REPOA Brief



Social security among platform workers in Tanzania

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Platform workers face several risks while at work, including accidents and injuries, crime, and violence.
In Tanzania, the categorization of platform workers as consultants or independent contractors limits their access to social security.
Unless there are policies and practices in place to protect platform workers from precarious working conditions, it will be impossible to attain Agenda 2030's goal of decent jobs for all.
Policymakers and stakeholders need to come together and address the precarious working conditions in the platform economy and develop informed policies that will guarantee decent work for platform workers.

Introduction and Background

Platform workers are defined as independent contractors, contract firm workers, on call workers and temporary workers. The global aggregate value of the platform economy is growing at 17% Compound annual growth rate(CAGR) and is projected to reach \$ 455 Billion by 2023. The African platform economy is predicted to encompass over 80 million workers by 2030. In Tanzania there are more than ten thousand workers in the ride-hailing sector (including cab drivers, motorcycle, and tricycle (Bajaji) riders; and around three thousand in delivery services.

Platform work acts as a buffer to unemployment and underemployment, since the market has low entry barriers with flexible working hours? Workers pursue employment in platforms because of complementary pay, ability to work from home, and flexible working hours.3 However, the market is precarious in nature due

Since social protection acts as a social and economic stabilizer, reducing poverty, inequality and social exclusion, the working arrangement for platform workers demonstrates weaknesses in the social security systems in developing countries like Tanzania. This is particularly concerning given the degree of informality in most Africa markets which deprives workers of key benefits including statutory holiday, sick leave, maternity and right to minimum wage (OECD 2019)⁴.

Fair working conditions for Platform workers

In partnership with Fairwork, REPOA evaluated the working conditions of workers among digital labour platforms in Tanzania. The total number of 71 gig workers were interviewed from seven platforms around January and February 2022. The evaluation was based on the five Fairwork fair management, and fair representation. The principles were developed by Fairwork through

to limited access to social services and a fixed salary. Most platform workers are not provided with social security, rendering them vulnerable to several shocks, such as sickness, permanent or temporary disability.

¹https://newsroom.mastercard.com/wpcontent/uploads/2019/05/Gig-Economy-White-Paper-May-2019.pdf

²https://newsroom.mastercard.com/mea/files/2020/09/Th e-Gig-Economy-in-East-Africa-White-Paper.pdf

³https://pubs.aeaweb.org/doi/pdf/10.1257/jep.34.1.170

⁴https://pubs.aeaweb.org/doi/pdf/10.1257/jep.34.1.170 1

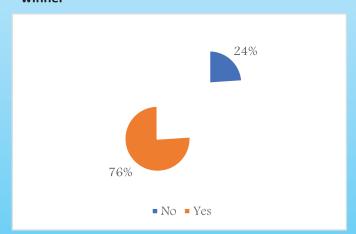
multiple stakeholder workshops held at the International Labor Organization to measure fairness of working conditions for digital labour platforms. In Tanzania the study included desk research, consultation with policymakers and interviews with platform workers and managers.

This policy brief analyses working conditions by reviewing access to social protection among platform workers in Tanzania. The fair condition principle requires platforms to have in place policies that proactively protect and promote the health and safety of platform workers. Moreover, since health insurance is mandatory for formal workers and employers are required to contribute a certain percent in Tanzania, at least the same should be applicable for platform workers.

Key findings

First, nearly three quarters (77 percent) of platform workers are the sole bread winners for their families, as seen in figure one. They do not receive any coverage in case of injury or accident in the course of work. Moreover, no platform worker reported to receive paid parental and sick leave, or health insurance from the platform. Meaning that in case of any shock the platform workers' families are less likely to be resilient.

Figure 1: Platform workers who are sole bread winner

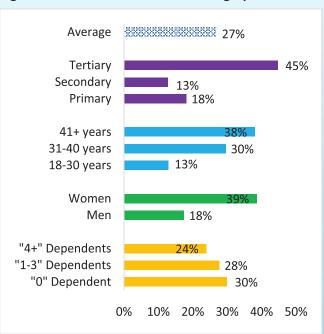


Second, specifically on health insurance, only slightly above a quarter (27 percent) of platform workers have independent health insurance (not offered by the platform). This makes platforms workers vulnerable to shocks, including the two

most immediate ones of Covid-19 and the Russia-Ukraine war both of which have increasedthe price of fueland other commodities in the country.

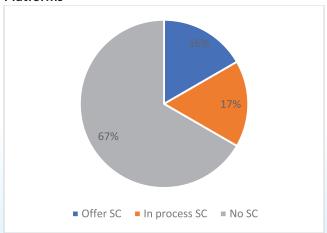
Third, findings unveil that education level, gender, and age are likely to determine whether platform workers have health insurance. Almost half of the platform workers with tertiary education (45 percent) have health insurance, this may be due to university policies that require all students to enrol for health insurance fund. In the same accord, workers of age above 40 are three times more likely to have health insurance compared to youth (18-30 years) and those below 40. Also, women are twice more likely to have health insurance compared to their men counterparts.

Figure 2: Health Insurance and demographics



According to the Employment and Labour Relations Act (ELRA) and Public Service Retirement Benefits Act, employers should provide their employees with benefits such as annual leave, sick leave, minimum wage, and pension for salaried employees, but not for independent contractors. Certain regulatory provisions were introduced to provide for some form of social protection for informal workers. The Community Health Fund (CHF), established in 2001, allows households to voluntarily register for community-based health insurance at the district level. The fund co-financed by the household and the government, pays for provision of basic health care services. However, no provisions compel platforms to provide such benefits to platform workers.

Figure 3:Provision of Social Security among Digital Platforms



As seen in Figure 3, the access to social security is among the stressful challenges facing platform workers in Tanzania. A third of platforms are currently either providing life insurance for platform workers or in the process to provide one in a year time. More than sixty percent are still contemplating ways to offer social security without affecting the businesses. Thus, managers encounter two main challenges in the provision of social security. First, most workers are working on multiple platforms, so it is not clear which platform should contribute for their social security. Second, no research has conducted to analyse the willingness to pay among platform workers to informpolicy makers on the best social security scheme for platform workers in Tanzania.

Conclusions & Policy Recommendations

Social protection is a key element for sustainable social and economic growth in promoting human development, political stability, and inclusive growth. Tanzania needs to address the precarious nature of the platform economy (also referred to as gig economy) work environment to attain the Sustainable Development Goals by 2030, especially on universal health and decent work for all; and the respective targets outlined in the

African Union Agenda 2063; the East African Community 2050 Agenda; the Tanzanian Five-Year Development Plan (FYDP) – III, and the Africa Regional Social Protection Strategy 2021-2025 aiming at attaining 40% social protection coverage.

Based on findings, this policy brief makes the following recommendations to enhance the enabling environment for platform workers:

First, the Government needs to accelerate efforts to formally register platform workers and requireprovision of health insurance. Platforms should mandatorily contribute а certain percentage based on an amount that is proportional to the duration of work or platform workers' earnings from the platform. The practice could mirror current labour laws where the employer and employee contribute to the employees' social insurance. Policymakers have an overall responsibility to guarantee the proper administration of the social security system. A collaborative effort between social security agencies, platforms, and platform workers can help to pilot systems that are affordable for platforms but provide real benefits for platform workers.

Second, the Government should clearly define the relevant rights and obligations of a platform worker. This would set out the parameters within which a platform may engage with platform workers, provide clarity around mandatory social protection and benefits.

Third, the Ministry responsible for Labourshould consider working together with different stakeholders dealing with the provision of social security services including, the National Health Insurance Fund (NHIF) and the National Social Security Fund (NSSF). This is crucial to make sure that social security agencies are aware of the presence of platform workers and how fast the sector is growing - such that they can create strategies to ensure they are not left out of access to social security.

Fourth, stakeholders in the platform economy should join hands to raise awareness on the importance of social security among platform workers.

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