have resorted to sacrificing their spending on health and nutrition. Workers are most resistant to rationing spending on vehicle maintenance, given that their car/motorcycle constitutes the main income-generating asset.

Across nationalities, the subtle differences in coping strategies highlight two observations (Figure 16). One, non-Lebanese are less capable of working longer hours due to their increased risk during lone working at night. This is attributed to sensitivities against Syrian workers as well as sporadic police checkpoints that seize the vehicles of drivers lacking documentation. And two, non-Lebanese—given their limited

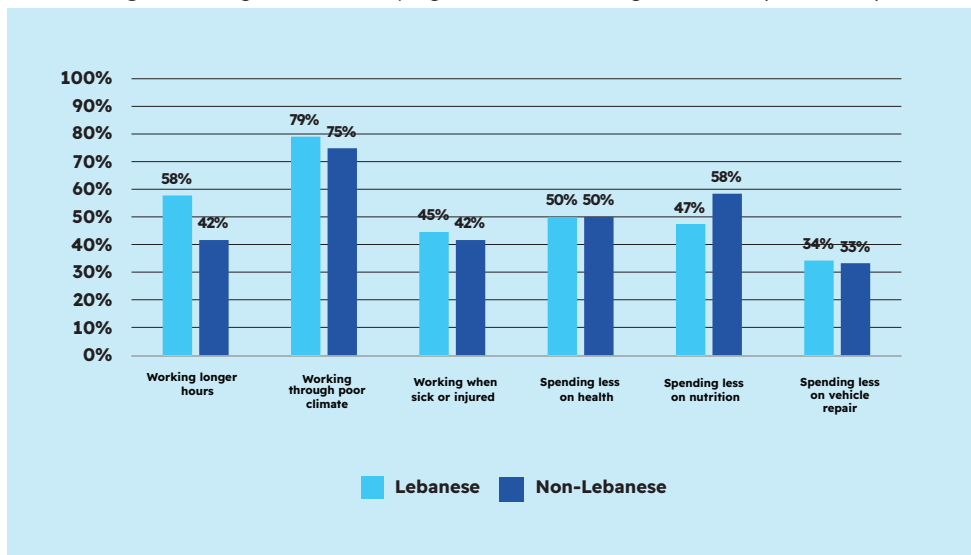
<sup>45</sup> Quote from an interviewed digital taxi worker.

**Figure 15:** Digital workers coping mechanisms during the crisis



Note: Green color indicates a strategy to increase revenue; gray color indicates a strategy to reduce cost  
 Source: Interviews with platform workers.

**Figure 16:** Digital workers coping mechanisms during the crisis, by nationality



Source: Interviews with platform workers.

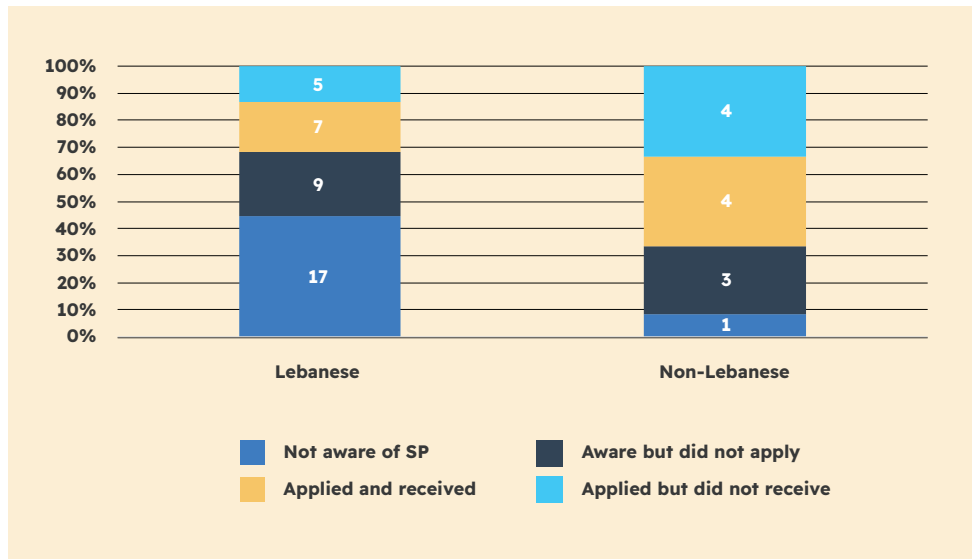
space to generate additional revenue—are more susceptible to negative coping strategies, such as rationing spending on food.

With regards to resorting to the state for protection, almost 20% of Lebanese and 30% of non-Lebanese are recipients of social assistance.<sup>46</sup> However, awareness of social protection for Lebanese appears to be a fundamental constraint to accessing it, as nearly one-half (17) have not heard of any of the state’s social protection programs. Yet 58% of those Lebanese who applied, compared to 50% of non-Lebanese who applied, received assistance, pointing out a highly vulnerable group that likely meets the state’s poverty criteria.

Informal solidarity channels serve an important safety net function for workers during crisis conditions. Based on interviewed workers, 16% (8) receive support domestically from family or friends and 14% (7) via remittance (Figure 18).

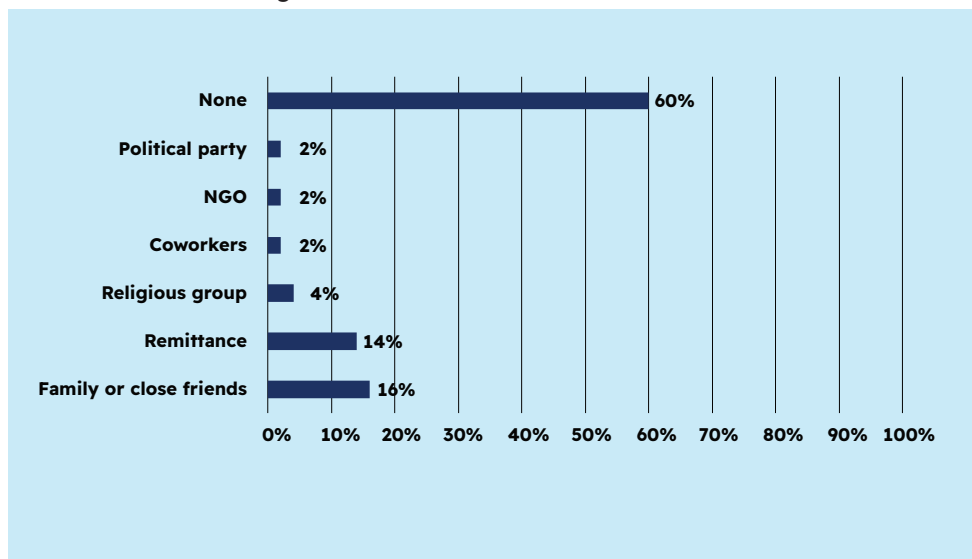
46 These include the Emergency Social Safety Net or National Poverty Targeting Program for Lebanese, UNHCR for Syrians, and UNRWA for Palestinians.

**Figure 17:** Access to formal social protection, by nationality



Source: Interviews with platform workers.

**Figure 18:** Sources of informal social assistance



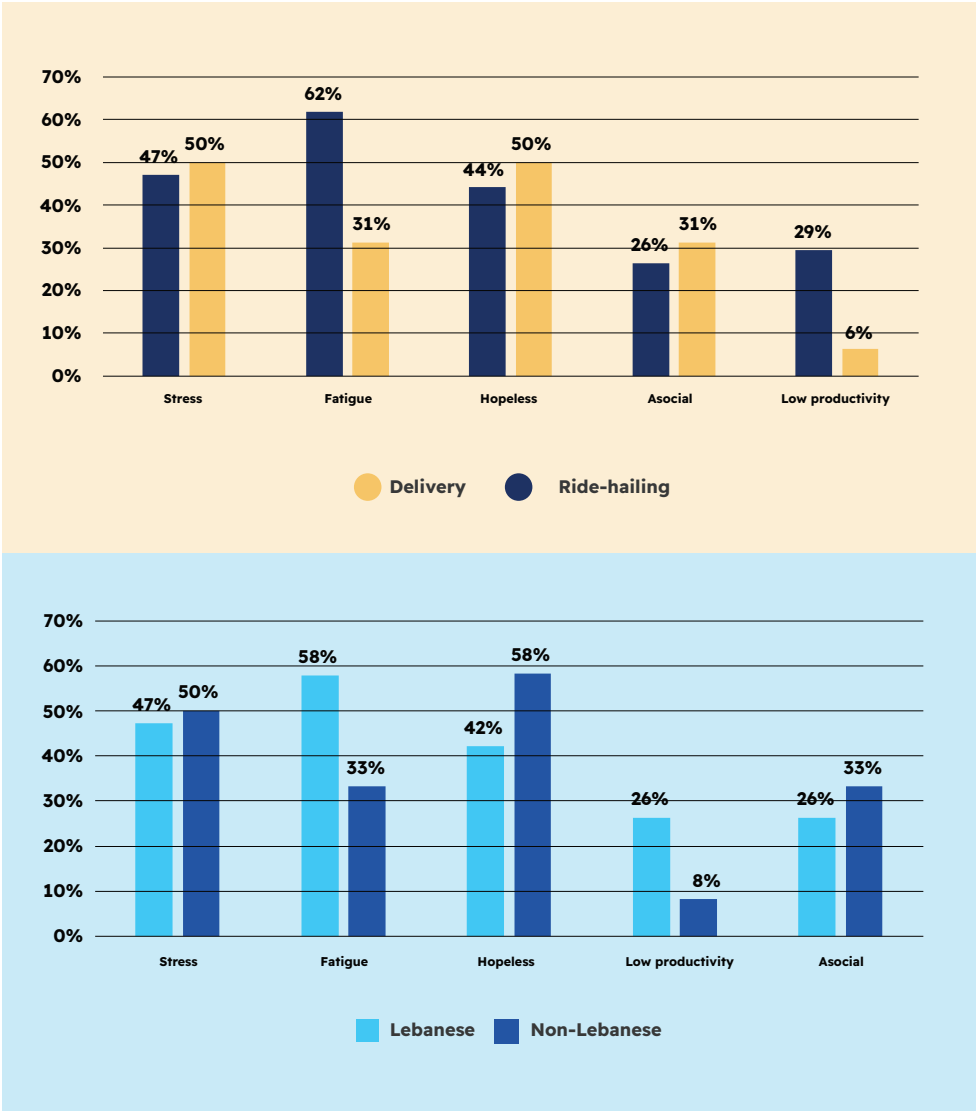
Source: Interviews with platform workers.

### 3. Mental health

The mental health cost of platform work is globally understudied, let alone in Lebanon. Recent study confirmed that the worker’s increased dependency on the platform materializes in worse mental health outcomes.<sup>47</sup> Intuitive as it may be, preliminary evidence from Lebanon shows no discernible difference in the psychological wellbeing between ride-hailing and delivery workers—the latter of which exhibits a higher dependency on the worker. The pervasiveness of stress and hopelessness is almost identical, but digital taxi workers report higher incidence of fatigue (Figure 19). Across nationalities, non-Lebanese seem to have a bleaker outlook of the future, with a sense of hopelessness almost hovering 60% of respondents, compared to 42% for Lebanese.

47 Galvin, P. and S. Schieman. 2022. “Dependency and Hardship in the Gig Economy: The Mental Health Consequences of Platform Work.” Sociological Research for a Dynamic World.

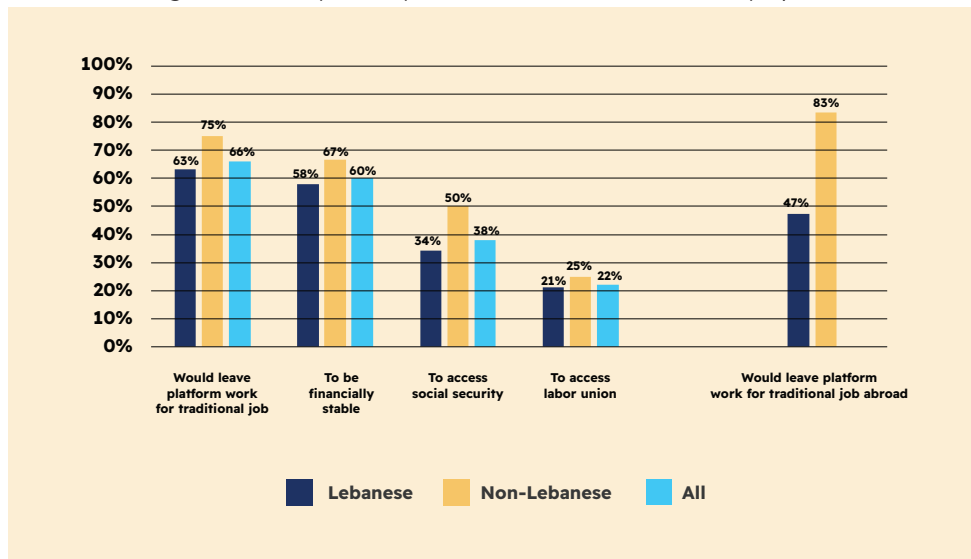
**Figure 19:** Digital workers’ perceived mental wellbeing across sectors and nationalities



Source: Interviews with platform workers.

**4. Workers’ grievances and outlook**

The platform economy in Lebanon comprises workers who, ultimately, want to exit it. If granted a traditional job that safeguards their labor right to a salary, union representation, and social security, two-thirds of interviewed workers would forego their digital work and the marketed flexible schedule that comes with it. Across nationalities, non-Lebanese (all of which work in the delivery sector) appear to be more eager to switch their platform work to traditional employment (75%, compared to 63% for Lebanese). This is further pronounced for when the traditional employment opportunity is outside the country, with almost all non-Lebanese (10/12, or 83%) willing to leave Lebanon, compared to under one-half of Lebanese respondents (47%).

**Figure 20:** Perception of platform workers on traditional employment

Note: Lebanese n = 38; Non-Lebanese n = 12.  
 Source: Interviews with platform workers.

## VI. CONCLUSION AND RECOMMENDATIONS

This paper has advanced the research on Lebanon's future of work, providing a case study on digital workers in the taxi and delivery sectors. Amidst an influx of platform-based workers, the paper highlights barriers that restrict entry to digital work, structural and crisis-induced precarities that workers endure, and the implications of coping with platform work on mental wellbeing and lifestyle choices. The country's digital transformation is not going unnoticed by the state, with the State Ministry for Administrative Reform drafting a strategy to transition into digital public service delivery. The strategy, however, fails to acknowledge and address the needs of the growing segment of Lebanon's labor force in the platform economy that exhibit precarious characteristics.

To unlock the prosperous potential of the digital economy in Lebanon, a remedy to its current perils is of paramount importance. This necessitates the Lebanese state to accumulate sufficient political capital and adopt a mission-driven approach to integrate the digital economy in a broader economic recovery vision that anchors decent jobs and inclusive prosperity as linchpins.

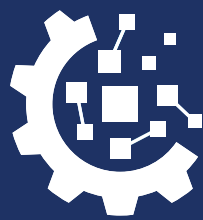
1. A comprehensive intervention from the state to ensure decent livelihoods for all, including the country's growing missing-middle, is through the legislation and implementation of the National Social Protection Strategy, which politicians have shelved for long.<sup>48</sup> The prescriptions in the strategy lay the foundation for universal coverage of social protection as a right, which revamps the role of the state in the social contract.
2. A fundamental data that Lebanon must have to assess and build on the potential of the digital economy is the size and composition of platform workers. The labor census from the Central Administration of Statistics does not reflect the locality of platform workers in employment statuses, creating the risk of disguising them as self-employed, informal employment, or missing them completely.

<sup>48</sup> Maktabi, W., S. Zoughaib, and R. Eghnatios. December 2022. "Intentions are not enough: Lebanon must adopt the National Social Protection Strategy." The Policy Initiative.

- The precarity of platform workers has now been documented in Lebanon two years apart, highlighting the discrepancy between workers' contractual agreements and actual labor conditions.<sup>49</sup> This dangerous trend requires stringent law enforcement from the state to better regulate digital work, paving the way for an intervention from the Labor Arbitration Council to provide legal protection to and review the employment statuses of platform workers across sectors.



<sup>49</sup> Maktabi, W., S. Zoughaib, and C. Abi-Ghanem. 2022. "Lebanon's Missing Middle: Online delivery workers under precarious conditions." The Policy Initiative.



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