

**TERMS OF REFERENCE - RESEARCH FOR BRICS NETWORK
OF RESEARCH INSTITUTES OF LABOUR FOR 2024**

**APPOINTMENT OF A SERVICE PROVIDER FOR RESEARCH
ON UNDERSTANDING AND MEASURING THE EXTENT OF
THE PLATFORM ECONOMY AND ITS IMPACT ON THE
LABOUR MARKET FOR A PERIOD OF SIX (6) MONTHS**

FOR THE

DEPARTMENT OF EMPLOYMENT AND LABOUR

INTRODUCTION

1. PURPOSE AND BACKGROUND

1.1. PURPOSE

The purpose of the research is to determine the extent of the platform economy, its impact on the labour market and labour legislation.

1.2. BACKGROUND AND RESEARCH PROBLEM

1.2.1. Background

The world we live in is constantly changing and it is becoming increasingly challenging for economies to adapt to these changes. Over the years, there have been distinct technological changes that have caused shifts in the speed, quality and organization of production. There are many phases of economy associated with the new technologies, these include the platform economy, also called the gig economy to mention a few of its many names. Much still need to be studied about them and this research will focus on the platform economy work.

According to Drahokoupil and Piasna (2022), platform work includes a heterogeneous set of activities, much of which circumvents existing labour market regulation. Some observers have thus concluded that the laissez-faire situation of platform workers is “reminiscent of 19th century labour relations”. However, lack of regulatory enforcement and insufficient protection applies to a wider set of non-standard work arrangements of which platform work is now an integral part.

The policy challenge is indeed broader and it is to ensure decent working conditions, including pay, and access to social insurance for all workers, regardless of their employment status.

1.2.2. Problem Statement

Besides bringing new forms of work, technological changes are posing challenges to labour administration and labour legislation, especially in terms of worker coverage/ protection and the extent to which such jobs comprise elements of decent work.

The coronavirus pandemic has highlighted the need to address the existing social security gaps related to platform workers, including their lack of access to unemployment insurance, job retention programs, sickness benefits, and the occupational safety and health issues (OECD, 2020). Wood, Graham, Lehdonvirta and Hjorth (2019) in their research conducted on the gig economy stated that “while platform work offers income and opportunities to many, there are also numerous instances of unfair work practices. Examples of issues encountered in

research are low pay, wage theft, unreasonable working hours, discrimination, precarity, unfair dismissal, lack of agency, and unsafe working conditions”.

1.2.3. Research question(s):

- What is the extent of the platform economy in South Africa (size, the number of workers who take part in it)?
- What is the impact of the platform economy on the labour market in South Africa?
- What factors have a role on ensuring decent work in the platform economy?
- What policy measures can be proposed to regulate the platform economy in South Africa?

2. SCOPE OF THE STUDY

The department is inviting a **service provider(s)** with **labour market research experience** to conduct research to “determine the extent of the platform economy, its impact on the labour market and labour legislation” for a period of **six (6) months**.

2.1. SCOPE OF WORK

2.1.1. Broadly, the study should focus on:

Analyzing many basic aspects of the platform economy, its definition (globally and in the South African context) size, the number of workers who take part in it, as well as condition of work. This study should therefore focus on understanding the ecosystem of the platform economy work, its impact on the labour market (job creation and job shedding), conditions of work within it, challenges and risks as well as tools for minimizing them, and legislative focus needed to maximize its employment benefits. Specifically, the following research questions would derive the objective of the study.

2.1.2. Some of the specific questions are:

a) Research question(s):

This research study seeks to answer the following questions:

- Development situation and general ecosystem of the platform economy and labour market

- ✓ Concept – To define platform works and the platform economy;
 - ✓ What are the characteristics (size, trends) of the platform economy - disaggregating platforms on the labour market;
 - ✓ Future growth trends (projection margins)
- What is the impact of platform economy on work and employment conditions?
 - ✓ What is the current situation of the labour market and demographics of people working in the platform economy;
 - ✓ Relationship between the platform economy growth and its impact on employment;
 - ✓ What are the differences between how the different platforms operate?
 - ✓ The advantages and disadvantages of the various platforms.
 - Policy and regulation of the platform economy.
 - ✓ What types of regulations are necessary to ensure that the benefits of the platform economy are maximised for all in South Africa?
 - ✓ How can policymakers support innovation while also protecting consumers, **workers** and communities?
 - ✓ Setting and regulating of wages in the platform economy;
 - ✓

b) Time Frames:

The research study should be completed in 6 months.

c) Target group:

- The study targets individuals working in the platform economy (limited to 30 interviews to be conducted with employees and employers).
- The views of experts on this topic should also be solicited from all social partners.

d) Deliverables:

- Project plan for conducting the study.
- Proposal with detailed Research methodology (approach).
- Research instruments (Questionnaires or Interview guides as examples).
- A draft report on research findings and recommendations to determine the extent of the platform economy, its impact on the labour market, decent work and how it can be regulated in South Africa.

- A final report with executive summary.
- 5 progress meetings with the Department.
- A summary of report.
- A maximum of five presentations of the final report to the department and its stakeholders.

2.2. Schedule

The schedule for the BRICS Research Network for 2024 is outlined below:

Event	Approximate dates
First meeting of the BRICS working group on employment, combined with a meeting of the Network (discussion of concepts and preliminary results of country studies)	9th of April, 2024
First draft of the results of country studies	30th of June, 2024
Preparation and discussion of a summary of the results of country studies	30th of July, 2024
Final version of country research reports	15th of August, 2024
Online meeting of representatives of the Network to discuss the summary and proposals for the speech at the meeting of Ministers of Labor and Employment of the BRICS countries	Until 30th of August, 2024
Second meeting of the BRICS working group on employment, combined with a meeting of the Network (presenting results of the country studies)	7-8th of September 2024