United Nations | Department of Economic and Social Affairs

FUTURE OF THE WORLD

POLICY BRIEF NO194

DECENT WORK IN THE PLATFORM ECONOMY: GOVERNING DIGITALLY MANAGED LABOUR MARKETS

INTRODUCTION

Platform-mediated work—labour or services provided through digital platforms, including location-based services such as ride-hailing and delivery, as well as online freelancing and microwork—has become one of the most visible expressions of digital transformation in labour markets. By connecting workers and clients through apps and online platforms, it can expand access to income-earning opportunities. At the same time, many platform workers operate outside standard employment relationships, often as own-account workers without regular or continuous ties to a single employer, which can limit access to labour protections, collective bargaining and social protection.

In many cases, work is also governed through automated systems that allocate tasks, monitor performance, influence pay and can trigger suspension or deactivation. The result is a labour market marked by flexibility but also insecurity, blurred responsibility and limited recourse. This brief examines what these trends mean for decent work in the platform economy and how labour market institutions and social protection systems can respond.

Key Messages

- Digital transformation is reshaping labour markets by changing what work is done and transforming how work is governed. Platform-mediated work is a visible example, with an estimated 154 million to 435 million people globally engaged in app-based and online labour markets worldwide.
- Platform work can create flexible income opportunities, but it often takes place outside standard employment relationships, limiting access to labour protections and social protection.
- Many platforms rely on automated systems to allocate tasks, monitor performance, set pay and discipline workers, giving firms disproportionate influence over wages and working conditions in the absence of adequate algorithmic governance.
- Ensuring decent work in the platform economy requires stronger labour market institutions—including clearer rules on employment status and employer responsibility, greater transparency and human oversight in automated decision-making. It also requires adapting social protection systems to fragmented and volatile work.

PLATFORM WORK: FLEXIBILITY, CONTROL AND INSECURITY

The World Bank estimates that between 154 million and 435 million people globally participate in platform or online "gig" work (World Bank, 2023).[1] The scale and visibility of platform work vary across countries and regions, but it has often expanded most rapidly where formal job creation is weak and large shares of workers already rely on informal or precarious forms of employment. In many settings however, platform work has expanded alongside persistent informality, rather than replacing it.

Platform work can offer flexibility, low barriers to entry, and opportunities for income generation in contexts where formal employment is scarce. But that flexibility often coexists with insecurity. A central reason is that many platform workers are often treated as independent contractors or own-account workers rather than employees. This can leave them outside minimum wage protections, working-time rules, paid leave, occupational safety provisions and contributory social protection systems.

Non-standard employment arrangements of this kind also exist outside the platform economy, but digital labour platforms tend to reinforce them—operating as intermediaries between clients and workers rather than as traditional employers. Dependence on platform income also varies across groups, with young people and women often overrepresented in more precarious forms of digital work, although patterns differ across sectors and countries, potentially reinforcing existing inequalities (Gerber, 2022).

A second, distinct dimension is algorithmic management. Many platforms rely heavily on automated systems to allocate tasks, evaluate performance, adjust pay and suspend workers. These practices are already common in ride-hailing and delivery services, although algorithmic management is increasingly seen across the platform economy. While income insecurity and unpredictable schedules stem primarily from employment arrangements, algorithmic management extends managerial control without corresponding accountability.

1 154 million is a conservative platform-based estimate of unique registered workers, while 435 million is a broader survey-based estimate that also includes people who do online gig work only part-time, secondarily, or occasionally.

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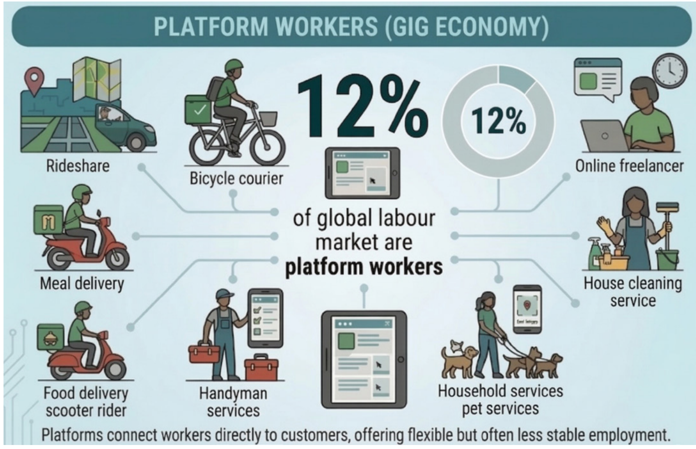
Figure 1

The "gig economy" includes many jobs and tasks



Data Sources: World Bank (2023)

Workers typically lack meaningful access to the data used to evaluate their performance, or to the principles guiding automated decisions. This creates information asymmetries between firms and workers. Concerns have been raised about automated wage-setting, earnings volatility and limited recourse in cases of account deactivation (Human Rights Watch, 2025). In this sense, platform work often combines insecure employment arrangements with opaque systems of supervision and discipline.

Beyond individual employment relationships, algorithmic management reshapes power relations in labour markets more broadly. Platforms often become dominant because the largest ones attract the most users and benefit from access to large amounts of data. Where alternative employment options are limited, it can give platform firms outsized leverage over wages and working conditions.

Inadequate human oversight of algorithmic management can intensify the shift of economic risk from firms to individual workers. Automated decisions about task allocation, scheduling, pay and discipline can make earnings and working time less predictable. Where workers also lack stable contracts and adequate social protection, that volatility can translate more directly into economic insecurity. A worker's access to future tasks, income or continued platform access may depend on ratings, acceptance rates or performance scores that are neither transparent nor meaningfully contestable. These conditions make work less predictable, less secure and harder for workers to influence or contest—undermining decent work.[2]

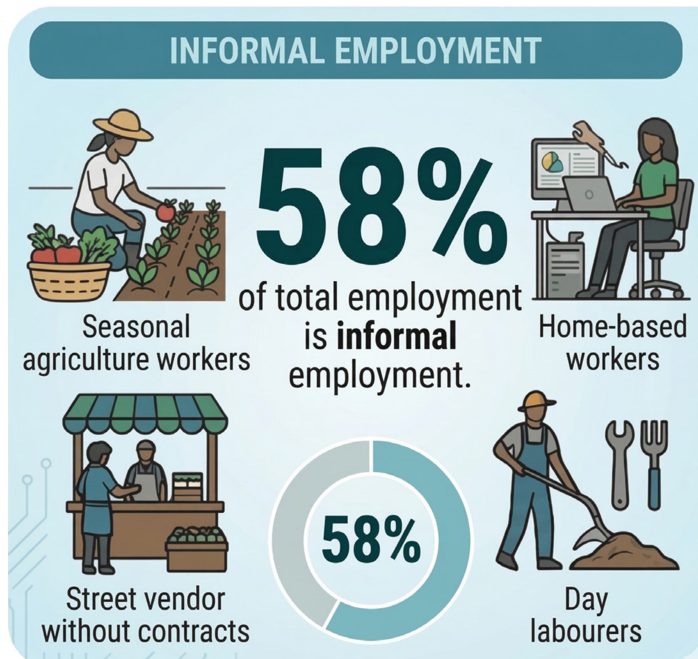
Recent advances in artificial intelligence may also intensify these trends by enabling more granular worker monitoring, performance scoring and automated decision-making at scale. One recent study found that algorithmic evaluation governed by artificial intelligence systematically assigned lower performance ratings to workers and reduced their payment by 40 per cent (Dong and others, 2025).

PLATFORM WORK AMID PERSISTENT DECENT WORK DEFICITS

The decent work risks associated with platform labour are unfolding in labour markets already marked by informality, precarious employment and incomplete social protection coverage. Globally, 58 per cent of workers remain in informal employment (ILO, 2026). In low-income countries, informality exceeds 80–90 per cent of total employment.

Figure 2

Informal employment is still common



Data source: ILOSTAT on informality

At the same time, social protection systems remain incomplete. Only about 52 per cent of the global population has access to at least one social protection benefit, while approximately 3.8 billion people remain entirely unprotected (ILO, 2024).

Platform work can complicate the classification of employment status, especially where firms act as intermediaries rather than employers. This can in turn affect workers' access to labour rights and employment-linked social protection. In this global context, digitalization layers new forms of volatility and opacity onto already insecure labour markets.

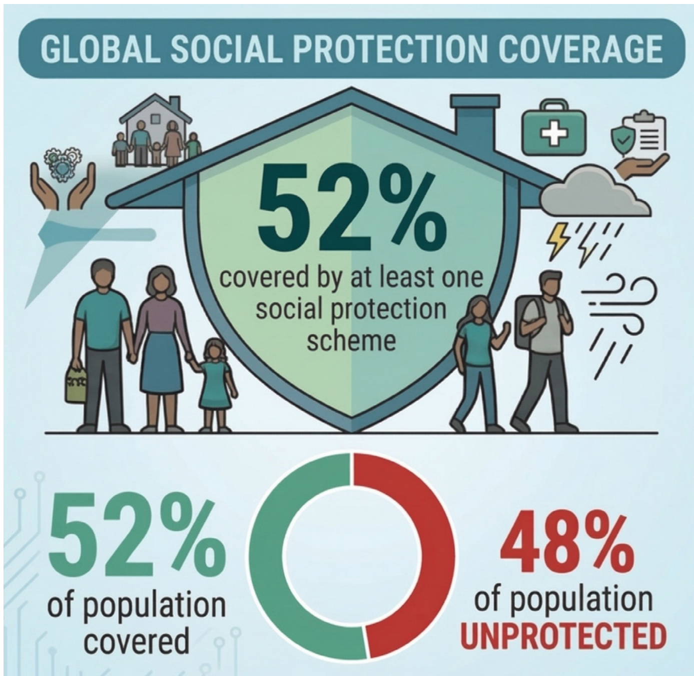
As emphasized in the World Social Report 2025, persistent informality and growing precarity are not inevitable outcomes of technological change (United Nations,

2 A full definition of "decent work" is available here. These features are also not confined to platform firms. Digital scheduling tools, AI-driven productivity monitoring and automated performance scoring are diffusing into traditional workplaces. The platform economy represents a concentrated version of broader trends in labour markets, with the institutions that govern them lagging.

2025). They reflect policy choices and the weakening of labour market institutions. For instance, union density and collective bargaining coverage have declined in many countries over recent decades. In OECD countries, union membership fell from around 30 per cent in the mid-1980s to approximately 15 per cent by 2024 (OECD, 2025). The erosion of collective bargaining power reduces workers' capacity to negotiate for fair wages and safe conditions precisely as digital labour markets fragment employment relationships.

Figure 3

Social protection gaps persist globally



Data source: ILO WSPR 2024

STRENGTHENING LABOUR MARKET INSTITUTIONS IN A DIGITAL ERA

Recent international commitments have recognized the need for stronger labour market and social policies to address the challenges and opportunities associated with technological change.[3] In the platform economy, this starts with clearer rules on employment status, employer responsibility and worker protections. Whether workers are classified as employees, dependent contractors or independent contractors shapes their access to labour protections, collective bargaining rights, workplace safety provisions and social protection (Di Stefano and others, 2021).

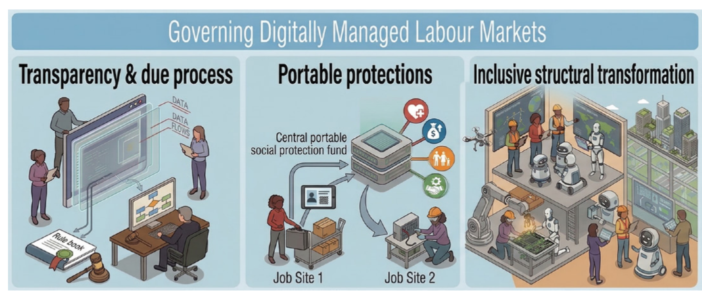
3 For example, in the 2025 Doha Political Declaration, Member States' committed to address the challenges and opportunities posed by technological transitions through appropriate social and labour market policies. The 2024 Pact for the Future explicitly called for vocational, upskilling and reskilling training for workers in occupations impacted by digitalization and automation, while the Global Digital Compact aims to promote responsible, equitable and interoperable approaches to govern data and algorithmic work for the benefits of humanity.

Even where employment status remains contested, workers require protection against opaque automated decision-making, intrusive surveillance and arbitrary deactivation. Recent regulatory efforts in some jurisdictions, including the European Union (2024), have therefore sought to improve transparency in automated monitoring and decision-making, require human oversight, and strengthen workers' rights to contest automated decisions. Some jurisdictions are also experimenting with new forms of worker representation and sector-level bargaining in platform sectors, although progress remains uneven and contested.[4] The goal is to ensure the application of internationally agreed labour standards, and that economically dependent workers are protected where firms exercise significant control through digital systems.

Sector-wide standards may be particularly important in platform-mediated sectors where firm-level bargaining is limited. At a minimum, workers in the platform economy should enjoy a basic floor of rights regardless of contractual status, including collective bargaining, protection against discrimination, and adequate occupational safety and health. The ILO's concept of a Universal Labour Guarantee is a useful normative benchmark, even though effective protection will also require clearer rules on employment status, employer responsibility and platform accountability (ILO, 2019). The recent ILO Convention No. 193 on Decent Work in the Platform Economy is the first international labour standard specifically dedicated to this type of work.

Figure 4

Digitally managed labour markets will need new forms of governance



Digital labour governance also requires procedural safeguards around data and decision-making. Workers should have the right to know when automated systems materially affect decisions about pay, scheduling or discipline. Meaningful explanations must accompany adverse decisions, along with guarantees to access human review. Because these systems rely heavily on worker data, governance must also address privacy and protection against intrusive monitoring. Finally, as cross-border digital labour platforms operate simultaneously across borders and jurisdictions, multilateral cooperation on algorithmic governance is essential (Berg and others, 2019).

4 In 2025, for instance, California enacted legislation granting more than 800,000 ride-hail drivers the right to unionize and collectively bargain while remaining independent contractors (Associated Press, 2025).

ADAPTING SOCIAL PROTECTION AND ACTIVE LABOUR MARKET POLICIES TO PLATFORM WORK

Platform work exposes the limitations of contributory social protection systems built around stable employer-employee relationships. Where workers move between multiple clients, platforms or short tasks - or are classified as self-employed - access to employment-linked benefits may become fragmented or unavailable. Policy responses should therefore focus on extending coverage to workers in non-standard arrangements through portable benefits, simplified contribution mechanisms, and stronger tax-financed social protection floors.

Portable benefit models—attaching protections to individuals rather than employers—offer one approach. Simplified enrolment and graduated contribution schedules can help extend coverage to workers in non-standard arrangements—including own-account workers, independent contractors and those on zero-hours contracts, whether in the platform economy or elsewhere. Uruguay's Monotax and Monotax Social programmes for example, are simplified, subsidized contribution schemes that have expanded coverage while encouraging formalization (Aguiar and others, 2023). Broader labour market institutions also matter. Denmark's flexicurity model, while not designed for platform work nor immune to precarity, illustrates how flexible labour markets can be combined with income protection and active support during transitions (Andersen, 2021).

Alongside contributory programmes, tax-financed social protection programmes have historically played a key role in addressing structural vulnerabilities outside of traditional employer-employee relationships. In the face of increased non-standard forms of employment, including platform work, these programmes are likely to become even more important (United Nations, 2025).

Skills systems must also adapt and ensure that people do not end up trapped in precarious platform work with limited opportunities for professional growth. Singapore's SkillsFuture programme provides financial support for lifelong learning and upskilling aligned with anticipated labour demand (SkillsFuture SG, 2025). The European Youth Guarantee has also sought to ensure that young people receive employment, education or training opportunities within four months of unemployment (European Commission, 2026). Germany's dual apprenticeship system combines workplace training with vocational education, contributing to strong school-to-work transitions. However, supply-side measures alone are insufficient. Skills policies must be complemented by demand-side strategies that prioritize job creation and decent work standards, and incentivize structural transformation to higher-productivity employment in the formal sector (ILO, 2025).

Strong social protection systems provide workers with a critical buffer against income disruption and expanding them is more fiscally achievable than is often assumed. The ILO (2024) estimates that low- and middle-income countries would require an additional investment of around 3.3 per cent of GDP on average to establish social protection floors. Digital transformation also creates new tax bases, including digital services and cross-border platform activity. International efforts such as the OECD's global minimum corporate tax initiative seek to address profit shifting and base erosion (OECD, 2023).

Investing in digital public goods and infrastructure can broaden the tax base and reduce tax-compliance costs, as reflected in the Sevilla Commitment.[5] Progressive taxation, digital services taxes and improved compliance mechanisms can contribute to sustainable financing of expanded protection systems. More broadly, digital transformation should be understood as part of structural change. Whether that change is inclusive depends not only on innovation, but on institutions capable of managing transitions, distributing risks fairly, and sustaining social dialogue among governments, employers and workers.

CONCLUSION AND POLICY RECOMMENDATIONS

Platform-mediated work is expanding and reshaping labour markets in important ways, but the consequences for workers are not predetermined. New forms of labour intermediation must not undermine long-standing principles of decent work. Whether the platform economy contributes to inclusion or deepens insecurity will depend on how institutions adapt. Realizing the potential of digital labour markets while containing their risks requires action in three areas.

First, clarify employment status and employer responsibility. Governments can establish clearer legal rules on the classification of platform work and guarantee a basic floor of labour rights — including collective bargaining, protection against discrimination and occupational safety and health — for all workers in digitally managed labour markets, regardless of contractual status.

Second, strengthen the governance of algorithmic management. This means ensuring transparency, human oversight and meaningful avenues to contest automated decisions affecting pay, scheduling and discipline, while safeguarding workers' data and privacy. Given the cross-border nature of platform firms, multilateral cooperation on algorithmic governance is essential.

Third, adapt social protection to non-standard gig work. Countries can extend coverage through portable benefits, simplified contribution mechanisms and strengthened tax-financed social protection floors, complemented by skills promotion and active labour market policies that support decent work.

Ultimately, technological change does not dictate labour market outcomes; institutions do. Some countries are beginning to address these challenges, but progress remains uneven. Realizing the potential of digital labour markets while containing their risks requires institutions capable of managing structural change, protecting rights and reducing inequality.

5 Full text of the Sevilla Commitment is available here.