Jobtech
Alliance

Digital Tools for Worker Enablement in Sub-Saharan Africa

A Landscape Scan V

July 2023

Digital Tools for Worker Enablement in Sub-Saharan Africa: A Landscape Scan V
# July 2023

Contents

This v1 edition was produced in June 2023 and is one of a series of five landscape scans on the jobtech sector in Africa. The other Landscape Scans also available are:

i. Platforms for Offline Work

ii. Platforms for Digitally-delivered Work

ii. Digital Services for Micro-enterprises

iv. Tech-enabled Skilling

If you have feedback on the content of this Landscape Scan for future iterations, please contact info@jobtechalliance.com

Standard Brief: What is Jobtech?

'Jobtech' refers to digital platforms which connect people to work opportunities that build livelihoods. Simply put, jobtech is the future of work. 540 million people worldwide will find work through digital matching platforms by 2025, with significant growth expected in Africa; 30-88 million Africans will earn from jobtech by 2030. Jobtech involves the use of technology to enable, facilitate, or improve people's productivity to access and deliver quality work. Today, we count over 500 jobtech platforms in Africa.

540 million
people worldwide will find work through digital matching platforms by 2025

30-88 million
Africans will earn from jobtech by 2030
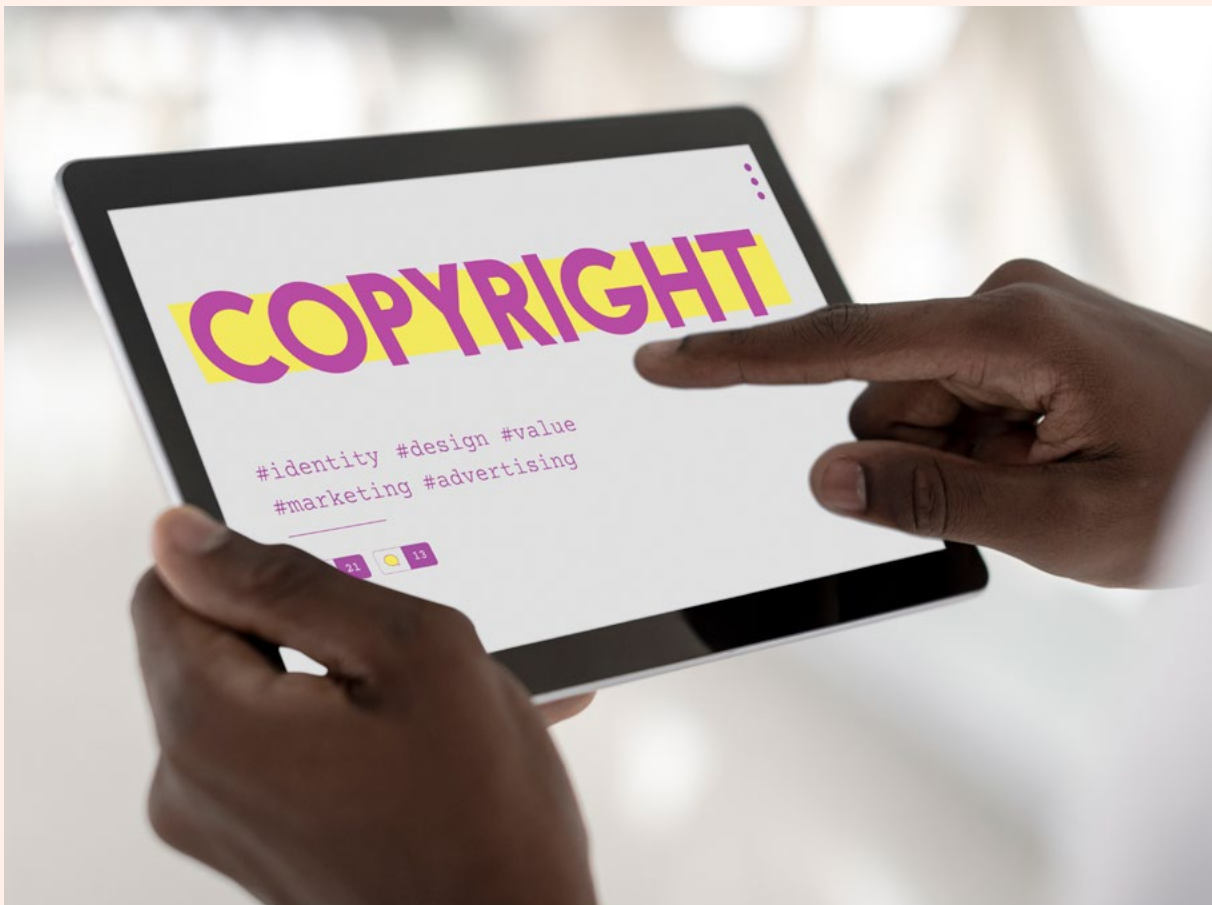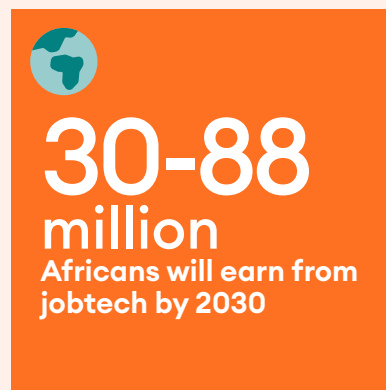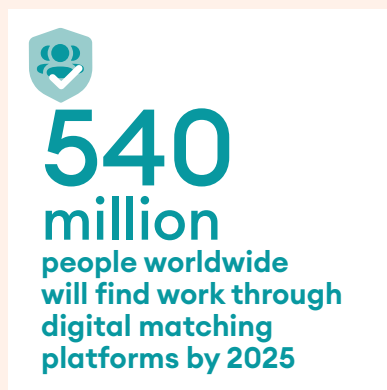
See the below table for the Jobtech Taxonomy defining the five major categories and definitions within the space.

Platforms for offline work

Category definition

Platforms where work is mediated online but delivered offline, also known as "location-based platforms" as per the World Bank.

Subcategories

1. Taxi / ride hailing / delivery / logistics
2. Home services / technical services
3. Cleaning / domestic work
4. Care services
5. Job boards / recruitment platforms
6. Distributed manufacturing

Platforms for digitally delivered work

Category definition

Platforms where work is mediated and delivered online, sometimes known as "cloud work."
The category does not include online jobs when the work is not delivered through the platform (i.e., job boards).

Subcategories

1. Skilled online freelancing
2. Managed services / global business services / BPO (including managed microtasks)
3. Task-based or distributed microwork / microtasks
4. X-to-earn / play-to-earn
5. Platforms for creative content producers / influencers
6. Trading platforms for digital products

Digital services for micro-enterprises

Category definition

Platforms that improve access to market, business performance, or productivity of self-employed individuals or microenterprises. The category does not include pure fintech players or players targeted only at larger scale SMEs.

Subcategories

1. E-commerce marketplaces
2. Business management tools / vertically-integrated platforms
3. Social commerce / digitally-enabled agent models

Tech-enabled skilling

Category definition

Edtech platforms that equip people for the world of work.
The category does not include platforms with no tech product.

Subcategories

1. Course / guided / cohort-based learning
2. On-demand / self-paced learning
3. Digital apprenticeships / mentorship / internships
4. Professional networking / labour market information platforms
5. Assessment / credentialing

Digital tools for worker enablement

Category definition

Digital platforms that provide workers with tools that enhance their rights, benefits, and protections.

The category does not include tools with no tech product or tech integration.

Subcategories

1. Identity / reputation
2. Alternative data tools / benefits
3. Rights / legal / collective engagement

Jobtech has huge potential to alleviate the youth unemployment challenge in Africa. We have seen that jobtech has the potential to create new work opportunities that were not previously possible, improve regularity and quality of work, size of income, and overcome traditional barriers to access for marginalised groups. But we've also seen that it can create bad work as well as good, and create new barriers to access for marginalised groups. The market fundamentals are challenging, and there is a lack of innovation in the space. Few startups have succeeded and few funders know how to effectively contribute. There is little shared knowledge about what does/doesn't work, and a lack of visibility and community limits scope for collaboration.

Our goal of these landscape scans is to provide an introduction to jobtech for entrepreneurs, investors, researchers, and policymakers alike. It will shed light on the vast potential that jobtech has to enable the jobs of the future, but will also critically reflect on some of the challenges and dilemmas that are inherent to the growth of jobtech across Africa. Ultimately, our goal is to inspire thinking on how this nascent, yet overlooked part of how Africa's digital economy interfaces with the physical. We hope these scans will provide a helpful starting point to inspire you and challenge your thinking.
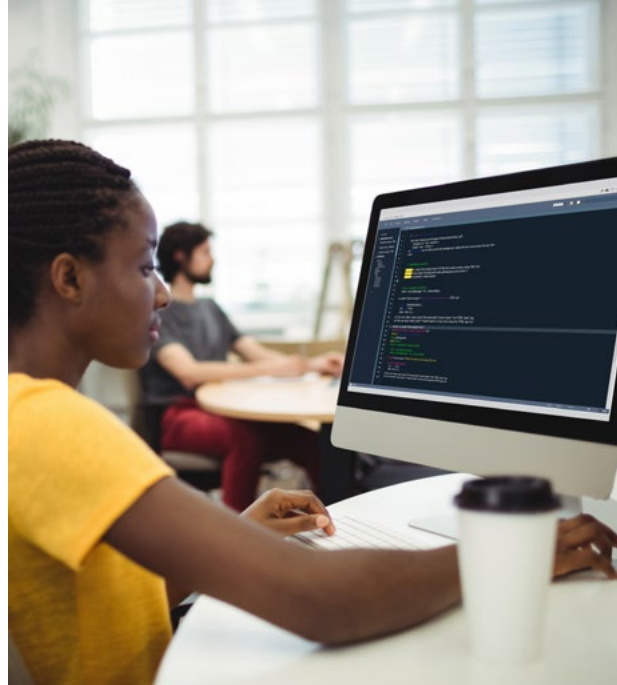
> ❝ **Jobtech has huge potential to alleviate the youth unemployment challenge in Africa. We have seen that jobtech has the potential to create new work opportunities that were not previously possible, improve regularity and quality of work, size of income, and overcome traditional barriers to access for marginalised groups.**

Introduction: Digital Tools for Worker Enablement

The rapid emergence of jobtech globally has meant that critical infrastructure to enable workers to thrive on these platforms is often missing. If a plumber's entire experience is from gigs on different platforms, how does he or she aggregate ratings across platforms to convince her next employer that she is a good plumber? How does he or she get insurance or loans, as financial services have traditionally been built for those with formal job contracts rather than platform-based gig work? How does he or she connect with other platform-based plumbers to negotiate for changes in terms? What do benefits look like for her?

Resolving these issues presents opportunities to build new businesses. Because these business models tend to build on top of other jobtech platforms (or indeed, they function as foundational infrastructure which others can build on), it requires jobtech to be more ubiquitous before such platforms achieve viability. However, there is an emerging cohort of platforms globally seeking to fill this gap. These are likely to become more prevalent in Africa over the next decade.

Though an incredibly nascent sector in Africa with few actors or proven business models, this landscape scan looks at more mature jobtech ecosystems - in Europe, North America, and Latin America - to explore what is happening in this space. The following sections define the subcategories of Digital Tools for Worker Enablement outlined in the Jobtech Taxonomy, and insights about both business opportunities and potential livelihood outcomes for users.

> **Access to quality, relevant skill-building opportunities is still a major challenge for those aiming to enter the workforce and those adapting to the rapidly shifting demands of the labour market.**

Subcategories

The Jobtech Taxonomy outlines three possible subcategories of this nascent sector:

Identity / reputation

Description: Platforms which enable users to verify or use their professional identity or reputation to enhance livelihoods outcomes.

Alternative data tools / benefits

Description: Digital services which enable jobtech platform workers to use their data to improve livelihoods outcomes, access benefits or similar services. This could include some fintechs built on top of platform data.

Rights / legal / collective engagement

Description: Digital platforms which build worker rights through collaborative engagement, legal engagement, or others.

Each subcategory is explored in more depth in the following sections, with most relevant insights including definitions and company examples.

Identity / reputation

What replaces the traditional CV in a world where people are building their livelihoods through gigs on multiple platforms? Identity and reputation platforms enable workers to improve their livelihoods outcomes through enhanced trust-building. In Africa, Smile Identity offers a range of KYC services, while Ledja is an early-stage startup utilising blockchain to verify professional work history.

As the Jobtech Alliance has written about, portable professional identity could be the single most important piece of infrastructure to ensure that jobtech delivers on the potential to improve livelihoods for users over the coming decade. Such infrastructure would offer interoperability. Platform workers may be working on multiple platforms simultaneously, and they need to aggregate their reputation (and reviews) across platforms in order to get more work, as well as access to financial services and more (see below). Globally, there have been some efforts to experiment with portable reputation such as GigCV in the Netherlands, but more have focused on aggregation of gig data in order to extend financial services (see below).

Alternative data tools / benefits

For many informal gig workers, their wages are not earned on a consistent basis and jobs do not come with basic employee protections or benefits as with more traditional jobs. Alternative data tools enable these workers to use their data to access similar services that traditional waged employees would, or provide even more appropriately designed products given their portfolios of work. This could include some fintechs built on top of platform data offering insurance, benefits, loans, or similar services.

Internationally, there is a growing number of platforms seeking to build for this new norm of work. Nippy in Latin America offers a range of services to ride hailing workers such as legal advice, insurance, phone data and vehicle financing through a membership model. In Africa, Flance is an early-stage platform enabling gig workers to manage a range of benefits like insurance, pensions, and loans, and is a hybrid between a brokerage and direct to consumer model, in which it serves as an intermediary between gig workers and insurance providers. Unveel deals with the challenge of multi-homing (one worker being on many platforms simultaneously) by scraping data across platforms, enabling financial service providers to aggregate data from multiple platforms and offer a range of services to those users, from earned wage access to

loans, savings and insurance. Imalipay in Kenya presents itself as 'fintech-as-a-service' for marketplaces in Africa, offering APIs for platforms utilising platform data to extend financial services.

Rights / legal / collective engagement

There are a range of supporting challenges of labour markets related to rights, laws, and norms, which platforms could play a role in solving. There is a nascent emergence of workers coming together over WhatsApp to form peer communities, unions, or other organisations to negotiate with service providers or platforms. These communities provide a space for workers to share information and resources, and to support and advocate for their needs and concerns. At the moment, many of these collectives are created informally on social media channels, but there is potential for some of these to operate as platforms or co-ops. CappLATAM is a digital community for independent workers, primarily ride hailing app drivers. Symplifica in Colombia offers a suite of administrative services to formalise home service employees like cleaners, babysitters, and drivers. While there aren't yet clear African players in this space, it is worth keeping an eye out for.

Sector Analysis

It's worth re-emphasizing that this sector is incredibly new, which is part of the challenge and opportunity around this area. Because most of these platforms are built on top of thriving jobtech platforms, of which there are few on the continent, this category will continue to grow very slowly. But, as more people earn their incomes digitally and the sector grows, this category of platforms will become increasingly viable (and important!). First movers in development of such infrastructure will be well-placed to ride that wave if and when it comes.

Further Reading

1. [Jobtech Alliance - Reading Library](): comprehensive library on resources useful for jobtech platforms and others in the ecosystem

2. [IDB - WorkerTech: How Technology Can Improve Emerging Jobs in Latin America and the Caribbean](): Inter-American Development Bank overview on how digital tools for worker enablement have been useful in Latin America and the Caribbean, including taxonomy / frameworks of labour market & "WorkerTech", trends, and examples

3. [Jobtech Alliance - The Case for Portable Reputation](): discusses the centre of many gig platforms, reputation systems, and how interoperability of such systems could benefit both platforms and workers in the future

4. [Jobtech Alliance - What does the jobtech stack look like?](): discusses what the technological infrastructure of jobtech could and should look like, including a central framework (trust, worker rights & well-being, worker mobility, and sector-agnostic foundations)