



**LABOUR STANDARDS IN THE
PLATFORM ECONOMY**

Pakistan Ratings 2023



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SUMMARY

Towards Fair Work in Pakistan

The second Fairwork Pakistan report assesses six digital labour platforms operating across various sectors, including ride-hailing, food delivery, and professional beauty services. The report examines the working conditions in Bykea, Careem, inDrive, Uber, Foodpanda, and GharPar. Each platform's working conditions are assessed based on the five Fairwork Principles, namely: fair pay, fair conditions, fair contracts, fair management, and fair representation. These principles serve as benchmarks for evaluating the platforms' performance and ensuring the protection of workers' rights.

Fairwork Pakistan conducted its inaugural assessment of labour standards in Pakistan's platform economy in 2021–2022, uncovering significant concerns regarding working conditions in digital labour platforms. This year's research indicates that the issues related to pay, working conditions, contracts, management, and worker representation persist, highlighting workers' ongoing challenges in the digital labour sector.

The Fairwork rating cycle begins with desk research to identify and analyse platforms, gather relevant documents, and establish contact with management. Additionally, interviews with the platform workers are conducted to understand work processes, confirm platform policies, and gather worker perspectives. The Fairwork scoring system assigns points to platforms based on evidence that they are meeting specific thresholds for each principle, where the second point can only be awarded if the first point has already been achieved. Fairwork does not award a point to the platforms where verifiable evidence cannot be found that it meets a given threshold.

THIS YEAR'S RESEARCH INDICATES THAT THE ISSUES RELATED TO PAY, WORKING CONDITIONS, CONTRACTS, MANAGEMENT, AND WORKER REPRESENTATION PERSIST.

The six platforms assessed by Fairwork Pakistan fell short in various aspects of fair work practices. There was no evidence that the assessed platforms ensured consistent, fair pay equal to or above the minimum wage or local living wage after deducting work-related expenses. Safety measures and equipment need to be improved, contracts require more transparency and adjustment time, and there needs to be more support for collective worker representation. While basic communication channels and appeals processes were available, they must be documented in contracts or terms and conditions. These findings highlight the urgent need for improvement in fair pay, conditions, contracts, management practices, and representation within these platforms. Several workers from ride-hailing platforms reported negative incomes, and are now facing financial burdens due to debts owed to the platforms.

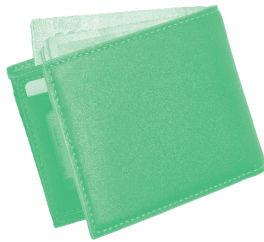
Fairwork Pakistan had worked and included a preliminary draft bill during the first year's report. The preliminary draft has been further fine-tuned with feedback from relevant stakeholders. This report includes a new draft bill aimed at implementing the necessary improvements for platform workers. It serves as a valuable resource for policymakers, platform operators, workers, and advocates interested in understanding and promoting fair working conditions in location-based platform work. This bill aims to facilitate constructive dialogue and collaboration among stakeholders to achieve a more equitable and just digital labour

ecosystem in Pakistan. As indicated above, the draft bill builds on the recommendations from our previous report in 2022, and on suggestions made by various stakeholders. By enacting comprehensive regulations and engaging in constructive dialogue, Pakistan can create an environment that respects the rights and dignity of platform workers, fostering a more equitable and sustainable platform economy.

This second Fairwork Pakistan report emphasises the pressing requirement to rectify the unequal legal treatment experienced by platform workers. By regulating the platform economy and adopting the revised draft legislation we propose here, we can envision a future that offers greater fairness to platform workers. Policymakers, platform operators and aggregators, and advocates must collaborate and prioritise platform workers' welfare and rights, establishing a just and sustainable working environment that upholds dignity and equity.



Key Findings



FAIR PAY

None of the platforms we assessed provided evidence that workers earn above the prescribed minimum wage of Pakistan Rupees (PKR) 28,253¹ (USD 99.16) per month or PKR 136 (USD 0.48) per hour in 2023.²

Given the ever-increasing travel expenses and vehicle maintenance costs, there was no evidence that any of the six platforms met the minimum wage threshold after considering necessary expenses. This is a decline compared to last year's report, where Gharpar received a favourable score due to evidence that its workers attain the minimum wage. Fairwork Pakistan found no platform guaranteeing a minimum living wage—PKR 42,728³ per month (USD 150.16) or PKR 205 (USD 0.72) per hour in 2023 for platform workers.



FAIR CONDITIONS

We found that none of the six platforms adequately mitigate task-specific risks, and there is a lack of proper safety training. Most of the workers we spoke to reported not receiving any safety training, and those who did, described only brief sessions or demo videos that did not specifically focus on worker safety. None of the workers we spoke to had access to free safety equipment, though Foodpanda and Bykea give the option for workers to pay for safety gear.

The platforms' efforts to address lone working risks were limited. Emergency buttons or helplines are provided, but awareness regarding these is limited. Moreover, the workers we spoke to reported mixed experiences and doubts about the effectiveness of emergency buttons and helplines. Crucially, risks to workers' physical and mental health were largely unaddressed, as there were no provisions for rest areas, access to toilets, or food/snacks.

The workers' awareness of insurance programmes was minimal though platforms such as Foodpanda and Uber had pro-worker policies in the form of accidental insurance coverage for their riders and partners although workers' awareness of such initiatives was limited. Careem, on the other hand, appears to have complete worker awareness about its accidental insurance policy.



FAIR CONTRACTS

None of the platforms we assessed have an effective process to notify workers in advance when changes are made in the Terms and Conditions.

Contracts and Terms and Conditions are also often either absent from the platform interface or not provided in a language easily understood by all workers. In their Terms and Conditions, all the platforms absolved themselves from any liability arising from negligence or poor working conditions, which hindered workers' ability to seek redress. Transparency regarding dynamic pricing and payment calculations was also lacking in all six platforms, denying workers insight into how their earnings are determined. Additionally, while Foodpanda, Bykea and GharPar are subject to local laws, the three internationally operating ride-hailing platforms, Careem, inDrive and Uber, are under foreign jurisdictions.



FAIR MANAGEMENT

The six platforms we assessed all offer accessible communication channels, live chat support for issue resolution, and an appeals process that encourages workers to address concerns without penalties.

The live chat feature of the apps allows riders to engage in real-time conversations with representatives, ensuring prompt assistance. Additionally, the platforms offer an appeals process for various concerns, such as low ratings, payment issues, deactivations, and penalties. Workers can utilize the platform interface, or dispatch (a rider support mechanism provided by some platforms), or visit the respective offices to initiate an appeal. However, this appeals process was not explicitly documented by any of the six platforms, either in the contract, the Terms and Conditions or on the platform interface. If they were to do so, these platforms would score the first point for Principle 4. Furthermore, the workers we interviewed told us that they did not face any penalties for raising their individual concerns or appealing disciplinary actions. While two (Uber and GharPar) platforms have anti-discrimination policies in place, these are not oriented towards actively supporting the workers.



FAIR REPRESENTATION

Despite the increasing (but still sporadic) occurrence of platform worker organisation throughout the country, more evidence is needed that platforms are willing to acknowledge or engage with a collective body of workers.

We could not identify any platform that met the criteria for this principle, indicating a disregard for the importance of organised representation in fostering fair working conditions. While there have been a few instances of worker's collective action such as Bykea workers demanding the reintroduction of bonuses and Careem workers successfully advocating for lower weight limits for parcels and the ability to remove negative ratings—these cases are limited.

Regulating the Platform Sector

Regulating the platform economy is paramount to ensure fairness and protection for workers. This requires legislation—currently absent in Pakistan—to protect and implement minimum standards for working conditions, fair compensation, and access to social protection. Such regulation could also enforce accountability for digital labour platforms, ensuring compliance with labour laws and addressing exploitative practices.

Pakistan follows a sector specific regulation approach, under which, concrete and tangible changes have generally been achieved through enactment of legislation. Historical examples, such as the enactment of Homebased Workers legislation (in all provinces), the Factories Act of 1934, the Bonded Labour System (Abolition) Act of 1992, the Industrial Relations Act of 2010, the Domestic Workers legislation (in Punjab and Islamabad), and the Sindh Women Agricultural Workers Act exemplify how legislative measures have brought about significant advancements in labour rights.

These laws were passed following years of struggle by the labour movement and civil society organisations focused on alleviating the challenges and vulnerabilities faced by specific groups of workers. Throughout the Fairwork process, our unwavering commitment has remained centred on the objective to inform policymakers and legislature about the need to regulate platform work in Pakistan. Regulation as a theme runs through this report. It is observed in this year's "Theme in Focus" section, on how to reconcile Islamic teachings (consolidated in the form of the Islamic Labour Code⁴) with modern labour laws

and Fairwork Principles, underscoring our commitment to promoting regulation within the platform sector in Pakistan.

In 2022, Fairwork Pakistan prepared the first draft of the Islamabad Capital Territory Platform Workers Protection Bill. Since then, the Centre for Labour Research (Fairwork Pakistan's research partner) has remained actively engaged with relevant stakeholders, including elected representatives, civil servants, policymakers, labour law specialists, academics, workers' unions, and representatives from the International Labour Organisation (ILO) in a collaborative effort to refine and enhance the draft bill concerning digital labour platforms.

Our goal has been to strike a balance between the interests of the platform workers and the digital labour platforms they rely on. The proposed draft bill, in line with the Fairwork Principles, ensures fair remuneration, occupational safety, and access to social protection, encourages responsible platform practices in the form of fair contracts and fair management, and meaningful worker representation.

The draft bill (*Islamabad Capital Territory Platform Workers Protection Bill, 2023*) has been submitted to the Ministry of Overseas Pakistanis and Human Resource Development for consideration and possible enactment through legislature. The proposed bill requires platforms to ensure that workers earn applicable minimum wages during their working hours, while specifying different rates for active and waiting working hours. It also proposes the provision of social security cover to the platform workers under the existing Islamabad Capital Territory Employees Social Security Institution (IESSI) and Employees Old-Age Benefits Institution (EOBI).

One notable modification in the draft bill is the platform requirement to provide workers with advanced notice of proposed changes to their contracts. The new version stipulates a minimum of two calendar weeks for such notifications, ensuring that workers have adequate time to review and respond to contract modifications.

Additionally, the draft bill emphasises the platforms' responsibilities to address the under-representation of individuals from disadvantaged groups among their workers. If enacted, the Platforms would be required to identify and eliminate barriers to access for these individuals, working in consultation with relevant stakeholders such as the Works Council.

Furthermore, the updated draft bill introduces the obligation for digital labour platforms to conduct regular external audits. These audits assess the platforms' work allocation systems, with a specific focus on identifying any potential biases in allocating work to platform workers on various discriminatory grounds such as sex, religion, caste, etc. By implementing these audits annually, platforms can promote diversity and inclusion within their workforce.

Occupational safety and health measures are expanded to include additional provisions for heat waves where every digital labour platform would be required to develop heat action plans. The responsibilities of digital labour platforms, including the establishment of rest stops and toilet facilities, would apply towards all platform workers, not just those engaged in food delivery. The draft bill also proposes premium rates for workers during inclement weather.

Transparency regarding automated monitoring and decision-making systems is addressed in multiple parts of the draft bill. Algorithms used by digital labour platforms to determine work access, remuneration, work assignments, and various aspects of working conditions must be

transparent. Furthermore, the responsible use of such systems is emphasised, prohibiting undue pressure on platform workers and preventing the use of incentives or punitive practices that negatively impact working time or assignments. Platforms must ensure these systems prevent discriminatory decisions based on biases or existing practices.

BY ADDRESSING CRITICAL ISSUES SUCH AS DISCRIMINATION, REGISTRATION PROCESSES, AND WORKERS' RIGHTS, THE PROPOSED DRAFT HELPS CREATE A LEVEL PLAYING FIELD.

A new provision has been introduced, stating that digital labour platforms must ensure human oversight of all decisions that impact working conditions. This emphasises the importance of human involvement in decision-making processes to safeguard fair and reasonable working conditions for platform workers.

Furthermore, an essential addition to the draft bill would grant platform workers specific rights concerning their personal data. These rights encompass the right to have their personal data safeguarded, to access the data collected about them, and request rectification of any inaccuracies in the data. The 2023 draft bill addresses exclusionary practices in employment contracts, ensuring they cannot undermine workers' rights and protections.

By addressing critical issues such as discrimination, registration processes, and workers' rights, the proposed draft helps create a level playing field. It safeguards the rights and welfare of those operating within the platform economy. Moreover, the emphasis on transparency in algorithmic systems and personal data protection ensures responsible and accountable practices within the digital labour landscape.

In summary, the 2023 draft bill presented in this second Fairwork report for Pakistan not only calls for regulating the platform economy and protecting workers' rights but also introduces a new aspect: recognising platform workers as essential contributors to the digital economy. By acknowledging their value and ensuring fair treatment, this proposed bill, if enacted, can transform the platform economy into a mutually beneficial ecosystem where workers are empowered, and their contributions are valued.

Towards Decent Labour Standards in the Platform Economy

Fairwork evaluates and ranks the working conditions of digital platforms. Our ratings are based on five principles that digital labour platforms should ensure in order to be considered to be offering basic minimum standards of fairness.

We evaluate platforms annually against these principles to show not only what the platform economy is today, but also what it could be. The Fairwork ratings provide an independent perspective on labour conditions of platform work for policymakers, platform companies, workers, and consumers. Our goal is to show that better, and fairer, jobs are possible in the platform economy.

The Fairwork project is coordinated from the Oxford Internet Institute and the WZB Berlin Social Science Center. Our growing network of researchers currently rates platforms in 38 countries across 5 continents. In every country, Fairwork collaborates closely with workers, platforms, advocates and policymakers to promote a fairer future of platform work.

Fairwork countries

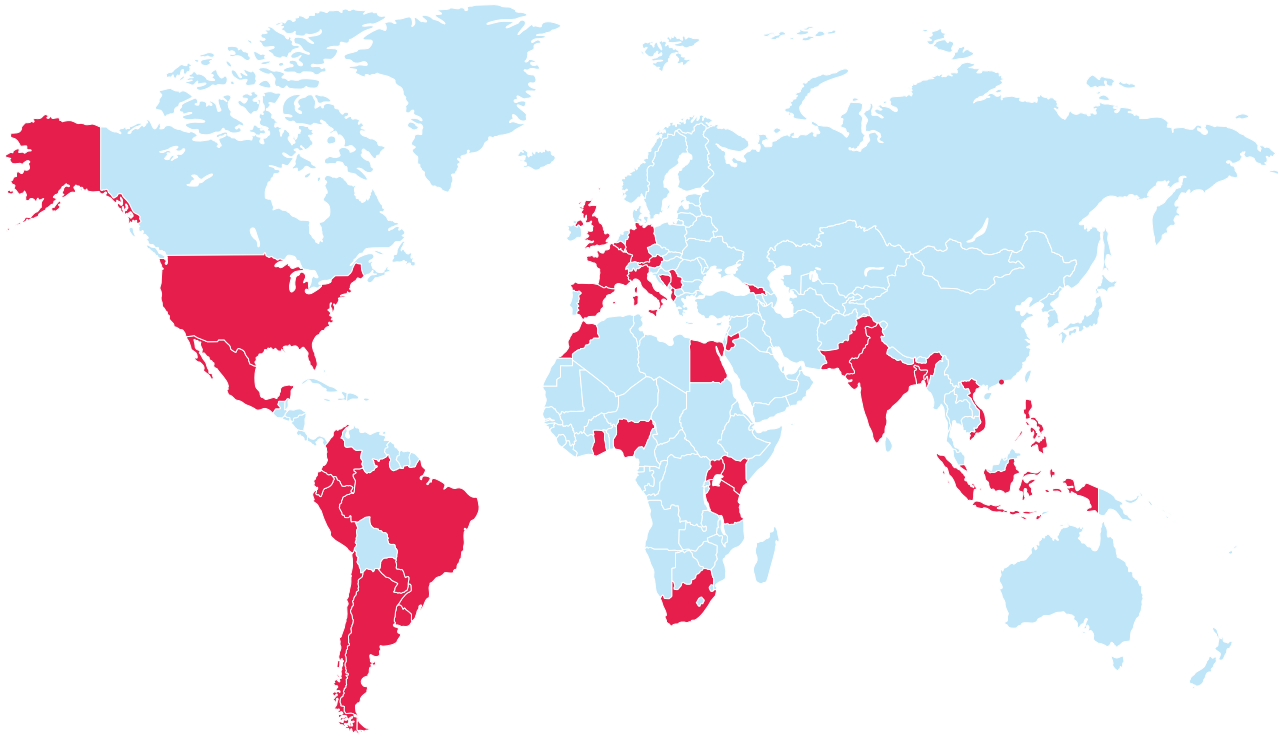


Figure 1. Map of Fairwork Countries

AFRICA

Egypt, Ghana, Kenya, Morocco, Nigeria, South Africa, Tanzania, Uganda

ASIA

Bangladesh, India, Indonesia, Jordan, Lebanon, Pakistan, Philippines, Singapore, Vietnam

EUROPE

Albania, Austria, Belgium, Bosnia and Herzegovina, France, Georgia, Germany, Italy, Serbia, Spain, UK

SOUTH AMERICA

Argentina, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay

NORTH AMERICA

Mexico, US

The Fairwork Framework

The five Fairwork principles were developed through multiple multistakeholder workshops at the International Labour Organisation.

To ensure that these global principles were applicable in Pakistan context, we have subsequently revised and fine-tuned them in consultation with platform workers, trade unions, regulators, academics, and labour lawyers.

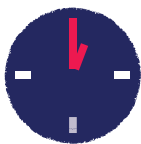
STEP 1

The Five Principles



Fair Pay

Workers, irrespective of their employment classification, should earn a decent income in their home jurisdiction after taking account of work-related costs. We assess earnings according to the mandated minimum wage in the home jurisdiction, as well as the current living wage.



Fair Conditions

Platforms should have policies in place to protect workers from foundational risks arising from the processes of work, and should take proactive measures to protect and promote the health and safety of workers.



Fair Contracts

Terms and conditions should be accessible, readable and comprehensible. The party contracting with the worker must be subject to local law and must be identified in the contract. Regardless of the workers' employment status, the contract is free of clauses which unreasonably exclude liability on the part of the service user and/or the platform.



Fair Management

There should be a documented process through which workers can be heard, can appeal decisions affecting them, and be informed of the reasons behind those decisions. There must be a clear channel of communication to workers involving the ability to appeal management decisions or deactivation. The use of algorithms is transparent and results in equitable outcomes for workers. There should be an identifiable and documented policy that ensures equity in the way workers are managed on a platform (for example, in the hiring, disciplining, or firing of workers).



Fair Representation

Platforms should provide a documented process through which worker voice can be expressed. Irrespective of their employment classification, workers should have the right to organise in collective bodies, and platforms should be prepared to cooperate and negotiate with them.



STEP 2

Methodology Overview

The Fairwork project uses three approaches to effectively measure fairness of working conditions at digital labour platforms: desk research, worker interviews and surveys, and interviews with platform management. Through these three methods, we seek evidence on whether platforms act in accordance with the five Fairwork Principles.

We recognise that not all platforms use a business model that allows them to impose certain contractual terms on service users and/or workers in such a way that meets the thresholds of the Fairwork principles. However, all platforms have the ability to influence the way in which users interact on the platform. Therefore, for platforms that do not set the terms on which workers are retained by service users, we look at a number of other factors including published policies and/or procedures, public statements, and website/app functionality to establish whether the platform has taken appropriate steps to ensure they meet the criteria for a point to be awarded against the relevant principle.

In the case of a location-based work platform, we seek evidence of compliance with our Fairwork principles for location-based or “gig work” platforms, and in the case of a cloudwork platform, with our Fairwork principles for cloudwork platforms.

Desk research

Each annual Fairwork ratings cycle starts with desk research to map the range of platforms to be scored, identify points of contact with management, develop suitable interview guides and survey instruments, and design recruitment strategies to access workers. For each platform, we also gather and analyse a wide range of documents including contracts, terms and conditions, published policies and procedures, as well as digital interfaces and website/app functionality. Desk research also flags up any publicly available information that could assist us in scoring different platforms, for instance the provision of particular services to workers, or the existence of past or ongoing disputes.

The desk research is also used to identify points of contact or ways to access workers. Once the list of platforms

has been finalised, each platform is contacted to alert them about their inclusion in the annual ranking study and to provide them with information about the process. All platforms are asked to assist with evidence collection as well as with contacting workers for interviews.

Platform interviews

The second method involves approaching platforms for evidence. Platform managers are invited to participate in semi-structured interviews as well as to submit evidence for each of the Fairwork principles. This provides insights into the operation and business model of the platform, while also opening up a dialogue through which the platform could agree to implement changes based on the principles. In cases where platform managers do not agree to interviews, we limit our scoring to evidence obtained through desk research and worker interviews.

Worker interviews

The third method is interviewing platform workers directly. A sample of 6–10 workers are interviewed for each platform. These interviews do not aim to build a representative sample. They instead seek to understand the processes of work and the ways it is carried out and managed. These interviews enable the Fairwork researchers to see copies of the contracts issued to workers, and learn about platform policies that pertain to workers. The interviews also allow the team to confirm or refute that policies or practices are really in place on the platform.

Workers are approached using a range of different channels. For our 2023 ratings, workers were engaged through participant recruitment methods by first availing their services through the respective platform. Informed consent was established and interviews were conducted in person.

The interviews were semi-structured and made use of a series of questions relating to the 10 Fairwork (sub) principles. In order to qualify for the interviews, workers had to be over the age of 18 and have worked with the

platform for more than two months. All interviews were conducted in Urdu.

Putting it all together

This threefold approach provides a way to cross-check the claims made by platforms, while also providing the opportunity to collect both positive and negative evidence from multiple sources. Final scores are collectively decided by the Fairwork team based on all three forms of evidence. Points are only awarded if clear evidence exists on each threshold.

How we score

Each of the five Fairwork principles is broken down into two points: a first point and a second point that can only be awarded if the first point has been fulfilled. Every platform receives a score out of 10. Platforms are only given a point when they can satisfactorily demonstrate their implementation of the principles. Failing to achieve a point does not necessarily mean that a platform does not comply with the principle in question. It simply means that we are not—for whatever reason—able to evidence its compliance.

The scoring involves a series of stages. First, the in-country team collates the evidence and assigns preliminary scores. The collated evidence is then sent to external reviewers for independent scoring. These reviewers are both members of the Fairwork teams in other countries, as well as members of the central Fairwork team. Once the external reviewers have assigned their scoring, all reviewers meet to discuss the scores and decide final scoring. These scores, as well as the justification for them being awarded or not, are then passed to the platforms for review. Platforms are then given the opportunity to submit further evidence to earn points that they were initially not awarded. These scores then form the final annual scoring that is published in the annual country Fairwork reports.

**FURTHER DETAILS ON
THE FAIRWORK
SCORING SYSTEM ARE
IN THE APPENDIX II.**



BACKGROUND

Pakistan's Platform Economy

As of 2023, Pakistan is the sixth most populous country globally, with two-thirds of the population—155 million people—below the age of 30, making it also among the world's youngest nations.⁵ While this “youth bulge” is a prominent feature of 240-million strong Pakistan, there is a lack of gainful employment opportunities for young workers. Fairwork Pakistan estimates that there are 700,000 platform workers in Pakistan.

Macro and national level economic and labour factors are essential to understand the state of the platform economy in Pakistan: these include escalating inflation and social vulnerability, rising poverty levels, youth unemployment, and low female labour force participation. Pakistan is currently facing the highest inflation rate in nearly 50 years. In May, the inflation was recorded at 38%,⁶ the highest rate in South Asia. Food inflation has reached 48%, the highest since 2016.⁷ The Government has devalued the currency (more than 50% in a year) and removed subsidies to pave the way for the latest tranche of the IMF bailout package. Foreign exchange reserves are at dangerously low levels. On 2 June 2023, the net foreign exchange reserves with the State Bank of Pakistan was USD 3.91 bn⁸—barely enough to cover four weeks of imports.⁹ The current situation has led to the country's cost of living crisis.

Pakistan is one of the ten largest labour markets in the world.¹⁰ However, nearly 84% of the workforce of 81 million people is engaged in informal employment, without access to all labour law protections, and subject to working poverty and inequality. Nearly 37% of youth (15–29 years) are outside education, employment or training, representing 21.8 million people.¹¹ If the 22.8 million out-of-school children¹² are added to it, this amounts to a sixth of the total population—or 44.6 million young people—not occupied in any productive activity.

The platform economy operates in this background of abundant supply of unskilled labour, a sizeable informal economy, crippling inflation, rising poverty rates, and an economy teetering on the brink of default—promoting rightless growth in employment in the name of worker autonomy and flexibility. Oxford University's Online Labour Index (OLI) finds Pakistan to have the third-largest population of professionals in the global cloudwork (online gig work) industry after India and Bangladesh, with a market share of around 12 per cent.¹³ The Pakistan Freelancers Association estimates the overall number of IT-related freelancers in the country as one million.¹⁴ Concerning the location-based platform economy in Pakistan, we estimate from our desk research that there are at least 700,000 workers engaged in ride-hailing, professional services, and parcel and food delivery in Pakistan.

Platform debt is a reality for many platform workers already. The situation is worsening due to the cost-of-living crisis, inflation running at 38%, an impending economic default in the country, a near-monopoly in ride-hailing platforms after inDrive captured most of the market, and a lack of protective legislation for platform workers. Platform work allows workers to evade unemployment; however, it has exacerbated the in-work poverty situation since it sometimes requires workers to make an up-front investment to get started on a platform.

Platform Debt

Similar to what we reported last year, the current year's data shows that a significant subset of the workers we interviewed (around 10% of all interviewees) experience the phenomenon of negative income or platform debt. This is predominantly observed amongst ride-hailing workers, with delivery workers generally facing fewer financial challenges. This disparity can be attributed to several factors unique to ride-hailing services.

One significant factor is the higher fuel cost borne by ride-hailing drivers compared to delivery riders. Ride-hailing drivers often cover longer distances leading to higher petrol expenses. The continuous increase in fuel prices further compounds the financial burden on ride-hailing workers. As the commission imposed by ride-hailing platforms continues to rise, the overall earnings of ride-hailing workers are further diminished, making it difficult for them to cover their expenses and generate positive income. Unpaid waiting time between rides and unpaid travel time between different locations also contributes to the financial strain faced by ride-hailing workers. Unlike delivery workers, who often have a more structured payment system, ride-hailing drivers experience periods of inactivity for which they are not compensated. This lack of income during idle periods adds to the challenges of managing their finances effectively and repaying their debts. The combination of higher fuel costs, higher initial investment in vehicles, increasing commissions, and unpaid waiting and travel time distinguishes ride-hailing workers as more susceptible to platform debt and negative income than their delivery work counterparts. Recognising these factors is crucial in addressing platform debt and implementing measures to alleviate the financial vulnerability ride-hailing workers face in Pakistan.

The Decline of Digital Labour Platforms

During the last 18 months, the number of digital labour platforms at the national level has reduced, with The Airlift (grocery delivery), Jovi Technologies (grocery delivery) and SWVL (mass transit operations) completely shutting down their operations. Uber scaled back its operation in Pakistan, and now only operates in Lahore. Similarly, Cheetay (a food delivery platform) has restricted its operations, and its riders are rarely seen.

The Politics of Internet Data Access Policies

Amid widespread protests against the arrest of former Prime Minister Imran Khan on charges of corruption, the government shut down the internet for four days in May 2023. According to the Pakistan IT Industry Association (PASHA), around USD 3 to 4 million was lost daily during the shutdown.¹⁵ The worst hit were the daily wage earners working for location-based platforms like Uber, Careem, inDrive, Foodpanda, and Bykea. The situation affected the lives of nearly 700,000 location-based platform workers in the country who depend on mobile data to receive ride and delivery orders.

Provincial Home-based Workers Acts

Legislation regulating home-based work has been enacted in all provinces, which can be used to protect the rights of online workers in Pakistan, at least to the extent of providing those workers with social security. The provincial governments in Punjab and Sindh are working on consolidating more than two dozen laws into a coherent Labour Code. Under this reform process, the provinces are considering regulating new forms of work, including platform work. The federal and provincial governments have shown willingness to consider the draft bill embedded in this report to regulate platform work in their respective jurisdictions.

Worker Misclassification

Pakistan's labour legislation mandates employers to register workers with social security institutions, contributing 12% of the worker's wage (11% by the employer and 1% by the worker). As we argued in last year's report, the current employment misclassification of platform workers as independent contractors not only robs about 700,000 workers (according to our estimates) of various labour law protections but also allows evasion of employment-related social protection levies and contributions worth 28.5 billion rupees annually.¹⁶ Collecting these funds could provide social protection and healthcare and address occupational risks for platform workers. Placing digital labour platforms under labour law can enhance the sustainability of the employment-related social protection system and expand the tax base.¹⁷

Other developments

During the 347th Session of the ILO Governing Body, the Government of Pakistan supported adopting an international labour standard for the platform economy at the earliest. Punjab and Sindh provinces are working on consolidating, simplifying and rationalising their more than two dozen laws into a single labour code, and they plan to cover location-based platform workers under the upcoming legislation. Balochistan has already included online workers, who provide services digitally, under its home-based work legislation, i.e., the Balochistan Home-based Workers Act 2022 (BHBWA 2022). The rules under the 2022 legislation (BHBWA) have been drafted. Once approved by the provincial cabinet in the coming weeks, online workers in Balochistan will have access to social security benefits.

The Khyber Pakhtunkhwa Assembly has introduced the ground-breaking Khyber Pakhtunkhwa Transportation by Online Ride Hailing Company Bill, 2022. This bill

aims to regulate transportation services offered by online ride-hailing companies, making it the first specific legislation targeting the platform work sector in Pakistan. It defines online companies as entities utilising internet-based platforms or mobile applications to connect riders with drivers for transportation services. The bill focuses on public safety and convenience, requiring online companies to obtain and maintain licenses. It addresses vehicle fitness, pollution control, driver registration, and record-keeping. Overall, the bill establishes a legal framework for online ride-hailing services, emphasising rider safety, guidelines for online companies, and driver rights.

PLATFORM DEBT IS A REALITY FOR MANY PLATFORM WORKERS ALREADY, SPECIALLY FOR RIDE-HAILING WORKERS.



THE LEGAL CONTEXT

Deciding on a Worker's Employment Status

The classification of employment status is the thorniest issue in the debate on regulation of the platform economy. Defining the employment relationship has serious ramifications for workers, platforms, and governments. Generally, platform workers are classified as independent contractors, meaning that they:

1. Are not covered by labour legislation concerning minimum wages, working hours, overtime payments, and various kinds of leave;
2. Are not covered by industrial relations legislation, meaning they are excluded from the right to form and join unions, and the right to collectively bargain their working conditions and resort to collective action, i.e., strike when their legal and lawful demands are not met;
3. Do not get compensation under workers' compensation legislation if they get injured at work;
4. Are not covered by anti-discrimination provisions in labour legislation;
5. Are not covered by social security, employees' old age benefits, or workers' welfare legislation;
6. Are not covered by employment protection legislation and its provisions on written notice for termination and severance payments.

On the other hand, once legislation recognises a platform worker as a worker or employee, they get access to all the workplace rights described above.

So, how does Pakistan determine the existence of an employment relationship for its workforce? The current labour legislation in the country follows a sector-specific approach whereby each piece of legislation determines the qualifying conditions for being a "worker", whether

it be under the factories law, shops and establishments legislation, road transport workers legislation, home-based workers laws, domestic workers legislation and so on. While the local, office-based staff of these digital labour platforms (i.e., IT workers) enjoy labour law protections, the key workers (riders, drivers, captains, partners, etc.) running the platform business do not fall under any labour law except the Protection Against Harassment of Women at the Workplace Act, 2010. The 2010 legislation was amended in January 2022 to increase the ambit and scope of the law to include certain professions and employment models that had not been expressly mentioned earlier. The amended legislation protects all workers in the formal and informal sectors of the economy from harassment.

The 2022 Amendment Act extended the application of 2010 legislation by adding to the definition of "employee", contractual piece rate, gig, temporary or part-time workers, freelancers, domestic workers, home-based workers, interns, trainees, apprentices, students, performers, artists and sportspersons. Similarly, the amended law extends the definition of "workplace" to "the place of work or *any place where services are rendered or performed by professionals*, including educational institutions, gigs, concerts, studios, performance facilities, courts, highways, sporting facilities and gymnasiums, and shall include any building, factory, open area or a larger geographical area, where the activities of the organisation or the employer are carried out and include any situation that is linked to work or activity outside the office"¹⁸ (Emphasis added to indicate parts which relate to platform workers). The legislation requires digital labour platforms to constitute inquiry committees to enquire into complaints received from and about their workers. All workers also have the option to file a complaint directly with the Ombudsperson instead of the inquiry committee.

International Labour Standard on Employment Relationship

The ILO Recommendation No. 198 (Employment Relationship Recommendation, 2006)¹⁹ provides guidelines for determining an employment relationship. It explains that the determination must be guided primarily by the facts relating to work performance and remuneration (primacy of facts). It should not depend on the contractual characterisation of the relationship the parties might have agreed upon (see Table below).

As declared by the ILO Committee of Experts in its 2020 report, “Current indicators may no longer be useful in determining the existence of future employment relationships. Member States should therefore consider the need to establish new criteria and disregard existing criteria when they are no longer useful.” For example, the worker’s provision of materials, machinery and tools could not be taken as the only determinant of the inexistence of an employment relationship. Home-based workers also use their tools and machinery, yet they are still considered

workers and are protected by labour law.²⁰ All four provinces in Pakistan have already enacted legislation on home-based work in Pakistan.²¹ The enactment of legislation for the protection of home-based workers is a clear indication that despite owning work tools, workers can be brought under the protection of labour law by assigning some responsibilities to the employers. A similar method can be adopted for protecting platform workers.

The draft bill included in this report (*Islamabad Capital Territory Platform Workers Protection Bill, 2023*) suggests five criteria to determine an employment relationship. These criteria are based on ILO Recommendation 198 and follow a similar line as in the European Commission’s Proposal for a Directive on improving working conditions in platform work.²² The Fairwork Pakistan team has analysed working conditions and company documents available online to check whether the six platforms we assessed fall under the requirements, and whether an employment relationship exists between them and their workers. If enacted, the contractual relationship between a digital labour platform and the platform worker under the draft

Indicators regarding the performance of work

Whether work is carried out according to the instructions and under the control of another party;

Whether work involves the integration of the worker in the organization of the enterprise;

Whether work is performed solely or mainly for the benefit of another person;

Whether work must be carried out personally by the worker;

Whether work is carried out within specific working hours or at a workplace specified or agreed upon by the party requesting the work;

Whether work is of a particular duration and has a certain continuity;

Whether work requires the worker’s availability;

Whether work involves the provision of tools, materials and machinery by the party requesting the work;

Indicators regarding remuneration

Whether there is a periodic payment of remuneration to the worker;

Whether such remuneration constitutes the worker’s sole or principal source of income;

Whether there is a provision of payment in kind, such as food, lodging or transport to the worker;

Whether there is recognition of entitlements such as weekly rest and annual holidays;

Whether there is payment by the party requesting the work for travel undertaken by the worker in order to carry out the work;

Whether there is an absence of financial risk for the worker.

Source: Paragraph 13 of the R198—Employment Relationship Recommendation, 2006 (No. 198)



bill would be legally presumed to be an employment relationship when at least one of the five criteria would be met. Regarding the platforms we evaluated, there is a presumption that workers on all platforms are in an employment relationship, due to the fulfilment of at least four criteria by all platforms, with minor variations observed in criterion five.

Criterion 1: The digital labour platform effectively determines, or sets upper limits for, the level of remuneration or issuance of periodic wage payments.

All six platforms we assessed set the remuneration paid to platform workers for their work, and workers have limited or no say in this. The “service fee” or “commission” charged by the platforms to the workers is also set unilaterally by the platforms. In some cases, workers are forced to participate in promotions available on the platforms. For instance, any discounts offered to the customers are at the expense of the drivers’ or riders’ fares. All six platforms also set limits on issuance of periodic wage payments on weekly or fortnightly basis.

Criterion 2: The digital labour platform requires the person performing platform work to respect specific binding rules with regard to appearance, conduct towards the recipient of the service or performance of the work.

All the platforms we assessed have set a code of conduct to which they expect the workers to adhere. This might involve dictating what type of vehicle will be used (e.g. in platforms like Careem, inDrive, Uber, etc.), to laying down how a service will be provided (e.g. platforms like GharPar). Non-negotiable terms and conditions must be met before workers can begin using the platforms. The platforms can also unilaterally modify the working conditions of workers, who cannot refuse these modifications if they want to continue working for the platform.

Foodpanda and GharPar also impose rules regarding appearance in the form of a dress code, and Foodpanda workers must also use branded delivery bags provided by the platform (to be paid by the workers themselves).

Criterion 3: The digital labour platform supervises the performance of work or verifies the quality of the results of the work, including by electronic means or customer reviews or uses rating systems as a tool of control and a basis for penalties and as a tool to allocate work assignments.

All six digital labour platforms we assessed maintain rating systems which depend partly on customer reviews. These ratings can impact workers’ access to the platform and the type of work offered, for example if a low rating leads to a worker being blocked or deactivated. A higher rating, by contrast, might mean access to higher-paying rides/deliveries/services, and could involve certain financial advantages, such as bonuses. A GPS tracking device constantly tracks Foodpanda workers during their shifts.

Criterion 4: The digital labour platform effectively restricts the platform worker, including through sanctions, in organising work, in particular, the discretion to choose the working hours or periods of absence, to accept or to refuse tasks or to use subcontractors or substitutes.

All six platforms we assessed exercise significant control over the way the workers perform their work. The technology behind their service is wholly owned and controlled by the platforms and is used to exercise control over workers, for instance, through the rating system. If the worker does not maintain an average rating specified by the platform, they can receive a warning and even deactivation. The workers for all six platforms are under the control and direction of the platforms in connection with the performance of the work, both under the contract

for the performance of the work and in practice. The workers are also managed by the platforms through mechanisms like working hours, outputs, and quality standards. For instance, platforms sometimes limit the number of hours a driver can work within a period, or they sometimes incentivise working longer hours through surge pricing.

Though workers can choose their working hours, set their work schedules, and refuse rides or orders, the algorithms used by these six platforms have a disciplining effect. Too many refusals by workers can lead to their being blocked from the platform.

Criterion 5: The digital labour platform effectively restricts the person performing platform work from building a client base or performing work for any third party, including the competitors of the digital labour platform.

The ride-hailing platforms (Bykea, Careem, inDrive, and Uber) and GharPar allow workers to build a client

base off the platform. However, they restrict communication between the drivers/beauticians and customers during or after the performance of work.

Foodpanda workers, on the other hand, cannot build an independent client base since they are neither involved in the agreements between Foodpanda and restaurants nor in the relationship between Foodpanda and the customers. The communication between the worker and customer effectively ends with the completion of the order.

The ride-hailing and delivery platforms (Bykea, Careem, inDrive and Uber) do not restrict workers from multi-homing or multi-apping, thereby allowing workers to access opportunities from various platforms. However, some platforms may discourage or place restrictions on multi-apping by workers, thereby limiting their ability to diversify their income sources and potentially gain bargaining power. However, it is essential to highlight that there are no known instances of such platform restrictions in Pakistan.



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Fairwork Pakistan Scores 2023

Minimum standards
of fair work

Bykea	0 /10	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
Careem	0 /10	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
Foodpanda	0 /10	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
GharPar	0 /10	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
inDrive	0 /10	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
Uber	0 /10	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>

THE BREAKDOWN OF SCORES FOR INDIVIDUAL PLATFORMS IS AVAILABLE AT

WWW.FAIR.WORK/PAKISTAN

Explaining the Scores

The geographical focus of this report is the twin cities of Islamabad and Rawalpindi, where the data was collected from 84 platform workers during interviews in March/April 2023. We scored six platforms in Pakistan along five principles of fair work. Of these six platforms, four are in ride-hailing (Bkea, Careem, inDrive, and Uber), one in food delivery services (FoodPanda), and one is in professional beauty services (GharPar). Careem, Foodpanda, inDrive and Uber operate internationally, and Bykea and GharPar are homegrown startups. Bykea is a hybrid or mixed platform providing both ride-hailing and parcel delivery services.



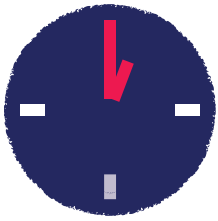
Fair Pay

There was insufficient evidence to support the claim that any of the six platforms analysed provide workers with minimum wage earnings (PKR 136 per hour) after deducting costs. Consequently, none of the platforms received a fair pay score in our analysis.

Our assessment of various platform payment practices unveiled significant concerns regarding fair pay. Most workers earn less than the minimum wage once task-specific expenses such as fuel, mobile data, insurance, and vehicle services are subtracted. Only a small number of the workers we spoke to surpassed the standard rate (136 PKR per hour) after covering their expenses. Furthermore, waiting time (while they remain logged on to the platform app) remains uncompensated. In the case of

card payments made by customers, some platforms receive the entire amount, which is then added to the driver's online wallet as a positive balance with no additional amount given to the worker.

When considering a living wage, only a few workers we spoke to said they achieve the local standard wage (205 PKR per hour) after deducting costs. The majority of workers we interviewed earned below this threshold. Additionally, 10% of the workers, across the platforms we assessed incurred negative incomes and are burdened with debt. These findings indicate that many workers across these platforms are not receiving fair pay according to living wage standards. Payment delays, instances of customers not paying, and platforms' failure to take any responsibility towards their workers further contribute to the challenges faced by workers.



Fair Conditions

None of the platforms received a positive score concerning the second principle, which considers safety measures, training, compensation, and other vital aspects of the worker's experience.

Regarding safety measures, it was observed in the interviews that some workers received safety gear and proper safety training and some not, despite working for the same platform. Interestingly, this inconsistency in worker treatment was observed across all platforms. In most cases, workers had to purchase (either from the platform or from market) their safety gear/instruments, such as helmets, jackets, and other protective clothing, which imposed an additional financial burden on them. It was noted that some workers received training at the platforms' offices, while others mentioned only watching instructional videos. The focus of these training sessions differed, with some platforms emphasising app usage and general instructions while neglecting worker safety.

When it comes to a panic/emergency button, among the evaluated platforms, inDrive, GharPar, Careem, and Uber provide this feature for workers in their apps. Foodpanda offers a similar feature called the dispatch option. Unfortunately, a swift and adequate response by the platforms was only reported sometimes across the six evaluated platforms, despite the clear need for a consistent and timely response to any emergencies or accidents reported.

Bykea, FoodPanda, Careem and Uber offered insurance schemes to their workers. Most workers were either unaware of these schemes or did not avail themselves of them due to the complex processes involved, including the deduction of a certain amount from their earnings. GharPar has an equivalent scheme called the savings fund, accessible to workers who have been working for one year. Income compensation for workers who are unable to work for various reasons, such as illness or taking leave, was not uniformly provided across all the platforms

analysed. Instead, workers' earnings were predominantly dependent on the number of tasks accepted, creating financial insecurity for those who faced limitations in their ability to work.

Moreover, it was reported in the interviews that ratings were also influenced by factors such as acceptance rates and completion of tasks (on which their earning depends). This created a system where workers felt incentivised to engage in risky behaviour, such as speeding or taking on more rides than they could safely handle, to maintain higher ratings and earn a satisfactory income. Such practices not only compromised the safety of the workers but also highlighted the platforms' failure to prioritise worker well-being over profit.

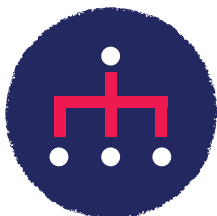
Furthermore, workers reported instances of customer no-shows, incorrect locations, and cancellations upon arrival, further exacerbating their difficulties due to inaction by the platforms. Provision of resting areas, access to toilets, and provision of food / snacks to platform workers were all found to be lacking in all the platforms assessed.



Fair Contracts

Platforms did not score points for providing clear and comprehensible contracts that are easily available to workers in both English and Urdu. The six platforms we assessed lack clarity in terms and conditions, with contracts that are incomplete, difficult to understand, or unavailable in Urdu, the national language. The workers we spoke to were often unaware of the terms and conditions during registration, and some even confused them with the sign-up forms, preventing them from giving informed consent. The lack of availability and comprehension of the contracts raises concerns about workers' understanding of their rights and obligations. Some platforms do not specify the jurisdiction for dispute resolution. The notification periods for changes affecting workers' livelihoods are often insufficient, and some platforms no longer cover ride-cancellation charges, impacting worker income. Certain agreements include indemnity clauses limiting the platforms' liability, and lack reliable mechanisms to monitor

subcontractors regarding working conditions. Platforms also sometimes fail to provide transparent and clear information about peak hours and fare calculation methods.



Fair Management

Fair management refers to implementing just and equitable practices by platforms towards their workers. It involves providing transparent and accountable processes for decision-making that affects workers, such as deactivations or dismissals. Fair management also requires workers to be able to appeal these decisions and any disciplinary actions against them.

Most of the platforms we reviewed this year (five of six) provide multiple communication channels for workers to express their concerns, such as in-app support options, email, live chat, and helplines. These channels provide support for issues like low ratings, non-payment, deactivations, and penalties. However, the availability and effectiveness of these channels vary across platforms. One notable drawback is the lack of documentation regarding appeals processes in workers' contracts or Terms and Conditions, which hinders the platforms from scoring well regarding fair management. That said, we found no evidence suggests that workers are disadvantaged in speaking up about their individual concerns.

Only Gharpar and Uber have a well-documented anti-discrimination policy and a transparent reporting and penalising process for instances of discrimination, and none of the platforms demonstrate active efforts to promote equality and equity. Moreover, transparency regarding the algorithms used by the platforms needs to be improved.



Fair Representation

None of the six platforms we evaluated have a documented mechanism for workers to collectively express their concerns without facing risks or penalties. It was reported in interviews that some workers have experienced negative consequences like offboarding or blocked IDs, when attempting to organise or participate in collective actions.

Though there is no documented policy on collective worker bodies in Careem, it was reported by workers that workers can collectively express their concerns and exert pressure on the platform to address certain issues, with instances of drivers engaging in collaborative efforts and influencing the platform through protests or negotiations. Overall, these platforms vary in their treatment of collective worker representation, with some falling short of being worker-friendly and others showing limited recognition or involvement of collective bodies.























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PLATFORM IN FOCUS

Foodpanda

Foodpanda has dominated in Pakistan for the last decade. Since taking over its main local rival, EatOye, in 2015, it has been claimed that Foodpanda²³ currently holds a 99% market share of food delivery in the country.²⁴

Principle	First point	Second point	Total
 Principle 1: Fair Pay	 Ensures workers earn at least the local minimum wage after costs	 Ensures workers earn at least a local living wage after costs	
 Principle 2: Fair Conditions	 Mitigates task-specific risks	 Ensures safe working conditions and a safety net	
 Principle 3: Fair Contracts	 Provides clear and transparent terms and conditions	 Ensures that no unfair contract terms are imposed	
 Principle 4: Fair Management	 Provides due process for decisions affecting workers	 Provides equity in the management process	
 Principle 5: Fair Representation	 Assures freedom of association and the expression of worker voice	 Supports democratic governance	

Foodpanda's total score



Considering itself to be Asia's largest food delivery company,²⁵ Foodpanda's gross merchandise value (GMV) is taken to be over PKR 40 billion (USD139.13 million) a year, making it possibly the highest GMV in Pakistan. This puts Foodpanda in a highly dominant position in the country's food delivery market.²⁶

Delivery Hero²⁷ (owner of Foodpanda Pakistan) claims to have yet to generate a profit, although, in 2021, their global revenue grew by nearly 140%.²⁸ Foodpanda Pakistan also considers itself to be in the 'customer acquisition' phase, and on track to break even this year.²⁹ The on-demand delivery platform has developed another revenue stream both to help their profitability, and (considering the country's dangerously low foreign exchange reserves) to 'bring dollars into the country' by entering the export business.³⁰ Foodpanda Pakistan is the first branch of Delivery Hero to start exporting fresh products (fruits, vegetables, meat etc.) and is looking to scale up its exports to the Middle East.³¹

However, this has come at the cost of unmet basic standards of fair and decent work. The platform's rapid progress towards its business goals does not seem to include any significant progress towards fairer working conditions for its riders. According to one labour expert,³² Foodpanda's growth in Asia would not be much affected by labour struggles such as strikes or protests as the platform can afford to take cuts in prices and therefore mostly ignore worker unrest, unless it spreads and affects daily operations.³³ The same is true of Delivery Hero's status and market capitalisation. That said, riders worry that if they collectively voice their concerns they can be penalised.

Foodpanda Pakistan claims³⁴ that one of their principles is that their 20,000 plus riders earn a fair living wage; that is, that a typical rider who spends eight hours a day for six days a week on the platform can easily make PKR 38,000–40,000 (USD 132) a month.³⁵ However, we were unable to find evidence during our research in the twin cities of Islamabad and Rawalpindi that riders earned this much, once they had factored in work-related costs such as fuel, motorbike maintenance and repair, internet package, etc.

The platform has recently made some changes to its rating system, which now involves riders moving between batch levels³⁶ according to their order acceptance and completion rates. Being assigned to the top batch requires an over 90% weekly acceptance rate of orders, and has the highest earning per order. Not accepting two to three orders a day

can drop the rider to lower batches and, therefore, towards lower earnings per order. Earnings per order also seem to depend on the zone in which a rider works. Foodpanda has support measures to protect ride-hailing workers³⁷ and Buy Now Pay Later for smartphones.³⁸ However, we found no evidence that Foodpanda covers expenses of safety gear like helmets and jackets. Insurance coverage for hospitalisation, accident medical expenses, and accidental death benefits is mentioned on Foodpanda's website,³⁹ but we could not find evidence of all riders being aware of Foodpanda's insurance support.

Regarding contracts, Foodpanda Pakistan has ensured that its riders know the Terms and Conditions governing their work. Initially, the platform increased riders' understanding for the Terms and Conditions, by providing clear contracts in both English and Urdu, and office representatives explained the terms to some extent. That said, the Urdu version is currently unavailable on the rider website,⁴⁰ and there is no evidence that the Urdu version is still available during the sign-up process. Greater fairness in contracts is also required. Clauses which exempt the platform from taking any liability for any negligence in working conditions still need to be addressed, as they can prevent workers from effectively seeking redress for grievances. In addition, more transparency in data collection and calculations used to allocate payment to riders is required.

Foodpanda has the potential to score higher by bringing about a few changes and improving the working conditions of its riders. Under the principle of fair management, the platform appears to have an easily accessible channel for workers to communicate with a human representative and solve problems effectively. The dispatch option, available on the app, allows riders to chat with a representative and obtain quick responses within 3–5 minutes. If this appeals process and the dispatch option were mentioned in the contract they could score a point for Principle 4.1. The appeals process is available on the platform interface, and all riders are aware of it and use it for various reasons. Most riders prefer going to a Foodpanda office to appeal low ratings, non-payment, payment issues, deactivations, and other penalties and disciplinary actions. Still, the appeals can also be made through dispatch. There is no evidence of any penalties on riders for appealing disciplinary actions. By registering the appeals process in the contract, Foodpanda can ensure better transparency and accountability.

During worker interviews, the Foodpanda riders reported instances of misbehaviour and harassment from customers and vendors. Adopting a non-discrimination policy with clear steps and mechanisms can help Foodpanda provide the riders with their fundamental right to dignity and respect while working for them. This calls for the need for regulation in platform work.⁴¹



Workers' Stories

Akbar*, 27, inDrive cab driver

Akbar is a 27-year-old man from Mansehra, Khyber Pakhtunkhwa, who moved to Islamabad for better job prospects. Educated until 8th grade, he struggled due to a lack of opportunities and low finances. He joined various ride-hailing platforms in Pakistan but kept switching as platform commissions increased, reducing his earnings. Currently, he works with inDrive, which initially had no commissions but now charges 10%. Akbar has a family to support in his hometown and faces challenges with living expenses and rising fuel costs amid inflation.

One of the major issues Akbar faces with the platform is that inDrive does not have a support system to provide drivers with initial help. Neither does it have a helpline to support them in roadside issues such as accidents, or customers who tend to pay less than the amount agreed through the platform application. Once, Akbar had a ride worth 3300 PKR (USD11.5), and just when he reached the destination, the customer ran out of the car. Akbar told us that he was unable to go after the customer, and upon calling the customer on his phone to chase the money he was due, he blocked Akbar's number. In such situations, the burden of inconsiderate customers is always transferred solely onto drivers, and platforms do not accept any liability. inDrive has no policies developed for such customers, and in some scenarios, such customers tend to report the drivers, which leads to the driver's access to the platform app being blocked for up to many months. Akbar says that in such situations, one only has the option to write an email to the platform, which takes a long time to respond. He claims that there has never been a single time when the platform has taken a step that goes in favour of the drivers. Akbar suggested that the platform needs to develop a mechanism which gives the drivers a way to raise their concerns, and there should be an option available in the app that allows them to report customer-related issues.

According to Akbar, the interface is designed so that he has to keep an eye on it to find new riders constantly. The long hours of staring at the screen have started to take

a toll on his eyesight. Even though Akbar is aware of the risks, he has no choice but to continue working long hours. He works tirelessly for 12 to 13 hours a day, six days a week, to make ends meet.

Akbar's story highlights the challenges ride-hailing drivers face, including lack of support and non-paying passengers. Platforms like inDrive should prioritise drivers' well-being by implementing passenger-related issue reporting systems and insurance options. Addressing these concerns can create a more sustainable and supportive environment for drivers like Akbar.

Amir*, 33, Foodpanda driver

Amir, a 33-year-old local of Rawalpindi, Punjab, has worked for Foodpanda for almost three years. After completing his higher secondary education, Amir went to the UK for an English language diploma, where he also started working for Domino's Pizza as a delivery driver, earning a monthly average of PKR 4 lac.⁴² After some time, he was deported from the UK for being on a study visa and not having a work permit.

Amir tried his luck in multiple jobs in Pakistan before a relative introduced him to the food delivery platform, Foodpanda. Attracted by the platform's claims of providing flexible and independent work,⁴³ Amir registered through their office and obtained his credentials for the panda rider app. Foodpanda provides bonuses in addition to the basic salary based on order completion. Amir told us: "The company gives you weekly, monthly, and weekend bonuses. For example, you get 1500 rupees as a fuel bonus for completing 100 orders per week." In addition, high-performing riders can be recognized as the Rider of the Month and receive a bike from Foodpanda, typically achieved by completing around 400 orders per month without breaks during shifts. Riders must maintain an order acceptance rate above 85% to enjoy these bonuses.

Amir told us that Foodpanda has a rating system depending on the order acceptance and completion rates. He explained that the platform operates with a batch

system based on acceptance and performance rates: “We have batches as rating alternatives. Any change in your batch level depends only on your acceptance and performance rates. There are six batches, and you are assigned batches weekly.” When starting, riders are initially placed in batch 6, and with good performance, they can progress to higher clusters. Amir added, “You get into batch 1 if you have a 90–100% weekly acceptance rate of orders. “I think there’s a 10% performance rate difference among each batch level.” However, he was unsure about the specific acceptance rate percentages required for each batch. Only accepting 2–3 orders per day negatively affects performance, leading to a drop in cluster and lower earnings per order. Additionally, there is a difference of 5 rupees in the per-order rate among batches, with higher earnings usually during lunch and dinner when order volumes are higher.

Foodpanda pays riders between Rs 40–120 per order, depending on their batch and the zone they operate in. According to Amir, there’s a difference of 4–5 rupees among between each batch level’s level per order rate. For instance, “Foodpanda is paying 70 rupees per order to holders of batch 1, batch 2 will get 66 rupees, batch

3 will get 62 rupees, and so on.” However, he expressed frustration about the lack of transparency in Foodpanda, stating, “There is no transparency in their algorithm.” Amir shared his disappointment when his batch rating dropped without clear reasons, saying, “I was in batch 1 on Sunday night, and when I woke up Monday morning, I was dropped to batch 2, which means I would now be earning less.” He voiced his concerns about the need for more transparency in the algorithm’s decision-making process.

Amir believes his experience working for Foodpanda as a delivery rider has been a blend of positive aspects and challenges. He acknowledges the flexibility and bonuses offered for completing orders. However, he expressed disappointment about the lack of transparency within Foodpanda’s algorithm, which caused his batch rating to drop without explanation. Despite these concerns, Amir remains hopeful that Foodpanda will prioritise the welfare and support of its riders, similar to its dedication to customer satisfaction. He wishes to continue this job and expects that Foodpanda will take steps to facilitate the riders as much as they do their customers.



*Names changed to protect worker identity

THEME IN FOCUS

Leveraging Fairwork Principles Through the Islamic Labour Code

Islamic nations have long sought to establish societies governed by the principles of Islam and Shariah law. In the ever-evolving landscape of modern legal systems, these nations strive to ensure that their laws align with the core tenets of Islam. As an Islamic nation, Pakistan has incorporated this requirement into its Constitution, mandating that all existing laws conform to the Injunctions of Islam derived from the Holy Quran and Sunnah, supported by the Council of Islamic Ideology and the powers granted to the Federal Shariat Court (FSC). These mechanisms play a crucial role in reconciling enacted laws with Islamic principles and ensuring adherence to the principles and concepts of Islam as laid down in the Holy Quran and Sunnah. Any enacted law can be repealed if it contradicts these injunctions.⁴⁴

Context

The Pakistani Constitution has established an institutional mechanism known as the Council of Islamic Ideology.⁴⁵

The Council's functions include making recommendations to Parliament and Provincial Assemblies on enabling Muslims to live by Islamic principles, advising on the compatibility

of proposed laws, suggesting measures to align existing laws with the injunctions of Islam, and compiling relevant injunctions for legislative enactment. While the Council's advice is crucial to the development of legislation in line with Islamic teachings, if the public interest requires immediate legislation, a law may be enacted before receiving the Council's advice. However, if the Council

deems a law contradictory to the injunctions of Islam, it is then reconsidered.

The Federal Shariat Court is also empowered to examine and determine the compatibility of any law or provision with the injunctions of Islam, based on the Holy Quran and Sunnah. This examination can be initiated by the Court itself or upon receiving a petition from a Pakistani citizen, the Federal Government, or a Provincial Government. When the Court identifies a law or provision as repugnant to Islamic teachings, it must notify the relevant government and allow them to present their perspective. This notice applies to laws within the Federal Legislative List or those not listed. The Court provides the reasons for its opinion and also the strength with which it holds that opinion.

In cases where a law or provision is deemed to contravene Islamic teaching, it becomes the responsibility of the President (for laws within the Federal Legislative List or the Concurrent Legislative List) or the Governor (for laws not listed) to amend the law to align with the injunctions of Islam. The offending law or provision ceases to have effect on the day the Court's decision becomes effective.

Legal precedence

The *Darshan Masih v. the State* (1989)⁴⁶ case holds excellent significance for multiple reasons, particularly as a prominent example of the abovementioned mechanisms. The Supreme Court of Pakistan thoroughly investigated the employment system of labourers in brick kilns and the underlying factors contributing to the consolidation of bonded labour. Ultimately, the court successfully brokered an agreement between the brick-kiln owners, labourers, and advocates, transforming the accord into an official court order. The Supreme Court's ruling mandated the lawful repayment of loans (known as *peshgi*⁴⁷) by labourers without coercion, abolished the *peshgi* system for future transactions, and encouraged voluntary return to work. Furthermore, it mandated uninterrupted wage payments without rain damage deductions while ending the *Jamadar/Jamadari* system⁴⁸ to facilitate direct interaction between labourers and employers/kiln owners. This groundbreaking decision, the first public interest litigation on workers' rights, formed the basis for formulating the Bonded Labour System (Abolition) Act of 1992, which aimed at eradicating the menace of bonded labour in Pakistan.

Later in 2005, the brick-kiln owners petitioned the Federal Shariat Court, claiming various provisions of the Bonded Labour System (Abolition) Act 1992 as contrary to Islamic teachings. The petitioners argued in favour of the *peshgi* system that was prevalent in brick kilns, stating that it does not go against the principles of Islam. It was claimed that the labourers performed their duties based on lawful agreements, which were by the teachings of Islam. They pleaded for the legislation be declared invalid. Understanding the exploitation labourers faced and the importance of safeguarding their rights, the court rendered a crucial ruling, in favour of brick kiln workers, firmly grounded in Islamic teachings in 2005.

ISLAMIC TEACHINGS PROHIBIT THE EXPLOITATION OF LABOURERS AND THE DOWNTRODDEN, AND STRIVES TO SHIELD THEM FROM SERVITUDE.

Notably, two significant Hadiths were cited by the Federal Shariat Court in its order: "Pay the worker his wages before his sweat dries"⁴⁹ and "The Holy Prophet (peace be upon him) prohibited hiring a person until his wages were fixed".⁵⁰ Two important conclusions emerge from the abovementioned interpretations. Firstly, the nature and extent of the job assigned to workers should be clearly defined at the time of the contract. Secondly, once the job is completed, workers must be promptly paid their wages without delay. This highlights the significance of fair compensation and the avoidance of any exploitative practices.

In light of these Islamic teachings, the FSC (Federal Shariat Court) affirmed that the provisions in the Bonded Labour System (Abolition) Act prohibiting the *peshgi* system did not violate Islamic injunctions. The prevalent *peshgi* system violated workers' rights and put them into debt bondage, which is against Islamic teachings. The court stated that these provisions were intended to uphold the dignity and preservation of humanity.

Leveraging the importance of incorporating Islamic principles into labour rights, the Centre for Labour Research unveiled the second edition of the Islamic Labour Code in 2021. This comprehensive code draws inspiration from Islamic teachings, provides guidance on workplace rights, and emphasises the importance of fair treatment

and just practices. It emphasises equal treatment, including freedom from harassment, the right to unionise and bargain collectively, eliminating child and bonded labour, occupational safety and health, and access to social security.

If we are to consider the Islamic Labour Code and the Fairwork Manifesto and Principles, both emphasise treating workers with respect and dignity and ensuring fair compensation and working conditions.

The Islamic Labour Code is a strategic advocacy initiative that seeks support for all Fairwork principles by sourcing and citing evidence from the religious texts, i.e., the Holy Quran and Hadith (see Table below).

A detailed analysis of the Islamic Labour Code can be found here: <https://islamiclabourcode.org>.

Fairwork principles	Islamic Labour Code's perspective
Fair Pay	<p>"Give employees their wages before the sweat is dry on them."⁵¹ Delayed wage payment is considered a crime.</p> <p>Wage theft is condemned as one of the worst sins.⁵²</p>
Fair Conditions	<p>"Your servants (workers) are your brothers, and Allah has put them under your command. So whoever has a brother under his command should feed him what he eats and dress him in what he wears."⁵³</p> <p>Islamic teachings emphasise the right to social security, including benefits during unemployment, sickness, disability, and old age.⁵⁴</p>
Fair Contracts	<p>The Islamic Labour Code would emphasise the importance of fulfilling promises and obligations⁵⁵ and encourages the use of written contracts.⁵⁶ Transparency and clarity in contracts are emphasised; the teaching warns against anyone evading written contracts and stresses the importance of reducing doubt.⁵⁷ Privacy is valued, and Islam prohibits spying on others.⁵⁸</p>
Fair Management	<p>The Islamic Labour Code strictly prohibits discrimination in the workplace. It believes in the ethics and righteousness of a worker and not their personal attributes. The Quran emphasises that the key attributes to look for in a worker should be "strong skill and trustworthiness".⁵⁹ The religious text emphasises individual accountability for one's deeds at workplace.⁶⁰</p>
Fair Representation	<p>The Quran emphasises the value of consultation and advises people to conduct their affairs after consulting with others.⁶¹</p>

Pathways of Change

Fairwork's theory of change relies on a humanist belief in the power of empathy and knowledge. If they have the economic means to choose, many consumers will be discerning about the platform services they use. Our yearly ratings give consumers the ability to choose the highest scoring platform operating in a sector, thus contributing to pressure on platforms to improve their working conditions and their scores. In this way, we leverage consumer solidarity with workers' allies in the fight for fairer working conditions. Beyond individual consumer choices, our scores can help inform the procurement, investment and partnership policies of large organisations. They can serve as a reference for institutions and companies who want to ensure they are supporting fair labour practices.

This is the second annual round of Fairwork ratings for Pakistan. We focused on four ride-hailing platforms, one food delivery and one professional beauty services platform. We recorded zero (0/10) ratings for all of the platforms due to insufficient evidence of compliance with ethical labour practices based on the five Fairwork principles, namely: Fair Pay, Fair Conditions, Fair Contracts, Fair Management and Fair Representation. We continue to call on the platforms and other stakeholders to commit to advancing and promoting fairness in the platform ecosystem. As Fairwork's reach and visibility increase, we see some avenues for contributing to the continued improvement of the Pakistani platform economy. In this regard, we see the following pathways to change (Figure 2).

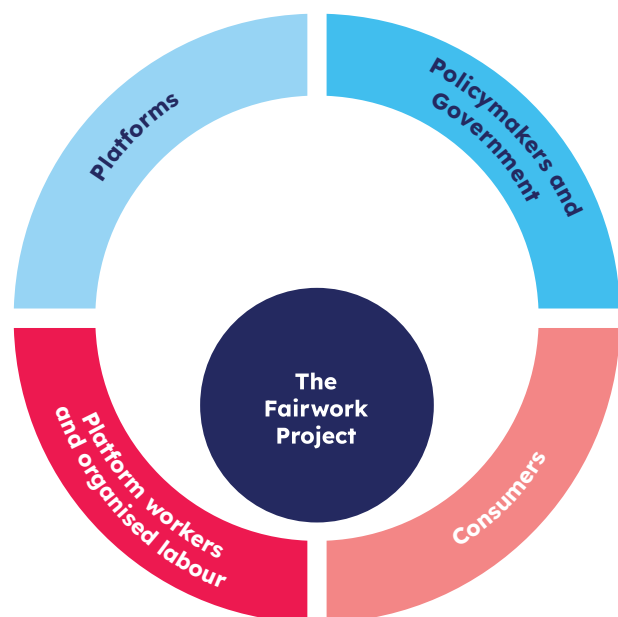


Figure 2: Fairwork's Pathways to Change

Our first and most direct pathway to improving working conditions in digital labour platforms is by engaging directly with platforms operating in Pakistan. Though platforms are aware of our research, there was no response from four platforms when we tried to engage with them in the research process, and two explicitly declined to engage with us. Unlike other examples in the Fairwork network, we have therefore not been successful in engaging with platforms to improve their performance and working conditions for their workers. This might change in the coming years.

We engage with policy makers and the federal and provincial governments to advocate for extending appropriate legal protections to platform workers, by correctly classifying them. Over the past year, Fairwork Pakistan has worked draft bill (*Islamabad Capital Territory Platform Workers Protection Bill, 2023*), which has been developed in consultation with the

government. The draft has already been submitted to the Ministry of Overseas Pakistanis and Human Resource Development for further consideration.

Finally, and most importantly, workers and their organisations are at the core of Fairwork’s model. Firstly, the Fairwork principles have been developed and are continually refined in close consultation with workers and their representatives (Figure 3). Second, we have consulted the Pakistan Workers Federation and the National Labour Federation (the two most influential worker organizations in the country) on draft bill and have included necessary provisions in draft bill as per their recommendations. Similarly, Fairwork Pakistan has engaged with civil society organizations involved in workers’ rights such HomeNet Pakistan. Collaborating with other rights-based organizations is necessary for legislative reform.

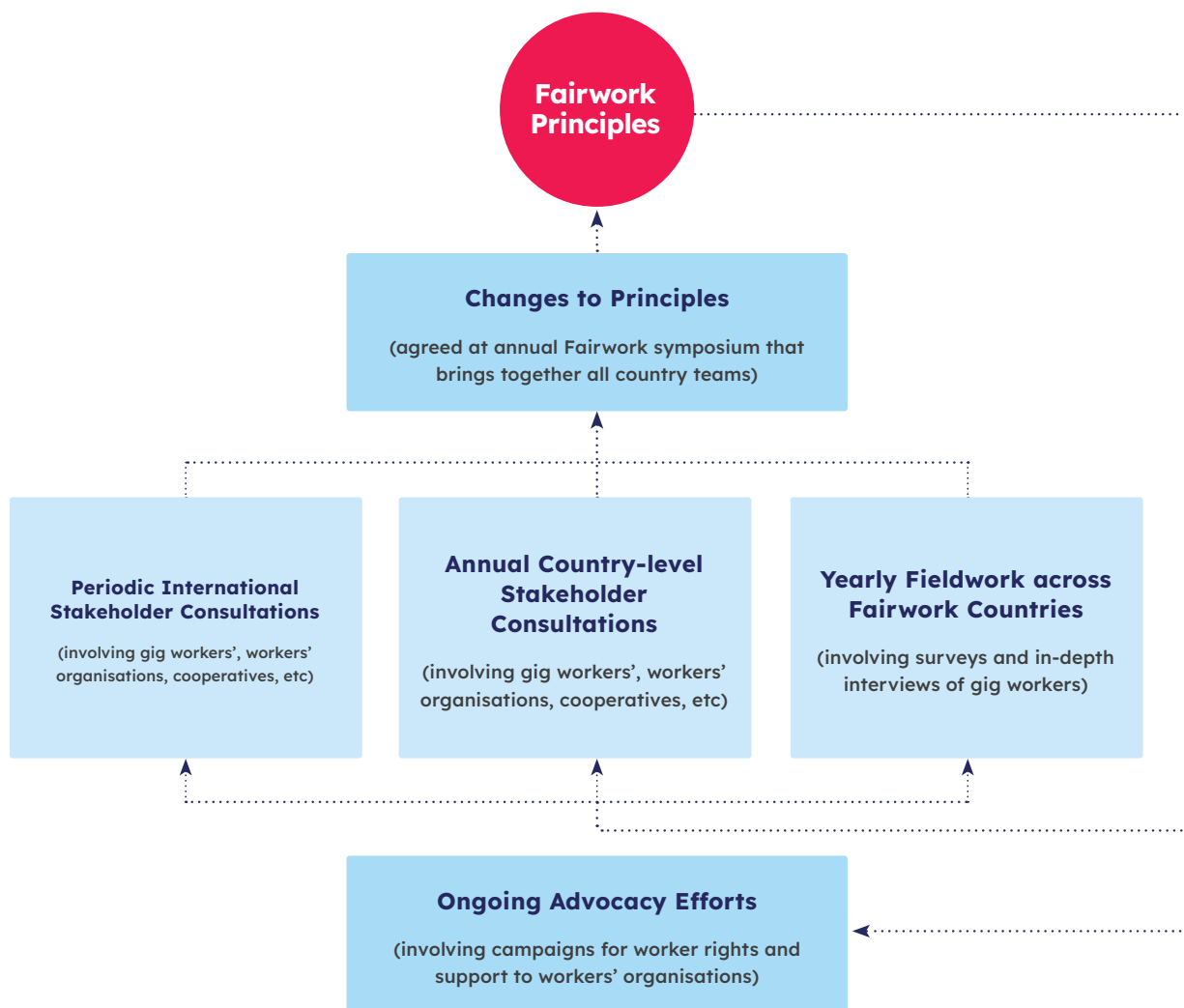


Figure 3: Fairwork Principles: Continuous Worker-guided Evolution

There is nothing inevitable about poor working conditions in the platform economy. Despite their claims to the contrary, platforms have substantial control over the nature of the jobs that they mediate. Workers who find their jobs through platforms are ultimately still workers, and there is no basis for denying them the key rights and protections that their counterparts in the formal sector have long enjoyed. Our scores show that the platform economy, as we know it today, already takes many forms, with some platforms displaying greater concern for workers' needs than others. This means that we do not need to accept low pay, poor conditions, inequity, and a lack of agency and voice as the norm. We hope that our work—by highlighting the contours of today's platform economy—paints a picture of what it could become.



The Fairwork Pledge

As part of this process of change, we have introduced the Fairwork pledge. This pledge leverages the power of organisations' procurement, investment, and partnership policies to support fairer platform work. Organisations like universities, schools, businesses, and charities who make use of platform labour can make a difference by supporting the best labour practices, guided by our five principles of fair work. Organisations who sign the pledge get to display our badge on company organisational materials.

The pledge constitutes two levels. This first is as an official Fairwork Supporter, which entails publicly demonstrating support for fairer platform work, and making resources available to staff and members to help them in deciding which platforms to engage with. A second level of the pledge entails organisations committing to concrete and meaningful changes in their own practices as official Fairwork Partners, for example by committing to using better-rated platforms where there is a choice. Meatspace Press have become official Fairwork Partners in the UK.

In Pakistan, the Fairwork pledge has been distributed to 80 organisations, encompassing various sectors. These include 30 companies, five NGOs, 20 universities, nine incubation centres, six socially responsible organisations, and ten policy-making institutions, which notably include the Ministry of Human Rights, Ministry of Planning, Development and Special Initiatives, and the Ministry of Overseas Pakistanis and Human Resource Development.

**MORE INFORMATION ABOUT
THE PLEDGE, AND HOW TO SIGN UP,
IS AVAILABLE AT**

FAIR.WORK/PLEDGE



Draft of Proposed Platform Work Bill

A Bill

to provide for the regulation of working conditions and protection of the rights of persons performing platform work, mediated through digital labour platforms.

WHEREAS it is expedient to formulate a law for ensuring basic labour protections for the platform workers, bringing them into the coverage of social security and old age benefits programs, devising a mechanism for settlement of disputes between platform workers and digital labour platforms and matters ancillary thereto.

It is hereby enacted as follows:

1 Short title, extent and commencement. —

- (1) This Act shall be called the **Islamabad Capital Territory Platform Workers Protection Act, 2023**.
- (2) It extends to the Islamabad Capital Territory.
- (3) It shall apply to all digital labour platforms providing on-location services within Islamabad Capital Territory, regardless of where the digital labour platform is registered or incorporated.
- (4) It shall come into force at once.

2 Definitions. —

In this Act, unless there is anything repugnant in the subject or context:

- (i) “active hours” means the hours that a platform worker is logged in to the platform application and includes the working and waiting hours;
- (ii) “contractor” means a person, natural or legal, who agrees to carry out an assignment for an economic gain for themselves or for the benefit of the digital labour platform and includes any sub-contractor or intermediary between the digital labour platform, contractor and the platform worker;
- (iii) “contribution” means the sum of money payable by an employer in respect of an insured person and by an insured person to the Islamabad Capital Territory Employees Social Security Institution (IESSI) and Employees Old-Age Benefits Institution (EOBI) as determined and prescribed by the relevant legislation in force in the Islamabad Capital Territory;
- (iv) “child” means a person who has not attained the age of eighteen years;
- (v) “dependents” means a wife or a needy husband, dependent parents and any unmarried child under the age of eighteen years in case of a son and twenty-one years or marriage, whichever is earlier in case of a daughter dependent upon the insured person and a disabled child for life or recovery whichever is earlier;
- (vi) “digital labour platform” means any natural or legal person providing a commercial service, by means of an algorithm or any other equivalent method or technology, that is able to exercise a decision-making or controlling power with regard to the manner in which performance is to be

realised and with regard to labour or pay conditions, and which provides a paid service that meets all the following requirements:

- (a) it is provided, at least in part, through a website or a mobile application;
 - (b) it is provided at the request of a recipient of the service, in exchange for payment;
 - (c) It involves, as a necessary and essential component, the organization of work performed by individuals at a certain location.
- (vii) "Directorate" means the Directorate of Industries and Labour Welfare, Islamabad Capital Territory;
- (viii) "disablement" means a condition caused by an employment injury during the course of employment or engagement for work which, as certified by a medical practitioner authorized for the purpose as shall be provided by the rules, has permanently reduced or is likely to reduce permanently an insured person's earning capacity. The disablement shall be "minor" where the loss of earning capacity is less than twenty per cent, "partial" where the loss of earnings capacity ranges from twenty-one per cent to sixty-six per cent and "total" where the loss of earning capacity is in excess of sixty-six per cent;
- (ix) "discrimination" means any distinction, exclusion or preference made on grounds such as sex, religion, gender, caste, national extraction or social origin, race, colour, creed, sect, age, language, marital status, pregnancy and maternity, disability, trade union membership, intersex status, political opinion, residence, and place of birth, which has the effect of nullifying or impairing equality of opportunity or treatment at work;
- (x) "dispute" means any dispute or conflict between a platform worker and a digital labour platform concerning rights provided under this Act;
- (xi) "employer" in relation to a digital labour platform means any person or body of persons, whether incorporated or not, who or which enters into an arrangement to provide work either directly or indirectly or through any contractor, sub-contractor or intermediary to any platform worker under an agreement of employment or service agreement, whether written or oral, implied or express and shall include any agent, manager or representative provided that at least one of the following tests is met:
- (a) The digital labour platform effectively determines, or sets upper limits for, the level of remuneration or issuance of periodic wage payments;
 - (b) The digital labour platform requires the person performing platform work to respect specific binding rules with regard to appearance, conduct towards the recipient of the service or performance of the work;
 - (c) The digital labour platform supervises the performance of work or verifies the quality of the results of the work, including by electronic means or customer reviews or uses rating systems as a tool of control and a basis for penalties and as a tool to allocate work assignments;
 - (d) The digital labour platform effectively restricts the platform worker, including through sanctions, in organising work, in particular, the discretion to choose the working hours or periods of absence, to accept or to refuse tasks or to use subcontractors or substitutes; and
 - (e) The digital labour platform effectively restricts the person performing platform work from building a client base or performing work for any third party, including the competitors of the digital labour platform;
- (xii) "employment injury" means a personal injury to a platform worker caused by accident or by such occupational diseases as may be specified by the rules, arising out of and in the course of employment;
- (xiii) "Government" means the Islamabad Capital Territory Administration;

- (xiv) “harassment” means unwanted verbal or non-verbal conduct that is not of a sexual nature but which is related to the education, language abilities, colour, caste, domicile, religion, social origin, creed, political opinion, age, gender, sex, race, socio-economic status or disability of a worker with the purpose or effect of violating the dignity of such worker or of creating an intimidating, hostile, degrading, humiliating or uncomfortable environment for such a worker.
- (xv) “insured person” means a platform worker who is registered with the Employees Old-Age Benefits Institution and/or Islamabad Capital Territory Employees Social Security Institution;
- (xvi) “intermediary” means a person or a legal entity or a body corporate who contracts on behalf of the digital labour platform with a sub-contractor for an economic profit, all or part of a job to which the subcontractor has agreed to perform, for the benefit of the digital labour platform;
- (xvii) “invalidity” means a condition, other than that caused by an employment injury, as a result of which an insured person is permanently incapacitated to such an extent as to earn from their usual or other occupation more than one-third of the normal rates of earning in their usual occupation;
- (xviii) “platform work” means a work arrangement in which organizations or individuals use a digital labour platform to access other organizations or individuals to solve specific problems or to provide specific on-location services, including but not limited to ride-hailing, delivery, domestic, professional and care services or any such other activities which may be notified by the Government from time to time, in exchange for payment;
- (xix) “platform worker” means a person who performs work or participates in a work arrangement through a digital labour platform and earns income from such activities while performing work at a certain location;
- (xx) “prescribed” means prescribed by rules made under this Act;
- (xxi) “rules” means the rules made under this Act;
- (xxii) “sexual harassment” means any unwelcome sexual advance, request for sexual favours, stalking or cyberstalking or other verbal, visual or written communication or physical conduct of a sexual nature, or sexually demeaning attitudes, causing interference with work performance or creating an intimidating, hostile or offensive work environment, or the attempt to punish a platform worker for refusal to comply to such a request or is made a condition for employment;
- (xxiii) “sub-contractor” means a person, natural or legal, who contracts with a primary contractor to perform, for an economic profit, all or part of a job to which the primary contractor has agreed to perform, for the benefit of the digital labour platform;
- (xxiv) “victimization” means any act or omission by the digital labour platform or a person acting on behalf of the platform that affects, to the platform worker’s detriment, such platform worker with respect to any term or condition of their employment;
- (xxv) “wages” means earnings of a platform worker in lieu of services provided to the customers of the digital labour platform or remuneration payable in cash or through banking channels to a platform worker, not being less than the minimum rates of wages declared under the applicable legislation without taking account of deductions for any purposes, under a contract of service or contract for service, expressed or implied and shall be deemed to include any dearness allowance or other addition in respect of the costs of living;
- (xxvi) “workplace” means the place of work or any place where services are rendered or performed by platform workers, including but not limited to ride hailing and delivery vehicles, private homes, and other places where the activities are carried out and includes any situation that is linked to work.

3. **Establishment of Platform Workers Protection Council.** —

The Government shall establish and notify a Platform Workers Protection Council under the administrative control of the Directorate and chairpersonship of the head thereof. It shall comprise not more than fifteen members with representation from the Ministry of Interior, Ministry of Overseas Pakistanis and Human

Resource Development, Ministry of Information Technology and Telecommunication, Islamabad Traffic Police, National Commission on the Status of Women, ICT Department of Labour Welfare, two independent experts, and at least two representatives each from the digital labour platforms, platform workers, and civil society organizations working on protection of the rights of platform workers:

Provided that at least one fourth of the total members of the Council may be women.

4. Functions of Platform Workers Protection Council. —

- (1) In addition to the functions entrusted to it by the other provisions of this Act or by the rules, the Council shall monitor and oversee the: -
 - (i) identification and mapping of platform workers by the Directorate in different economic sectors and geographical areas of Islamabad Capital Territory;
 - (ii) registration of digital labour platforms in the manner prescribed by rules;
 - (iii) maintenance of record of registration of platform workers by platforms in the manner prescribed by rules; and
 - (iv) provision of information to the platform workers and digital labour platforms concerning rights and responsibilities under this Act.
- (2) The Council shall coordinate with concerned institutions and authorities to facilitate:
 - (i) registration of platform workers with Islamabad Capital Territory Employees Social Security Institution and Employees Old-Age Benefits Institution for accessing social security and old age benefits;
 - (ii) fixation of minimum wage for different categories of platform workers for working and waiting hours by the Minimum Wage Board established under the Minimum Wage law in force in Islamabad Capital Territory.
- (3) No act done by the Council shall be called in question on the grounds merely or existing of any vacancy in, or defect in the constitution of, the Council.

5. Obligation to provide employment contract. —

- (1) Every engagement of a platform worker by a digital labour platform shall be subject to the issuance of an employment contract in the prescribed manner, both in English and Urdu, showing the terms and conditions of their employment, including nature of work, name and addresses of all the parties to the contract who shall be subject to the local legal jurisdiction under the local labour laws. The contract shall be accessible to the platform worker at all times in the mobile application of the digital labour platform. Where a platform worker signs-up through a registration hub, the contents of the employment contract shall be verbally explained to such worker in the plain local language.
- (2) The contract shall specify wages, method of calculation and periodicity of payments, working hours, rest days and leaves, provisions on occupational safety and health, terms and conditions relating to termination, including deactivation or penalties, and whether the contract is temporary or permanent.
- (3) Arbitration clauses that place unreasonable burden on platform workers or have the effect of nullifying the enforcement of platform workers' rights, as guaranteed under this Act, shall be null and void.
- (4) The digital labour platform shall notify workers of the proposed changes to the contract in a reasonable timeframe of at least two calendar weeks. The changes shall take effect only once these have been communicated to the Works Council and its advice has been taken into account. Contract changes that reverse existing accrued benefits and reasonable expectations on which workers have relied shall be null and void.
- (5) The contract shall not include clauses which exclude liability for negligence or unreasonably exempt the platform from any liability, nor clauses that prevent workers from effectively seeking redress for grievances arising from the working relationship.
- (6) The provisions on extension and termination of employment contracts for platform workers shall be prescribed under the rules.

- (7) Notwithstanding anything contained in any other law for the time being in force, no child under the age of eighteen years shall be allowed to engage in platform work in any capacity.

6. Right to equal treatment. —

- (1) A digital labour platform shall ensure that no platform worker is subjected to direct or indirect discrimination, harassment, or sexual harassment at the hand of platform, users, and third parties, as the case maybe.
- (2) A digital labour platform shall protect workers against discrimination at the hands of customers or users by disallowing requirements from customers or users which would have the effect of discriminating directly or indirectly against workers on any of the prohibited grounds for discrimination referred in section 2(ix). The platform shall take steps to prevent algorithmic wage discrimination as a result of dynamic pricing.
- (3) Where persons from a disadvantaged group are significantly under-represented among its workers, the digital labour platform shall seek to identify and remove barriers to access by persons from that group in consultation with the Works Council.
- (4) A digital labour platform shall institute regular external audits on an annual basis to check for biases in its work allocation systems, as prescribed by the rules.

7. Right to social security. —

- (1) The platform workers shall be registered with Islamabad Capital Territory Employees Social Security Institution and the Employees Old-Age Benefits Institution. The benefits for the platform workers shall include old-age pension, old-age grants, survivors' pension, and invalidity pension as are provided under the Employees Old-Age Benefits Act, 1976 (XIV of 1976) or any other law on the subject in force in the Islamabad Capital Territory and sickness benefits, medical care during sickness, medical care of dependents, injury benefits, disablement pension, survivor's pension and other benefits as are provided under the Provincial Employees Social Security Ordinance, 1965 (W.P. Ordinance X of 1965) or any other law on the subject in force in the Islamabad Capital Territory.

8. Right to freedom of association. —

The platform workers shall have the right to form and join organizations or unions of their own choice, the right to collective bargaining, and all other rights as provided under the Industrial Relations Act 2012.

9. Works Council. —

- (1) Every digital labour platform having work arrangements with 100 or more platform workers shall constitute, in the prescribed manner, a Works Council consisting of equal representatives of the platform and the platform workers.
- (2) The Works Council shall function for securing and preserving good labour management relations and shall look after the following matters:
 - (i) laying down the principles of remuneration and introduction of new remuneration methods;
 - (ii) settlement of differences and disputes through bilateral negotiations;
 - (iii) measures for facilitating good and harmonious working conditions in the digital labour platform; and
 - (iv) vocational and safety trainings.
- (3) The management shall not take any decision in the following matters without consultation in writing with the Works Council:
 - (i) framing of service rules and policy about the discipline of workers;
 - (ii) in-service training of workers;
 - (iii) regulation of daily working hours and breaks;
 - (iv) setting premium rates for work during unsocial hours, night hours and inclement weather; and
 - (v) any policy changes affecting platform workers.
- (4) Every digital labour platform shall provide information to the Works Council regarding parameters, rules and instructions on which the algorithms or artificial intelligence systems are based that may

affect working conditions, access and maintenance of employment, including profiling of platform workers.

- (5) The workers' representatives on the Works Council may, on their own initiative, give advice in writing concerning the matters specified in sub-section (2) and sub-section (3) and, where they do so, the digital labour platform shall convene a meeting of the Council within two weeks of the receipt of the advice to discuss its merits.
- (6) The digital labour platform shall give a reply to the workers' representatives within six weeks of the receipt of their advice given under sub-section (5), and any such advice shall not be rejected except by the person holding the highest position in the management of the digital labour platform.
- (7) The Works Council may call for reasonable information about the working of the platform from its management, and the management shall supply the information called for by the Council.
- (8) The Works Council shall meet at such intervals as may be prescribed.

10. **Working hours and holidays.** —

- (1) No platform worker shall be required to work for more than eight hours in a span of twenty-four hours. The weekly working hours shall not exceed forty-eight hours per week.
- (2) The maximum active hours of work for platform workers in a week shall not exceed fifty-six hours. For working hours beyond 48 hours per week, the digital labour platform shall pay wages at the rate of at least 125% of the ordinary rate. For platform workers working during the night hours (09:00 pm to 05:00 am), the digital labour platform shall pay wages at the rate of at least 110% of the ordinary rate. For platform workers working during inclement weather, the digital labour platform shall pay wages at the rate of at least 105% of the ordinary rate. For platform workers working on gazetted holidays, the digital labour platform shall pay wages at the rate of at least 130% of the ordinary rate.
- (3) Every platform worker shall be entitled to a weekly rest day of at least twenty-four consecutive hours in a seven-day period.
- (4) Every platform worker shall be allowed annual leave in a prescribed manner with average wages for a period of fourteen calendar days after having worked through the digital labour platform for 2496 hours.
- (5) Every platform worker shall be entitled to sick leave in a prescribed manner with average wages for a total period of eight days in a year on a pro-rata basis.
- (6) A female platform worker shall be entitled to maternity leave, as per the provisions of applicable legislation in force in Islamabad Capital Territory.

11. **Wages.** —

- (1) A platform worker shall be paid such wages within such period of time as may be specified in the employment contract, not being more than 15 days:

Provided that the wages shall in no case be less than the minimum wages specified by the Government under the minimum wage legislation, applicable in the Islamabad Capital Territory.
- (2) All wages shall be paid to the platform workers in a prescribed manner.
- (3) No digital labour platform shall pay to a platform worker, wages payable, at the rates less favourable than those at which wage is paid to the platform workers of the opposite sex performing the same work or work of a similar nature or of equal value.
- (4) There shall be no deduction from the wages of a platform worker except in the following cases:
 - (i) payment of tax or contribution payable by the platform worker;
 - (ii) compensation for loss to the digital labour platform due to the platform worker's willful act or gross negligence, with written consent to be obtained from the platform worker;
 - (iii) other payments as specified by law or rules;

- (iv) The deduction under sub-section 4(ii) and (iii) shall not be more than 35% of the wages the platform worker is entitled to receive during each wage period.
- (5) The deduction for payment of income tax or contribution by platform workers to social security and old age benefits schemes shall be in line with the rates notified by the respective institutions.

12. Digital labour platform's responsibilities regarding occupational safety and health. —

- (1) Every digital labour platform shall:
 - (i) take all possible and reasonably practicable measures to ensure the safety and health of the employees at the workplace, including but not limited to development of heat action plans during heat waves;
 - (ii) ensure systematic and effective identification of the existing and new hazards at the workplace on a regular basis;
 - (iii) inform the platform workers in an understandable manner and in an accessible written form, before any work commences, the hazards associated with their work, risks involved, and the preventative and protective measures that need to be taken;
 - (iv) provide such information, instructions and training, as is necessary to ensure the occupational health and safety of workers;
 - (v) provide adequate personal protective equipment (PPE) as may be approved by the Government to the platform workers, without any cost to them, if hazards cannot otherwise be eliminated or controlled, in order to prevent every risk of harm and of adverse effects on health;
 - (vi) maintain in the general register particulars of all accidents, near misses including dangerous occurrences, commuting accidents and suspected cases of occupational diseases at the workplace and submit the extracts thereof to the Government;
- (2) Occupational safety and health measures shall not involve any expenditure by the platform workers.
- (3) The digital labour platforms shall establish rest stops and toilet facilities for platform workers, as prescribed by the rules.

13. Duties of platform workers. —

- (1) Every platform worker shall ensure:
 - (i) reasonable care for their own safety and that of other persons who may be affected by their acts or omissions at the workplace;
 - (ii) proper use of any personal protective equipment (PPE) provided by the platform; and
 - (iii) their escape from the place of imminent and serious danger and report forthwith to the digital labour platform of such a situation:

Provided that a platform worker who has removed themselves from a work situation which they have reasonable justification to believe presents an imminent and serious danger to their life or health shall not be penalized.

14. Transparency regarding automated monitoring and decision-making systems. —

- (1) The algorithms engaged by the digital labour platforms to determine access to work or remuneration or the type of work shall be transparent, and workers shall have the opportunity to seek explanation and redress.
- (2) A digital labour platform shall inform its workers about:
 - (i) automated monitoring systems, which are used to monitor, supervise or evaluate the work performance of platform workers through electronic means; and

- (ii) automated decision-making systems which are used to take or support decisions that significantly affect those platform workers' working conditions, in particular their recruitment, access to and organization of work assignments, their earnings, their occupational safety and health, their working time, their promotion and their contractual status, including the restriction, suspension or termination of their accounts and explanation of any disciplinary actions.
- (3) The digital labour platforms shall provide the information referred to in subsection (2) in the form of a document that may be in electronic format. The information shall be presented in a concise, transparent, intelligible and easily accessible form, using clear and plain language.
- (4) A digital labour platform shall not use automated monitoring and decision-making systems in any manner that puts undue pressure on persons performing platform work or otherwise puts at risk the physical and mental health of platform workers, including but not limited to the use of incentives, such as exceptional bonuses, or punitive practices, such as ratings that have an impact on working time and lead to the assignment of less work. It shall ensure that automated monitoring and decision-making systems avoid any potential discriminatory decisions issued on the basis of prevalent biases or discriminatory practices.
- (5) Digital labour platforms shall make the information referred to in subsection (2) available to the worker on the first working day and at any time upon the platform worker's request. However, the platform shall make the information available to the worker prior to the introduction of the changes affecting working conditions, the organisation of work or monitoring of work performance. The information shall be presented in a concise, transparent, intelligible, and easily accessible form, using clear and plain language. Digital labour platforms shall make the information available to the platform workers' representatives, inspectors, Dispute Resolution Committee and National Industrial Relations Commission upon their request.
- (6) Digital labour platforms shall ensure human oversight of all decisions affecting working conditions.

15. Data protection. —

- (1) No digital labour platform shall process any personal data concerning platform workers that are not intrinsically connected to, and strictly necessary for, the performance of the contract between the platform worker and the digital labour platform. In particular, a digital labour platform shall not:
 - (i) process any personal data on the emotional or psychological state of the platform worker;
 - (ii) process any personal data relating to the health of the platform worker, except in cases as prescribed by the rules;
 - (iii) process any personal data in relation to private conversations, including exchanges with or among platform workers and workers' representatives, also in relation to the possibility to organise collectively and to defend their rights; and
 - (iv) collect any personal data while the platform worker is not offering or performing platform work.
- (2) The digital labour platform shall allow, at the request of a platform worker, portability of transaction and reputation data, as prescribed by the rules.
- (3) A platform worker shall have the right to the protection of personal data as well as access to data which has been collected concerning him or her and the right to have it rectified.

16. Dispute resolution committee. —

- (1) The Government may, by notification in the Official Gazette, appoint a tripartite-plus Dispute Resolution Committee, as prescribed under rules, under the head of Labour Welfare Department, to hear and decide for any specified area, all claims, complaints, and disputes arising out of and in connection with enforcement under this Act.

- (2) Where an action contrary to the provisions of this Act deprives a person of their due right under this Act, such person themselves, or any legal practitioner or any official of a registered trade union or association authorized in writing to act on their behalf, or any Inspector under this Act or of any heirs of a platform worker who has died, may apply to the Dispute Resolution Committee for decision:

Provided that every such application shall be presented within ninety days from the date on which the violation occurred or from the date on which the payment was due to be made, as the case may be:

Provided further that the Dispute Resolution Committee shall give its decision by speaking order within 60 days of receipt of such complaint.

- (3) The parties shall be given full opportunity to defend their case.

17. Appeal. —

Any party aggrieved by the decision of the Dispute Resolution Committee may, within thirty days of such a decision, file an appeal to the National Industrial Relations Commission, established under the Industrial Relations Act, 2012 and the decision of the Commission on such appeal shall be final.

18. Powers of the dispute resolution committees. —

- (1) Every dispute resolution committee shall, while holding an enquiry regarding a dispute or complaint under this Act or the rules made thereunder, have the same powers as are vested in a Civil Court under the Code of Civil Procedure, 1908 (*Act V of 1908*), in respect of the following matters, namely:

- (i) enforcing the attendance of any person and examining them on oath;
- (ii) compelling the production of documents and material objects;
- (iii) issuing commissions for the examination of witnesses; and
- (iv) such other matters as may be prescribed.

19. Labour inspectors. —

- (1) The Government may notify labour inspectors for the respective areas of jurisdiction to ensure compliance with the provisions of this Act.
- (2) An Inspector notified under sub-section (1) shall be deemed to be a public servant within the meaning of the Pakistan Penal Code, 1860 (*Act XLV of 1860*).

20. Functions and powers of labour inspectors. —

- (1) The Inspector appointed under section 19 shall, for the purpose of the execution of this Act, have the powers described in their certificate of appointment, as may be prescribed.
- (2) No person shall intentionally delay or obstruct the Inspector in the exercise of his powers referred to under sub-section (1) and refuse to comply with the provisions of this Act, rules, regulations or bye-laws and produce any register, certificate, notice or document under his custody. Further, no person shall prevent or attempt to conceal or prevent any person from appearing before or being examined by such Inspector in the execution of his duties under this Act.

21. Maintenance of record. —

- (1) Every digital labour platform shall keep such records and shall submit returns to the Directorate, at such times, in such form and containing such particulars relating to persons employed by the digital labour platform, as may be prescribed by the rules, including but not limited to information on the number of persons performing platform work through digital labour platforms, their contractual or employment status, copies of employment contracts, average duration of and average income from activity and the general terms and conditions applicable to those contractual relationships.

22. Prohibition on exclusionary practices. —

- (1) Any provision in an employment contract shall be void in so far as it purports—

- (i) to exclude or limit the operation of any provision(s) of this Act; or
- (ii) to preclude a person from bringing proceedings under this Act before the Dispute Resolution Committee and National Industrial Relations Commission.

23. Prohibition on victimization. —

- (1) A digital labour platform shall not victimize a platform worker for:
 - (i) performing any duty or exercising any right under the relevant statutory provisions of this Act or any other law for the time being applicable to such worker;
 - (ii) making a complaint or representation as regards any rights granted under this Act; and
 - (iii) giving evidence in proceedings in respect of the enforcement of the relevant statutory provisions before any statutory forum.

24. Penalties. —

- (1) A digital labour platform that fails to comply with or contravenes any provisions of this Act shall be punished with a fine which for the first offence may extend to four times the applicable minimum wage for unskilled workers in Islamabad Capital Territory but shall not be less than two times of such wage and for a second or subsequent offence with fine which may extend to ten times the applicable minimum wage for unskilled workers in Islamabad Capital Territory but shall not be less than five times of such wage.
- (2) Any digital labour platform or any such person who willfully obstructs a labour inspector in the exercise of any power in compliance of this Act, or fails to produce on demand thereunder any evidence, statement or other documents, shall be punished with a fine which may extend to five times the applicable minimum wage for unskilled workers in Islamabad Capital Territory but shall not be less than three times of such wage.
- (3) A platform worker who willfully contravenes any of the provisions of this Act shall be punished with a fine which may extend to half of the applicable minimum wage for unskilled workers in Islamabad Capital Territory.

25. Power to make rules. —

The Government may make rules for carrying out the purposes of this Act.

26. Indemnity. —

No suit, prosecution or other proceedings shall lie against any person for anything which is in good faith done or intended to be done in pursuance of this Act or rules made thereunder.

27. Removal of difficulties. —

If any difficulty arises in giving effect to any provision of this Act, the Government may, by notification in the Official Gazette, make such order, not inconsistent with the provisions of this Act, as may appear to it to be necessary for the purposes of removing the difficulty.

Statement of Objects and Reasons

The platform economy- provision of ride-hailing, food or grocery delivery, and domestic and personal care services- has grown quickly in Pakistan in recent years. After the onset of COVID-19 in early 2020, the platform economy gained pace, especially in the food and grocery delivery sector. The ride-hailing, on the other hand, faced losses simultaneously. Given Pakistan's youth population (more than 60% under the age of 30) and nearly four million youth entering the working-age population every year, the platform economy can be an engine for employment growth in the country.

Platform work can provide easier access to the labour market and employment opportunities for vulnerable groups and those traditionally excluded from the labour market, such as youth, women, and minorities. The platform workers are currently classified as "independent contractors" and do not have access to any labour rights that are reserved for "workers" under the labour laws applicable in Islamabad Capital Territory. This misclassification has consequences for the workers by restricting access to existing labour and social security rights and leading to worker exploitation. Misclassification also deprives the state exchequer of the social contributions that the digital labour platforms and workers would have paid to the government institutions, i.e., Employees' Social Security Institution and the Employees' Old Age Benefits Institution.

The purpose of this legislation is to improve the working conditions of platform workers by ensuring the correct determination of their employment status, providing for their minimum wage, requiring employment contracts in the local language, ensuring their right to freedom of association and collective bargaining, improving their access to various social security benefits and leaves, promoting transparency, fairness, human oversight, safety and accountability in algorithmic management in platform work while supporting the sustainable growth of platform economy in the country. Following the Constitutional provisions on the elimination of all forms of exploitation (Article 3 of the constitution), ensuring equal protection before the law (Article 25) and creating an egalitarian society based on the Islamic concept of fair play and social justice (Objectives Resolution), it is imperative to prevent the current race to the bottom in working conditions of platform workers by enacting necessary legislation and improve their working and living conditions.

APPENDIX II

Fairwork Scoring System

Which companies are covered by the Fairwork principles?

The International Labour Organisation (ILO) defines a “digital labour platform” as an enterprise that mediates and facilitates “labour exchange between different users, such as businesses, workers and consumers”.⁶² That includes digital labour “marketplaces” where “businesses set up the tasks and requirements and the platforms match these to a global pool of workers who can complete the tasks within the specified time”.⁶³ Marketplaces that do not facilitate labour exchanges—for example, Airbnb (which matches owners of accommodation with those seeking to rent short term accommodation) and eBay (which matches buyers and sellers of goods)—are obviously excluded from the definition. The ILO’s definition of “digital labour platform” is widely accepted and includes many different business models.⁶⁴

Fairwork’s research covers digital labour platforms that fall within this definition that aim to connect individual service providers with consumers of the service through the platform interface. Fairwork’s research does not cover platforms that mediate offers of employment between individuals and employers (whether on a long-term or on a temporary basis).

Fairwork distinguishes between two types of these platforms. The first, is “geographically-tethered” platforms where the work is required to be done in a particular location such as delivering food from a restaurant to an apartment, driving a person from one part of town to another or cleaning. These are often referred to as “gig work platforms”. The second is “cloudwork” platforms where the work can, in theory, be performed from any location via the internet.

The thresholds for meeting each principle are different for location-based and cloudwork platforms because location-based work platforms can be benchmarked against local market factors, risks/harms, and regulations that apply in that country, whereas cloudwork platforms cannot because (by their nature) the work can be performed from anywhere and so different market factors, risks/harms, and regulations apply depending on where the work is performed.

The platforms covered by Fairwork’s research have different business, revenue and governance models including employment-based, subcontractor, commission-based, franchise, piece-rate, shift-based, and subscription models. Some of those models involve the platforms making direct payments to workers (including through sub-contractors).

How does the scoring system work?


The five Principles of Fairwork were developed through an extensive literature review of published research on job quality, stakeholder meetings at UNCTAD and the ILO in Geneva (involving platform operators, policymakers, trade unions, and academics), and in-country meetings with local stakeholders.

Each Fairwork Principle is divided into two thresholds. Accordingly, for each Principle, the scoring system allows the first to be awarded corresponding to the first threshold, and an additional second point to be awarded corresponding to the second threshold (see Table below).

Fairwork Scoring System

The second point under each Principle can only be awarded if the first point for that Principle has been awarded. The thresholds specify the evidence required for a platform to receive a given point. Where no verifiable evidence is available that meets a given threshold, the platform is not awarded that point.

A platform can therefore receive a maximum Fairwork score of ten points. Fairwork scores are updated on a yearly basis; the scores presented in this report were derived from data pertaining to the 12 months between September 2022 and September 2023, and are valid until September 2024.

Principle	First point	Second point	Total
 Principle 1: Fair Pay	 Ensures workers earn at least the local minimum wage after costs	 Ensures workers earn at least a local living wage after costs	 2
 Principle 2: Fair Conditions	 Mitigates task-specific risks	 Provides a safety net	 2
 Principle 3: Fair Contracts	 Provides clear and transparent terms and conditions	 Ensures that no unfair contract terms are imposed	 2
 Principle 4: Fair Management	 Provides due process for decisions affecting workers	 Provides equity in the management process	 2
 Principle 5: Fair Representation	 Assures freedom of association and the expression of collective worker voice	 Supports democratic governance	 2

Maximum possible Fairwork Score



Principle 1: Fair Pay

1.1 – Ensures workers earn at least the local minimum wage after costs (one point)

Platform workers often have substantial work-related costs to cover, such as transport between jobs, supplies, or fuel, insurance, and maintenance on a vehicle.⁶⁵ Workers' costs sometimes mean their take-home earnings may fall below the local minimum wage.⁶⁶ Workers also absorb the costs of extra time commitment, when they spend time waiting or travelling between jobs, or other unpaid activities necessary for their work, such as mandatory training, which are also considered active hours.⁶⁷ To achieve this point platforms must ensure that work-related costs do not push workers below local minimum wage.

The platform takes appropriate steps to ensure both of the following:

- Payment must be on time and in-full.
- Workers earn at least the local minimum wage, or the wage set by collective sectoral agreement (whichever is higher) in the place where they work, in their active hours, after costs.⁶⁸

1.2 – Ensures workers earn at least a local living wage after costs (one additional point)

In some places, the minimum wage is not enough to allow workers to afford a basic but decent standard of living. To achieve this point platforms must ensure that work-related costs do not push workers below local living wage.

The platform takes appropriate steps to ensure the following:

- Workers earn at least a local living wage, or the wage set by collective sectoral agreement (whichever is higher) in the place where they work, in their active hours, after costs.^{69,70}

Principle 2: Fair Conditions

2.1 – Mitigates task-specific risks (one point)

Platform workers may encounter a number of risks in the course of their work, including accidents and injuries, harmful materials, and crime and violence. To achieve this point platforms must show that they are aware of these risks and take basic steps to mitigate them.

The platform must satisfy the following:

- Adequate equipment and training is provided to protect workers' health and safety from task-specific risks.⁷¹ These should be implemented at no additional cost to the worker.
- The platform mitigates the risks of lone working by providing adequate support and designing processes with occupational safety and health in mind.

2.2 – Ensures safe working conditions and a safety net (one additional point)

Platform workers are vulnerable to the possibility of abruptly losing their income as the result of unexpected or external circumstances, such as sickness or injury. Most countries provide a social safety net to ensure workers don't experience sudden poverty due to circumstances outside their control. However, platform workers usually don't qualify for protections such as sick pay, because of their independent contractor status. In recognition of the fact that most workers are dependent on income they earn from platform work, platforms should ensure that workers are compensated for loss of income due to inability to work. In addition, platforms must minimise the risk of sickness and injury even when all the basic steps have been taken.

The platform must satisfy ALL of the following:

- Platforms take meaningful steps to ensure that workers do not suffer significant costs as a result of accident, injury or disease resulting from work.
- Workers should be compensated for income loss due to inability to work commensurate with the worker's average earnings over the past three months.
- Where workers are unable to work for an extended period due to unexpected circumstances, their standing on the platform is not negatively impacted.
- The platform implements policies or practices that protect workers' safety from task-specific risks.⁷² In particular, the platform should ensure that pay is not structured in a way that incentivizes workers to take excessive levels of risk.

Principle 3: Fair Contracts

3.1 – Provides clear and transparent terms and conditions (one point)

The terms and conditions governing platform work are not always clear and accessible to workers.⁷³ To achieve this point, the platform must demonstrate that workers are able

to understand, agree to, and access the conditions of their work at all times, and that they have legal recourse if the other party breaches those conditions.

The platform must satisfy ALL of the following:

- The party contracting with the worker must be identified in the contract, and subject to the law of the place in which the worker works.
- The contract/terms & conditions are presented in full in clear and comprehensible language that all workers could be expected to understand.
- Workers have to sign a contract and/or give informed consent to terms of conditions upon signing up for the platform.
- The contracts/terms and conditions are easily accessible to workers in paper form, or via the app/platform interface at all times.
- Contracts/terms & conditions do not include clauses that revert prevailing legal frameworks in the respective countries.
- Platforms take adequate, responsible and ethical data protection and management measures, laid out in a documented policy.

3.2 – Ensures that no unfair contract terms are imposed (one additional point)

In some cases, especially under “independent contractor” classifications, workers carry a disproportionate amount of risk for engaging in a contract with the service user. They may be liable for any damage arising in the course of their work, and they may be prevented by unfair clauses from seeking legal redress for grievances. To achieve this point, platforms must demonstrate that risks and liability of engaging in the work is shared between parties.

Regardless of how the contractual status of the worker is classified, the platform must satisfy ALL of the following:

- Every worker is notified of proposed changes in clear and understandable language within a reasonable timeframe before changes come into effect; and the changes should not reverse existing accrued benefits and reasonable expectations on which workers have relied.
- The contract/terms and conditions neither include clauses which exclude liability for negligence nor

unreasonably exempt the platform from liability for working conditions. The platform takes appropriate steps to ensure that the contract does not include clauses which prevent workers from effectively seeking redress for grievances which arise from the working relationship.

- In case platform labour is mediated by subcontractors: The platform implements a reliable mechanism to monitor and ensure that the subcontractor is living up to the standards expected from the platform itself regarding working conditions.
- In cases where there is dynamic pricing used for services, the data collected and calculations used to allocate payment must be transparent and documented in a form available to workers.

Principle 4: Fair Management

4.1 – Provides due process for decisions affecting workers (one point)

Platform workers can experience arbitrary deactivation; being barred from accessing the platform without explanation, and potentially losing their income. Workers may be subject to other penalties or disciplinary decisions without the ability to contact the service user or the platform to challenge or appeal them if they believe they are unfair. To achieve this point, platforms must demonstrate an avenue for workers to meaningfully appeal disciplinary actions.

The platform must satisfy ALL of the following:

- There is an easily accessible channel for workers to communicate with a human representative of the platform and to effectively solve problems. This channel is documented in the contract and available on the platform interface. Platforms should respond to workers within a reasonable timeframe. There is a process for workers to meaningfully and effectively appeal low ratings, non-payment, payment issues, deactivations, and other penalties and disciplinary actions. This process is documented in a contract and available on the platform interface.⁷⁴
- In the case of deactivations, the appeals process must be available to workers who no longer have access to the platform.
- Workers are not disadvantaged for voicing concerns or appealing disciplinary actions.

4.2 – Provides equity in the management process (one additional point)

The majority of platforms do not actively discriminate against particular groups of workers. However, they may inadvertently exacerbate already existing inequalities in their design and management. For example, there is a lot of gender segregation between different types of platform work. To achieve this point, platforms must show not only that they have policies against discrimination, but also that they seek to remove barriers for disadvantaged groups, and promote inclusion.

Platforms must satisfy ALL of the following:

- The platform has an effective anti-discrimination policy laying out a clear process for reporting, correcting and penalising discrimination of workers on the platform on grounds such as race, social origin, caste, ethnicity, nationality, gender, sex, gender identity and expression, sexual orientation, disability, religion or belief, age or any other status.⁷⁵
- The platform has measures in place to promote diversity, equality and inclusion on the platform. It takes practical measures to promote equality of opportunity for workers from disadvantaged groups, including reasonable accommodation for pregnancy, disability, and religion or belief.
- Where persons from a disadvantaged group (such as women) are significantly under-represented among a pool of workers, it seeks to identify and remove barriers to access by persons from that group.
- If algorithms are used to determine access to work or remuneration or the type of work and pay scales available to workers seeking to use the platform, these are transparent and do not result in inequitable outcomes for workers from historically or currently disadvantaged groups.
- It has mechanisms to reduce the risk of users discriminating against workers from disadvantaged groups in accessing and carrying out work.

Principle 5: Fair Representation

5.1 – Assures freedom of association and the expression of worker voice (one point)

Freedom of association is a fundamental right for all workers, and enshrined in the constitution of the International Labour Organisation, and the Universal

Declaration of Human Rights. The right for workers to organise, collectively express their wishes—and importantly—be listened to, is an important prerequisite for fair working conditions. However, rates of organisation amongst platform workers remain low. To achieve this point, platforms must ensure that the conditions are in place to encourage the expression of collective worker voice.

Platforms must satisfy ALL of the following:

- There is a documented mechanism⁷⁶ for the expression of collective worker voice that allows ALL workers, regardless of employment status, to participate without risks.
- There is a formal, written statement of willingness to recognise, and bargain with, a collective, independent body of workers or trade union, that is clearly communicated to all workers, and available on the platform interface.⁷⁷
- Freedom of association is not inhibited, and workers are not disadvantaged in any way for communicating their concerns, wishes and demands to the platform, or expressing willingness to form independent collective bodies of representation.⁷⁸

5.2 – Supports democratic governance (one additional point)

While rates of organisation remain low, platform workers' associations are emerging in many sectors and countries. We are also seeing a growing number of cooperative worker-owned platforms. To realise fair representation, workers must have a say in the conditions of their work. This could be through a democratically governed cooperative model, a formally recognised union, or the ability to undertake collective bargaining with the platform.

The platform must satisfy at least ONE of the following:

1. Workers play a meaningful role in governing it.
2. In a written document available at all times on the platform interface, the platform publicly and formally recognises an independent collective body of workers, an elected works council, or trade union. This recognition is not exclusive and, when the legal framework allows, the platform should recognise any significant collective body seeking representation.⁷⁹

ENDNOTES

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- 48 Jamadar is a contractor or a foreman who acts as a link between the brick kiln owner and workers. The Jamadars oversee labour, and their responsibilities include hiring of labour, distribution of advances and of compensation to workers, and guaranteeing repayment to the owner.
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- 65 Work-related costs include direct costs the worker may incur in performing the job. This may include, for instance, transport in between jobs, supplies, vehicle repair and maintenance, fuel, road tolls and vehicle insurance. However, it does not include transport to and from the job (unless in-between tasks) nor taxes, social security contributions or health insurance.
- 66 The ILO defines minimum wage as the "minimum amount of

remuneration that an employer is required to pay wage earners for the work performed during a given period, which cannot be reduced by collective agreement or an individual contract.” Minimum wage laws protect workers from unduly low pay and help them attain a minimum standard of living. The ILO’s Minimum Wage Fixing Convention, 1970 (C135) sets the conditions and requirements of establishing minimum wages and calls upon all ratifying countries to act in accordance. Minimum wage laws exist in more than 90 per cent of the ILO member states.

67 In addition to direct working hours where workers are completing tasks, workers also spend time performing unpaid activities necessary for their work, such as waiting for delivery orders at restaurants and travelling between jobs. These indirect working hours are also considered part of active hours as workers are giving this time to the platform. Thus, “active hours” are defined as including both direct and indirect working hours.

68 In order to evidence this, where the platform is responsible for paying workers the platform must either: (a) have a documented policy that ensures the workers receive at least the local minimum wage after costs in their active hours; or (b) provide summary statistics of transaction and cost.

69 Where a living wage does not exist, Fairwork will use the Global Living Wage Coalition’s Anker Methodology to estimate one.

70 In order to evidence this, where the platform is responsible for paying workers, the platform must either: (a) have a documented policy that ensures the workers receive at least the local living wage after costs in their active hours; or (b) provide summary statistics of transaction and cost data evidencing all workers earn a minimum wage after costs.

71 Where the platform directly engages the worker, the starting point is the ILO’s Occupational Safety and Health Convention, 1981 (C155). This stipulates that employers shall be required “so far as is reasonably practicable, the workplaces, machinery, equipment and processes under their control are safe and without risk to health”, and that “where necessary, adequate protective clothing and protective equipment [should be provided] to prevent, so far as is reasonably practicable, risk of accidents or of adverse effects on health.”

72 The ILO’s Maritime Labour Convention, 2006 (MLC 2006), Reg. 2.1, and the Domestic Workers Convention, 2011 (C189), Articles 7 and 15, serve as helpful guiding examples of adequate provisions in workers’ terms and conditions, as well as worker access to those terms and conditions.

73 Workers should have the option of escalating grievances that have not been satisfactorily addressed and, in the case of automated decisions, should have the option of escalating it for human mediation.

74 For example, “[the platform] will support any effort by its workers to collectively organise or form a trade union. Collective bargaining through trade unions can often bring about more favourable working conditions.”

75 International Labour Organization. (2021). World Employment and Social Outlook: The role of digital labour platforms in transforming the world of work in 2021. Retrieved May 15, 2023 from https://www.ilo.org/global/research/global-reports/weso/2021/WCMS_771749/lang--en/index.htm.

76 A mechanism for the expression of collective worker voice will allow workers to participate in the setting of agendas so as to be able to table issues that most concern them. This mechanism can be in physical or virtual form (e.g. online meetings) and should involve meaningful interaction (e.g. not surveys). It should also allow for ALL workers to participate in regular meetings with the management.

77 For example, “[the platform] will support any effort by its workers to collectively organise or form a trade union. Collective bargaining through trade unions can often bring about more favourable working conditions.”

78 See the ILO’s Freedom of Association and Protection of the Right to

Organise Convention, 1948 (C087), which stipulates that “workers and employers, without distinction, shall have the right to establish and join organisations of their own choosing without previous authorisation” (Article 2); “the public authorities shall refrain from any interference which would restrict the right or impede the lawful exercise thereof” (Article 3) and that “workers’ and employers’ organisations shall not be liable to be dissolved or suspended by administrative authority” (Article 4). Similarly the ILO’s Right to Organise and Collective Bargaining Convention, 1949 (C098) protects the workers against acts of anti-union discrimination in respect of their employment, explaining that not joining a union or relinquishing trade union membership cannot be made a condition of employment or cause for dismissal. Out of the 185 ILO member states, currently 155 ratified C087 and 167 ratified C098.

79 If workers choose to seek representation from an independent collective body of workers or union that is not readily recognized by the platform, the platform should then be open to adopt multiple channels of representation, when the legal framework allows, or seek ways to implement workers’ queries to its communication with the existing representative body.

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