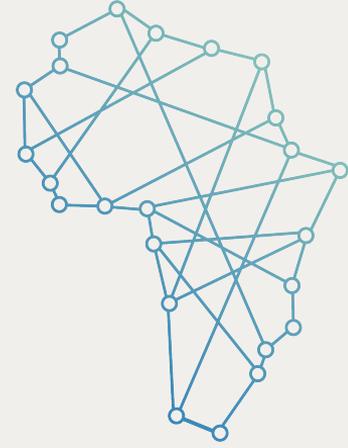


Platforms and Livelihoods in Sub-Saharan Africa



Partnership for **FINANCE**
in a **DIGITAL AFRICA**



Caribou
Digital

About this Report



Partnership for FINANCE
in a DIGITAL AFRICA



About the Partnership

An initiative of the Mastercard Foundation, coordinated by Caribou Digital, the Mastercard Foundation Partnership for Finance in a Digital Africa (FiDA) synthesizes knowledge, conducts research, and identifies implications for the diverse actors working in the digital finance space.

In collaboration with [our partners](#), FiDA strives to inform decisions and accelerate meaningful financial inclusion for people across sub-Saharan Africa. Additional information and resources can be found at financedigitalafrica.org.

“Learning Advancements” Report

The Learning Advancements Report is a semi-annual synthesis created by FiDA. It pulls across multiple research projects to offer a broader view of a topic.

For 2019, the report focuses on Platforms and Livelihoods.

The 2017 Report on “Meaningful Financial Inclusion” is available [here](#).

Acknowledgements

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The views presented in this report are those of the project authors and do not necessarily represent the views of the Mastercard Foundation

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For questions, please contact us at ideas@financedigitalafrica.org.

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Contents: Who is this report for, and how should they use it?

Our audiences

This document is for people who want a better perspective on how platforms are changing markets and livelihoods in sub-Saharan Africa, including:

- Policymakers
- The “Digital Financial Services” community
- Development practitioners
- The private sector

Please share and reference this work if it is helpful to you.

The format

We elected slides instead of a written report to make the content more accessible. The material is arranged in sections so it can be read in almost any order.

This is primarily a synthesis document: We strive to give credit to original authors, both from within the FiDA partnership and beyond.

There is so much to cover—consider this more of a sampler and primer than a definitive resource

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■ Introduction: Platforms and livelihoods

The increasing role of platforms creates new opportunities and challenges for livelihoods



Platforms are at the intersection of two major trends: digitization and demography.

Digitization

+

Demography

=

A Role for Platforms

A great global force—digitization—is rapidly changing economies and livelihoods around the world.

The transitions are massive, shifting the dynamics of value creation and the nature of employer-employee relationships under the banners of *the future of work*.

Meanwhile demographics are making the livelihoods challenge particularly acute in emerging economies—including all of sub-Saharan Africa, where *tens of millions of young people* seek to join the workforce every year.

Yet high rates of unemployment, underemployment, and employment in the informal sector make the pathways to full-time work more challenging than ever.

Platforms aren't the only story in digitization, but they are a major force reworking how individuals communicate, find work, advertise their products and services, and organize their relationships to almost every sector of an economy.

“The rise of the digital platform firm means that technological effects reach more people faster than ever before” (World Development Report 2019).

Any discussion of livelihoods in 2020 should account for the growing role of platforms.

This report helps inform that discussion.

Summary of key headlines

1. There are several kinds of platforms, each with different implications for livelihoods.
2. There are hundreds of marketplace platforms active in Africa, in many market sectors.
3. Many enterprises use social media and communications platforms to coordinate their businesses, without paying for advertising or use.
4. Marketplace Platforms change labor markets in complex & contradictory ways. Pros: Bigger and more accessible markets, flexibility, skills acquisition. Cons: Precarity, weak worker protection & inability to organize, algorithm-governed work.
5. There is a growing (and natural) linkage between marketplace platforms and digital financial services.
6. Overall levels of employment via platforms remain low in sub-Saharan Africa, but there is evidence of growth in a few key markets. Detailed data remains scarce about the present.
7. Policy and intervention levers can amplify positive and/or mitigate/reduce negative impacts of platformization. Levers can target the worker (micro) or market (macro) levels. There is no single step that will work everywhere.
8. FiDA is repositioning in 2020 as “Skills for a Digital Age”, a Caribou Digital Project with the Support of the Mastercard Foundation. One current focus is platform-led upskilling—one of the many levers for shaping the platform economy.

■ Defining platforms and platformization

Because the word “platform” is so common, it is worth stepping back to define some terms more carefully. It will make it easier to identify distinct trends and implications later in the analysis. This section helps identify several kinds of platforms, each with different impacts.



All platforms share a general definition, which makes them different from other forms of organizations.

Platforms are *mechanisms for hosting interaction and exchange between third parties* in which the host:

- Facilitates value creation (financial or otherwise); and
- Takes a share of that value; but
- Doesn't completely control the scope of interactions or their outcomes.

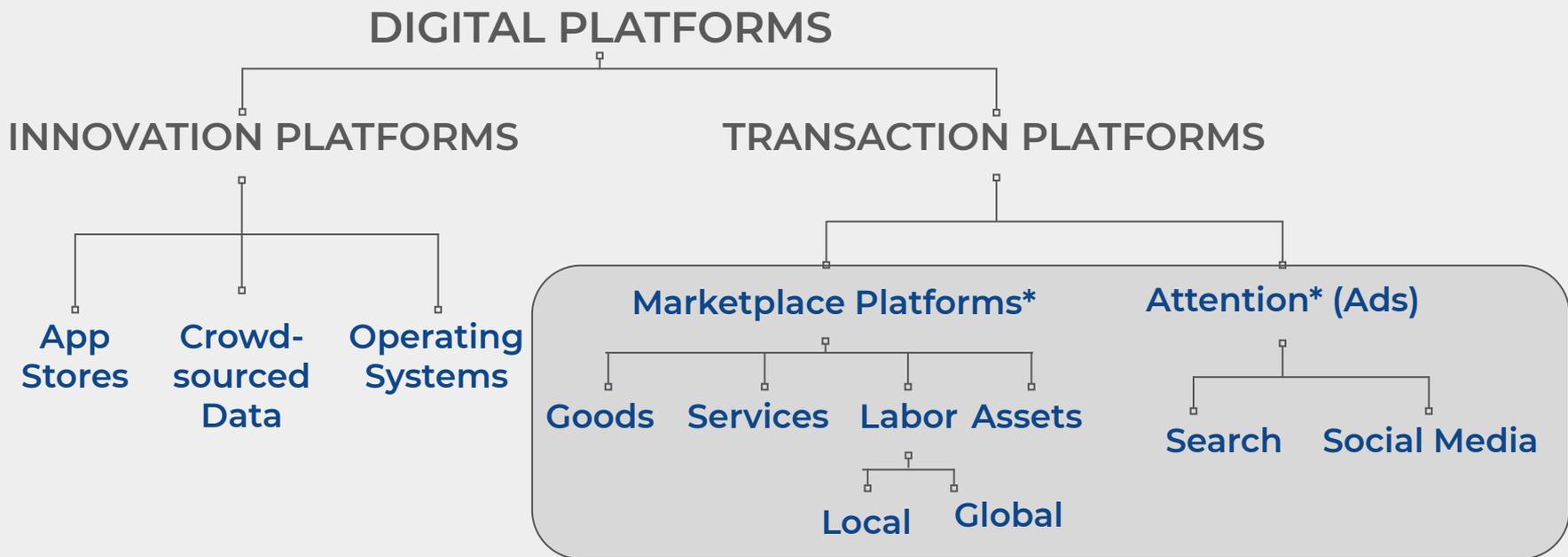


Source: https://commons.wikimedia.org/wiki/File:Japanese_market_place.jpg



Source: <https://commons.wikimedia.org/wiki/File:Ebay.jpg>

There are several kinds of platforms. From here onward, the analysis focuses on “marketplace” and “attention” platforms—the ones with greater impact on livelihoods.



sources: Primary Split into Transaction vs Innovation: Gawer and Cusumano, “[Industry Platforms and Ecosystem Innovation](#)”; Related Platform Typologies include: United Nations Conference on Trade and Development, “[Digital Economy Report 2012](#)”; Srnicek, *Platform Capitalism*; Flew, “[The Platformized Internet: Issues for Media Law and Policy](#)”; Koskinen, Bonina, and Eaton, “[Digital Platforms in the Global South: Foundations and Research Agenda](#)”; Johnston, “[Labour Geographies of the Platform Economy: Understanding Collective Organizing Strategies in the Context of Digitally Mediated Work](#).”

There are hundreds of platforms active in Africa, in many market sectors.

Marketplace Goods



Local Services



Global Online Work



Information/Data



Attention / Social Media



FiDA Research: Four things marketplace platforms do for markets

Keep in mind that marketplace platforms do more than match buyers and sellers.

Not every platform does every one of these things, but these functions are important in emerging markets where other elements of the ecosystem might not be strong.

Platforms can step into “market voids” in these four ways. We’ll return to these functions throughout the report.

Aggregation & distribution

gatekeeping, facilitating discovery, network effects, matching supply & demand

Transaction facilitation

enabling exchanges, typically money for information, goods, or services

Credibility enhancement

independently certifying qualifications or claims made by suppliers or consumers

Information, analysis & advice

collecting or analyzing information about suppliers or consumers

■ Social commerce: Informal uses of attention/social media platforms

Many enterprises use social media and communications platforms to coordinate their businesses, without paying for advertising or use.



Some small enterprises buy advertising on social media. Most don't. Instead, most of the smallest firms use social media only informally.

Social media is built around advertising—and some small firms buy ads or have business pages on Facebook and the Web.

But among small and informal businesses, and like the invisible mass of an iceberg under the water, it is more common to use the free consumer-facing part of social media *as* the business channel, blending the personal and the professional in “social commerce”.

To watch: WhatsApp for Business is developing offerings that help businesses use WhatsApp for commercial purposes.



FiDA Research: Small businesses in Kenya increasingly use mobile money

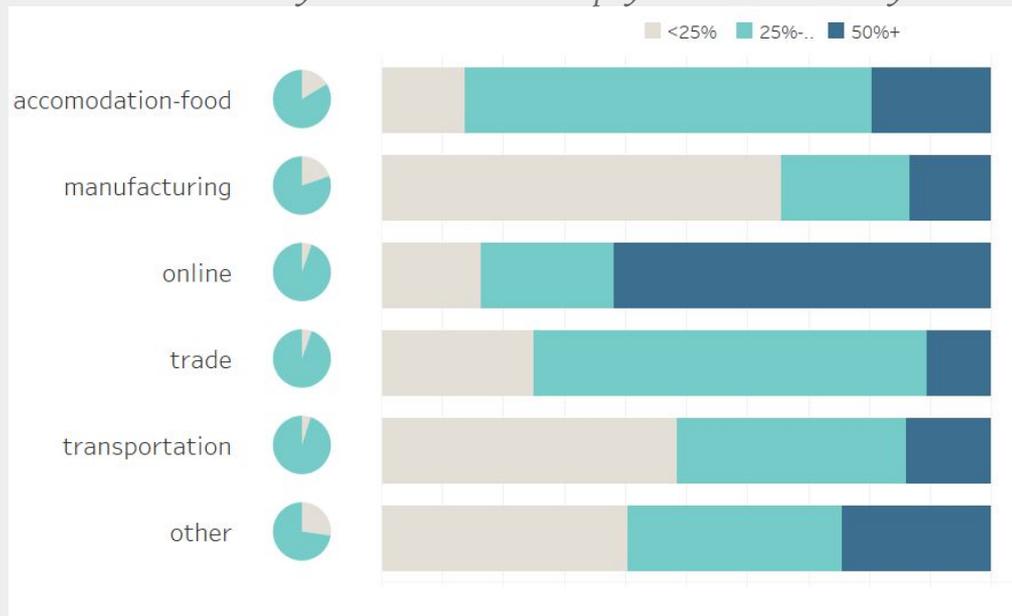
We asked our sister company, Caribou Data, to deploy an opt-in, anonymous panel of 500 representative microenterprises in Kenya. In exchange for compensation, these small business owners shared anonymous activity data from their mobile phones and answered a short survey on how they use digital services and mobile money in their businesses.

We found that, overall, about 9 in 10 small enterprises in Kenya in 2019 accepted mobile money payments, though this ratio varied by sector.

Further insights will be published shortly, at <https://www.financedigitalafrica.org/2020/06/30/digital-behaviors-of-kenyan-micro-entrepreneurs/>.

Most MSEs accept mobile money

For those who accept, % of customers who pay with mobile money



Partner Research Spotlight: FIBR Superplatforms and Microentrepreneurs.

FIBR's Project

“FIBR, a program of BFA in partnership with Mastercard Foundation, researched superplatforms in 2017-2019 to determine

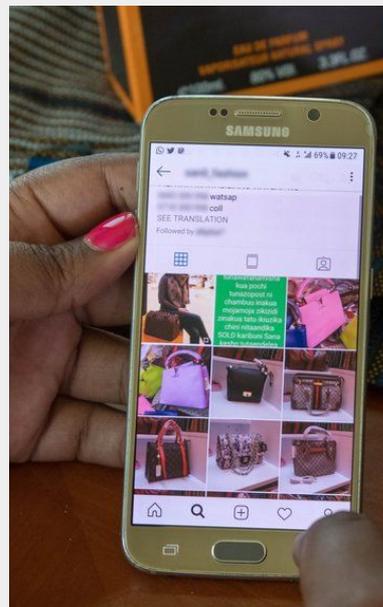
1) the value proposition to merchants by big tech and e-Commerce players such as Jumia, Facebook, and Alibaba, and

2) the personas of merchants using these platforms for business.”

Findings re. informality

FIBR's interviews with small merchants in Tanzania documented extensive use of Facebook, WhatsApp, and even Instagram for promotion and coordination of social commerce. The webinar offers personas and design suggestions.

WhatsApp was so prevalent among small merchants that FIBR proposed using the platform as “a new channel for remote micro-consulting services.”



FIBR Resources

1. [Webinar: How Can Small Merchants Get The Most Out of E-commerce Using Superplatforms?](#)
2. [Tumblr on Microenterprises and Platforms](#)
3. [Whitepaper: Inclusive digital ecosystems of the future](#)
4. [Micro-consulting: Using WhatsApp Groups to Support Agents](#)
5. [Njeri and the Superplatforms](#)

FiDA Research: In 2019 FiDA interviewed & profiled microentrepreneurs in Kenya

Findings

We talked to 27 microentrepreneurs in Kenya about how they use platforms in their day-to-day business.

The [platform practices](#) these conversations revealed include: the [prevalence of informal social media use](#), the [intermingling of online and offline worlds](#), the adjustments made to tweak [online credibility](#), and the unique approaches to [upskilling](#).

Platform product designers should [build with these practices in mind](#).

Click for links to video profiles



iv Marketplace platforms and the self-employed



FiDA will examine this topic in more detail in 2020. For now we offer a summary of the intersecting forces/impacts (positive and negative) that may result from platform-based labor markets and “gig work”.

Marketplace Platforms change labor markets in complex & contradictory ways. We will cover this topic in more detail throughout 2020.

	Local Labor Markets/Gigs	Global Labor Markets/Gigs
Overview	Service markets—housekeeping, e-hailing, delivery, trades, etc.	Digital services and freelancing from the advanced (coding, design) to the commodity (m-turk, fivr).
Advantages	Bigger and more accessible markets, flexibility, skills acquisition.	All of the local advantages, plus the ability to “export” labor.
Challenges	Precarity, worker protection & inability to organize, algorithm-governed work.	All of the local issues, plus acute wage pressure and a “race to the bottom”.
Unknowns	Depends on specific market sector; intersection with assets & skills. Ride-hailing may capture more attention relative to other sectors.	Differentiation vs commodification, amplification and first mover advantages. Impacts of a “planetary” gig market.

Notable Studies

1. Rosenblat, [*Uberland: How Algorithms Are Rewriting the Rules of Work.*](#)
2. Gray and Suri, [*Ghost Work: How to Stop Silicon Valley from Building a New Global Underclass.*](#)
3. Woodcock and Graham, [*The Gig Economy: A Critical Introduction.*](#)
4. Berg et al., [*“Digital Labour Platforms and the Future of Work: Towards Decent Work in the Online World.”*](#)
5. Tsibolane, Van Belle, and Mudavanhu, [*“Digital Gig Work in Africa: An Exploratory Survey.”*](#)

■ Marketplace platforms and small firms

Small firms can benefit from marketplace platforms as a new sales channel, but there are new concerns too.



Sokowatch is an example of a platform/e-commerce supply chain approach to aggregate and routinize MSME demand.

Via Quartz Africa:

“Nairobi-based startup Sokowatch has been tackling what it sees as a huge opportunity by developing business-to-business (B2B) e-commerce supply chains for retailers in Africa’s informal markets to **work more efficiently with large FMCG [Fast Moving Consumer Goods] suppliers including Unilever and Procter & Gamble**. These informal retailers can order their goods by SMS, phone or mobile app.

By aggregating orders for independent retailers and negotiating better prices from suppliers, Sokowatch primarily generates revenue by taking a cut off the savings its making for its clients...The startup is able to collect plenty of proprietary client data and use that to offer lines of credit and other financial services.

Sokowatch...says it has delivered **500,000 orders to over 10,000 retailers** in Kenya and Tanzania since 2016 and is now expanding to Uganda and Rwanda.

...Improving efficiencies in informal sectors which account for as much as between 40% to 70% of many African economies is a potentially rewarding opportunity for any business that can get it right. Sokowatch, which estimates there are **10 million informal retailers** in Sub Saharan Africa, points to the B2B operations of Alibaba in China and Udaan in India as evidence of what’s possible. If you’re not going to be the Amazon of Africa trying to be the Alibaba of Africa is no mean feat either.”

In domestic markets, e-commerce platforms like Jumia help small enterprises reach broader markets.

From FiDA's MSE Research: Robert

Robert uses Jumia, Skygarden, and OLX to expand the reach of his cell phone sales and repair shop far beyond the physical footprint of his rented space in a central market in Nairobi.

Jumia's Seller Center coaches him to optimize sales.

Other examples

Bharat Craft, a Government of India initiative, is a portal to host MSME/Artisan Sales.

Ahwenepa, in Ghana, is a “Marketplace [platform] for Quality and Original African Wear.”

Click image to play video



Marketplace platforms and small firms ▶ small firms as sellers

Platforms like Jumia have to do more than match buyers and sellers. They offer a lot of support to vendors.

JUMIA
Vendor **hub**

[Jumia University](#)

[Jumia Seller Coach](#)

[Jumia Value Added Services](#)

[Vendor Community](#)

[Help Center](#)



Training Calendar

View our training sessions.



Getting Started

Introducing you to Jumia sellers' process



How to List Your Products

Learn all the various ways to list your products.



How to Ship Your Orders

Everything you need to know about packaging & shipping, in order to have an efficient fulfillment service.



How to Grow Your Sales

Advices & tips about how to increase your sales volume.



Account Statement

Everything you want to know about your account statement is one click forward!



To watch: “Assisted e-commerce” via consolidating agents—bridging humans and tech—may work best in low-demand rural areas.

Via Quartz Africa:

“Unlike major players in the space, Copia has focused squarely on catering to low-income consumers who are underserved partly by virtue of living mainly outside urban areas. ‘We built our business on a mobile platform to bring retail services to low to middle income African consumers—consumers who are remote, unbanked, unconnected and who may not have a valid ID or address,’ says Tim Steel, CEO of Copia. ‘Other e-commerce players are focused on the top of the pyramid with middle-class and elite.’”

“Copia’s model is hinged on a 5,000-strong agent network comprising mainly of local, small shopkeepers who earn commissions by serving as ‘points of aggregation of orders and delivery distribution.’ Essentially, rather than make purchases online via a website or consumer-facing mobile app, Copia customers walk into stores of partnered agents who place orders on their behalf, take payments and serve as delivery points. Beyond the strategic benefit of solving postal address problems associated with deliveries in some African cities and rural areas, these agents also serve another purpose: ‘We established relationships with agents in these areas because those agents are trusted members of the community and through them we build a direct relationship with the consumer,’ Steel says.”

And a similar initiative in India:

India’s Next Door Hub has 5000+ e-commerce rural kiosks.

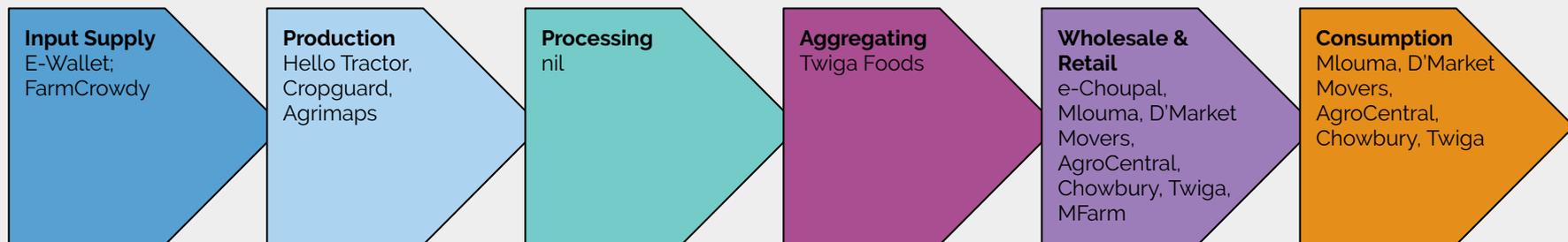
■ Marketplace platforms in agriculture

Keep in mind, not all e-commerce or supply chain innovations involve platforms. But there are efforts underway to bring the marketplace platform approach to agricultural sectors in sub-Saharan Africa (and beyond).



Platforms are emerging along various parts of Agricultural Value chains

Agricultural Platforms Mapped to Value Chain



And by functions

Ezeomah and Duncombe also mapped these platforms to **Crowdsourcing, Trading, Traceability, Extension Advisory, and Farm Management.**

But the authors note a “dearth of evidence” (based on this review of academic and grey literature) and a need for more systematic research into the “disruptive” role platformization may play in agriculture in the Global South. This is an excellent review in a fast-evolving space.

Wefarm's founder illustrates some of the excitement (and challenge) of making platforms work in and for agriculture

Via [Techmoran.com](https://techmoran.com):

A recent funding round coincides with the recent milestone of reaching \$1 million in total sales from the Wefarm Marketplace in just eight months since launch. The firm also reports that its Marketplace sales are growing at more than 40% month on month and over the next 12 months it aims to diversify into supporting farmers with both financing and delivery.

Wefarm CEO and Founder Kenny Ewan believes the platform's Marketplace will grow into an expansive ecosystem for smallholder farmers.

“If we can inspire 100 million farmers to work together on one platform, we can fundamentally shift global agriculture and trade in their favour, and this round of funding will take us even closer to bringing this vision for improved farm yields into fruition,” said Ewan.

“It's about harnessing AI to champion human intelligence. Our network of trust empowers farmers to find solutions to problems by knowledge sharing. In tandem, the marketplace will give them access to first-rate products that help to deliver better produce. The combination of the two has limitless potential to influence and fight the major agricultural crisis we face.”

Partner Research Spotlight: Mercy Corps' AgriFin Accelerator's work with AgriPay (Zambia) and DigiFarm (Kenya) are among the best and most comprehensive case studies/action learning engagements available.

DigiFarm

“DigiFarm is Safaricom’s integrated mobile-based platform for digital services tailored for smallholder farmers. DigiFarm’s platform model opens up the marketplace for farmers to access products and services from financial institutions, agri-input providers, and other value-added service firms, enabling farmers to easily source, transact, learn, grow. . .As of May 2019, DigiFarm has 1,038,000 farmers registered on its platform accessing educational content, high quality inputs, digital input credit and harvest cash loans”

We summarize **9 key learnings** on the next slide.

AgriPay

Working with ZANACO bank, “[AgriPay](#) is a mobile-based platform that provides a holistic customer value proposition for smallholder farmers, including account opening, access to markets, access to agronomic information, and suite of digital financial products.” The “full value chain” approach is helping to mitigate risk.

AgriFin Accelerator has learned about and documented the importance and efficacy of consumer-centric design, product design, and collaboration, and they have identified challenges in deployments, including poor infrastructure, challenging regulations, limited DFS use cases, and difficulty of co-designing a multi-element offering with a private sector partner.

sources: Mercy Corps' AgriFin Accelerator, “[AgriPay—the ZANACO Farmer's Account](#)”; Mercy Corps' AgriFin Accelerator “[Building Zambia's First Digital Financial Services Platform for Smallholder Farmers](#)”; MercyCorps AgriFin Accelerate, “[DigiFarm: A Digital Platform for Farmers](#).”

Partner Research Spotlight: 9 key learnings from Mercy Corps' AgriFin Accelerator's work with DigiFarm.

1. Offering **multiple services** reduces costs and risk, drives uptake and builds customer loyalty: From the start, DigiFarm intended to build a bundled service offering, layering on new services one by one.
2. **A platform approach can reduce development costs and crowds in diverse capabilities:** Safaricom did not want to build out new service capabilities from scratch and instead made a “platform play” to leverage other service providers.
3. A **farmer-centric/user experience approach** is crucial to ensuring product-market fit: Designing a product with the farmer value proposition front and center ensures product is tailored to farmer needs.
4. **Trusted, high-touch channels** can drive customer uptake and improve stickiness: Farmers respond best to trusted channels—particularly other farmers. Having reliable physical touchpoints for in-person engagement also makes a difference.
5. **Patient capital and a process of trial and adjustment** is crucial in underserved markets: Patient capital enables the development of immature markets, a process that takes time and requires iteration.
6. **Establishing the value of data upfront** is critical to expanding financial access: Putting data at the forefront is essential for digital finance services in agriculture.
7. Building a **robust and transparent partnership structure** is key for success: DigiFarm's partnership was based on a clearly mapped out set of required inputs and expected returns, which helped partners move forward.
8. Credit scoring for smallholders can benefit from **diverse mobile and farm-level data:** DigiFarm can leverage Safaricom's extensive mobile transaction data as well as purchase/sales history with partners on the DigiFarm platform.
9. **Loan product structure is critical given farmer income is lumpy and volatile:** Loans require longer tenors and flexible repayment structures to match crop cycles. Appropriate structuring can significantly increase repayment rates.

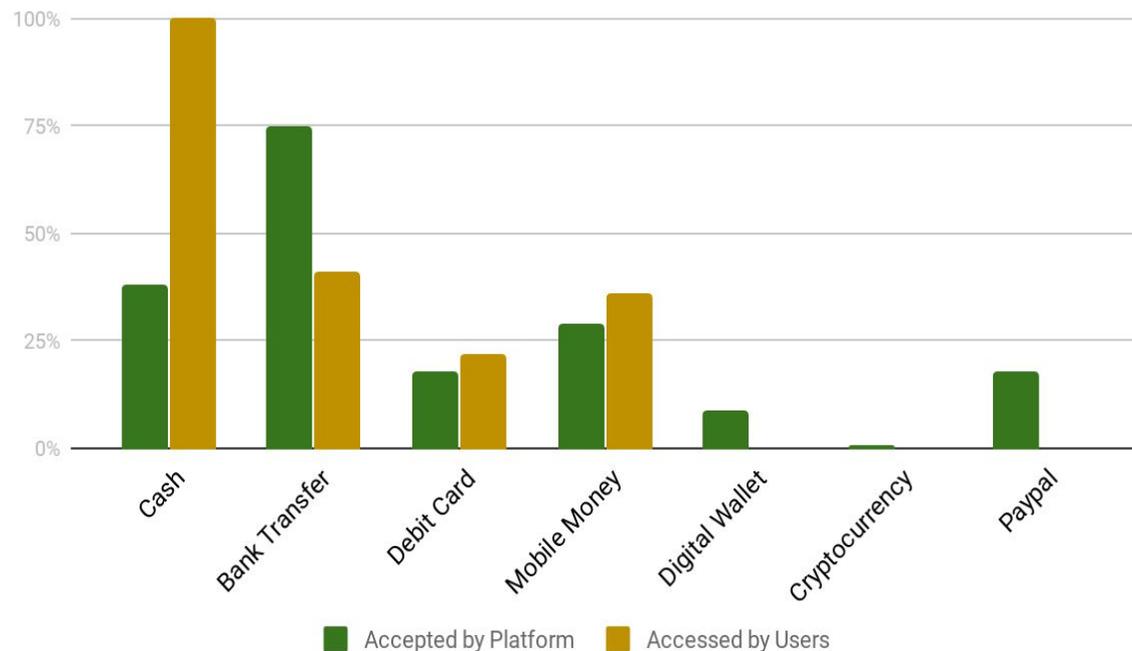
vii Linking platforms and digital financial services

There is a growing (and natural) linkage between marketplace platforms and digital financial services.



Partner Research Spotlight: i2i's comprehensive study of financial services offered by 260+ African platforms is a must-read.

Payment acceptance vs usage



Notable Results

Review of 286 platforms active in 2019 in 8 markets in sub-Saharan Africa.

Mismatch between what platforms offer and how users may wish to pay.

Digital wallets are nascent but growing as more platforms offer them.

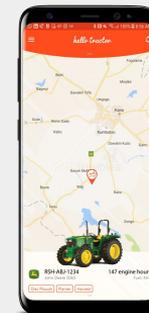
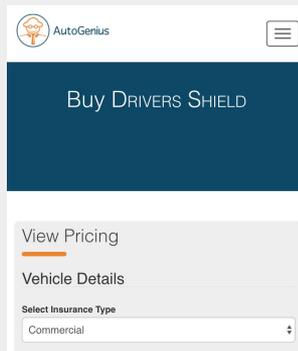
Freelancing, logistics, and e-hailing platforms beginning to offer insurance.

Online shopping platforms beginning to offer credit.

FiDA Research: Financial services via platforms—good for workers & for business:



- Car insurance
- Smartphone loans
- Vehicle ownership
- Merchant credit
- Health insurance
- Worker benefits
- Financial services via platforms' last mile



Example: Jumia Lending helps some sellers grow their businesses



FiDA Blog Series—Business model issues and opportunities for financial services via platforms:

<u>How platforms are changing the financial inclusion landscape</u>	<u>How financial services are good for platforms' bottom line</u>	<u>Pain points for platforms integrating financial services into their offerings</u>	<u>Business model changes to make platforms work better for workers and merchants</u>	<u>How platforms present an opportunity for innovative banks</u>
<p>By building infrastructure to reach the last mile and <u>standardizing transaction data</u> and non-financial information (such as ratings), which could be used by FSPs for lending, insurance, and more.</p>	<p>They can increase user base, boost transaction volumes, diversify revenue streams, and increase user lifetime value.</p>	<p>FSP partnerships, user education, and regulations are challenging.</p>	<p>Reducing payout friction enables more workers to join platforms and reduces the costs of working on them.</p> <p>“Pay-to-promote” revenue streams impact the success of low-income participants on their platforms.</p>	<p>Platforms have transaction-based and alternative data on their large user bases, as well as KYC information, which can be used by banks who are ready to innovate.</p>

sources: Osborn and Dean, "[Digital Platforms Offer New Opportunities for Innovative African Banks to Grow](#)"; Osborn and Dean, "[Three Business Model Changes to Make African Platforms Work Better for Financially Excluded...](#)"; Osborn and Dean, "[Three Pain Points of African Platforms Adding Financial Services to Their Business Models](#)"; Osborn and Dean, "Why African Platforms Are Adding Financial Services to Their Business Models"; Osborn and Dean, "[Three Important Ways Platforms Are Changing the Landscape for Financial Inclusion](#)."

Financial services via platforms: Three disruptive trends to watch closely

01

**Ride-hailing and logistics,
married to financial services**

In Indonesia, Gojek ([Gopay](#)) and Grab (OVO) are expanding rapidly, combining logistics/delivery and ride-hailing with POS financial services. Gojek's Dkatalis could offer more sophisticated financial products to service providers & customers.

02

Alipay

China's Alipay (Ant Financial) can make significant headway into African markets by supporting e-commerce, for example, through its [partnership](#) with Flutterwave.

03

Facebook's Libra

The Libra project, a stablecoin cryptocurrency consortium, coordinated by Facebook, may, once launched, [afford new touch points](#) between mobile-only unbanked and the financial services community.

viii Estimating total impact on employment and livelihoods

Detailed and comparative data remain scarce about the present, and thus projections about the future are still variable. Also, there are several competing definitions of platform-related work.

Overall levels of employment via platforms remain low in sub-Saharan Africa, but there is evidence of growth in a few key markets.

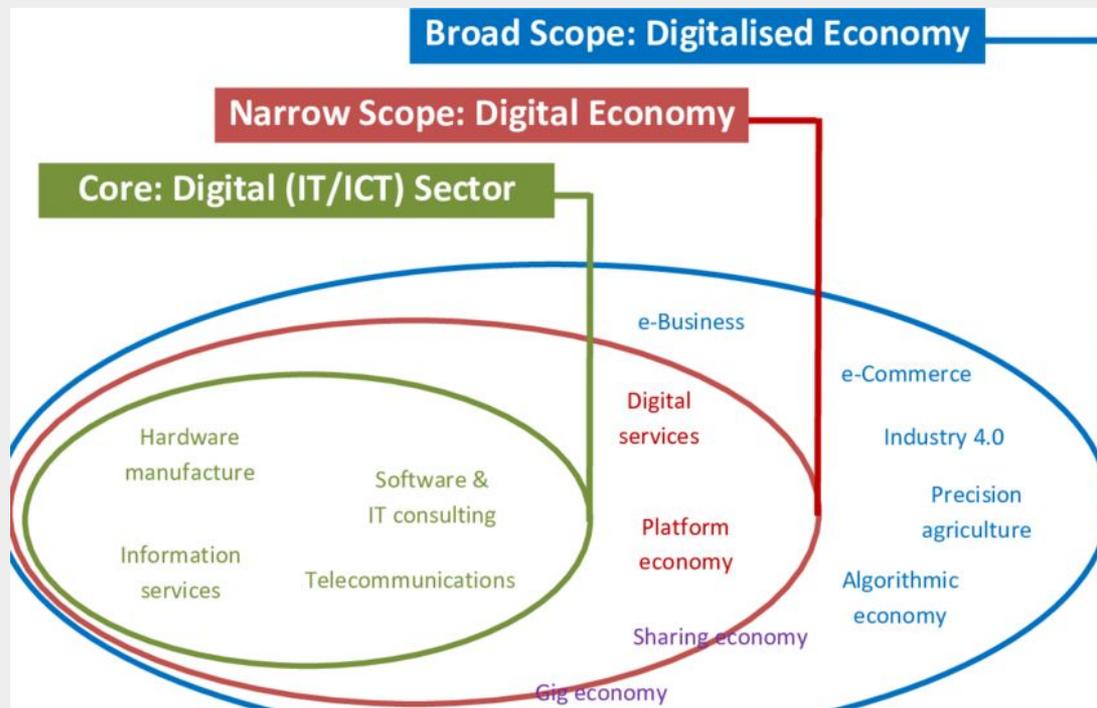


Isolating “platform-mediated” livelihoods is difficult, because they exist between core ICT employment and the broader digitized economy.

Bukht & Heeks on scoping the digital economy

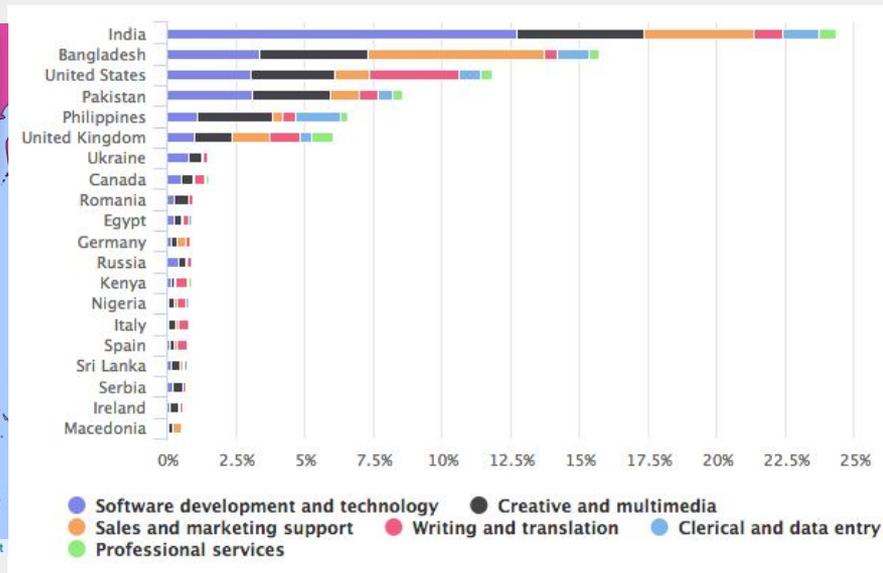
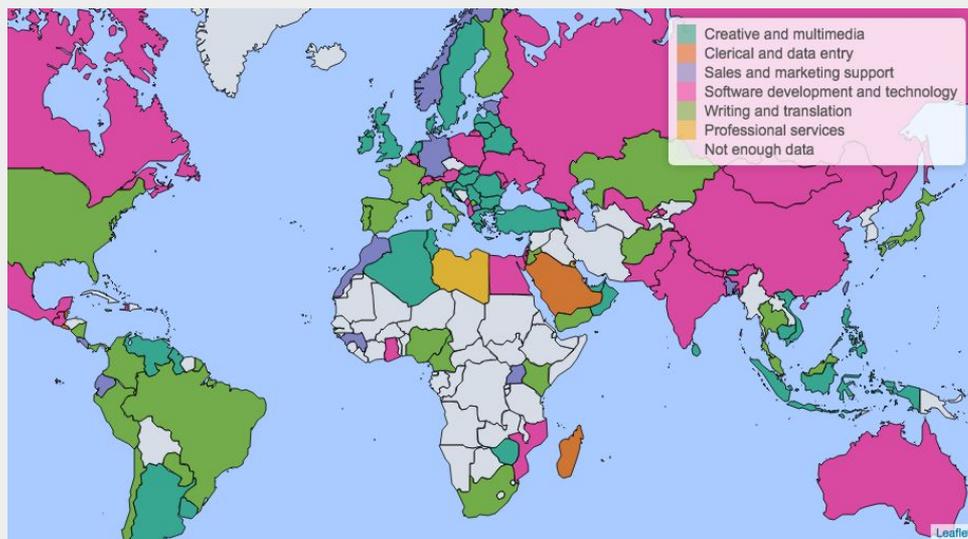
To Bukht and Heeks, the platform economy includes firms like Facebook and Google that would not exist without digital facilitation. The gig economy (markets for labor) and the sharing economy (markets for assets) sit on the bubble between a narrow digital economy and a broader scope of work that existed before, but has been transformed by digitization.

Further distinctions between work delivered digitally and work delivered locally are also important ([Heeks 2017](#)).



source: Bukht and Heeks, [Defining, Conceptualising and Measuring the Digital Economy](#); Heeks, “Decent Work and the Digital Gig Economy: A Developing Country Perspective on Employment Impacts and Standards in Online Outsourcing, Crowdwork, Etc.”

The online labor index at Oxford's iLabour project tracks international gig work on 5 major English language sites.



Graham (2017) illustrates how there are fewer barriers to entry in a crowded global “gig” market, risking oversupply.

Country	Potential workforce ²	Successful workers ³	Over-supply ⁴
Global	1,775,500	198,900	1,576,600
Philippines	221,100	32,800	188,300
Malaysia	11,900	500	11,400
Vietnam	7,700	1000	6,700
Kenya	21,700	1,500	20,200
Nigeria	7000	200	6800
South Africa	10,200	800	9400

viii Impact>Platform work in Africa

How many new platform jobs? (1) Partner Research Spotlight: African Digital Platforms Database

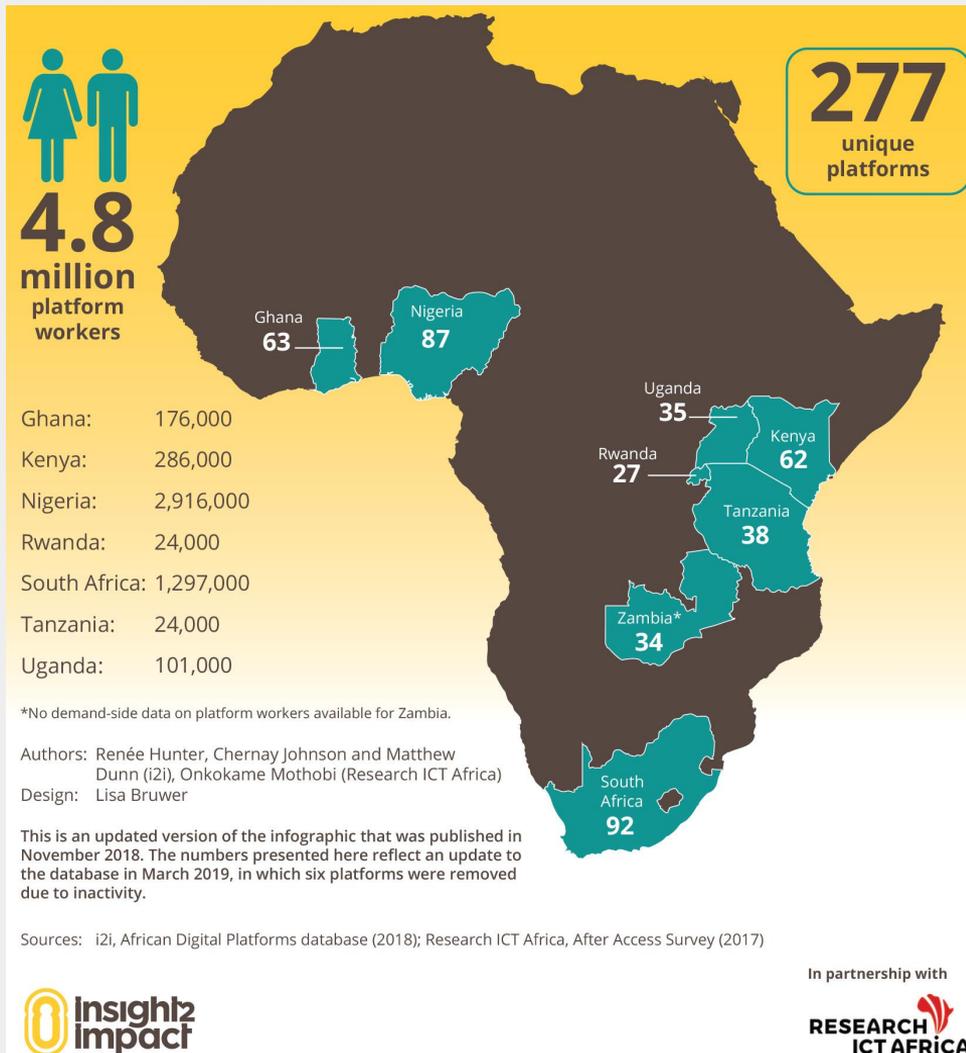
Marketplace Platforms—in labor, goods, services & asset sharing—are proliferating throughout the Global South

i2i, together with ResearchICT Africa, has assembled a database of the marketplace platforms active in 8 African Markets.

http://access.i2ifacility.org/Digital_platforms/

“Across the eight African countries...studied, an estimated 4.8 million adults earned some form of income through platforms in 2017.” However many of these livelihoods are fractional.

source: Insight2Impact, “Africa’s Digital Platforms and Financial Services: An Eight Country Overview.”



How many new platform-mediated jobs?

(2) Large platforms count the number of shops served

Taobao (China)

“**The number of Taobao villages**—those significantly engaged in e-commerce with a total annual e-commerce transaction volume of at least RMB 10 million and at least 100 active online shops—**has increased from 20 in 2013 to 3,202 in 2018.**”

—Xubei Luo, [World Bank Blogs](#)

Jumia

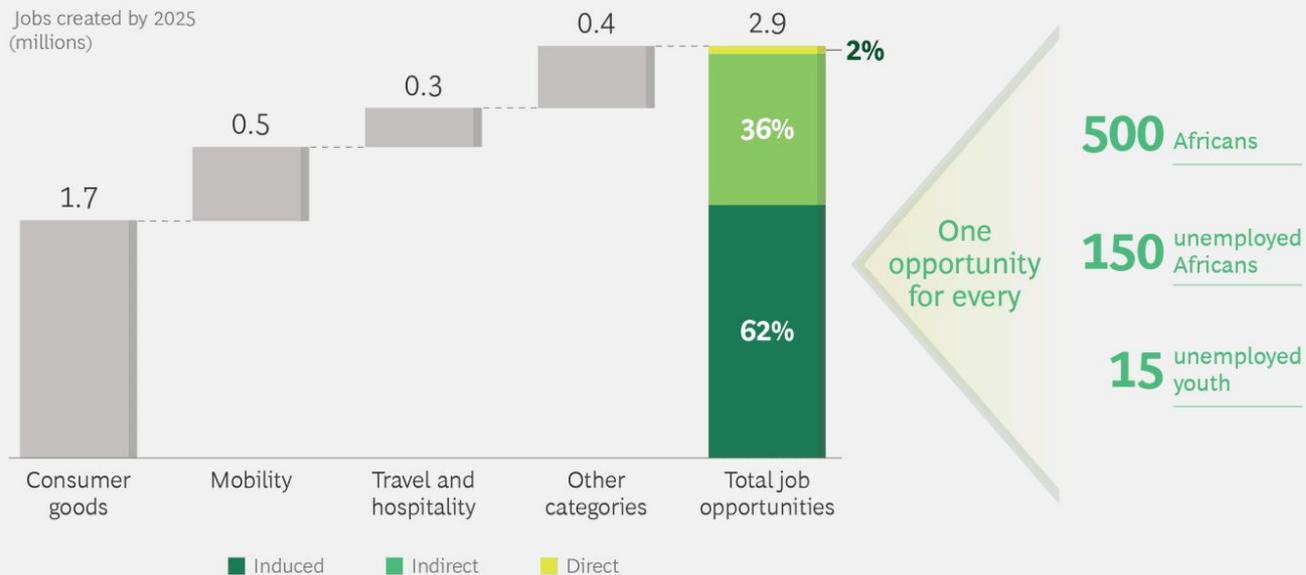
“Jumia has seen rapid growth in gross merchandise value and volume of orders and customers in 2017, although it incurred an increased loss that year of US\$138 million. While Jumia itself has only **3,500 direct employees**, it reports **50,000 MSMEs selling on its platform** and has over **100,000 commission-based sales agents** helping first-time customers navigate the site to make purchases.”

—BFA & Mastercard Foundation, [Digital Commerce and Youth Employment in Africa](#)

How many new platform-mediated jobs?

(3) BCG's projections are relatively modest at 3 million total jobs created

EXHIBIT 4 | Online Marketplaces Will Create Around 3 Million New Jobs Across Africa by 2025



Sources: Company data; Oxford Economics; expert estimates; BCG analysis.

Note: Projection across Africa based on GDP, public-private partnership and internet penetration; e-commerce growth estimate: 25%; weighted average of unemployment rate in Africa in fiscal year 2025: 27.1%; weighted average of unemployed youth (aged 15–24): 16.3%.

How many new platform-mediated jobs?

(4) BFA focuses on potential (rather than current) workers, includes hybrid work, and arrives at a relatively larger number

BFA (w/ support from Mastercard Foundation):

“iWorkers’ ... refers to that group of future workers who are on the cusp of formalized work since they will have the tools—specifically, a smartphone linked to an account—which they use to buy goods online, but which could also be the basis of transforming their relationship with their employers.”

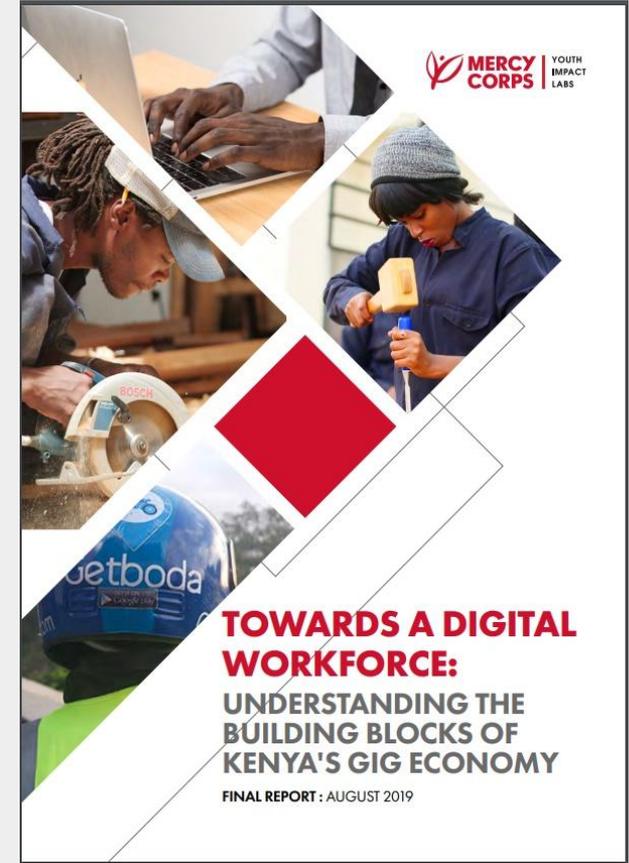
“By 2030 there may be between 30 million and 80 million iWorkers [out of an African workforce of 600 million].”



A 2019 report by Genesis Analytics for Mercy Corps focused on Kenya. It finds a relatively small base, but projects rapid growth in the online gig market.

“Gig work is gradually changing the nature of how Kenya’s workforce accesses jobs, shifting the source of work opportunities from informal labor to digital platforms. And as with most internet-propelled technologies, gig platforms have the potential to grow even faster. **Currently, the Kenyan online gig economy is valued at \$109 million, and it employs a total of 36,573 gig workers.** In the next five years, it is predicted to grow at an annual rate of 33%, with the total size of the gig economy reaching \$345 million and employing 93,875 gig workers by 2023.

In Kenya, ride-hailing apps and online professional workers comprise the lion’s share of the gig economy both in value and workers, and are valued at \$45 million and \$55 million respectively. Online rentals and matchmaking platforms connecting blue-collar workers with employers account for \$5 million and \$3 million respectively. —Nextbillion



ix Summary: Shaping the platform economy

There are positive and negative impacts of platformization on livelihoods—in aggregate, the good may outweigh the bad, but worker protections, platform power, and local value capture require urgent attention.

Policy and intervention levers can amplify positive and/or reduce negative impacts of platformization. Levers can target the worker (micro) or market (macro) levels. No single step will work everywhere for every market and every desirable outcome.



What now?

“There is so much that this gig economy can do for us, to change lives here in Africa. To bring jobs that are good, that are dignifying, to bring jobs that will put people to work. But...

...We need to have our governments not sitting watching the gig economy happen to us, like it is weather or rain falling on us, but to actually regulate it, and regulate it in favor of ordinary people.” —Winnie Byanyima, Director, Oxfam



Suggested future analysis:

A systematic review of dozens of ‘platform’ papers in the development policy literature for common policy prescriptions

(Illustrative)

Study	Platform type, context	Diagnosis / Change Model	Policy Prescriptions									
			A	B	C	D	E	F	G	H	I	
A	Ridesharing in Africa		x			x						
B	Global Gig-working...				x	x						
C	Delivery in Urban India...		x					x	x			
D	Crowdworking in Europe...			x							x	

This was outside FiDA’s scope in 2019, but we suggest that it would be a valuable contribution (let us know if you take it on). The key is in the probable contrasts between types/contexts and policy recommendations.

Overview: Mixed Levers/Responses to Market platformization—Promote the Good, Minimize and Mitigate the Bad, at micro and macro levels.

Platformization Forces

- Larger markets
- Price-efficient markets
- Significant information advantages to platform
- Amplification to early adopters
- Datafication of value creation

+

Development Impacts

- More Customers & Jobs
- Formalization & Financial Inclusion
- Flexibility
- Productivity
- Take-off/Intensification

-

- Downward Wage Pressure
- Surveillance
- Precarity and Vulnerability
- Platform Monopoly, Envelopment, Cross-subsidy
- Low Share of Value Kept Local

Micro/impacts on workers

Macro/impacts on markets

Intervention Levers

- Training/Upskilling
- Boost Local Platforms
- Better Payments Infrastructures
- Align Regulations
- Better Access & Last Mile Distribution

- Develop Portable Benefits
- Enforce Worker Protections
- Enable Worker Organization
- Update Anti-Monopoly Regulation
- Promote Public-Good Platforms
- Promote Platform Cooperatives

Micro/levers for workers

Macro/levers for markets

sources: Parthasarathy and Matlal, "[The Platform Economy and Digital Work: A Developmental State Perspective](#)"; United Nations Conference on Trade and Development, "[Digital Economy Report 2019](#)"; Snicek, [Platform Capitalism](#); Flew, "[The Platformized Internet: Issues for Media Law and Policy](#)"; Koskinen, Bonina, and Eaton, "[Digital Platforms in the Global South: Foundations and Research Agenda](#)"; Johnston, "[Labour Geographies of the Platform Economy: Understanding Collective Organizing Strategies in the Context of Digitally Mediated Work](#)"; Gurumurthy, Bharthur, and Anwar, "[Platform Planet: Development in the Intelligence Economy](#)"; Porteous and Morawczynski, "[How the Gig Economy Could Help Power Africa's Growth](#)"; Randolph and Galperin, "[New Opportunities in the Platform Economy: On-Ramps to Formalization](#)"; International Labour Organization, "[Work for a Brighter Future – Global Commission on the Future of Work](#)"; Scholz and Schneider, *Ours to Hack and to Own: The Rise of Platform Cooperativism, a New Vision for the Future of Work and a Fairer Internet*; Digital Future Society, "[The Future of Work in the Digital Era: The Rise of Labour Platforms](#)"; Fairwork Project, "[Fairwork: Labour Standards in the Platform Economy](#)."

Example of an Intervention Lever: Fairwork



“An estimated 30 million people in the Global South work in the platform economy, where they do freelance or short term jobs that are outsourced to them through digital platforms or apps. Such ‘gigs’ provide essential income and opportunities to many. However, due to a lack of protection in the form of employment law or collective bodies, many platform workers face low pay, precarious job security, and poor and dangerous working conditions.

Our goal at the Fairwork Project is to imagine, and ultimately realise, a different, fairer platform economy than the one we have today. We do this by evaluating the working conditions of digital platforms against five ‘principles of fairness’, and scoring them on how well (or poorly) they do. In this way, we hold platforms to account for the kind of work they provide, so that ultimately, platform workers can benefit from receiving better working conditions.” —Fairwork, [First Annual Report](#)

■ FiDA's current project: Platform-led upskilling

FiDA is repositioning in 2020 as “Skills for a Digital Age”, A Caribou Digital Project with the Support of the Mastercard Foundation.

In this vein, our current project is “Platform-led upskilling”—one of the many levers for shaping the platform economy, as detailed in the previous section.



Overview of Platform-Led Upskilling

<https://www.transformationalupskilling.org>

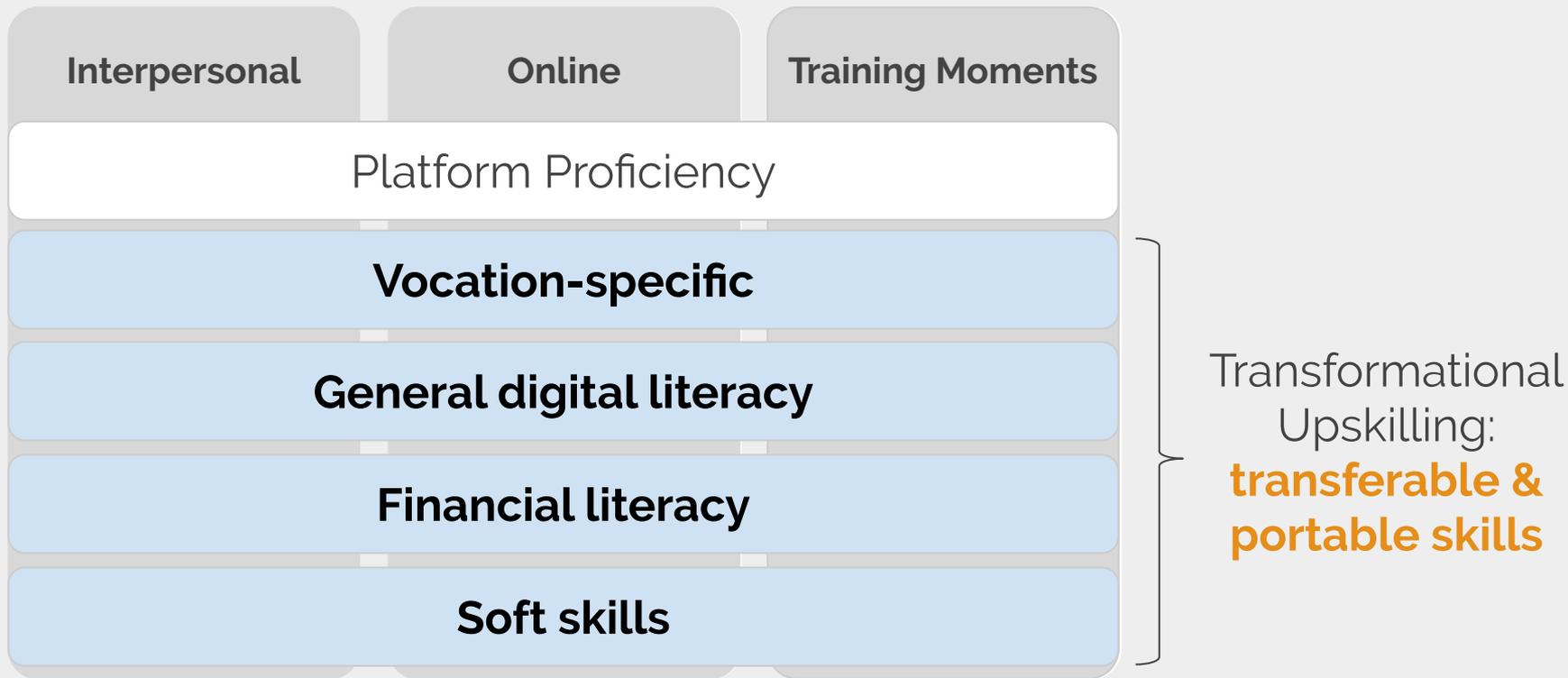
Platform-led upskilling—the training platforms provide to workers outside the boundaries of an employer-employee relationship—allows platforms to prosper by facilitating learning in potentially **beneficial relationships** with participants and labor markets.

- **Platforms** benefit by accelerating sales and increasing the quality of goods and services on offer.
- **Producers** benefit learning new skills, improving their craft, and increasing revenue.
- **Regions** and **countries** benefit by increasing the human capital of their workforce.



Kinds of Platform-Led Upskilling

<https://www.transformationalupskilling.org/>



Examples of Platform-Led Upskilling

<https://www.transformationalupskilling.org/>

As part of our 2019 research we interviewed 15 platforms across several emerging markets. Here are videos of how several of those platforms have integrated upskilling into their business models.

Jumia Kenya



Sendy



Lynk



MAX Nigeria



Calls to action: Platform-Led Upskilling

<https://www.transformationalupskilling.org/>

Improve platform upskilling by learning from best practices

Forge new upskilling partnerships

Nurture a broader Community of Practice

Frame platform-led upskilling investments as transformational

Build an evidence base about platform-led upskilling

Build an ecosystem around platform-led upskilling

xi Further reading

This bibliography is drawn from all the “references” on slides in this report.



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