

Facilitating workers and policy makers in the gig economy making better informed decisions: the case study of the Living Tariff

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Gig economy - key characteristics

Opportunities

Flexibility in working time and income

Opportunities for people with difficult access to the labour market (e.g. people with disabilities)

Cross-border operation

Challenges

Status of platforms

Data protection

Algorithmic management of human work

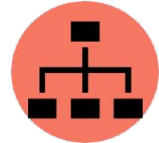
Employment vs. self-employment of gig workers



► Tackling the challenges: critical issues

Regulatory attempts – e.g., the Platform Work Directive

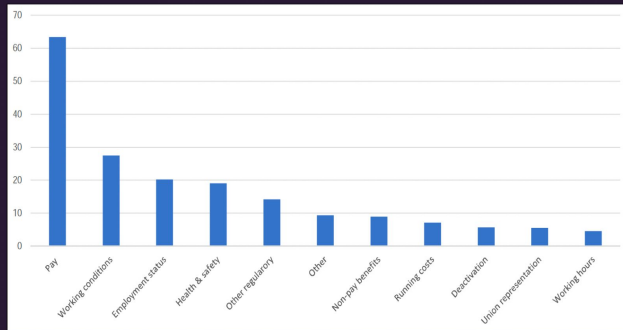
- ▶ How to determine the legal status of a gig worker, e.g. based on subordination ?
- ▶ How to benchmark working conditions in the gig economy to the standard economy?
- ▶ How to ensure that collective labour rights are ensured?




Aim and contribution

- ▶ Assessing the working conditions in platform work by institutional benchmarking to the standard employment relationship
- ▶ Gap: lacking labour market institutions that set standards in working conditions
- ▶ Most important struggle in the gig economy - **decent/fair pay**

What issues motivate platform labour protest?



N: 1273 (01/2017-07/2020)

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- ▶ We need to **conceptualize decent/fair pay in the gig economy in conditions of lacking institutional anchoring**
 - ▶ Develop the **concept of the Living Tariff**

► Conceptualising fair pay in the gig economy

- (In)transparency in the calculation of rates;
- High level of unpaid labour;
- Decrease of the level of pay over time



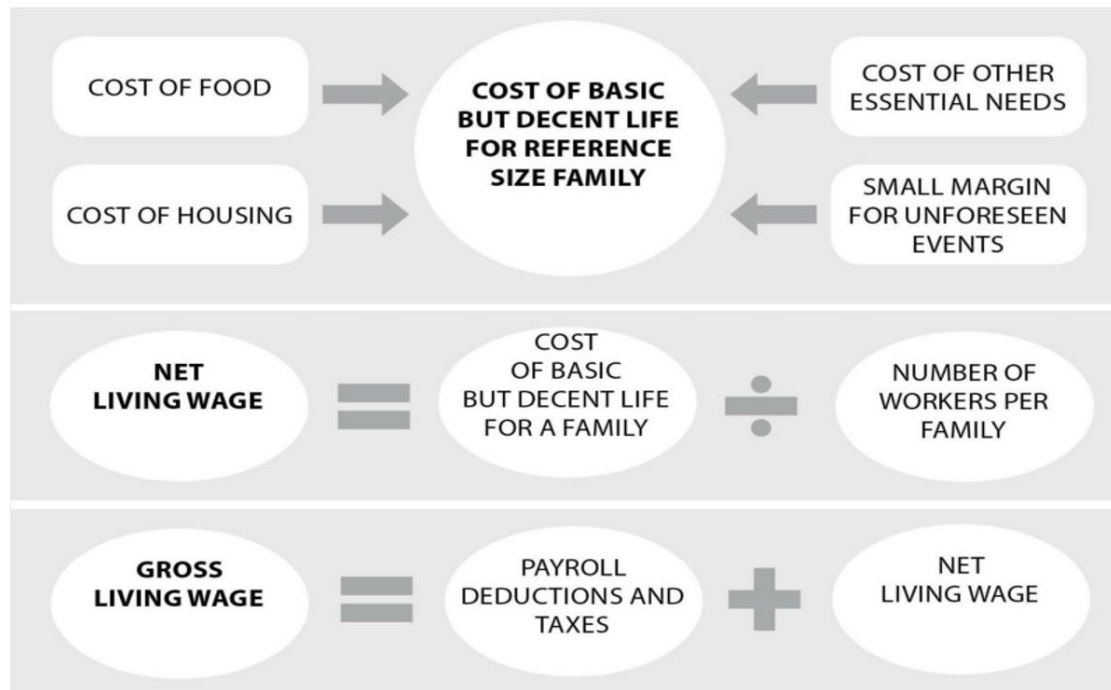
- Emerging from the **concept of the Living Wage**

What is the **minimum hourly/monthly pay for a freelance worker** to be able to cover at least the costs to have a decent living in the region where they live?

► The concept of Living Wage

Pay that provides for decent living

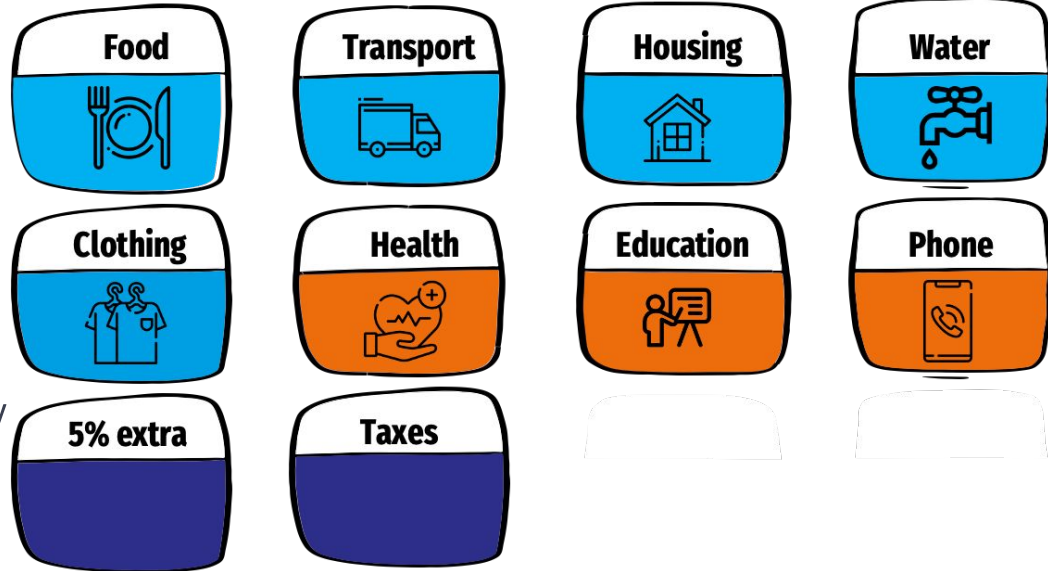
- Calculate the costs of decent living
- Account for household structure
- Account for taxes



What's in Living Wage

Methodology

- ▶ Collect own and secondary data
- ▶ Harmonized, scientifically justified methodology
- ▶ Engage with local experts



► From a Living Wage to a Living Tariff



The difference between Living Wage, Living Income, Living Tariff

	Living Wage Per Month	Living Income per Month / Year	Living Tariff per Hour/Year
Position at the labour market •	Wage estimate for 1 person plus children, assumed that a similar level will be paid by the employer of the partner in the household. Per month	Assumption 2 adults and children have to live from the estimate. Per month / year	Estimate per hour based on living wage plus additional occupational related costs like bike / car, phone and/or laptop, cleaning products, beauty service, plus time for leave, sickness, administration, training and in some cases waiting time. Per hour / year.
Target Group	For formal / informal jobs with all features of hierarchy of employer / employee	For formal / informal situations where a family works together on a farm, in a shop (family company)	Takes into account national price levels, and regulations for the most formal workers in that country
National regulations	Takes into account national price levels and regulations	Takes into account national price levels and regulations	Takes into account national price levels, and regulations for the most formal workers in that country
Data Source	WageIndicator's Cost-of-living survey and additional data collection	WageIndicator's Cost-of-living survey and additional data collection	WageIndicator's Cost-of-living survey and additional data collection
Family Type **	Typical Family	Typical family	Typical Family
* The Living Wage, Living Income, Living Tariff can be applied to a country with data. WageIndicator has data for 148 countries.			
** The Typical family takes into account fertility rate and employment rate in a country. One adult works 100%, the other 50 -80%. A typical family estimate is usually higher.			

THE LIVING TARIFF TOOL

Check the lowest Living Tariff per region

Select your region

Baringo ✕

A self-employed worker in Baringo, Kenya in 2023 should earn a minimum Living Tariff of at least:

- Ksh 290.46 per hour
- Ksh 51,868.35 per month full-time
- Ksh 622,420.20 per year.

Note: This tariff includes social security and taxes, but it does not include work-related equipment or overhead.

Select platform type

Select one in case of multiple platforms

Delivery platform (transportation of goods)

Platform for freelancing

Platform for housekeeping and repair at home

Platform for microtasks

Taxi / ride-hailing platform

PER HOUR

PER YEAR






Net Living Wage in 2023

Net Living Wage, as calculated for WageIndicator Living Wage 	Ksh 181.32	Ksh 424,246.92
Year-round working days in the country 	—	286.00 days
Standard paid festive days per year in the country	—	13.00 days
Standard paid annual leave days per year in the country	—	21.00 days
Standard full-time working days, based on year-round working days minus festive and leave days 	—	252.00 days
Standard full-time working hours, based on year-round working days minus festive and leave days 	—	2061.82 hours
A. Net Living Tariff <u>without</u> costs for work-related equipment, work-related overhead, income tax and social security	Ksh 205.76	Ksh 424,246.92



Work-related costs for equipment in 2023, as calculated for WageIndicator Living Wage

Cost of computer or laptop and internet access
Cost of phone, phone data, power bank and subscription	Ksh 3.74	Ksh 7,720.77
Cost of car or van, including fuel, insurance, repairs and clothing 
Cost of scooter, including fuel, insurance, repairs, clothing and helmet 	Ksh 103.55	Ksh 213,502.93
Cost of electric bicycle, including electricity, insurance, repairs, clothing and helmet
Cost of bicycle, including repairs, clothing and helmet
B. Sum of total work-related costs 	Ksh 107.30	Ksh 221,223.70



Work-related overhead time needed in 2023, as calculated for WageIndicator Living Tariff Tool. It is estimated that a platform worker has to spend time on work-related activities, that cannot be declared.

Administration	i	1.50 minute	6.00 days
Acquisition and communication	i	0.80 minutes	3.00 days
Training	i	1.50 minute	6.00 days
Waiting time	i	5.00 minutes	19.83 days
Sum of work-related overhead time		8.80 minutes	34.83 days
Standard full-time working hours adjusted for unpaid work-related time		—	1776.88 hours
C. Sum of work-related overhead costs	i	Ksh 45.97	—
WageIndicator Living Tariff <u>with</u> job related costs and overhead (A + B + C), but <u>without</u> income tax and social security in 2023		Ksh 359.03	Ksh 645,470.62



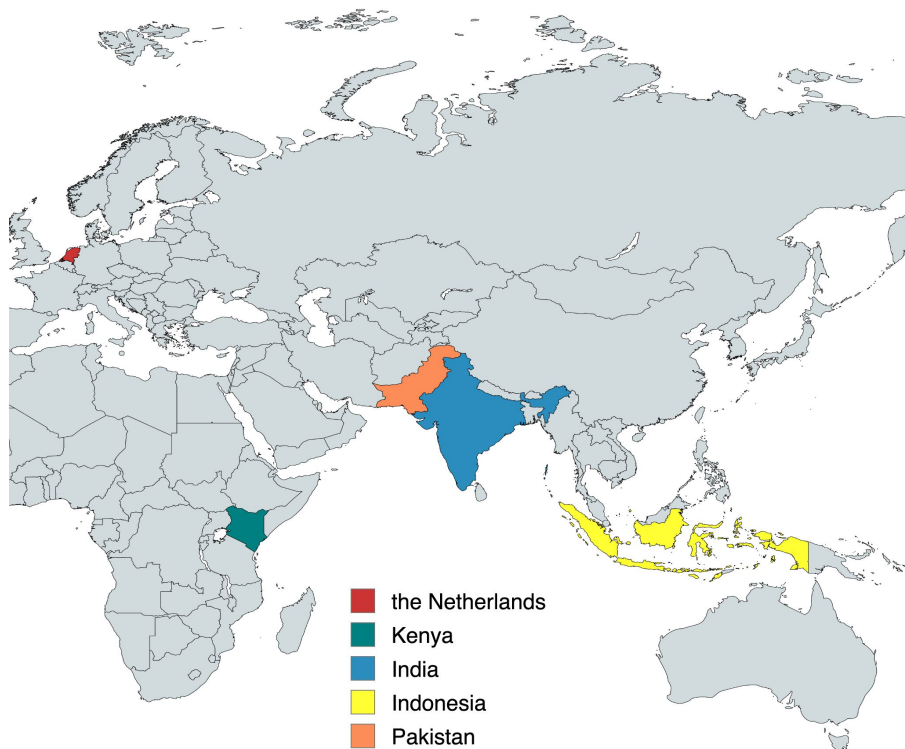
Cost of income taxes and social security in 2023, as calculated for WageIndicator Living Tariff Tool, based on standard full-time working hours.

Income taxes	i	Ksh 106.18	Ksh 218,915.64
Reservation for pension	i	Ksh 47.59	Ksh 98,114.16
Reservation for not being able to work due to sickness	i	Ksh 0.00	Ksh 0.00
Reservation for not being able to work due to disability	i	...	Ksh 0.00
Reservation for not being able to work due no work available	i	Ksh 9.04	Ksh 18,641.64
Insurance for medical costs	i	Ksh 0.22	Ksh 516.84
D. Sum of taxes and social security		Ksh 163.02	Ksh 336,188.28
WageIndicator Living Tariff <u>with</u> job related costs and overhead, and <u>with</u> income tax and social security in 2023 (A+B+C+D)		Ksh 522.05	Ksh 981,658.90

PER HOUR

PER YEAR

Facts



- ▶ The Living Tariff data is now being collected for 168 countries;
- ▶ The data is currently available for calculations in an interactive tool in 5 countries
- ▶ Increasing the data scope - will allow comparative research on pay in the context of other working conditions across the gig economy, and between the gig economy and the regular economy

Conclusions and discussion

Conclusions

- ▶ Filling the regulatory gap – if institutions are missing, soft tools on pay settings can be used to meet the same goals (decent living)

Concept/calculation of the Living Tariff

- ▶ Ever evolving calculation – improvement suggestions welcome;
- ▶ Does the way one participate in the labour market affect the needed income to make a decent living?
- ▶ Is this a methodology for gig workers, or for all freelancers and other non-standard workers?

Thank you!

Questions?

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CELSI

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 **WageIndicator**

Why is publicly accessible wage information necessary?

It enables labour market transparency, allowing workers, employers and all others, to make informed decisions

WageIndicator publishes global
Living Wage / Income / estimates



That are updated on a quarter-on-quarter basis



For 2093 regions across 148 countries



Sourcing quarterly data from data collectors globally



Incorporating the cost of all necessities for a decent life

We also create
databases on

Labour Laws



Collective
Agreements



Earned Wages



Minimum
Wages



And works on a Living Tariff

Future Advocacy and Cooperation Opportunities

- Market Advocacy

Involving consumers to advocate for fair working conditions for gig workers

- Rights Advocacy

Emphasizing the rights of gig workers, urging the government, consumers, and companies to uphold these rights.

- Regulatory Advocacy

Focusing on influencing government regulations to ensure protection for gig workers

- Economic-Political Advocacy

Exploring alternative economic models, such as collective ownership of platforms

