



A Policy Guide for Digital Economy Progress

Advocating and Implementing for a Stronger Gig Work Sector

This advocacy and capacitation toolkit has been developed in collaboration with the **Mastercard Foundation, eMobilis Technology Training Institute, Ajira Digital** and **Africa Practice**



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How to use this guide

This guide has been developed for Kenya’s gig economy ecosystem stakeholders focused on digitally delivered gig work. This encompasses business process outsourcing (BPOs) enterprises and digital skills sourcing/providing through job platforms.

It is designed to guide ecosystem stakeholders in their collective efforts to reform Kenya’s regulatory system, and improve the experience for both investors and gig workers.

There are four elements in this guide.



Insights and background included to educate and guide the reader through the complexities of the sector and its background.



Facts and figures that further inform the reader can be used as proof points in exchanges and discussions.



Stakeholder voices are collected throughout the project and included to ensure that the sector’s beneficiaries (investors/ gig opportunity providers and workers) have a voice at the table. These direct quotes can be used for informational purposes and in advocacy engagements.



Action items are designed to guide readers through the specific actions needed to bring the sector’s collective vision to life. They are described in concrete, actionable terms, with additional insight notes describing the broader background.

The four elements are visually distinguished. The icons above are placed in the top right corner of each page to indicate what the section concerns. In addition, voices and action items are put in coloured boxes.

Executive summary

The Kenyan gig economy is nearly two decades old, formally entering into policy documentation in 2007 with the Kenya Vision 2030. The vision identifies business process outsourcing (BPO) and information technology-enabled services (ITES). According to the Organisation for Economic Co-operation and Development (OECD), a gig worker is a person who is matched to clients on a per-task (gig) basis through platforms enabled by digital technologies. These workers are further divided into computer/platform-based delivery (offering computer-based skills) and physical delivery (incl. ride-hailing and delivery workers). This project was only concerned with the former.

Currently, there are approximately 1.2 million gig workers in Kenya, 82% of whom work in the informal sector. Their average age is between 18 - 35 years, and while their average monthly income is KES 15,113, the industry is worth USD 109 million.

When working online using computing devices (personal computers, mobile phones) to access work, Kenya's gig workers join over 100 million (World Bank Report 2024) gig workers from across the world on digital labour platforms. Each access occurs through an internet protocol (IP), a unique identifier for each computer based on factors like geographical location. On global gig work platforms, gig workers often face challenges related to their IP addresses, specifically the geographical location encoded in the address. This can result from explicit client preferences, unintended algorithmic bias, or other forms of direct and indirect discrimination. Consequently, workers frequently mask IP addresses using virtual private network (VPN) services and buy or rent user accounts to access higher-paying jobs otherwise inaccessible to Kenyans. In other words, they directly compete with workforces outside of Kenya and often operate on platforms with no physical or legal presence in Kenya, masking their link to Kenya, thereby "opting out" of Kenya's legal framework.

Kenya's gig workers enjoy the work, are proud of their achievements, and increasingly grow the average value of their tasks, and are eager to see more investment in the sector, as confirmed by the many interviews conducted for this project. At the same time, the workers report many challenges, and the industry is reluctant to increase investment due to legal ambiguity and limited incentives. Legal reforms are needed to improve conditions for both gig workers and providers, transforming the sector into a source of dignified and fulfilling work, especially for Kenya's youth and marginalised groups. This policy guide details a policy instrument that can transform the sector for long-term sustainability and benefit all actors involved - workers, job providers, and the nation at large. The instrument combines five different interventions, namely a tripartite forum with the power to co-create, oversee, and adjudicate industry standards that focus on national/ local obligations alongside global obligations concerning the abolition of algorithmic bias and a multi-purpose gig worker registration and skills development platform.

A series of legislative changes would be required to bring this reform proposal to life. The proposal recommends that recognition be made through the Employment Act 2007 framework as its offices, structures, and power exist. It also calls upon the appointment of various bodies empowered by the Labour Institutions Act 2007, including a wage council for the gig workers and the tripartite ombuds office to kick start the process of developing the appropriate recommendations, structures and tools necessary. Further, following Kenya's efforts towards widening social protections and updating the workplace safety laws to reflect digital work realities, the proposal looks to frameworks in the Social Protection Bill 2024 and Occupational Health and Safety Bill 2024 as they provide avenues to include and cater for persons with disabilities and refugees. Finally, this proposal would require expanding eligibility criteria for special economic zones to include compliant businesses located geographically outside the zone. This would attract even more gig sector jobs by accounting for the virtual, remote, international and cross-border nature of gig work and provide much-needed incentives for businesses creating decent gig work for Kenyans.

The reform proposal results from robust research and engagement with key stakeholders in the gig work sector. The process began with secondary research looking at Kenya's labour policy framework, which surfaced gaps in five areas affecting gig work providers: legal status, wage protection, occupational health and safety, social protection, collective bargaining, and unionisation. Concurrently, the study looked at India, Malaysia, the Philippines, South Africa, developing countries, and Kenya's global gig work sector competitors. We deployed a systems change approach informed by an adapted version of Galbraith's five-star model and implemented a human-centred design approach. Specifically, we developed a series of policy scenarios and established a real-world policy testing environment to explore impacts. Working with more than 190 individual and institutional stakeholders, we tested different interventions and scenarios before developing the policy proposal set out in this guide.

Forewords



As Kenya's digital economy continues to flourish, we at the Mastercard Foundation recognise the immense potential of the gig economy to create meaningful employment opportunities for our youth. Through our Young Africa Works strategy, we are committed to supporting initiatives that foster innovation, skills development, and job creation to enable 30 million young people in Africa, especially young women, to secure employment they see as dignified and fulfilling.

This Advocacy and Capacitation toolkit, developed in collaboration with eMobilis and Africa Practice, represents a significant step towards understanding and improving the gig work sector in Kenya in line with our strategy. By examining the current labour policy landscape, testing potential reforms, and capacitating the public and private ecosystem to tackle the required reform agenda, we aim to create an environment that benefits both gig workers and investors.

Our partnership with eMobilis and support for this project demonstrate our dedication to empowering young Kenyans with the tools and knowledge they need to thrive in the evolving world of work.

We hope this toolkit will serve as a valuable resource for stakeholders across the ecosystem, fostering dialogue and inspiring action towards a more inclusive and prosperous digital economy in Kenya.

Hannah Tsadik

Acting Country Director, Kenya Programs, Mastercard Foundation

As pioneers in technology training in Sub-Saharan Africa, we at the eMobilis Technology Institute are proud to be at the forefront of initiatives that shape the future of work in Kenya.

This Advocacy and Capacitation toolkit is the culmination of extensive research and collaboration with key stakeholders in the gig economy ecosystem, with the support of the Ajira Digital Programme, made available to the Ajira Digital Hubs across nine counties to engage with gig workers. Working with our technical expert partner, Africa Practice, we have delved deep into the policy and regulatory landscape governing gig work in Kenya, identifying challenges and growth opportunities.

Our goal is to equip policymakers, industry leaders, and gig workers with the knowledge and tools to navigate this rapidly evolving sector. By fostering a supportive environment for gig work, we aim to unlock the full potential of Kenya's digital economy and create sustainable, fulfilling employment opportunities for our youth.

This toolkit outlines an ambitious and unique policy approach. It is rooted in best practices from peer countries and reflects global policy innovation. While tailored to Kenya's specific needs, its unique approach to addressing global inequalities has the potential to inform global collaboration and shape the future of work.

We look forward to it catalysing positive change and driving discussions and actions that will shape the future of work in Kenya.

As we continue to train and empower the next generation of digital innovators, we remain committed to building a thriving, inclusive gig economy that benefits all Kenyans.

Ken Mwenda

Managing Director, eMobilis Technology Training Institute





Methodology

How might we adapt to the changing nature of work, shifting from a system with regulatory uncertainty and lacking protection for all workers, especially women, refugees and persons with disabilities, to one where every worker is secure, generating positive investor sentiment and more fulfilling job opportunities?

To develop this guide, we deployed a systems change methodology informed by an adapted version of Galbraith’s five-star model, implemented through a human-centred design approach. Specifically, we developed a series of policy scenarios and established a real-world policy testing environment to explore impacts.

Working with more than 190 individuals and institutional stakeholders, we tested different interventions and scenarios before developing the policy proposal set out in this guide.

Step 1: We studied the Kenyan legal and policy framework related to gig economy labour. We overlaid our findings with a peer benchmarking analysis that focused on India, Malaysia, the Philippines and South Africa. Our analytical lens during this stage combined a worker rights based approach with investor attractiveness.

The list of workers protections assessed included:

- Legal status of the gig worker.
- Wage protection.
- Occupational health and safety (online safety, algorithmic bias).
- Freedom of association (collective bargaining and unionisation).
- Social protection (health insurance and pension).



12 ministries, departments and agencies

154 gig works, including

52 women

26 persons with disabilities

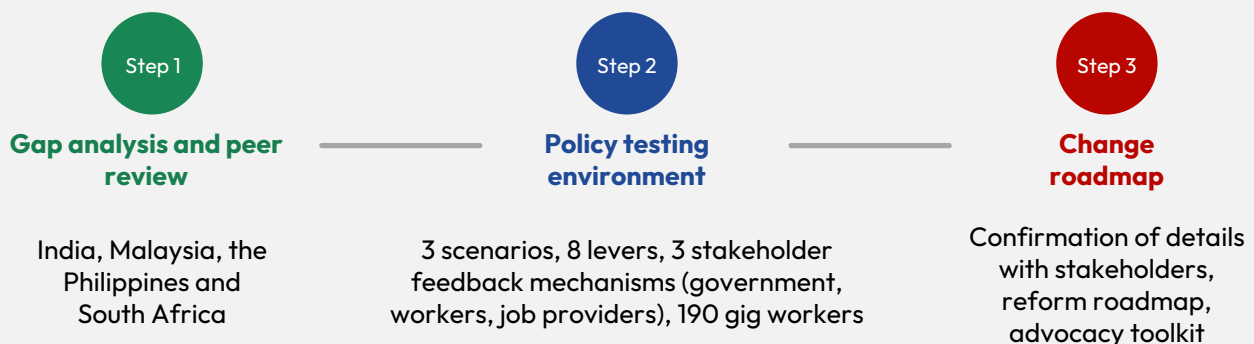
14 refugees

10 platform operators + BPO enterprises

9 counties

Step 2: Informed by the baseline study, we designed three policy scenarios to collect feedback from public stakeholders, gig workers and gig work providers (gig platforms, aggregators and BPOs), using a series of visually aided and facilitated focus groups, key informant interviews, and surveys.

Step 3: Using the feedback, we developed a final scenario guided by a detailed impact analysis.



Acronyms

ADR	Alternative Dispute Resolution
AI	Artificial Intelligence
BPO	Business Process Outsourcing
CS	Cabinet Secretary
ICT	Information, Communications and Technology
ILO	International Labour Organisation
IP	Internet Protocol
ITES	Information Technology Enabled Services
GDP	Gross Domestic Product
NGO	Non-governmental Organisation
OECD	Organisation for Economic Co-operation and Development
SAGA	Semi Autonomous Government Agency
SEZ	Special Economic Zone
TRIFIC	Two Rivers International Finance and Innovation Centre
VPN	Virtual Private Network



A policy fit for Kenya's future

Image: A Centre Manager at California Ajira Digital Hub in Eastleigh, Nairobi



Guard rails for policy reform

“How do we address the issues of platform owners exiting the market at will without over regulating?”

Ministry of Information, Communications and the Digital Economy at the government validation workshop

The stakeholder insights suggest that there is a need for a hybrid approach that relies on levers in each category and leaves significant room for co-creation and flexibility. **Specifically, the following guard-rails for policy reform emerged:**

- A **flexible, agile, responsive and future-thinking approach** to regulation is required to cater for the ongoing transformation of the gig workspace as the future of work unfolds.
- **Addressing the informality** of gig workers' legal status and its effects on their entitlements is required.
- The increasing use of global digital labour platforms coupled with **emerging technologies** need to be taken into account - **national action on its own may be insufficient, and building on what already exists** and works is important. Kenya is already **actively** working on building its gig sector through various interventions such as the digital superhighway pillar, digital skills development (Jitume, Ajira), infrastructural and economic incentivisation (TRIFIC), private sector initiative (the BPO Association of Kenya), policy reform (Social Protection Policy and Bill, updating the Occupational Health and Safety Bill).

“Creating mandatory tools that compete with existing tools is likely a barrier that will make implementing the scenarios more challenging, unless they are a value add and serve a purpose, for a role that government uniquely plays. We need to agree on what that role is for the gig ecosystem.”

Plenary position during the government validation workshop

Case study on portable benefits for gig workers

Over 30% of US workers participate in the gig economy. Although there is no national portable benefits scheme for gig workers, individual states are beginning to propose create state-level programmes.

Since 2018, at least ten states (Alabama, California, Connecticut, Georgia, Massachusetts, New Jersey, New York, Washington, Vermont and Utah) have [introduced](#) bills to establish portable benefits programs for gig workers. Key among the issues considered is the issue of proration and ensuring that companies contribute in proportion to the hours worked, dollars earned, transactions completed or other types of outputs a worker produces. In May 2023, legislators introduced the [Portable Benefits for Independent Workers Pilot Program](#), legislation that would establish a grant program to fund local experiments with new portable benefits programs for workers who are excluded from or face barriers to accessing workplace benefits programs, such as temporary workers, part-time workers and workers classified as independent contractors.

Case study on the German crowdsourcing initiative

Initiated by a private company and supported by the Crowdsourcing Association of Germany, the [Ombuds Office](#) is an initiative that seeks to solve disagreements for paid gig work on platforms by filing a complaint. The Ombuds Office can only listen to complaints from companies that have opted in by signing the Code of Conduct. The disputes are heard by a panel of 5 including a representative from the German Crowdsourcing Association and German Trade Unions, a worker on a platform that has signed the code of conduct. Where a worker is outside of Germany but works for one of the platforms, they can also engage through a trade union for the ombuds office process.



A winning policy for Kenya

Informed by these guard rails and the specific behavioural insights from the policy testing environment and stakeholder feedback,

the following policy proposal emerges:

1. For labour legislation **to formally recognise gig workers in their own (new) category.**
2. For the legislation to **initiate a tripartite process to develop minimum voluntary standards and codes of conduct** that address both minimum rights for workers and platform obligations regarding their global commitments.

The recognising of legislation would call upon the relevant ministries (ICT and Labour) to collaborate with the relevant industry and organised association stakeholders to constitute a tripartite ombuds office within a limited time period to kick off a multi-stakeholder co-creation process to develop standards following the minimum rights. The standards would address complaints and dispute resolution in the ombuds office, criteria, and mechanisms for portable social protection benefits, workplace and online safety, sickness and workplace injury, including mental health and addressing negative algorithmic bias. The standards are agreed-upon statements to guide and bind gig work providers as they comply with the minimum worker rights. These standards would provide flexible room for businesses to meet the standards and comply while accounting for the complexities of their operations locally and abroad.

1. For the legislation to introduce a **government maintained Whitelist mechanism to recognise platforms** and other job providers who participate in and comply with the tripartite process and its standards.
2. For **existing financial incentives to be linked to the Whitelist** and for SEZ incentives to be expanded to non-physical locations.
3. For the legislation to recognise a **dispute resolution mechanism under the tripartite process** (ombuds office) to allow for the quick and cost-effective resolution of labour disputes between gig workers and participating parties.
4. The further development of a multi-purpose platform for skills development and tracking and portable benefits.

Gig workers would register and opt into a co-created standard on codes of conduct. Account creation includes sharing details on skill level and experience to activate quality assurance as a value add for both workers and work providers, enabling higher quality talent sourcing, skill and professional development.

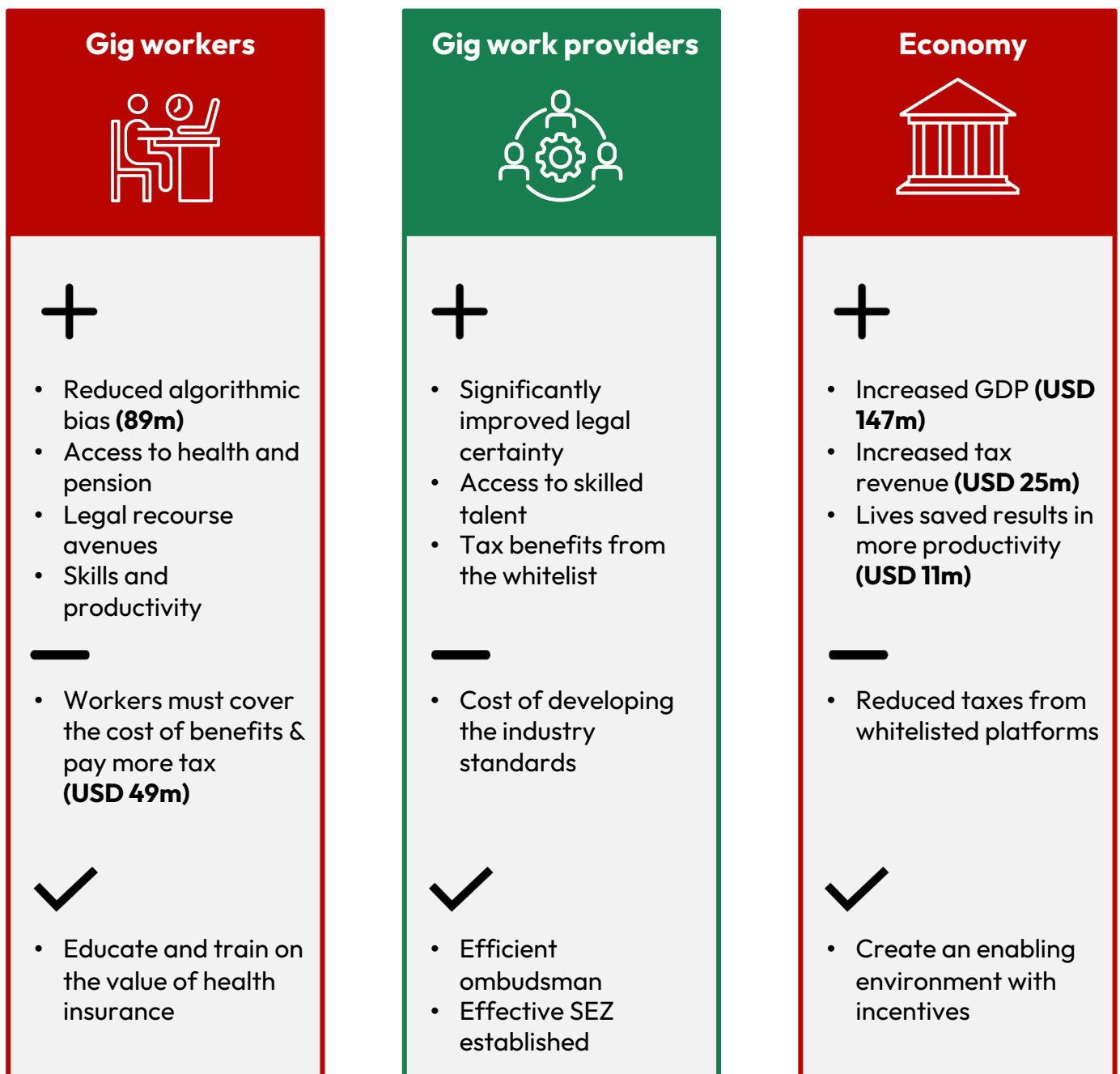
A worker's health and insurance contributions to the respective social protection funds would be linked for accountability through this account.

This way, workers can see how much of their learnings has been remitted on their behalf from the various BPOs and platforms, which are capped at the total limit and based on the criteria developed for work provider remittances. This will be supplemented by a matching grant from Kenya's government to meet health and pension contribution requirements. Additionally, the platform would facilitate access to rights, the co-created standards, the whitelist, and complaints and dispute resolution through the ombuds office for their use.



What might be the impact of such reform?

The proposed policy intervention is envisaged to have a positive net impact on Kenya's economy and gig work ecosystem by improving conditions and outcomes for all affected stakeholders, including gig workers, platforms, and the Kenyan government. Each impact (positive and negative) has been mapped out and discussed, and where possible the impact has been further quantified. We have only quantified impacts where reliable and relevant data is available to produce a realistic quantification. All assumptions and data sources have been outlined. Please consult the annexure for detailed methodologies for each figure provided in this assessment.





Gig workers

What are the positive impacts?

Reduced bias via algorithmic standards that reduce global and gender inequalities

One of the issues that the policy aims to address is the inherent bias in the gig economy due to the use of algorithms which use data that perpetuate discrimination existent in the global labour market. This results in lower pay for workers, particularly women. During the focus group discussions, some gig workers mentioned that they often have to mask their locations using VPNs to access roles at fair rates. This was also validated by desk research, where we discovered that Kenyan workers earn approximately 54% less than the average pay in developing countries for microtask work (Rani et al., 2023), while women earn 10.5% less on digital platforms (Litman et al., 2020). The issues of commensurate minimum pay and algorithmic bias were the top two minimum rights favourable to the industry stakeholders that participated in our survey, further emphasising the importance of ensuring that Kenyan gig workers are fairly compensated.

If this policy is implemented and effectively removes algorithmic bias as intended, it would increase the average pay per job to the same level as other developing countries, resulting in an increase of **USD Eighty-nine million per year in earnings for all gig workers.**

Formalisation and increased rights will improve productivity. Moreover, with increased rights and avenues through which to seek justice through the legal system, it is expected that gig workers will become more satisfied with their jobs and become more productive. In FGDs, participants mentioned that the lack of legal recourse mechanisms made them feel **demotivated and unwilling to engage in certain tasks.** A formalised sector with clear pathways for dispute and worker rights and access to healthcare are expected to improve productivity significantly. This is particularly important for women in the sector, who mentioned that scamming and harassment are common, but without any way to seek legal recourse, they have to opt out of certain jobs.

Based on an existing understanding of the relationship between worker satisfaction and productivity, it is expected that worker productivity will increase as a result of improved working conditions, leading to a more empowered group of workers with higher income earning potential.

Access to training and opportunities. Through the formalisation of the sector and development of the platform, gig workers will have better access to training, thus improving their skill level and potentially gaining access to more and better-paying jobs.

Mitigating adverse outcomes for gig workers

Despite a wealth of immense benefits, gig workers will have to carry some of the cost of implementing the policy. In particular, the cost of providing health insurance and pensions will likely be passed on to the gig workers. Discussions with industry players through key informant interviews and a survey indicate that platforms are unlikely to cover this additional cost and will proportionately reduce pay. As a result, assuming that workers cover 100% of the cost of these benefits, they will incur a cost of USD 4.8m and 10.5m USD per year for medical aid and Pension, respectively. In addition, with formalisation, workers will have to pay tax, estimated to be USD 25m per year.

These costs will all reduce workers' net pay for their jobs, and even though they receive benefits for this, the impact may not be immediately felt. However, these losses are significantly outweighed by the higher earnings they would receive from removing algorithmic bias.

When taking both together, the result is a net increase in annual income of **USD 40.5m.**

To ensure that this is well received by workers, it will be essential to undertake awareness and educational campaigns for workers to understand the value and importance of health insurance and the benefits they receive from the formalisation of the sector.



Government

What are the positive impacts?

For the government of Kenya, improving working conditions and workers' health has a significant positive impact on economic growth.

Because gig workers will earn a net of USD 40.5m more per year, they will spend more money in the economy and stimulate growth. Using a multiplier devised for the Kenyan services sector, it is estimated that the additional 40.5m in income each year translates to USD 147 m in GDP.

The increased productivity and formalisation will also result in increased taxes paid by workers of USD 25.5 million.

In addition to the impact on GDP and increased taxes, the sector will become more productive because workers have better access to healthcare. This will reduce the number of annual mortalities, resulting in USD 11 million worth of additional contributions to the economy through productive hours.

Over and above these benefits, the government will have a more significant role in shaping and developing the sector through this policy, allowing more opportunities to influence it and to stimulate development.

Mitigating Adverse Outcomes for Government

As part of this policy intervention, the government will have to provide tax benefits to platforms that are part of the whitelist. Since the specifics relating to these benefits have not yet been developed, we cannot calculate their value. However, it is argued that the economic benefits of productivity and GDP will outweigh this. When designing the incentives fully, it is important to ensure that they sufficiently incentivise companies while maintaining feasibility for the government.

Platforms

What are the positive impacts?

For platforms, this policy has significant benefits, particularly through tax waivers and the benefit of working with legal certainty. However, due to limited data to make reasonable assumptions, these impacts are not quantified, although some indications of magnitude are provided.

Dispute resolution mechanism, legal certainty and improved reputation. This policy will provide legal certainty regarding Kenya's labour laws regarding gig workers. The dispute resolution mechanism (ombudsman) accessible to gig workers and industry is a significant development that will significantly improve transparency and certainty in the legal environment. This policy is especially important for BPOs operating in Kenya, who have been the subject of various lawsuits. These have increased the company's legal costs and affected the reputation of the sued BPO companies. Currently, there are legal cases in Kenya with a lawsuit value of USD. 44.5 billion in the BPO sector. Creating an environment with legal certainty will hugely decrease legal costs and improve confidence. Legal and hidden costs, such as reputational damage from lawsuits, are also avoided through regulatory clarity and an effective dispute resolution mechanism.

Access to skilled talent. The upskilling opportunity is a benefit for both gig workers who are likely to receive more work, but also for the platform providers as they can find better-skilled workers they can trust in Kenya.

Reduced taxes from whitelist. Platform providers and BPO companies who comply with the whitelist criteria would be eligible for tax incentives, which would decrease their tax obligations to the Kenya Revenue Authority. This is expected to be a significant factor in attracting companies to comply with the policy and co-develop the working standards.

Mitigating adverse outcomes for platforms

The proposed policy requires significant collaborative efforts from gig platforms. They are expected to co-develop industry standards and possibly contribute towards medical aid and pension after that. However, savings from legal certainty and reduced taxes through the SEZ are expected to outweigh these costs. **When implementing the policy, it will be critical to ensure that the ombuds office is efficient and effective so that there is trust in the system. Moreover, tax incentives from the SEZ (and the process of applying for and receiving these) must be effective.**



Reform roadmap

A mix of legislative and policy interventions are underway in Kenya by various ministries, departments and agencies, most notably Ministries of Information Communication and Digital Economy, Labour and Social Protection, as well as Trade, Investments and Industry.

Kenya's approach seeks to align ultimately with the Constitution of Kenya 2010, as the highest law and the various legal instruments that work together.

A. Formal recognition of gig workers

Intervention proposal: *by legislation, formally recognise gig workers and give legal status to the category. By legislation, declare gig workers entitled to the following minimum rights protection against excessive work, minimum compensation commensurate with a decent wage, protection from the negative impacts of algorithmic decision-making, portable social protection benefits including health, pension, maternity, work injury, collective bargaining, and union rights.*

Current state: The Employment Act 2007 offers non-employment status, such as self-employed, casual workers, and contractors. Gig work providers have engaged gig workers under these categories, which leaves much room for enterprise and contractual determination of terms of engagement and obligations of various parties.

Kenya is looking to amend the Employment Act, but gig worker status has yet to be considered.

Proposed reform action

Employment Act

- To include a definition of a gig worker and gig work provider.
- To declare formal recognition of the gig worker.
- To declare the minimum rights for gig workers in Kenya.

B. The tripartite implementing body

Intervention proposal: *empower the creation of a tripartite body to lead national government efforts towards implementing co-created standards, compiling and publicising the whitelist, complaints and alternative dispute resolution and overseeing the gig worker registration platform.*

Current state: The [State Department for Labour and skills development](#) under the Ministry for Labour is responsible for harmonious industrial relations, safety and health at the workplace, industrial training, human resource development as well as trade unions. Houses the Department of Labour, the Directorate of Occupational Health and Safety, and the Office of the Registrar of Trade Unions. The department has been responsible for initiatives for the digital economy, such as digital skills training, the [Kenya Labour Market Information System](#) and other market observation, development and promotion initiatives. The tripartite body plays a dynamic role in the reform proposal, serving as the central coordinating and implementing entity.

Proposed reform action

- The Cabinet Secretary responsible for labour, by executive order, sets up a body under the State Department for Labour, a Semi-Autonomous Government Agency focusing on the digital economy as a body corporate.
- Empowering the SAGA to perform its functions by mandating that it is staffed and operates with tripartitism at its core.
- Defining the SAGA's mandate as including co-creation of standards for gig work in Kenya, overseeing compliance with the standards and minimum rights declaration under the amended Employment Act, compiling and publicising the whitelist, alternative dispute resolution, and coordinating with other relevant government and non-government entities to effect the access to special economic zone benefits and incentives for whitelisted gig work providers.



C. Co-creation of standards

Intervention proposal: the tripartite body leads the industry in the co-creation of standards to effect the minimum rights declaration and address specifically.

- a. Proposed code of conduct binding gig workers and work providers.
- b. Criteria and mechanisms for portable social protection benefits.
- c. Workplace and online safety, sickness and workplace injury, including mental health and addressing negative algorithmic bias.
- d. Guidelines for minimum wages for gig workers.

Current state: A gig workers' wage council established by the Minister for Labour can be empowered through the declared terms of reference to make recommendations regarding the conditions of employment in the sector (Part IV Labour Institutions Act 2007). A wages council's functions include investigating remuneration and conditions of work, conducting public hearings and making recommendations to the Minister upon concluding this exercise. They are limited to a term of 3 years. Its tripartite representation can provide an avenue for the co-creation of standards and the co-design of the whitelist elements to be included in the ministerial wages order, which is made with the council's recommendations. Once the standards are declared into an order by the Minister, they attain the force of law and compliance.

Proposed reform action

A Notice of a Gig workers Wage Council

- Appointment of a wages order under the Labour Institutions Act by the Minister of Labour.
- In defining the terms of reference for the Council, empowered to develop a gig worker and gig work provider code of conduct, rules of procedure, design of the gig worker platform and whitelist mechanisms.

D. Criteria and mechanisms for portable benefits

Intervention proposal: Work providers make remittances from income earned supplemented by government matching grants to cover gig workers' health insurance and pension contributions.

Current state: The health coverage scheme is transitioning to usher in the Social Health Insurance Fund. According to the Regulations 2024, The 2.75% deduction is set to apply to salaried workers. Its membership includes non-citizen persons holding asylum-seeker passes, movement passes, letters of recognition or a conventional travel document. The Social Protection Bill 2024, in alignment with the Policy 2024, defines social protection to include income security and fair labour market interventions. It also proposes and calls for the empowerment of the government to engage with state and non-state actors to implement programmes and mechanisms in alignment with the Act.

The Social Protection Bill also calls for the national government in collaboration with state and non-state actors to facilitate and enhance the portability of social health protection and develop and implement social health insurance protection for migrant workers.

Proposed reform action

- Amending the application section to include workers engaged through service contracts and eligible gig workers to benefit from the fund.
- Passing the Work Injuries Benefit Bill 2024.



E. Access to special economic zone benefits for compliant businesses

Intervention proposal: whitelisted businesses are incentivised by enabling access for businesses located within and beyond the location of the special economic zone.

Current state: Special Economic Zones Act 2015(SEZ Act) and its Regulations 2016 define a special economic zone as a geographical location, including it in application requirements for SEZ developers and operators in Kenya. To designate an SEZ, the SEZ Authority makes a recommendation to the Cabinet Secretary (CS) responsible for Trade and Investment, who then makes a declaration that defines the limits of the zone. Enterprises access the zone by applying under the Regulations through the online application portal (e-Citizen), the application of which includes the requirement to incorporate a new SEZ entity. A SEZ licence may be issued regardless of whether the SEZ is the enterprise's primary area of business. The SEZ framework is affected at the country level through county-SEZ Authority service level agreements. The Regulations empower the Authority to delegate its authority through service-level agreements with government agencies or private bodies to perform administrative and non-regulatory functions. The SEZ framework guides SEZ users (enterprises and workers included) in various ways, including the rights and obligations of enterprises and powers of sanction and remedy held with the CS.

Proposed reform action

Special Economic Zone Regulations 2016

We propose the following to effect the reform proposal:

- As empowered by the Regulations (Reg 9), the SEZ Authority will enter a service level agreement with the tripartite body to better coordinate and streamline the implementation of Kenya's SEZ framework with whitelisted gig work providers.
- The Authority waive application requirements such as incorporating an SEZ entity for whitelisted enterprises and rely on the administrative and compliance ensured through the whitelist.



How we got here - methodology, insights and proof points

Image: Young people at the Ajira Digital Hub in Kisayani, Makeni



Kenya's gig economy

What is the gig economy?

According to the Organisation for Economic Co-operation and Development (OECD), a gig worker is a person who is matched to clients on a per-task (gig) basis through platforms enabled by digital technologies. These workers are divided into computer/platform-based delivery (offering computer-based skills) and physical delivery (incl. ride-hailing and delivery workers).

The Kenyan gig economy is nearly two decades old, making its formal entry into policy documentation in 2007 with the Kenya Vision 2030. The vision identified business process outsourcing (BPO) and information technology-enabled services (ITES). BPO is a resourcing approach where an external workforce is contracted to meet labour demand for standardised and modularised tasks. ITES, a sector that has emerged from the digitisation of various industries, was targeted as a major source of outsourced work expected to contribute to the Vision 2030 ambition to create over 1 million jobs by 2028 and contribute over 10% of the GDP.

The ILO notes that gig workers are often young people and on the lower end of the income spectrum, as identified by our primary data collection. Both field and desktop research of gig workers in Kenya confirmed that the sector is characterised by a young workforce aged 18–35. Computer-delivering gig workers in Kenya use personal computing devices (computers, mobile phones) to work in two distinct ways: 1) on short-term projects independently through freelancing and microtasking platforms; 2) on short term engagements made available by outsourcing enterprises of various kinds, i.e. BPOs.

1.2 million gig workers

82% in the informal sector

18–35 average age

KES 15, 113 average income p/m

USD 109 million industry value



What are the forms of the gig work?

Generally, gig work can be categorised into three forms:

- (a) Freelance work, individuals with mid-high skill levels who offer their skills through on-demand platforms for varying time periods. This work may also be performed as part of an outsourced workforce on the basis of a contractual employment relationship with a BPO services provider;
- (b) Microtasking, individuals with often low, non-technical skills levels who operate as part of a crowdsourced workforce to complete smaller tasks that have been broken down from bigger tasks and;
- (c) Digitally-enabled physical delivery consists of individuals who exercise manual skills to perform in-person delivery of goods ordered on an online platform.

What was covered in this project?

This project focused only on the first two categories, i.e., computer-delivering gig work. The policy assessment focused on how gig workers and work providers in this upstream and downstream supply chain interact with the labour policy environment in Kenya.

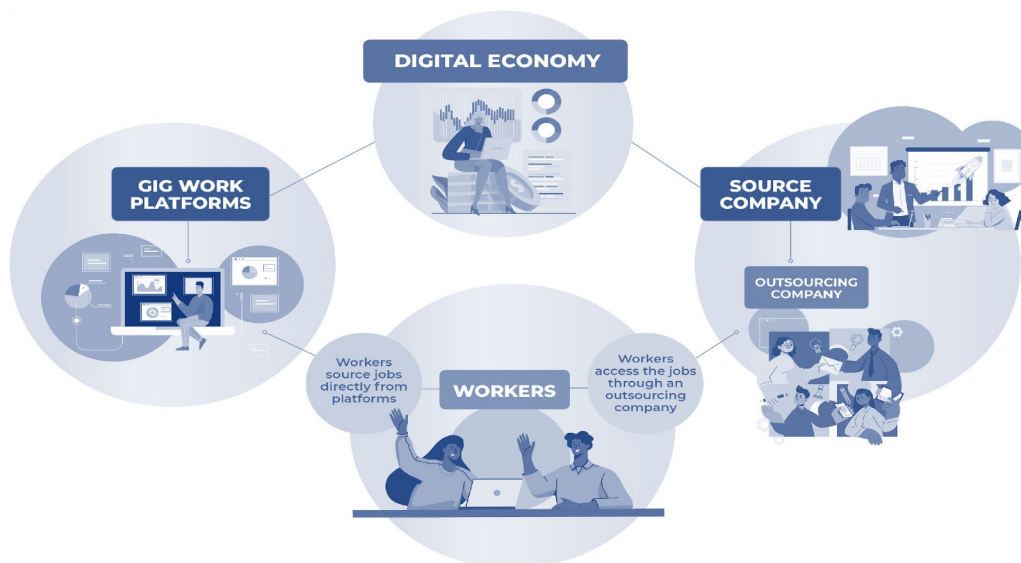
National gig workers compete globally

When working online using computing devices (personal computers, mobile phones) to access work, Kenya's gig workers join over 100 million (World Bank Report 2024) gig workers from across the world on digital labour platforms. Each access occurs through an internet protocol (IP), a unique identifier for each computer based on factors like geographical location.

On global gig work platforms, gig workers often face challenges related to their IP addresses, specifically the geographical location encoded in the address. This can result from explicit client preferences, unintended algorithmic bias, or other forms of direct and indirect discrimination. Consequently, workers frequently mask IP addresses using virtual private network (VPN) services and buy or rent user accounts to access higher-paying jobs otherwise inaccessible to Kenyans.



Introducing the key stakeholders



Gig workers

Following our desktop and focus group engagements, we learned that computer-delivering gig workers commonly:

- Work on multiple digital platforms or on-site
- Work part-time while balancing other engagements such as tertiary education or formal employment.
- Use gig work to add to existing income streams before they look to transition fully into gig work.
- Face uncertainty as a consequence of a per-task-engagement approach.
- Deprioritise social protection such as healthcare and pension contributions.

We further learnt that:

- **Worker remuneration in the sector is often determined based on global trends** and competition, as opposed to local circumstance resulting in behaviours such as platform hopping and long hours at work to increase remuneration.
- Digital technologies such as AI create new workplace and online safety risks for these workers. **Algorithmic bias** can affect their access to opportunities and pay rates and expose them to **anonymous harassment while limiting options for dispute resolution and recourse.**

Overall, the more than 100 gig worker respondents stressed the need for labour protection to address vulnerability and insecurity in their engagements with work providers. At the same time, they were wary of the likelihood of compliance costs being passed down to them and opportunity flight with enterprises exiting the market.

Gig work providers

Based on our desktop research, survey and key informant interviews, we learned that gig work providers (BPOs and platforms) commonly:

- Engage workers as independent contractors, though some choose to give short-term employment contracts.
- Source work from international markets.
- Use dedicated privately owned, client-owned, or publicly available platforms.

We further learn that:

- **Kenya is only beginning to build a reputation as a well-developed skills market**, which affects how these enterprises can source work from the international market for Kenyan talent, competing with highly established destinations such as India, Malaysia, the Philippines and South Africa.
- In addition to skills availability, the **market competition revolves around factors such as competitive and profitable pricing, tax friendliness, operational cost, system efficiency, clear legal frameworks, and effective dispute resolution.**

Overall, while the interviewed and surveyed gig work providers understand the need for labour policy interventions, they were concerned about the impact that policy may have on Kenya's competitiveness. They supported a co-design process but stressed the importance of regulating the process to prevent it from being prohibitively time-consuming.



Gig workers' challenges

“Right now, it’s like we are on our own, workers helping each other because the government is not protecting us.”

Male gig worker, Homa Bay County, 27

Job insecurity due to formal recognition:

Gig workers lack worker protection as the current labour laws do not recognise gig work, resulting in a situation where the terms are defined by contractual terms that can leave them exposed and with little legal protection and recourse, including in instances of non-payment, arbitrary forfeiture of work, and unfair contract termination.

“Where will I get the money to take them to court? And if there’s no union who will listen to us ”

Female gig worker, PWD, Mombasa County, 35

Unprotected wages: Platform work does not necessarily assure a decent wage. Income depends on the choice of platform, time of working, and geographic location/ country of work determined on the basis of the Internet Protocol (IP) address (a unique identifier for a single computing device enabling their internet connections). This results in behaviours such as platform-hopping, sub-letting accounts, and masking IP addresses. The sub-letting of accounts, on the other hand, results in increased legal insecurity, especially regarding non-payment.

“I use rented accounts and VPNs because I can make more money when I pose as a worker from a different country”

Male gig worker, 25 years, Busia County

Occupational health and safety: Gig workers are faced with workplace risks of injury and harm arising from emerging work issues such as aggressive and unsafe content, online scamming with limited recourse from occupational health and safety laws and platform terms of engagement.

Worker (dis)organisation and its effects on freedom of association and collective bargaining:

The non-employee status of gig workers limits their expression of free association. The result is workers finding themselves unrepresented and with little power to effectively engage and advocate for their rights with work providers.

Costs and barriers to entry: It is common for workers to lack devices (personal computers, internet access) due to their high cost. Workers rely on hubs and offices to work, limiting their flexibility, productivity, and even the types of jobs they have access to.

“The hubs close at 6pm. So I cannot work at night when I am available because I don’t have a personal computer, they’re expensive and I need to care for my family.”

Female gig worker, 26 years, Nairobi County

Lack of social protection: With low income, gig workers often use their income to meet their basic needs and immediate expenses. The result is their postponing social protection participation as they choose between immediate expenses, basic needs, and health and pension contributions.



Gig work providers' challenges

“Our incentives seem to only be on paper. In reality it’s such a problem trying to access and benefit from them...”

Chairperson of an industry Association- on accessibility of government incentives

Inconsistencies in the business environment:

Kenya’s current economic environment is characterised by issues such as a rapidly changing and uncertain tax policy and time and cost inefficiencies in obtaining government services. Additionally, fiscal and non-fiscal incentives for the BPO/ITES sector are limited to the geographical local of designated special economic zones, introducing further logistical and set-up costs, which is not always aligned with the vision of this digital sector.

“The legal framework, the ambiguity and uncertainty, makes passing the due diligence phase when bidding for work very challenging for Kenyan companies...”

VP Business Development at a business process outsourcing firm- on how the legal uncertainty affects attractiveness

Legal uncertainty: Gig work providers operating in Kenya find that the legal framework, including legislation and jurisprudence, is complex and at times unclear and unpredictable, resulting in increased legal risks.

“The issue is not getting jobs, the issue is making sure we have the right talent to supply these jobs...”

Founder of a digital skilling and job sourcing organisation in Kenya- on the need for high quality talent in the gig sector

Limited access to quality-assured talent:

While workers are readily available in Kenya, issues such as skills mismatch, soft and customer service skills gap, and talent reputational issues persist. Intermediaries (BPOs and other employment providers) ability to successfully bid for gig jobs at scale is affected by the inaccessibility of mass quality talent from Kenya. Enterprises respond in various ways, including intensive investment.

“Government services and initiatives need to do a better job and showing value. Once people understand the value of something and experience it, they will pay...”

A founder of a digital skilling and job outsourcing- on attractiveness of incentives and government schemes



Global best practices for recognition, wages and safety

Leading international gig work providers have developed extensive policy innovations to regulate the opportunities and risks inherent in this new mode of work. These can be clustered in accordance with the gig workers' five dominant challenges.

Formal recognition: Gig workers currently exist in a legal grey zone that exposes them to a rapidly changing work environment. Best practice shows a trend toward formally recognising gig work, defining its key criteria, clarifying the point of departure into employment categorisation and the rights of the gig worker category.

The **Philippines** enacted a Telecommuting Act in 2022 while Malaysia amended its Employment Act to include remote/telecommuting workers under the definition of “employee”, thereby granting them access to worker rights. **The EU** recently passed a criteria for “dependent employment” addressing the plight of platform gig workers.

Wage protection: Best practice leans towards setting minimum wages commensurate with national economic context and global platform pay rate minimums.

Gig work platform **Upwork** has set a platform wide minimum pay rate of USD 3 for all work listed. Private sector leading on setting wage protection mechanisms for platform workers. The **South African** government has implemented a minimum wage for all workers, including gig workers.

56%



of all global outsourcing takes place in India thanks, in part, to the India BPO Promotion Scheme that provided financial incentives for companies upskilling their employees as well as those employing women and persons with disabilities.

Occupational health and safety: Workers are faced with new occupational risks as the context of work changes. Best practice trends towards recognising risks from new forms of work (telecommuting, remote work, emerging technology, e.g. AI, heavy workload, overtime, discrimination and harassment), innovating on work provider obligations, complaints and dispute resolution, mental health and newer physical health support.

The **International Labour Organisation (ILO)** Centenary Declaration for the Future of Work recognises that safe and healthy online working conditions are fundamental to decent work and the digital future of work. A bill in **the Philippines** aims to establish standards to ensure the humane and just treatment of BPO workers.



Global best practices for social protection and representation

The sharing economy in Malaysia witnessed a **2000% growth** between 2015 and 2021 and is expected to benefit **250,000 gig workers** and develop 100,000 independent digital workers, driven by collaborative consumption and effective resource utilisation.



Social protection is challenging to implement due to informality, and workers are at risk of lacking health, pension, workplace injury protection, and leave coverage. Global best practice shows change towards including recognition of broader social protection needs and **government cost sharing for benefits contribution**.

A bill in **India** defines a gig worker and proposes social security benefits like accident insurance and pension.

Collective bargaining and unionisation: non-recognition has impacted access to effective collective bargaining for gig workers. Best practice is tending towards enabling collective bargaining for both employee and non-employee workers. In India, trade union activity has expanded to include the IT/BPO sector. Despite empowering some workers, unionisation efforts haven't been widespread or particularly successful in the BPO sector due to their limited number and the perception of unions by call centre employees as the preserve of blue-collar workers and not their own upward mobility.

Some digital platforms in Germany have opted into a Code of Conduct and the jurisdiction of a **Crowdsourcing Code of Conduct and Ombuds Office** formed by the tripartite efforts of the **Crowdsourcing Association Germany**, German Trade Unions and workers. In **Australia**, government inspections can be forwarded to the **Fair Work Commission** with alternative dispute resolution (ADR) powers though independent contractors remain outside their scope.

Principles and Guidelines

The 10 principles provided by the Code of Conduct for platform intermediaries

- #### 1. Tasks in compliance with the law

All underlying members cannot act to offer any projects to the crowdworkers that are illegal, discriminatory, harmful, dangerous, violent, or anti-social under national, international, regulatory, regulatory, or other applicable laws. Furthermore, regulations regarding employment should be taken into account when engaging a task. The platform is obligated to report to the relevant authorities to ensure their legal compliance.
- #### 2. Clarification on legal matters

The members of the Code of Conduct cannot be holding the crowdworkers liable for legal regulations and penalties. The regulations related to crowdworking in terms of a company law and other applicable laws should be clearly notified to the crowdworkers that they are responsible for understanding and complying with them based on their own legal and personal circumstances.
- #### 3. Fair payment

All subscribers cannot be paying a fair and appropriate wage or making the crowdworkers aware of the wage to expect. The calculation is done by the crowdworkers provided to the crowdworkers. However, there could be local regulatory, business, or other standards and practices to be followed.

It is essential to clearly and upfront communicate the amount of wage that will be paid and the applicable conditions. The platform should include clear terms and conditions, including time limits and payment cycles, that are transparent and understandable. The crowdworkers should be clearly notified of the payment process and the applicable conditions. The platform should ensure that the crowdworkers are clearly notified of the applicable conditions. The platform should ensure that the crowdworkers are clearly notified of the applicable conditions.
- #### 4. Motivating and good work

The members of the Code of Conduct cannot be holding the crowdworkers liable for legal regulations and penalties. The regulations related to crowdworking in terms of a company law and other applicable laws should be clearly notified to the crowdworkers that they are responsible for understanding and complying with them based on their own legal and personal circumstances.

 - Openness and transparency
 - Clear and concise
 - Fair and equitable
 - Training opportunities for learning, knowledge sharing
- #### 5. Respectful interaction

The relationship between the crowdworkers, their clients, and the crowdworkers is based on mutual respect, trust, transparency, and mutual respect. As a crowdworker, the crowdworkers have the responsibility to respect and consider the interests of their clients. The crowdworkers should ensure that the crowdworkers are clearly notified of the applicable conditions.
- #### 6. Clear tasks and reasonable timing

The members of the Code of Conduct cannot be holding the crowdworkers liable for legal regulations and penalties. The regulations related to crowdworking in terms of a company law and other applicable laws should be clearly notified to the crowdworkers that they are responsible for understanding and complying with them based on their own legal and personal circumstances.
- #### 7. Freedom and Flexibility

Crowdworking is a flexible form of work, and it is essential to ensure that the crowdworkers are clearly notified of the applicable conditions. The platform should ensure that the crowdworkers are clearly notified of the applicable conditions.
- #### 8. Constructive feedback and open communication

Given that crowdworkers often work remotely, it is crucial that the crowdworkers are clearly notified of the applicable conditions. The platform should ensure that the crowdworkers are clearly notified of the applicable conditions.
- #### 9. Regulated approval process and rework

The approval process for completed tasks must be transparent and clearly notified to the crowdworkers. The platform should ensure that the crowdworkers are clearly notified of the applicable conditions.
- #### 10. Data protection and privacy

Respecting and protecting the privacy of crowdworkers is of utmost importance. The platform should ensure that the crowdworkers are clearly notified of the applicable conditions.

Source: <https://crowdsourcing-code.com/principles-and-guidelines.php>



Global best practices for a conducive business environment

To grow Kenya’s digital economy, balancing emerging labour obligations with a conducive business environment will be crucial. Various levers exist to create and strengthen policies and implementation that address private sector challenges. These can be clustered into two broad categories.

“Labour policy can be designed to be an incentive and not just a cost centre. By providing value to work providers and keeping costs low while protecting workers and promoting decent work standards, it would eventually be a good experience for both sides while also earning Kenya a great reputation, attracting responsible businesses whose values align”

Public Policy Manager of a Multinational Corporation

Incentivising and streamlining quality talent:

Job providers greatly value quality and trustworthy talent when sourcing and bidding for work. Kenya’s Jitume and Ajira program and Malaysia’s Glow are examples of initiatives to develop talent through skills development programmes. In addition, several platforms and BPOs moderate the quality of talent by privately investing in skills development and providing codes of conduct for their workers. Nonetheless, there is a need and opportunity to add greater value through holistic skills development, enabling access to work tools and talent quality assurance.

India’s BPO Promotion Scheme offers financial incentives to for training of regular employees and the generation employment beyond target.

“I know the government has been training but I still don’t know whether it meets these needs. It would be such a great help”

Founder and CEO of an NGO operating in the BPO sector

Incentivising gig work providers: Incentivisation in this sector is trending towards both fiscal and non-fiscal strategies. **Financial incentives include** reduced tax rates on corporate income tax and tax holidays such as those implemented in [Kenya’s Two Rivers International Finance and Innovation Center \(TRIFIC\)](#). However, stakeholder interviews highlighted the need to expand the reach of these fiscal and non-fiscal incentives applicable to special economic zones (SEZs), given the virtual nature of BPO and platform presences.

Malaysia’s Self Employment Social Security Act 2017 includes a Government funded [matching grant](#) to supplement contributions by self employed workers in the information technology sector. Similarly, the **India BPO Promotion Scheme** offers financial support for capital and operational expenditure.



“There needs to be a more immediate solution that can help the situation today like subsidising and giving loans for laptops and portable routers [...] Incentives need to consider innovative ways of boosting the environment and I can tell you this is one of them”

Founder and CEO of an NGO operating in the BPO sector



Reform options

Informed by the situation analysis a series of leverage points were identified, resulting in eight specific levers that were deemed to have potential significant transformative impact. These can exist as separate interventions or be applied in any combination.

1.

Formal recognition: This is a structural lever and entails the codification of gig work within labour law, which would redesign where authority resides. The specific intervention was inspired by the [Rajasthan Platform-Based Gig Workers \(Registration and Welfare\) Act 2023](#).

2.

Co-created opt-in minimum labour standards: This intervention combines three different levers across the mission, structure and process categories. Designed to rally different stakeholders behind a shared vision for a code of conduct, it also introduces soft structures and processes through the code of conduct and a dispute resolution body. The German [Crowdsourcing Code of Conduct](#) and the ILO's assessment served as inspiration.

3.

Tripartite implementing body: [Tripartitism](#) is a process lever that can underpin any other category. It is an approach that mandates workers, job-providers, and governments to jointly create and oversee structures and policies. The Malaysian Gig Workers Welfare Board and the German Crowdsourcing Ombuds Office are two examples.

4.

A whitelist: A soft incentive lever whereby stakeholders are incentivised to comply with minimum standards for reputational purposes. This lever was inspired by action in other sectors, especially regarding supply chain due diligence.

5.

Special economic zone incentives: A hard incentive intervention framed around special economic zones for the gig economy designed to nudge behaviour towards decent work coupled with sector productivity, growth and job creation. Malaysia and India apply models where BPO/ITES are incentivised to comply with specific minimum standards and inclusion and diversity hiring targets through capital and operational expenditure benefits, which served as inspiration.

6.

Government-sponsored social protection: This infrastructure lever sought to address the low adoption of social protection schemes. It borrows inspiration from countries like Malaysia where the 2023 budget plans to bear 80% of social security contributions for “self-employed individuals” and allocate RM150 million (USD 32 million) to the self-employed including “gig workers from IT sectors.”

7.

Online platform for gig worker registration and portable benefits tracking: This alternative infrastructure lever in combination with a process lever sought to respond to issues of informalisation and difficulty in identifying gig workers for a more targeted intervention. In Malaysia, platform workers register on a government platform. On the same platform, job providers remit a fee on their behalf for all work completed.

8.

Government-sponsored skills development: This talent lever was inspired by Malaysia's eRezeki and theGLOW initiatives, providing no-cost training and job linkages for workers through the Ministry of Digital Economy, specifically targeting women, youth and B40 (bottom 40% of household income).



What can work in Kenya?

1. Formal recognition of gig workers: Gig workers have a strong preference for formal recognition as they associate the lack of legal certainty with the sporadic and at times unfair terms and conditions they experience. Work providers equally welcome recognition acknowledging that this would reduce legal risk emanating from ambiguity while raising the bar and address “bad actors” in the ecosystem. However, they are weary of a one-sided approach that could come with formal recognition and would deter investment.

“The legal recognition will help because it will tell them that they can’t just treat us as they please. It will give us a place to run and something to back ourselves legally”
Female gig worker, 36, Mombasa county

“Formal recognition will be a good thing for workers. I just think the implementation, especially on the obligations that fall on businesses is where the weariness may be. Also its important that we find a way to not over legislative and creating unnecessary institutions and compliance” CEO of an international BPO



2. Co-created minimum standards: Key stakeholders welcomed this intervention as it presented them with an opportunity for ongoing input into the “how” of minimum rights implementation. Work providers specifically reported a strong preference for this lever noting that if done well would promote buy in from all sides.

“Businesses and the government assume that we trust them because of the position we are in. I think it would be a lot better if we were involved.”
Male gig worker, 28, Nairobi County

“With the rate at which gig work is growing, it is true that some protection is necessary. It just needs to be balanced with business realities, an approach that’s not too heavy handed”
Public Policy Manager of a Multinational Company that outsources digital gig work to Kenya

3. Tripartite implementing body: Labour relations currently seem to pit workers and work providers against one another, entrenching mistrust and making amicable and collaborative relationships difficult. As a consequence, key stakeholders often feel targeted, unrepresented and suspicious due to isolated operations, information asymmetry and power imbalances. A tripartite body was welcomed as stakeholders felt it would boost goodwill and buy-in on standard setting and compliance.

“We need to know that we are being heard. business and government sit down and make decisions that affect us without having us at the table, early before they start pushing new platforms and obligations on us...” Male gig worker, 40, Mombasa County

“The gig sector is complex and if the government regulates on their own, it will likely not account for the realities of the sector. This is how you end up with a heavy handed or poorly implemented strategy. We need to be involved at each step”
CEO of an international BPO



4. The whitelist: Many stakeholders the current approaches to compliance in the sector had overstepped and been unhelpful to all sides. workers were concerned about opportunity flight with experiences of companies exit thus limiting their access to job opportunities. Gig work providers were concerned about harsh and punitive compliance mechanisms and expressed the need for a balanced, responsive and collaborative approach.

“We need to know that we are being heard. business and government sit down and make decisions that affect us without having us at the table, early before they start pushing new platforms and obligations on us...”
Male gig worker, 40, Mombasa County

“We know about gig work platforms that have left the country after attracting government attention. We need balance because if the companies leave or stop giving work to Kenya, we won’t even have income.”
Male gig worker, 29 years Kiambu County



5. Special economic zone incentives: Incentive impact is minimally felt by gig sector enterprises due to service inefficiencies and co-location requirements. Co-location requirements are insensitive to virtual and remote nature of gig work. Additionally, workers found personal computing devices too expensive to purchase and limited access to internet prohibitive. Agreeing with this position, providers see this as an incentivisation opportunity, to make Kenya attractive by enhancing worker access to work tools.

“Why should I have to move offices to a specific place to access incentives? Can't I simply be allowed to operate or even locate headquarters elsewhere in Kenya?”
CEO of an international BPO

“I don't have a laptop because they are expensive. That means every time I want to work I have to come to the center because both the computers and internet are here. The way I see it, there is little difference with people who have a 9-5 if I have to come and spend all day here.”
Female gig worker, 25, Busia County

6. Government sponsored social protection: Gig workers found it difficult to prioritise health insurance and pensions contributions due to income insecurity and constraints due to wages earned. Gig work providers felt that since the work relationship was not employer-employee, absorbing the cost of social protection would make operating in Kenya expensive thus affecting competitiveness in the global gig sector. Both stakeholder groups felt that government had a role in supporting social protection contributions and welcomed the idea of a matching grant by government.

“In order for gig work providers to absorb health and pension contributions, the timeshare and platform/opportunity hopping that workers do would have to be factored in and it makes it super complex because how would we compute that efficiently. The administrative cost would be too high. Also, we need to remember that Kenya is still young in the market, a 3-4% difference in price and overnight, work gets moved to another country”
CEO of an international BPO enterprise

“Honestly, when the money comes in I don't even think about pension and health insurance. I cater for my immediate expenses. I don't know why anyone would expect differently. Those things are like luxuries to most of us. We have more pressing needs...I think has a role in the provision of social protection. One way to ensure we all have access even as the income situation changes and grows is by them contributing.”
Male gig worker, 34, Homa Bay County

7. Government sponsored skills development: Both key stakeholder groups agree and value this intervention and appreciate Kenya's efforts through the Jitume and Ajira programs. Stakeholders welcomed value addition strategies such as certification, career development support for the workers government quality controlling the talent pool through professional skills development, verification and creating access to a mass pool of verified talent to support faster acquisition of talent to respond to outsourcing opportunities.



“Sometimes you get talent but they don't do a good job or they lack customer service and client relations skills. Once those international clients have a bad experience with the talent or with quality output, Kenya gets branded as having low quality talent. Because reputation precedes, by the time we are getting to the negotiation table, the client has already heard bad things about us. Technical skills are one thing, but eventually quality client experiences are what keep the clients coming back.”
Founder and CEO of an NGO in skills development and BPO

“I think in addition to training, I would greatly value some quality control and assurance from government programmes. It would be greatly helpful if government streamlined talent information and even provided classification for the pool of workers, so that it's faster and easier to get entry level workers that have been trained in the skills that we actually need and verified to assure me of some base level of quality and integrity”
CEO of international BPO



8. Online platform for gig worker registration and portable benefits tracking: Gig workers are open to being registered provided that the platform is value making them a target for government policy such as aggressive taxation. Gig work providers are interested in the platform if it adds value and supports them as part of the ecosystem with assured talent to streamline accessing talent.

“Once again, what is the value of this platform? As businesses, we already know where to get talent, so it needs to be more than that. Help us get talent with relevant skills that have been screened and verified appropriately otherwise it is just another platform.” Founder and CEO of a local NGO involved in digital skills development and BPO job linkages

“I understand having a platform. I even understand the importance of it. But it needs to be easy to use and we need to be consulted when designing it cause otherwise, people will find alternatives. It needs to be clear what is being done through the platform and why we as gig workers buy into it” Male gig worker, 30, Mombasa County

Annex: Impact quantification methodology

Gig workers

1. Increased earnings from algorithm bias

- a. Calculate the percentage difference in average hourly pay between Kenyan gig workers and gig workers from other developing countries (54% lower)
- b. Multiply the percentage difference with the total earnings of gig workers in Kenya ($54\% * 150m$) = (81m)

Data sources: [Mercy Corps Youth Report; Digital.Global Network](#)

2. Cost of health insurance.

- a. Multiply new earnings of gig workers (231m) by the cost of health insurance (2.75%), multiplied by the percentage of gig workers who don't already pay for health insurance (75%) = 4.8m

Data sources: [Business Daily; Fairwork Kenya report](#)

3. Cost of pension.

- a. Net earnings (231m) multiplied by formal employee contribution to social security fund (6%), multiplied by the percentage of gig workers that don't already contribute (75%) = 10.5m

Data sources: [Ernst & Young report](#)

4. Increased taxes paid.

- a. Gig workers earn more now and therefore pay more tax: Multiply new earnings of gig workers (231m) by average tax contribution (14%) = 11.4m
- b. All gig workers will now be tax compliant and, therefore, pay more tax: Multiplied original earnings (150m) by average tax contribution (14%) multiplied by the percentage of gig workers who were not compliant (55%) = 11.6m
- c. Add a + b = 23m

Data sources: [Hunt et al: Women in the gig economy](#); Tax calculation from [PwC tax summary report](#)

Government

1. Impact on GDP

- a. Increase in net gig worker earnings (43m) multiplied by Kenyan multiplier for business services (3.64) = 156m

Data sources: [African Economic Research Consortium Working Paper GSYE-009: Employment Creation Potential for Youth in the Kenyan Economy](#)

2. Increased taxes received

- a. Gig workers earn more now and therefore pay more tax: Multiply new earnings of gig workers (231m) by average tax contribution (14%) = 11.4m
- b. All gig workers will now be tax compliant and therefore pay more tax: Multiplied original earnings (150m) by average tax contribution (14%) multiplied by percentage of gig workers who were not compliant (55%) = 11.6m
- c. Add a + b = 23m

3. Economic value of lives saved

- a. Calculate the number of lives that will be saved if all gig workers have health insurance (567 per year)
- b. Multiply number of lives saved by the current value of the amount they will earn in their lifetime = 11m

Data sources: [Mercy Mugo: The impact of health insurance enrolment on health outcomes in Kenya](#); [Zhang et al: Beyond GDP: Using healthy lifetime income to trace well-being over time with estimated for 193 countries](#)



Get in touch

Sanlam Tower, 5th Floor Waiyaki Way,
Westlands Nairobi, Kenya
kenyainfo@mastercardfdn.org

P.O Box 939-00606, Sarit Center, Nairobi,
Kipro Center, Sports Road, Westlands,
Near Delta, Nairobi
+254716-608-066 | +254732-608-066
info@emobilis.org

Mitsumi Business Park,
7 Floor, 65 Muthithi Road, Nairobi
Info@africapractice.com