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SUPPORT FOR JOB MATCHING AND ON-DEMAND PLATFORMS

Learnings from Jordan and Kenya

FEBRUARY 2020



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Forward: COVID-19 Update

The following research was conducted prior to the COVID-19 outbreak. While we expect significant economic consequences as a result of the pandemic, it is still too early to forecast how the pandemic will play out and the full economic impact in regions and sectors. That being said, during the first months of the outbreak, Mercy Corps has been able to tailor our support to both the innovation partners in the Youth Impact Labs portfolio, as well as offering direct support to gig workers to meet their urgent needs.

Program Adaptation

Technical Assistance: Youth Impact Lab's facilitative approach has allowed Mercy Corps to build strong relationships with the start-ups in our portfolio, becoming trustworthy, credible partners. So when the impacts of COVID-19 began affecting the start-ups, Mercy Corps was well positioned to provide technical assistance, supporting their ability to adapt business models and operations, including examples like:

- Youth Impact Labs hired an operations management expert with vast experience in e-logistics to support Getboda to develop standard operating procedures and build internal team capacity to manage new services that Getboda ventured into during COVID-19, which included food delivery in partnership with restaurants and grocery shops in Nairobi. Youth Impact Labs developed tools to guide start-ups through processes to adapt their business models, helping entrepreneurs analyze and adapt fundamental areas in their models including managing supply chains and fulfillment, managing remote staff, cash flow management, and legal obligations such as leases and wages.
- Providing one-on-one management calls to brainstorm pivot strategies.
- Conducting a research study with Bilforon's and Carer's female workers to analyze all aspects related to digital financial inclusion and mobile wallets usage during and after the onset of the COVID-19 crisis, and providing support in enrolling more female workers in digital financial products.
- Connecting these businesses to investment and financing opportunities, particularly those provided by our partners. This has led both Aoun and Bilforon to raise 25,000 USD each, which was essential to their survival.

Working Capital: Provided critical financial support to start-ups so that they could implement their adapted business models. Examples include:

- Getboda: 10,000 USD utilized to pivot to food delivery services for restaurants and pharmacies. Funds are being used to hire additional staff and purchase delivery equipment and personal protective equipment (PPE).
- Taskmoby: 20,000 USD utilized to train workers and buy equipment and supplies needed to provide disinfection services to government agencies, banks, and taxis.
- ViaVii, Sharqi Shop, and Salalem: 5,000 USD cash grant each utilized to pay gig workers who have been significantly impacted during the COVID-19 crisis.
- Utrac, a delivery company based on a gig/freelance model, will be provided with a 5,000 USD cash grant to fund their newly enrolled gig workers in Aqaba-Jordan.

Unemployment Assistance: Youth Impact Labs provided critical financial support to gig workers in Kenya who were experiencing a sharp decline in demand for services, as well as becoming unable to perform their jobs due to lockdown and other government restrictions. This financial support was in the form of cash and was utilized to meet families' urgent needs including, purchasing food, paying rent, and paying for health services. It should be noted that Jordanian law prohibits this type of grant or donation, which must go through government channels. As a result, support was routed to companies, who in turn assisted their workers, as described above.

In Kenya, the government did not provide any unemployment benefits for its citizens who were out of work. Youth Impact Labs designed an unconditional cash transfer program to support vulnerable gig workers connected to our grantee platforms to ensure that they were still able to cover their immediate, basic needs.

Youth Impact Labs supported 115 gig workers with unconditional cash support worth 100 USD via mobile money. The gig workers were drawn mostly from sectors that require close contact with the client as beauticians, nannies, cleaners, and plumbers. Youth Impact Labs selected workers whose incomes had dropped by 50%, whose previous average income was less than 300 USD, and who were utilizing negative coping strategies such as skipping meals and selling productive assets. The workers reported spending the funds on food, paying arrears, and repaying debt incurred at local grocery shops that had been selling groceries to them on credit when the pandemic struck. Post-distribution monitoring one month after the disbursement, showed an up to 62% decline in use of negative coping strategies.

Going Forward

COVID-19 and the pandemic's economic consequences have tested the importance and accuracy of our learnings and recommendations in this report and our overall program model. While we believe the known impacts of COVID-19 have further illustrated the learnings from this research, they have also highlighted both barriers to be addressed in the gig economy, as well opportunities for the sector to continue building on as the pandemic's impact evolves.

Barriers

- Gig workers do not have access to the same social security nets that are available to full time employees; this includes health insurance and unemployment benefits that leave them vulnerable in the face of a pandemic. In Jordan, full time employees have access to a fund that allows them to withdraw a considerable amount of cash, which was sufficient to sustain them during the lockdown. The government tried to create a similar program for daily and gig workers as a response to COVID-19, but the program faced challenges, such as delays in approving and processing payments and some unreasonable terms and conditions. For example, daily workers were denied any kind of support if they owned a car, regardless of the price of that car, and even if the car was still being paid for through monthly installments, this left many vulnerable daily and gig workers without access to any financial support.
- Low income earned by workers means that most workers do not generate enough income to enable them to save and become resilient in the face of an economic shock.

Opportunities

- Ability to quickly pivot services, providing thousands of people in lockdown with critical supplies to meet urgent needs.

- Relationships already established with ecosystem players like vendors and government stakeholders, allowing for a timely pivot of new service platforms that are newly in demand.
- Online platforms have consolidated gig workers, giving workers the platform to consolidate efforts to advocate for better pay and a worker safety net.
- Gig platforms have helped build credibility by training and providing PPE, the platforms have inspired clients confidence which has enabled the sector to remain resilient despite the challenges e.g. couriers at Getboda a logistics platforms follow specific hygiene and safety protocols that have enabled them to experience increased demand
- Corporations realized the importance of digital and remote training for their employees, which presented a huge opportunity for Salalem, who is now signing more strategic long term deals related to the development of digital training content.
- The education sector is currently shifting towards a digital and remote learning model, which presents another opportunity for Salalem's home-based gig workers who are developing online content for schools.
- Online- and delivery-based shopping for essentials, including groceries, has seen a huge uptick in demand during COVID-19, and it is becoming the new trend in the market. This change presented an opportunity for Basket, who was already providing online shopping and delivery services for groceries, and allowed Bilforon to introduce new essentials delivery services.
- Home-based health care services became a critical need during the lockdown. Carers was the only company offering this service in their market, which led to increased demand and helped popularize this model in Jordan and the region.
- In general, the lockdown pushed consumers to realize the value of digital platforms that offer services unhindered by the effects of COVID crisis, which was beneficial on the short and the long terms for our partners.
- While we know it is still too early to truly understand the full impact of the pandemic on the economy around the globe, this report helps inform both challenges and opportunities in working with on-demand, job matching platforms in the face of COVID-19 and beyond, in addition to the role of NGOs in supporting the gig economy, especially during such volatile times.

Executive Summary

The growth of the online gig economy is seen as a new and welcomed phenomenon for developing economies, and technology platforms play a key role in fostering these employment opportunities. This report aims to analyze job-matching and on-demand platforms in Kenya and Jordan to determine specific effects these companies and technologies have on jobs, particularly youth employment, within their own sectors, and to offer recommendations for how to further develop the potential of this sector.

The startups that participated in this research are part of Mercy Corps' Youth Impact Labs (YIL) program, a 3-year initiative funded by Google.org to foster innovations that meet the challenge of youth unemployment and underemployment around the globe. In Jordan, participating businesses included: Aoun, Bilforon, Carers, and Lina Gas. In Kenya, the field study focused on Lynk. These businesses were selected based on the sectors in which they operate, level of engagement with blue-collar workers, and potential for scalability. This report incorporates results from field study and interviews with startup CEOs and senior leadership, as well as Mercy Corps staff.

The report details key findings to encourage the success of the gig economy and inform future programming in this space. Ultimately, the most significant finding of this report is the idea that technology by itself is not the panacea to create a robust gig economy. While technology has enormous advantages for access, scaling and equity, it must be accompanied by other key services to build a platform that meets the needs of both customers and service providers. **The coordinated approach of both a technological platform and wraparound services (e.g., worker training, customer support) has the highest likelihood of achieving success as demonstrated by the YIL businesses.**

Key Findings

1) Technology alone will not achieve success

While most of the platforms were initially built purely as a matching platform to connect gig workers to jobs, the businesses soon learned that additional services were key to ensure that workers were equipped to adequately deliver jobs.¹ The additional support includes wraparound services for workers, offline support for both end-customers and service providers, and a strong customer service orientation.

2) Adapting business models had significant effects on the competitiveness, social impact, and scalability of platforms

Most of the startups studied have engaged in evaluative and reflective change processes to adapt the different strategies and models they use to make the platforms more fit to the markets they operate within. The resulting changes include improved or streamlined monetizing strategies, adding a business-to-business (B2B) focus to their core business-to-consumer (B2C) services, and changes to platform algorithms that create more equitable work allocation. While each platform has its own unique change process, these factors have trended across multiple startups, indicating their value across industries and companies.

3) There is no single path to scalability and how to scale remains a critical question for enterprises

¹ Lynk, Doing More: Building Quality In The Informal Sector Through Microfranchising

The start-ups studied are currently prioritizing international scale rather than domestic scale, largely due to local market constraints like market size. Additionally, the worker focus, evidenced by the importance of supportive wraparound services, needs to be transferred to new locations and contextualized to the specific needs of the workforce. This requires time and investment, which further inhibits the scaling-up process. In addition, maintaining high quality outputs while managing large volumes of orders is a key challenge. In the end, where these startups scale is not as important as how they do so; with a goal of scaling the platform while maintaining those aspects that led to success (e.g., wraparound services).

4) Beyond their viability as startups, businesses are making a broader difference in their communities, workforces, and industries

The platforms supported by YIL are providing productive, inclusive work opportunities, often for people who otherwise face employment barriers, such as women and youth. In addition, the platforms create a path for service providers to launch their own micro and small enterprises, building more financial independence and a stronger market. Furthermore, the work these platforms have done to robustly vet their service providers and raise industry standards also reduces the stigma of certain industries and improves the regulatory and structural environment of their respective sectors.

5) Providing a flexible, context-specific package of interventions that support the business, the platform, and their workers is an effective way for an NGO to support startups.

Most companies already had a market presence and potential for growth that made them ripe for investment and scalability. YIL helped accelerate is growth, become investment-ready, and scale. Future support will need to continue to consist of a blend of financial and technical assistance; the importance of this multifaceted support should not be underestimated. Mercy Corps' role as an advocate for workers should also be acknowledged for future engagement with platforms. Given worker protection concerns in the gig economy, it is important to support Mercy Corps' ongoing advocacy with stakeholders to ensure that they address issues of inclusivity, pricing and fair pay, work conditions, and social welfare.

Recommendations

These recommendations were developed for multiple stakeholders including: funders, implementers, and the general technology and development sectors. On a more focused and immediate level, Mercy Corps and affiliated stakeholders can apply these recommendations to increase successful outcomes when implementing future programming.

1) Ongoing technical and financial backing and continuous research for on-demand, job-matching platforms for blue-collar workers

For programs like YIL to realize systemic change and impact at a labor market level, they need to be supported and funded over a longer period, as well as expanded in terms of reach and geographic coverage. Ensuring that key metrics are built along technical support and monitored over time is also important, as this will allow Mercy Corps to better understand what specific factors were influential in the success of these platforms.

2) Create cohorts of startups that can exchange information and advice on how to successfully scale.

YIL's expansion in terms of reach, geographical coverage, and sectors will allow it to, over time, develop cohorts of startups that can exchange information, advice, and best practices on what

works and on how to achieve scale. This approach will also allow YIL to test different assumptions and try variable approaches, refining the program's offering.

3) Provide further support to test algorithms

One specific area for increased support is in testing the impact that different algorithms have on platform operations, a process already demonstrated by Lynk. Supporting this process can also help answer crucial questions about customer satisfaction, overall skills development across the workforce, and customer prioritization of choice and consistency, among other topics.

4) Test RPL systems

Testing, refining, and implementing Recognition of Prior Learning (RPL) systems as part of the platforms' recruitment process can have a significant impact. RPL can help individuals acquire a formal qualification that matches their knowledge and skills, and thereby improves employability and income. It can also result in a larger pool of eligible workers for platforms and more job opportunities, leading to upward mobility and social inclusion.

5) Provide support in scalability efforts

Startups will need significant support to scale their operations. This presents a unique opportunity for Mercy Corps to become a partner in this journey and learn from their experiences. These valuable insights could later be applied to startups in other countries or regions and in different sectors.

6) Collaboration with policymakers and other stakeholders

Further collaboration between policymakers and the relevant stakeholders on issues related to regulations and access to capital requirements can help to deepen the impact and reach of these platforms. Broad engagement with financial service providers, regulators, national policymakers, and civil society is needed to achieve the full potential and scale of these platforms.

Introduction

Increased Internet access around the world has fundamentally changed how workers access opportunities and earn their living. Technology platforms have a strong influence on labor dynamics and have a key role to play in fostering youth employment in developing economies. The growth of the online gig economy is seen as a new and welcome phenomenon, particularly in developing economies. New sources of work are especially needed in regions where youth unemployment has reached historic records and average wages remain notably depressed. Policymakers and economic experts hope these platforms can provide new and sustainable job opportunities by addressing mismatches in the supply and demand of labor.²

Job-matching platforms improve job seekers’ efficiency and facilitate workers’ access to labor markets that were previously out of reach. These platforms offer an opportunity to workers facing employment barriers, such as a lack of education or prior experience, poverty, gender, or scarcity of local jobs. They also help individuals develop existing and new transferable skills—skills that allow workers to improve future employment opportunities, making them more adaptable and resilient to the changing nature of work.³

This report shares the main insights that emerged across different job-matching and on-demand platforms in Jordan and Kenya created by startups supported by Mercy Corps’ Youth Impact Labs (YIL) program, a three-year initiative funded by Google.org with a specific focus on tech-enabled youth employment. In Jordan, these businesses included Aoun, Bilforon, Carers, and Lina Gas. In Kenya, the field study focused on Lynk. These startups were selected based on the sectors in which they operate, their level of engagement with blue-collar workers, and their potential for scalability. This report outlines our recommendations and reflects on wider programmatic implications for Mercy Corps and its future support for platforms serving the informal and gig economies. The recommendations and lessons learned outlined in this report may also be helpful to funders supporting similar initiatives and to the development community grappling with these emerging and complex issues. A brief description of the startups is below, and they are further detailed in Appendix 2: The Platforms (Page 24).

Platform Description

Aoun	Aoun is an on-demand maintenance platform that connects household owners with vetted service providers. It offers a range of services through its mobile application such as air conditioning installation and maintenance, electrical works, cleaning, plumbing, etc. Aoun offers customers the option to upload pictures and an explanation of the technical problem they face or the service they require. The customer then receives quotes from different professionals and selects the one he/she thinks is the most appropriate for the work. After the work is completed, the customer can provide a rating and review for the service providers to help create a community of trust and help others choose the best professionals for their needs.
Bilforon	Bilforon is a Jordanian marketplace application for connecting customers with home cooks who make food and sell it from their houses. Customers can use the app to view the list of home cooks, check their food menu and order food, choosing from different categories depending on their needs. Orders are delivered to customers within 45 to 60 minutes. Bilforon also offers a catering service, where clients can choose from a number of home chefs who are ready to cater social and business events. There is also a farmer’s market option that connects customers to suppliers of organic and homemade products such as jam, pickles, peanut butter, fresh pasta and more.

² Graham, M., Lehdonvirta, V., Wood, A., Barnard, H., Hjorth, I., Simon, D. P. (2017). The Risks and Rewards of Online Gig Work At The Global Margins.

³ Rockefeller Foundation (2013) Digital Jobs: Building Skills for the Future

Carers App	Carers App is a technology platform improving the quality of in-home care services in Jordan. The mobile application connects families with home caregivers – certified nurses and babysitters – based on required skills, pricing, experience and qualifications. When customers log into the app they can choose the care service they require and complete a form providing specific details such as date, times and qualifications required. Next, the order is sent to caregivers who bid for the work. The user is notified about available caregivers and is able to choose the one that best matches their needs.
Lina Gas	Lina Gas is a mobile app that facilitates the delivery of oil and gas products. Through its smartphone application, Lina Gas seeks to meet the gas cylinder delivery demand in Amman and other governorates. Established in May 2016, Lina Gas has partnered with more than 300 gas cylinder distributors. After starting with the home delivery of gas cylinders, it has expanded to the delivery of diesel and liquid gas cylinders, which can be ordered via the Lina Gas mobile app.
Lynk	Lynk was launched in Nairobi in 2015 to create fulfilling careers for informal workers (called “fundis” in Kenya) and artisans by connecting them to relevant opportunities while ensuring fair working conditions. Through its website and Pro App platform for fundis (which runs on Android), Lynk matches households’ and businesses’ labor demand with the supply of verified professionals, whom Lynk calls “Pros”. Skilled plumbers, electricians, carpenters, and beauticians are some of the kinds of Pros with whom Lynk works. As of February 2019, Lynk had enabled over 1,300 informal workers to access over 22,961 jobs, and the platform has transferred more than US\$2.5 million to workers in payments.

Methodology

The purpose of this study is to analyze data and examine lessons learned about what is needed to support job-matching and on-demand platforms for blue-collar workers in emerging economies. This study set out to answer the following questions:

- » *What are the key cultural and contextual influences on the success of digital job-matching and on-demand platforms that the YIL program has supported? And given the range of subsectors supported (construction, home-based businesses, trades, etc.), are there broader lessons on key support services needed and platform attributes required?***
- » *How have these platforms evolved during their partnership with YIL, and why? Specifically, is there a wider lesson to be learned from their evolution from simple job-matching platforms to platforms providing full infrastructure support for workers, and does this align with the experience of the Kenyan and Jordanian platforms?***
- » *How did Mercy Corps’ financial, technical, operational and other support help (or hinder) the development and success of these platforms?***
- » *What are the key best practices and lessons learned for an INGO attempting to support on-demand or job-matching platforms?***

In order to answer these questions, we conducted a literature review of relevant project documentation, as well as field trips to Jordan and Kenya for consultations with internal and external stakeholders.

The field study was conducted in October 2019 in both Jordan and Kenya. Structured key informant interviews were conducted with a number of businesses supported by the YIL program. In Jordan, these businesses included Aoun, Bilforon, Carers, and Lina Gas. In Kenya, the field study focused on Lynk. These platforms were selected from a broader portfolio of startups supported by YIL based on the sectors in which they operate, their level of engagement with blue-collar workers, and their potential for scalability.

Internal Mercy Corps stakeholders were also engaged during the process in order to understand and capture the existing in-house knowledge of the sector and to further identify how the organization can build on YIL to design and scale similar initiatives.

Limitations

Job-matching and on-demand platforms for blue-collar workers are relatively new phenomena. To date, there has been limited research exploring their growth and adaptations to local market conditions. This research aims to fill that gap. It is not comprehensive but is rather a first attempt to understand some of the key challenges and changes that platforms working with YIL have gone through in order to prosper.

This study relies on publicly available or self-reported information. All outcomes and findings come from a best-effort analysis of the information available and are not meant to be fully representative of any one economy or industry

The Context

Jordan

Jordan is a young country, with 63 percent of its population under the age of 30.⁴ According to UNICEF, Jordan has one of the highest youth unemployment rates in the world despite high education levels, and female youth unemployment (56.9 percent among 15- to 24-year-olds) is almost double that of men (31.5 percent among 15- to 24-year-olds).⁵ Approximately 39 percent of Jordanian youth aged 15-29 are not in education, employment, or training—a worrying trend as long periods of unemployment can result in deteriorating skills and disillusionment.⁶

Young Jordanians often work for poor wages in the informal economy in jobs that do not match their qualifications.⁷ Young women who participate in the labor force (resisting cultural constraints and domestic duties) are often confronted with poor work conditions including harassment and safety issues and the gender barrier of many “male” professions.⁸

Jordan’s young and educated population is fertile ground for new opportunities to accelerate growth and push for positive change. Expansion of the gig economy can provide opportunities for youth, and particularly for young women, to participate in the workforce and acquire and develop skills that will be beneficial in the long term.⁹

⁴ OECD Development Centre (2018), Youth Well-being Policy Review of Jordan

⁵ UNICEF Jordan (2017), Situation analysis of children in Jordan

⁶ UNICEF Jordan (2019), Opportunities for youth in Jordan

⁷ OECD Development Centre (2018), Youth Well-being Policy Review of Jordan

⁸ Ibid.

⁹ UNICEF Jordan (2019), Opportunities for youth in Jordan

Kenya

With a youth population of approximately 10 million, Kenya is currently experiencing a youth bulge and a potential opportunity to boost its economic development. However, with 500,000 to 800,000 young Kenyans entering the labor market every year, the economy does not provide sufficient employment opportunities.¹⁰ In this context, the informal sector is the last recourse of most Kenyan youths, with workers between 18 and 35 years old representing more than half of the informal workforce.¹¹ In Kenya, 88 percent of jobs created in 2017 were in the informal sector, and Nairobi sees a monthly average of 1.1 million informal jobs completed.¹²

Informal sector work is mostly done without a formal contract structure and its benefits, including regular work schedules, standardized wages, and opportunities for career development. The gig economy has the most potential to see young people enter the workforce and could, with the right changes, make a significant impact on the quality of the jobs that youth are able to secure. Further, the gig economy has the potential to professionalize and formalize the informal sector.

A Solution: Youth Impact Labs

Mercy Corps launched the three-year YIL initiative in 2017 with funding from Google.org. YIL is designed to work with startups to foster innovations that can meet the challenge of youth unemployment and underemployment around the globe. YIL has been designed to support best business practices in local enterprises to unlock creative technological methods to help young people between the ages of 15 and 35 find sustainable work that is both meaningful and challenging. The initiative is implemented in two strategic hubs located in the Middle East (Jordan) and East Africa (Kenya).¹³

In **Jordan**, YIL worked with BeyondCapital to fund startups that are leading change in the growing peer-to-peer segment of the economy; YIL continues to provide them with both financial and technical support. Another partnership, with startup specialist iPARK, allowed YIL to create Jordan's first social impact business incubator, Generation Impact, giving YIL startups multifaceted support, including networking and peer learning, professional coaching, and low-cost office space.¹⁴

In **Kenya**, YIL provides grants and ongoing advisory support to digital platforms that serve small businesses, agricultural supply chain management, and digital work. YIL's supportive services allow the funded platforms more stability and flexibility, while giving them key business insights as they develop technological innovations that will help them achieve and maintain success at scale.¹⁵

¹⁰ British Council (2017), Youth Employment in Kenya

¹¹ Lynk, Doing More: Building Quality In The Informal Sector Through Microfranchising

¹² KNBS, Economic Survey 2018

¹³ Mercy Corps Kenya (2019), Why start-ups

¹⁴ Mercy Corps Jordan (2019) Youth Impact Labs Jordan Impact Evaluation

¹⁵ Mercy Corps Kenya and Genesis Analytics (2019), Towards a Digital Workforce: Understanding the Building Blocks of Kenya's Gig Economy

Key Findings

While the platforms participating in this report serve different communities and operate in multiple sectors, several key components for success were noted across the organizations. This report introduces and discusses these insights, including both specific examples observed within the field study and the broader implications they have for future efforts to help platforms succeed in expanding global work opportunities for youth.

1. Technology alone will not achieve success. Additional services are key to building an effective gig work platform.

Most of the platforms started with the idea of being a technology company alone, with the mind-set of “letting the technology do the work.” In developed economies, platforms usually focus on providing the technological solution and creating the marketplace, with consumers benefiting from better offers, lower prices, and targeted information. They rarely provide added services to workers, as that is not considered a core part of the business model. In the case of the platforms studied for this report, it became obvious very quickly that technology alone was not enough to ensure that workers delivered jobs well and met customer needs.¹⁶ This realization changed the companies’ structure and operations while shifting the focus of the businesses to helping the workers thrive. While most platforms have technical teams to refine the user interface, the main focus is actually on improving the offline experience—the actual service provision – as this is where much can go wrong, both for service buyers and service providers, and with the greatest potential consequence.

All participating platforms’ business models combine online and offline services. Customers typically experience their first contact online through a website or a mobile application, but the subsequent service is provided offline by an in-person worker. The online component of the model helps workers reach a much larger market, while potential customers have access to a vetted pool of professionals. Through the platforms, customers can now efficiently indicate what their needs are and order services and products online. The platforms allow them to choose a date and time that is convenient for them and, in most cases, service is guaranteed on or by the chosen date. For workers, the platforms also improve communication and lessen information asymmetry and unpredictability. Workers get the details of the assignments (who, what, when, where), and bid for and secure work through the platform. They can also engage with the platform’s support team when the need arises.

Focusing on the person involved in the experience (both worker and customer) instead of solely on the technology provides a successful blueprint for on-demand, job-matching platforms in emerging economies. Oftentimes, particularly in these contexts, there are high levels of mistrust in digital technology. Customers still want—and like—to be able to have one-on-one interactions about the service they will receive or to raise issues if something went wrong. This is another example of how pure technology solutions (in the form of chat box or bots) struggle to work in these contexts, and why personal interactions remain critical. Raising the technical and non-technical skills standards of the workers and providing them with the support infrastructure needed to excel is critical for success, as explained in the wraparound and customer service support these companies provide (described below).

¹⁶ Lynk, Doing More: Building Quality In The Informal Sector Through Microfranchising

As a result, all platforms have developed robust vetting processes for their workers as an integral part of their models, which not only helps them offset risks and potential liability but also ensures high-quality services, reduced turnover, and customer satisfaction and retention. The vetting process includes a verification of qualifications, background and reference checks, and personal interviews.

Workers thrive through wraparound services

To ensure quality work, companies developed a series of wraparound services that aimed to improve workers' skills and, by extension, the quality of the services and products they provided. For the purposes of this study, wraparound services are defined as a set of services provided to a worker to enable their success on the platform, such as professional training or customer service support. The provision of wraparound services is also essential to reinforcing the much-desired virtuous cycle: by ensuring the provision of high-quality work, service providers get better reviews, and the platform gets more requests. The provision of wraparound services is a key differentiator for companies, helping them attract and retain workers while ensuring their survival through the provision of high-quality products and services.

Most platforms have invested significant time and resources in designing and delivering their wraparound service offering, to ensure the structure, content, length, and quality are appropriate. Platforms have also partnered with suppliers to ensure workers have access at affordable prices to the high-quality equipment, materials, and tools needed to perform their work. Workers are no longer only paid for their work but now also have access to a range of other services that are not typically available to independent workers. The wraparound services may also increase worker retention. While this has not been tested, the underlying assumption is that the professional development opportunities reduce turnover and its attendant worker acquisition and training costs for companies.

EXAMPLES OF WRAPAROUND SERVICES

Lynk: Lynk provides training and standardized tools and materials. Under Lynk's model, the training covers detailed processes for service delivery, while also focusing on other elements critical to customer satisfaction. Lynk also designed starter packs for workers, containing branded bags, clothing and protective equipment, high-quality tools, and other materials. This ensures that each Lynk professional, or "Pro" as they are called, looks similar and can deliver similar results. Lynk covers the costs of the starter packs upfront, with 50 percent of the funding provided as a loan covered through a funding facility made available by Bankable Frontiers Africa. The Pros then repay through an automatic 15 percent garnishing of wages from jobs performed through the platform until the loan is paid off.

Bilforon: Similarly, Bilforon provides a series of wraparound services aimed at providing added value to home chefs. Bilforon created a series of videos to train chefs on food preservation methods, plating, and professionally photographing homemade dishes. The company also conducts ATP (adenosine triphosphate) tests to measure levels of microorganisms on food preparation surfaces to assess hygiene and advises chefs on how to professionally prepare and store food.

Carers: Carers provides a comprehensive training program for babysitters and nurses. The company has partnered with the American Heart Association and the Jordanian Association of First Aid to provide certified first aid training to babysitters. Additionally, babysitters receive childcare training with a trainer specializing in parenting and childcare. Nurses are professionally trained and accredited but Carers provides them with psychological first aid training and the startup is currently in the process of developing its own material for training to improve the patient experience.

In the digital economy, data has become a valuable extractable resource as it can be further analyzed, used, and monetized.¹⁷ The startups included in this study also have access to data (amount of work per month, hours worked, payments, etc.) that allows them to accurately track work and potential income. This data could help businesses develop income projections that would be useful in providing other services to their workers, such as financial support (e.g., accessing financing, credit lines, or micro-insurance). For example, Bilforon was able to negotiate a credit line for a home chef with a local supplier based on the person's sales and income over the previous few months. As companies grow and more information is available about workers' income, situations like this are expected to increase.

A strong customer service focus is key to success

All startups share a strong focus on customer service, which is a key aspect of effective wraparound services. Every platform we reviewed has a dedicated team supporting customer service, ensuring a positive experience. Critical areas for customer support include quality assurance and managing customer feedback. All the organizations provide follow-up support and engage regularly with their clients for feedback on services and products received.

EXAMPLES OF CUSTOMER SERVICE

***Carers:** The Carers platform regularly conducts post-service calls to collect feedback about the caregiver's punctuality, personal presentation, service quality, and any other relevant information that could improve the customer experience. Caregivers can also contact the platform for assistance with problems.*

***Aoun:** Similarly, Aoun provides a call center to help clients with service-related questions or complicated situations involving the hired professional. These regular follow-ups and client feedback gives companies immediate access to information that can improve the customer service experience.*

2. Adapting business models can have a significant effect on the structure, competitiveness, social impact, and scalability of platforms.

Most of these startups have engaged in evaluative and reflective change processes to adapt the different strategies and models they use to make the platforms more fit to the markets they operate within. The research indicates that different types of monetizing strategies, business models and algorithms they use can have profound implications for the structure, competitiveness, social impact and scalability of these platforms.

Testing different monetizing strategies key to maximizing return

Some of the businesses, particularly Aoun, Bilforon, and Lynk, had to test different models and monetizing strategies until they were able to identify the most effective ones. In the case of Aoun and Bilforon, there was a shift from a commission- and percentage-based model to a fixed-price subscription model. Initially, Aoun charged a 10% commission fee from workers and a fixed fee for households, while Bilforon was charging small commissions on every transaction. The processes were cumbersome and both required high volumes to achieve profitability. Both startups changed to a fixed-price subscription, which allows workers platform access and the ability to trade freely. The shift allowed

¹⁷ UNCTAD (2019), Making digital platforms work for development

platforms to simplify their operations, better forecast their revenues, and improve the management of their workers.

Lynk changed more radically, not only streamlining the types of services they were providing but also moving from a bidding model to a commoditization one. Using data and information collected over the past three years, Lynk limited its market to the areas with the highest demand, established set prices for services, and created step-by-step guidelines for each service, outlining what a perfect service looked like for customers. This made it easy for Pros to deliver quality services every time. **Lynk piloted this model for six commoditized categories over six months and connected Pros in these categories to more jobs and income in the six-month pilot than it had in the three years prior to the project starting.** There was more youth representation, higher customer satisfaction, and greater levels of automation—key to scalability.¹⁸

B2C provides validation, while B2B drives increased revenue

Startups experienced changes not only in terms of monetizing strategies but also in terms of customers. All of the businesses in question started with a business to consumer (B2C) market strategy. Over time, many have also started moving into the business to business (B2B) space. Lynk currently provides installation and repair services to companies and buildings, while Bilforon has developed home-based catering services that deliver food to large corporate events and companies' cafeterias. Similarly, Lina Gas is seeking contracts with large gas companies to handle their delivery services. This transition was driven by demand and a desire to enter a comparatively larger market that could ensure the financial sustainability of the platform companies.

Many of these companies expressed a belief that B2C allows them to validate their concept, trying models and strategies at micro scale (with individuals or households), testing new products or services, and refining their business proposition. However, B2C is perceived as higher risk than B2B. The cost of serving customers is higher, the client base is quite demanding, and too much can go wrong in the process. Furthermore, revenue is low and viability requires a large volume of orders. Nonetheless, this market is of crucial importance as it allows companies to develop a public reputation and position their branding. In all cases, their B2C presence allowed these companies to succeed in the B2B market, which would have been very hard to break into otherwise. Most founders said that, while the B2B markets are where the money is, they are unlikely to stop serving the B2C market, as this is what validates them.

In contrast to B2C, the B2B market is clearly providing these companies with the financial sustainability they need over time. B2B is often more structured and predictable in nature and allows companies to better articulate and deliver their value proposition. There is also less variability across the products and/or services requested by the client, and a greater probability of getting things right. B2B contracts are typically more substantial, allowing for greater overhead and more flexibility to manage cash flow and revenue. This is particularly important if stakeholders are private investors looking at their return on investment.

Platform algorithms impact work allocation and can support inclusivity

Technology gives these platforms flexibility in their work allocation methods. The type of algorithm they code and use has profound implications for the structure, competitiveness, social impact, and scalability of their business. Lynk is one business that has been grappling with this issue and is moving away from algorithmic ranking based on a ratings mechanism. Instead, the algorithm accounts for worker utilization

¹⁸ Lynk, Doing More: Building Quality In The Informal Sector Through Microfranchising

and geographical distance as part of the platform's commoditization model. In the new model, workers have greater income guarantees thanks to the worker utilization portion of the algorithm that ensures a more equitable distribution of work. However, some more experienced workers were put off when the set price points were lower than those to which they were accustomed. Some left in the transition period;¹⁹ however, labor supply was not significantly affected as this allowed entry to younger and less experienced workers who were previously unable to join the platform. The initial findings of the implementation pilot are promising. Lynk has reported increases in jobs per month and income for workers, higher customer satisfaction, and greater levels of automation. However, the algorithm still needs to be further tested and analyzed to better identify lessons learned and potential implications of the new structure. The new model proposed by Lynk also raises questions about distribution of work. These questions address the very core of its existing program and ambitions as well as potential implications for scalability. Subjects that need to be explored through more in-depth research and data analysis include: customer satisfaction, skilled worker retention, overall skills development across the workforce, customer prioritization of choice and consistency, price setting, and market competition.

3. There is no single path for scalability; how and where to scale remain critical questions for these enterprises.

Research indicates that all of the platforms studied have the potential to scale. Each organization has a tested and proven model that works; they have all been through investment rounds that allowed them to successfully raise funds; their technology is ready; and, in most cases, they have already started prospecting potential markets and identifying partners and competitors.

Due to local market constraints (primarily linked to market size), most startups are thinking about scaling internationally rather than domestically. This raises a few questions: to what extent are these companies ready to scale internationally? Are the issues they have faced locally a robust test for international expansion? Do they risk going bust in this process, effectively jeopardizing their efforts and achievements to date?

Scalability will also raise questions about trade-offs, particularly around quality vs. volume. As previously discussed, what differentiates these companies is their focus on the worker. This model is harder to replicate and harder to scale because of the level of effort required to recruit the right workers. The minimum service quality benchmarks established by these companies make it harder for competitors to enter the market. In the past few years, all startups reported having seen competitors enter and leave the market because they were unable to meet similar standards. Ensuring continued high quality while also successfully managing a large volume of orders will be a challenge. The platforms will have to consider the types of processes and systems needed to achieve this, and what it would take to implement them. Careful consideration of these issues is essential when preparing to scale.

These minimum service quality benchmarks are based on the online/offline experience and the added value provided by the wraparound services. They show that success is not just about the technology; indeed, the technology could be easily replicated by others. Rather, it is the overall service provided that differentiates these companies from the competition and makes it harder for others to secure an adequate, let alone comparable, market share.

¹⁹ Lynk, Doing More: Building Quality In The Informal Sector Through Microfranchising

Perhaps the question is not where they scale, but how they do so. This will have profound implications for these businesses and their industries. Some of the questions that businesses will need to address include:

- › To what extent will businesses need to pivot and adapt, and what are the implications of doing so?**
- › Will some of the main strategies that platforms have adopted to date be useful in new markets and with new populations?**
- › Do businesses have the human talent and capacity to implement these types of changes? The easy answer is that they could hire more workers, but this so much easier said than done.**

4. Beyond their viability as startups, businesses are making a broader difference in their communities, workforces and industries.

All businesses studied have shown a strong social orientation and a clear commitment to the overall wellbeing of their workers. These companies see themselves as solving a market problem while achieving social good. In most cases, their focus on social impact is embedded in the DNA of the business and is not seen as incidental to the company's mission, nor is it treated as expendable.

Supported platforms provide productive, inclusive work opportunities

Most companies reported that workers who engaged on their platforms had clear opportunities to generate income. In line with other research, all startups noted that the increased income comes with the added value of flexibility in managing requests and schedules. In most cases, the income generated through the platform supplemented other activities or sources of income.²⁰ While this study did not conduct thorough research on the topic, there are indications that most of the platforms provide work opportunities that are productive and deliver a fair wage per job performed. Workers may increase or decrease the hours they work depending on their availability, and the income they generate is on par with local minimum wages. This is particularly important for young women, who often must balance making an income with the demands of family responsibilities. The same applies for students who can continue their studies while at the same time accessing work that allows them to pay for their own education.

All these platforms allow youth to access training and tools that otherwise might have been out of reach in labor markets, where they often tend to be marginalized. As a result, young workers can gain valuable work experience and develop important skills that will be beneficial in their long-term careers.

Furthermore, in certain cases platforms provide work opportunities for populations that would otherwise be cut off from them. For example, Lina Gas is engaging with a population characterized by low literacy levels. The startup has developed easy-to-follow, intuitive icons that allow workers with limited literacy to engage with the platform. In the Middle East, women often face difficulties accessing labor markets, particularly in the male-dominated restaurant industry. Bilforon gives women on its platform access to work in an industry that was previously out of reach by becoming home chefs.

²⁰ OECD (2019), Gig Economy Platforms: Boon or Bane?

Lowering barriers to entry for workers is a missed opportunity for some of these startups, particularly for Aoun and Lynk. Both companies require workers to provide proof of formal qualifications in the sector to become part of their platform. During interviews with representatives from Aoun and Lynk, both companies mentioned that they only select candidates who have graduated from the best technical schools. While this approach helps maintain a certain standard of quality in the services they provide, it excludes a wide pool of workers who face severe disadvantages in accessing work even though they might have the necessary knowledge and skills. Rather than excluding these candidates, these businesses could explore the possibility of using RPL systems as part of their recruitment process. RPL helps individuals acquire formal qualifications that match their knowledge and skills, thereby improving employability and income as well as their mobility and social inclusion.²¹ These increased prospects for inclusion in the labor market enable a win-win situation for all parties.

Platforms create a path for micro and small enterprises creation

In some cases, platform work has become an entry point for workers to gain more experience, improved or new skills, access to markets, and a better understanding of consumer behavior. Aoun has already gathered anecdotal evidence of workers starting their own shops and hiring employees. Bilforon has seen its successful home chefs moving into catering or hiring additional help in order to keep up with demand. Lynk envisions its new commoditization model as a potential gateway for workers to start their own microenterprises and expects to level the playing field by lowering barriers to entry for new workers. Under its model, the career progression pathway is one of “masters and trainees” or a graduation model, where workers who have gained significant experience can graduate to independent operation.

However, more work remains in terms of lowering barriers to entry for new workers. Traditional employment often requires professional diplomas and formal qualifications, while self-employment and starting a formal business are costly and require development of a client network. Furthermore, starting a formal micro or small enterprise is usually regulated by a complex set of licensing requirements. Gig economy platforms can help reduce these barriers by providing alternative mechanisms to formal qualifications (e.g., reviews and ratings) to signal the quality of service providers. Moreover, by participating in these platforms, workers avoid the costs associated with formal entrepreneurship.

Platforms reduce the stigma of some industries and improve standards

All of the businesses studied have experienced first-mover advantage in their respective markets and industries and, therefore, help set industry standards. Some startups are not only organizing the sector, but also set standards of service by intervening in highly disorganized or unstructured sectors.

Through their vetting and selection processes these businesses are effectively establishing minimum requirements of what is acceptable service by introducing benchmarks for quality. At the same time, these businesses help “clean the industry,” making certain sectors more palatable and attractive, removing the stigma associated with certain jobs and moving away from the shame of being involved in some industries. Aoun, Lina Gas, and Lynk have experienced this overall industry improvement. Previously, their sectors were often seen as undesirable, reserved for those with low educational levels who were unable to find work elsewhere. The platforms have helped make them more attractive to young people, which allows youth access to work opportunities that they might have dismissed in the past. By training the workers, standardizing the experience, and providing tools and starter kits they have also been able to raise the profile of workers.

²¹ ILO (2020), Recognition of prior learning.

In other cases, startups are also pushing for regulatory changes to better structure the sectors in which they operate. Bilforon's push for the regulation of home-based businesses (HBB) is a clear example of this. Bilforon worked alongside USAID and other stakeholders to implement regulations designed to make it easier for Jordanians to obtain licenses to run HBB. The new regulations, introduced in October 2017, help minimize start-up costs and bureaucracy for some 12,000 micro and small HBBs, enabling them to sign legally binding contracts, and gain access to financing from banks or other financial entities so they can grow and develop.

5. Providing a flexible, context-specific package of interventions to the business, platform, and their workers is an effective way for an NGO to support startups.

YIL accelerates growth and helps companies to be investment-ready. Overall, most companies showed they already had a market presence and potential for growth that made them ripe for investment and scalability. YIL acted as a hybrid incubator that helped different companies accelerate their growth, become investment-ready, and scale.

A flexible approach supported innovation (lab model)

While YIL used a "tech for employment" mindset, it was still flexible enough to test different sectors and industries, tailoring program support to the needs of each company. This could be a key differentiator, whereas most other acceleration programs tend to focus on specific sectors and provide predetermined support packages.

Dedicated, flexible technical support is important

The type of technical support provided varies greatly by platform, from very specific to company-wide. YIL Jordan saw support provided to businesses directly by partners such as iPark and BeyondCapital, and by consultants paid with YIL funding. This allowed the program to recruit expertise based on the specific needs of the businesses, providing targeted support.

The model followed in Kenya was more hands on. YIL has a dedicated staff member available to assist companies when he is able, or to identify external support when appropriate and possible. Despite this, YIL Kenya has recognized that the amount of technical assistance companies needed was initially underestimated. Entrepreneurs often are fluent in discussing their companies and strategies, but can struggle to match implementation with rhetoric, often due to a lack of specific knowledge and skills. In other cases, entrepreneurs need to be pushed to stop developing the technological component of the business and to start testing it in the market in order to develop practical insights. This is where technical expertise can be critical.

The amount of funding and dedicated support that businesses need should not be underestimated, and the importance of this assistance should be highlighted for future programming.

Mercy Corps is a leader and advocate for workers

One of the criticisms that gig platforms face is that they do not allow mechanisms for workers to voice grievances and concerns. This is a space where Mercy Corps can provide added value. The organization has direct contact with employers and a nuanced understanding of the harsh conditions and challenges that these workers face, and knows the types of intervention and support structures needed. This puts Mercy Corps in a unique position to advise companies and improve workers' rights.

Mercy Corps already does this, highlighting the need for stakeholders to address issues on inclusivity, pricing and fair pay, work conditions, and social welfare. For example, YIL Kenya brought contract clauses that would put workers at a disadvantage to the attention of businesses and negotiated better terms. YIL Jordan has also been careful to ensure that vulnerable populations are treated fairly and that regulations are followed—particularly when working with refugee populations—to avoid potential conflict with the law.

Recommendations

These recommendations were developed with the purpose of serving different audiences, including funders, implementers, and the general technology and development sectors. On a more focused and immediate level, Mercy Corps and its affiliated stakeholders, such as those funding YIL, can apply these recommendations moving forward to increase the chances of success when implementing further programming.

1. Provide ongoing technical and financial backing and continuous research around on-demand, job-matching platforms for blue-collar workers.

YIL achieved significant results in both countries where it operates: identifying on-demand, job-matching platforms for blue-collar workers; providing those platforms with flexible technical and financial support; and helping them navigate complex changes in their business models. For this type of program to realize systemic change and impact at a labor market level, they need to be supported and funded over a longer period of time, as well as expanded in terms of reach and geographic coverage. YIL has already established the benchmark for how these programs should look as well as the type of support it should provide, so the logical next step for YIL would be to continue supporting similar platforms across different geographies and sectors. Ensuring that key metrics are built along technical support and monitored over time is also important, as this will allow Mercy Corps to better understand what specific factors were influential in the success of these platforms.

2. Create cohorts of startups that can exchange information and advice on how to successfully scale.

YIL's expansion in terms of reach, geographical coverage, and sectors will allow it to develop cohorts of startups over time that can exchange information, advice, and best practices on what works and on how to achieve scale. **Different cohorts will also allow YIL to test different assumptions and try variable approaches, refining the program's offering, while at the same positioning Mercy Corps as a thought leader in the field.**

3. Provide further support to test different algorithms.

One specific area where support could be welcome and beneficial is in testing the impact that different types of algorithms have on platform operations, a process already demonstrated by Lynk. While the idea of testing a different algorithm might be welcomed theoretically, the reality is that doing so has technological

and operational costs associated with it that could be hard for platforms to absorb. Supporting this process can also help answer some crucial questions such as customer satisfaction, overall skills development across the workforce, and customer prioritization of choice and consistency, among other things.

4. Test RPL systems.

Lowering barriers to entry for youth is a key issue for some of the platforms. Testing, refining, and implementing RPL systems as part of their recruitment process can have a significant impact. Potential workers who lack formal benchmarks or certifications but have equivalent knowledge or skills gained through other means can acquire certification through RPL. This would increase their employability and benefit everyone, resulting in a larger pool of eligible workers for platforms and more job opportunities for workers, leading to upward mobility and social inclusion. Working with local educational systems can help widen the pool of workers and help those at the fringe have access to work and income-generating opportunities.

5. Provide support in scalability efforts.

Most businesses report that they would seek support from Mercy Corps in their efforts to scale. Mercy Corps' country and regional teams are viewed as natural partners in this process who could help open doors and provide access to valuable networks. Regardless of the institutional level of engagement, what is clear is that these startups will need significant support to scale their operations. This presents a unique opportunity to partner with them in this journey and learn from their experiences. These valuable insights could be applied later on to other startups in other countries or regions and in different sectors.

6. Collaborate with policymakers and other stakeholders.

Further collaboration between policymakers and the relevant stakeholders on issues related to regulations and access to capital requirements can help to deepen the impact and reach of these platforms. Broad engagement with financial service providers, regulators, national policymakers, and civil society is needed to achieve the full potential and scale of these platforms. As seen in examples where industry benchmarks are rising, stigma is reduced, and wages are increasing workers' quality of life, these platforms bring improvements to broader societal norms and living standards in their respective countries. This, in combination with the valuable data being gathered and analyzed by these platforms, can be a persuasive factor in conversations going forward with both potential allies in both government and the private sector.

Appendices

1. The gig economy and the rise of online platforms

Over the past decade, the growth of the online gig economy has transformed the way people access work and the terms under which they work. In the online gig economy organizations contract with independent workers for short-term engagements,²² often via online work platforms, and pay them for each transaction or 'gig' they complete.²³ The gig economy offers opportunities that were previously unavailable, particularly for young people. In countries with high unemployment rates and economies that are unable to provide large numbers of job opportunities, such as Jordan and Kenya, the gig economy is increasingly perceived as an alternative avenue for income generation.²⁴

Online platforms have given a variety of workers access to new markets and made it easier for them to find work and connect meaningfully with clients.²⁵ These platforms offer clients the chance to rate the workers they employ in order to increase trust and transparency. Typically, higher ratings lead to higher pay and more jobs. Platforms can also integrate other customer protections such as payment systems, customer support, insurance, and minimum worker standards.²⁶

Online platforms also give individuals the opportunity to piece together an income outside formal market sectors, complementing efforts to increase formal long-term employment.²⁷ They can make gigs less unpredictable for workers and quicker to find, with increased independence, flexibility, and control enabling workers to have a more stable income and, over time, to develop their own small businesses.²⁸

The gig economy presents its own disadvantages for the tech industry (and the corresponding gig economy). Global competition, especially from and among large and low-wage populations in India and the Philippines, can drive down wages and reduce the available work. Similarly, in locally delivered services like transportation and domestic services, a large labor supply can also depress incomes as customers are able to choose from a large pool of workers. Some of the platforms also charge workers high usage fees, which further decreases the income they earn on the platform.²⁹ There is still little to no regulatory oversight of the gig economy in most markets, meaning that workers have few protections such as labor standards and the right to equal employment. Policies have not caught up to the market to reflect the growing segment of the workforce that needs protection outside of the traditional, formal economy.³⁰

Platforms have different business models, depending in large part on whether the service is provided at a physical location or only online. In some cases, such as the platforms supported by YIL, the work is transacted online via a platform but delivered locally, which requires the presence of the worker.³¹ In others, the delivery of the service is conducted online. In these cases, platforms can have a worker pool that is more

²² World Bank (2016) World Development Report 2016: Digital Dividends

²³ Mo Ibrahim Foundation (2019), Africa's Youth: Jobs or Migration

²⁴ Mercy Corps Kenya and Genesis Analytics (2019), Towards a Digital Workforce: Understanding the Building Blocks of Kenya's Gig Economy

²⁵ Ibid.

²⁶ OECD (2019), Gig Economy Platforms: Boon or Bane?

²⁷ Neureiter, K. (2019). Can the gig economy help to create jobs in Africa?

²⁸ Mercy Corps Kenya and Genesis Analytics (2019), Towards a Digital Workforce: Understanding the Building Blocks of Kenya's Gig Economy

²⁹ Ibid.

³⁰ Ibid.

³¹ Wood, A. et al (2018), Good Gig, Bad Gig: Autonomy and Algorithmic Control in the Global Gig Economy

geographically dispersed than those that deliver services in a specific physical market, which may affect the types of work and wages offered. The worker-client matching process can also differ from platform to platform, ranging from algorithmic automated matching to processes that involve more complex, human selection techniques, such as interviews.³²

Types of platforms

This report focuses specifically on on-demand service platforms and online job-matching platforms, a subsection of the peer-to-peer or sharing economy.³³

On-demand services platforms

On-demand services platforms enable people to exchange services or assets directly, coordinated through the Internet “on demand.” Well-known examples are Uber and Airbnb. Other services in this industry include food delivery, logistical solutions such as courier and package transport, and home cleaning or repair. Businesses like Bilforon, Aoun, Carers, and Lina Gas fall under this category.

On-demand services can provide important benefits, such as income generating opportunities for individuals entering the labor market for the first time or those who are unable to commit to jobs that are more traditional. Startups like Sendy in Kenya or Careem in the Middle East and North Africa (MENA) region are quickly expanding, providing opportunities for the self-employed who often find themselves limited by a lack of references or work experience when searching for jobs. Flexibility is often mentioned as one of the most important aspects of on-demand work.³⁴

Mobile apps connecting domestic workers with clients are increasingly popular in low- and middle-income countries, particularly in India, Mexico, and South Africa. Startups such as MyDidi and MrRight.in, both based in India, provide app-based domestic services growing at rates between 20% and 60% each month.

Online Job-Matching Platforms

Increasingly, employment services and job announcements take place online. The expansion of job sites like LinkedIn and Monster has allowed independent workers to learn about available jobs and requirements and showcase their skills to a wider audience. Hiring companies are better able to seek specific, appropriately qualified people for concrete tasks.³⁵ These platforms can help address skills mismatches and provide opportunities for workers in the informal sector and in SMEs. Furthermore, job-matching platforms generate large amounts of data about skills demand that could be harnessed to inform the training of youths entering the workforce. This data can also be used to reduce large information gaps and shorten and strengthen feedback loops between education, skills training, and jobs.³⁶ In this study, Lynk falls under this category.

Startups like Viridis Learning and Andela offer training and certifications that are aligned with employers’ needs alongside their job-matching services. This combined approach leads to better matches based on verified knowledge and skills.³⁷

³² OECD (2019), Gig Economy Platforms: Boon or Bane?

³³ Ibid.

³⁴ World Bank (2016) World Development Report 2016: Digital Dividends.

³⁵ Chen, C. and Haymon, M. (2016) Realizing the potential of digital job-seeking platforms.

³⁶ Generation Unlimited (n.d) Job Matching.

³⁷ Chen, C. and Haymon, M. (2016) Realizing the potential of digital job-seeking platforms.

Online job-matching platforms also reduce time and money spent on the job search for both the job seeker and the employer. For employers, these platforms offer faster communication, screening, assessment, and matching processes. The job seeker can privately search online and conduct the inquiry process, which reduces the stigma associated with unemployment or job searching. In countries with more conservative cultural norms, these types of platforms allow women to actively search for work, increasing their labor participation rate.

While these platforms are not expected to completely substitute for offline networks and connections, they continue to grow rapidly. LinkedIn is believed to have more than 310 million users worldwide. Two-thirds of the users are outside its US home. Usage is particularly strong among youth.³⁸

Similar platforms have been developed for those with limited fixed Internet access. MatchMe is a job-matching application developed by Souktel and used across MENA and Asia. The platform allows companies and individuals to connect via instant messaging channels, including WhatsApp, Facebook Messenger, and SMS. Other job-matching platforms assist low-skilled workers using text messaging.³⁹

Job-matching platforms have also been useful in linking refugees with local employers. They can provide a better understanding of industrial relations and regulatory environments, which can create barriers for refugees trying to access the local labor market. Refugee Talent, a job-matching platform based in Australia, is an employment platform where companies can hire people across Australia and internationally. Refugee Talent was founded to try to solve the problem of refugees being unable to access jobs in a new country that match their experience. The platform provides assistance with reviewing CVs and polishing interview skills. It also provides local industry insights to refugees to help them access the right placement.

Size of the gig economy

Online platforms are a new and growing share of the economy, but there has been little to no significant data gathered on the subject to date, making it difficult to analyze. Data so far have come mostly from developed countries and from crowdsourcing platforms as opposed to on-demand platforms. However, gig platforms are expected to grow rapidly, with some estimates putting their global value at US\$63 billion in 2020, from only US\$10 billion in 2014.⁴⁰ Other sources estimate a much higher value on different metrics, reaching as much as US\$204 billion in 2018 for the total value customers paid for services. In this case, transportation-based services dominate, generating as much as 58% of the total value. A study funded by MasterCard estimates that the gig economy is expected to achieve a compound annual growth rate of 17 percent, reaching US\$455 billion in 2023.⁴¹

According to a YIL research report commissioned last year, Kenya's current digital gig economy is valued at US\$109 million and employs 36,573 workers.⁴² Ride-sharing accounts for US\$45 million and professional jobs US\$55 million. Together, they are by far the largest segments of the gig economy financially and by number of workers. Other sectors are much smaller, such as blue-collar services (US\$3 million) and rentals (US\$5 million). **If growth continues at the same rate, the gig economy is projected to increase significantly by 2023, rising 33 percent annually to US\$345 million. The number of workers in the gig economy is expected to rise by 27 percent annually over the same period to 93,875 workers.**

³⁸ Solutions for Youth Employment (2018) Digital Jobs for Youth: Young Women in the Digital Economy

³⁹ Ibid.

⁴⁰ Overseas Development Institute (2017), Syrian women refugees in Jordan Opportunity in the gig economy?

⁴¹ MasterCard and Kaiser Associates (2019), The Global Gig Economy: Capitalizing on a ~\$500B Opportunity

⁴² Mercy Corps Youth Impact Labs (2019), Towards a Digital Workforce

Rideshare services will continue to be one of the biggest growth areas, with an annual increase of 37 percent, while blue-collar services are expected to surpass them with 63 percent annual growth. Both areas provide some of the most promising wage growth opportunities for workers.⁴³

Estimates about the size of the gig economy in Jordan are much harder to find. Recent reports claim that gig-work originating in Jordan remains miniscule, with its service purchasers posting less than 0.03% of global online vacancies—compared with 52% in the United States, 6.3% in the United Kingdom, and 5.9% in India.⁴⁴

Although most data has examined developed markets, developing economies have more room to grow a robust gig economy, with a large population of potential gig workers, competitive wages, ever-growing smartphone usage, and increased access to digital tools. Therefore, the developing economies' share of the global gig economy is expected to increase as more of their workforce enters it.⁴⁵

2. The platforms

For the purposes of this research, and to be able to draw lessons learned from across countries and businesses, we will focus on the experiences from Aoun, Bilforon, Carers, Lina Gas, and Lynk. A short explanation of each platform can be found below:

Aoun

Most Jordanians have known an electrician or plumber who has been coming to their homes for years, on the recommendation of relatives or friends. Personal recommendation and word of mouth is the way by which most maintenance service providers in Jordan find work. But now those who provide these services can sign up for Aoun, an app that helps customers find skilled local service providers and specialized home maintenance and construction workers to meet their needs.

Aoun seeks to revolutionize the home maintenance industry by providing an online platform to connect household owners with vetted and qualified service providers where they can choose the best candidate based on rating, review, or price. The platform offers a range of services through its mobile application such as air conditioning installation and maintenance, electrical works, cleaning, plumbing, etc.⁴⁶ Aoun offers customers the option to upload pictures and an explanation of their technical problem or the service they require. The customer then receives quotes from different professionals and selects the one they feel most appropriate for the work. After the work is completed, the customer can rate and review their service provider, creating a community of trust and helping other customers choose the best professionals.

Workers often face marketing challenges, including the ability to reach potential clients efficiently and lost income-generating opportunities due to a lack of critical soft skills. Aoun provides tailored training and customer service support to its members to fill these gaps, generate a sustainable income, and maintain a good base of loyal clients. Furthermore, Aoun is committed to providing equal opportunities for women through a non-discriminatory on-boarding process.⁴⁷

⁴³ Mercy Corps Kenya and Genesis Analytics (2019), Towards a Digital Workforce: Understanding the Building Blocks of Kenya's Gig Economy

⁴⁴ Overseas Development Institute (2017), Syrian women refugees in Jordan Opportunity in the gig economy?

⁴⁵ MasterCard and Kaiser Associates (2019), The Global Gig Economy: Capitalizing on a ~\$500B Opportunity

⁴⁶ Startups Jo, Aoun

⁴⁷ No Lost Generation Tech Summit (2019), Aoun

Aoun provides opportunities to technicians in Jordan (and intends to expand to the broader MENA region in the future) to earn a living by connecting with a wider pool of customers in their communities. By 2019, Aoun onboarded 500 service providers, received more than 4,000 requests, and generated revenue of over US\$40,000.⁴⁸ Through collaborative partnerships, Aoun hopes to adapt and support the platform to scale it regionally, where this solution can be transformative in fighting poverty, inequality, and exploitation within the maintenance sector.

Bilforon

Bilforon is a Jordanian marketplace application for connecting customers with home chefs who make food and sell it from their houses. Established in 2016, this app allows customers to view a list of home chefs and their food menus, choosing from different categories depending on their needs, and place an order for food.⁴⁹ Orders are delivered to customers within 45 to 60 minutes. Bilforon also offers a catering service, where clients can choose from a number of home chefs ready to cater social and business events. There is also a farmer's market option that connects customers to suppliers of organic and homemade products such as jam, pickles, peanut butter, fresh pasta, and more.⁵⁰

Food delivery aggregators, food apps, and delivery of homemade meals are not new, but this combination of the three makes Bilforon different.⁵¹ The company is taking advantage of the increased demand for home-cooked food, as people become increasingly aware of the impact of food choices on their health. Home-based food businesses are estimated to contribute US\$56 million to the Jordanian economy. However, this market remains fragmented, underdeveloped, and informal. While customers are interested in ordering food from home-based chefs because they provide a cleaner, healthier, and often cheaper alternative they do not often know how to find and communicate with such professionals. While home chefs can be found on social media platforms, it often takes a considerable amount of time and effort to find what you are looking for.⁵² At the same time, home chefs are keen to grow their business and expand their reach. While most of them start by offering their services to family and friends, it becomes extremely difficult to expand their customer base beyond these circles. Often, home chefs lack the business skills required to grow their customer base to an extent that would allow them benefit from bringing their businesses to scale.

This is where Bilforon plays an active role, connecting customers with home chefs. The platform allows women, who often face cultural and societal barriers to seeking employment outside their homes, to make a living without leaving the house.⁵³ Bilforon also provides chefs with training, which they can access online, to improve their skills.

Since hygiene and food quality are a (reasonable) concern for many customers, the company also performs general checks (ATP tests) as a form of regulation.⁵⁴ Bilforon also assists unlicensed cooks in getting legal permits. Recent changes in legislation now allow home chefs to register their home-based businesses. However, lack of awareness about the laws and procedures among governmental employees means the process can be time-consuming and difficult. Requirements from the Jordan Food and Drug Administration (JFDA), such as the necessity of owning kitchen equipment separate from that used by privately on a daily

⁴⁸ Ibid.

⁴⁹ Oasis500 (2016), Bilforon

⁵⁰ Bilforon (2019), Features

⁵¹ Wamda (2016), Home-cooked food gets a taste of delivery services in Jordan

⁵² Waleg (2017), Home-Cooked Food Service App Bilforon Set to Appease the Taste Buds at Mobile World Congress Barcelona

⁵³ Femise (2019), Social Entrepreneurs' Responses to the Refugee Crisis in Jordan and Lebanon

⁵⁴ Wamda (2016), Home-cooked food gets a taste of delivery services in Jordan

basis, has also created significant obstacles for home chefs to license their businesses. Bilforon is actively engaging with policymakers and government agencies to help change this and make the registration of home-based businesses easier.⁵⁵

Since its establishment, Bilforon has enabled 125 home chefs and generate transactions of over \$326,000 JOD. In the future, the company aims to expand its catering services, take its technology to Turkey and the other countries in the region, and add new features to the mobile application.

Carers App

Carers is a technology platform focused on improving the quality of in-home care services in Jordan. The early-stage startup connects nurses and babysitters with households in need of home care. The mobile app connects families with caregivers based on skills, pricing, experience, and qualifications. When customers log into the app they can choose a care service and complete a form providing specific details such as dates, times, and qualifications required. The order is sent to caregivers who bid for the work. The user is then notified about available caregivers and is able to choose one matching their needs.⁵⁶

Carers closes an important gap in the Jordanian market that is particularly relevant to female employment. Carers works with a wide spectrum of care providers that includes migrants, college students, unemployed female breadwinners, aspiring nurses who want to enrich their careers, and new graduates who are stuck in the “waithood” period prior to securing formal work. Carers also provides uniquely appropriate work opportunities for individuals who have other commitments that prevent them from taking on full-time work.⁵⁷

Since its establishment, Carers has enabled babysitters and nurses to provide services to 469 clients, generating transactions of over \$59,000 JOD. The company is currently partnering with SmartDubai to expand operations in UAE.

Lina Gas

In Jordan, the majority of the population relies on liquefied petroleum gas (LPG) for heating and cooking. Understandably, during the winter months the average daily demand of gas cylinders rises. According to data from the gas distribution agencies’ syndicate, gas cylinder demand rises from 55,000 cylinders during the summer to 200,000 in winter.⁵⁸

Although gas cylinder suppliers are geographically allocated throughout the country, ordering one can often become a burden, especially during periods of high demand. Consumers have to either randomly stop supplier trucks that continually roam the streets, or order over the phone and go through the hassle of describing an oftentimes confusing address. Lina Gas is one company seeking to solve this problem.

Lina Gas is a mobile app that facilitates the delivery of oil and gas products. Through its smartphone application utilizing GPS technology, Lina Gas seeks to meet gas cylinder delivery demand in Amman and other governorates. Lina Gas works with vulnerable drivers who find using technology very challenging, providing them with training to enhance their skills and make them proficient at using the application.

⁵⁵ Femise (2019), Social Entrepreneurs’ Responses to the Refugee Crisis in Jordan and Lebanon

⁵⁶ Carers App (2019), About

⁵⁷ Mercy Corps (2020), Youth Impact Labs

⁵⁸ Wanda (2017), When the cold is good for your business

Late in 2019, Lina Gas had to close due to conflicts with the co-founders. However, after settling the case, they are aiming to reopen before the end of 2020.

Lynk

Established in Nairobi in 2015, Lynk targets informal workers with the aim to connect service providers (workers) and service buyers (clients) utilizing technology. Lynk matches households' and businesses' labor demand with the supply of verified professionals, whom Lynk calls "Pros." Skilled plumbers, electricians, carpenters, and beauticians are just some of the kinds of Pros with whom Lynk works. As of January 2020, Lynk had enabled more than 1,300 informal workers to access more than 45,000 jobs, and the platform has transferred more than US\$4.5 million to workers in payments.⁵⁹

Initially, Lynk sought to develop a platform similar to LinkedIn where workers could showcase their credentials, credibility, and proven track record. The original model followed that of an auction marketplace where Pros would bid for jobs, which they would then deliver on their own terms. As Lynk continued to grow this became increasingly hard to manage at scale due to inconsistencies in the service provided and the quality of the service provided. The experience led Lynk to develop its "commoditization" model, which utilizes the data to better understand both the market demand and the requirements needed to support young informal workers to meet it.

Under the new model, Lynk has limited the types of services that Pros can offer to those with the highest demand and established set prices for those services. Lynk commoditized four categories: installation and repair, beauty and wellness, furniture and décor and cleaning and care. Lynk also created step-by-step guidelines for each service, outlining what a "perfect service" looked like for customers and making it easier for Pros to deliver quality services every time. Lynk also developed specialized training that combined step-by-step process delivery and soft skills to ensure a more curated experience to the customer and provided Pros "starter packs" for Pros, containing branded bags, clothing and protective equipment, and high-quality tools and materials to ensure all Pros looked similar and utilized the same quality tools. 

Under the commoditization model, Lynk connected Pros to more jobs and income in the six-month pilot than it had in the three years prior to the project starting. Lynk also experienced greater representation of youth, higher customer satisfaction, and greater levels of automation, which improves Lynk's capacity to scale. More information about Lynk can be found in this short [video](#).

⁵⁹ GSMA, Lynk Connecting informal workers to job opportunities in Kenya

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