



منتدى الاستراتيجيات الأردني
JORDAN STRATEGY FORUM

The Online GIG Work: Encouraging Employment Opportunities for Jordanian Youth

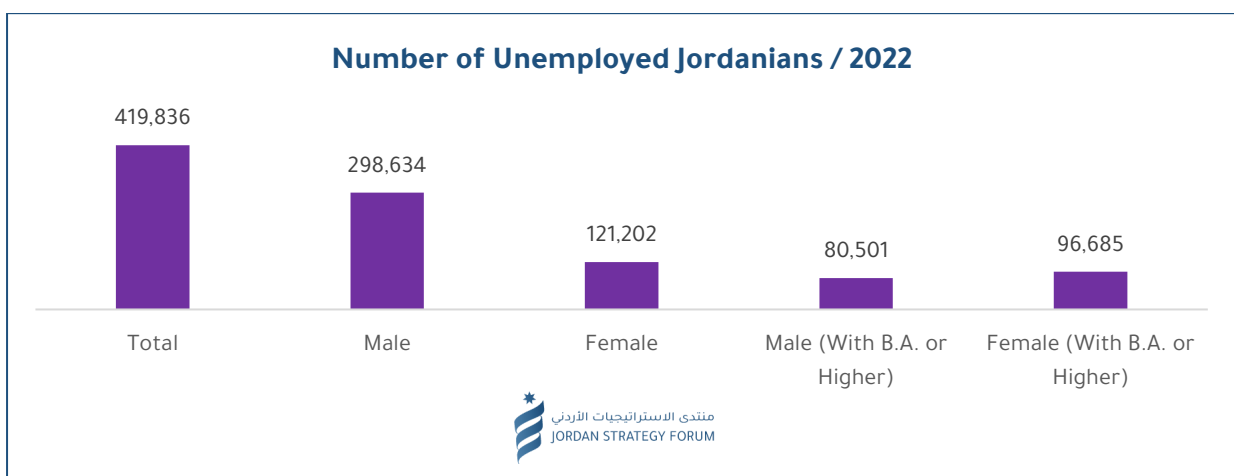
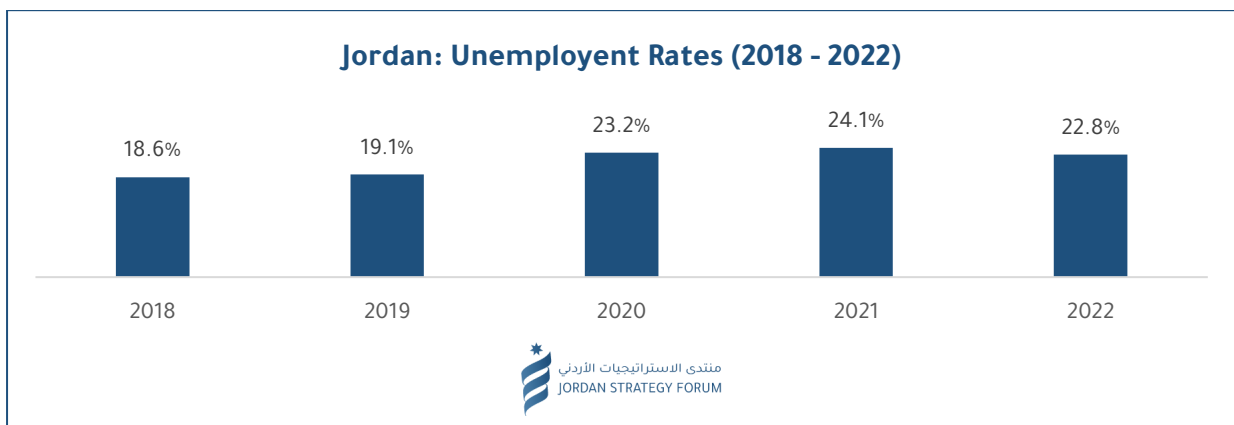
November 2023



1. Background

In terms of economics, any government that achieves steady and sustained real economic growth is successful. Economic growth, however, should not be the only objective. The realization of “**high**” employment levels, or “**low**” rates of unemployment, should be, among others, an equally important objective. Unemployment involves high economic, psychological, and social costs.

Within the context of realizing high employment levels, one of objectives of the Economic Modernization Vision is to create one million new job opportunities for Jordanians by the year 2033. This is important given that the Jordanian economy has been finding it increasingly difficult to provide sufficient opportunities. Indeed, the overall unemployment rate has increased from **18.6% in 2018 to 22.8% in 2022**. Moreover, in 2022, out of the **298,634 male unemployed Jordanians, a total of 80,501 (about 30%)** individuals have an undergraduate degree or higher. For the **121,202 unemployed females, this proportion is even higher (about 80%)**.



The world is witnessing radical changes in work and employment patterns. These changes are due to the tremendous technological progress and the expansion of the use of the Internet. One of the most notable changes is the growth of temporary online freelancing,

which has brought about a major shift in how workers are employed and how income is generated. Individuals provide their services and skills independently through digital platforms that bring together companies and these individuals in exchange for an agreed-upon fee.

Relative to the above-mentioned observations, it is worth noting a recently published (7 September 2023) report by the World Bank (**WORKING WITHOUT BORDERS: The Promise and Peril of Online Gig Work**). The World Bank “employs a mix of data science methods, website traffic data, and surveys across 17 countries conducted in 12 languages within various sectors.

This Policy Brief, published by the Jordan Strategy Forum (JSF), involves two objectives. **First**, to outline some of the main observations which are raised in the World Bank’s report. **Second**, to outline a few policy recommendations whose objective is to help the Jordanian unemployed, especially females, benefit from the growing online GIG jobs.

2. Some Observations

From the outset, it should be stated that the World Bank’s Report (**WORKING WITHOUT BORDERS: The Promise and Peril of Online Gig Work**) defines “Online Gig Work” as follows.

1. Temporary freelance work in a known location: This is work that clients request through the Internet, and the worker performs the task at a specific location such as private transportation, delivery services, home care, etc.

2. Temporary freelance work via the Internet: These are tasks and work that workers are assigned, and they carry them out and deliver them via the Internet such as photo editing, data entry, website design, software development, or providing consultations.

Temporary freelance work via the Internet is of two types:

A. Online Freelancing: This work involves “larger projects that are performed over longer times and typically include complex tasks targeting more intermediate- or high-skilled workers—for example, software development, graphic design, and e-marketing”.

B. Microwork: This work involves tasks “which can often be performed with basic numeracy and literacy skills. These tasks include image tagging, text transcription, and data entry. Microwork has lower barriers to entry than online freelancing, making it an attractive income-generating opportunity for unemployed and underemployed individuals with few or no specialized skills.



Based on the contents of the Report, the Jordan Strategy Forum outlines below several observations:

1. "There are a total of 545 online gig work platforms globally, with headquarters (HQs) in 63 countries and platform workers and clients located in 186 countries".
2. "The number of online gig workers globally could be around 435 million".
3. "Online gig work is a rapidly growing segment of the labor market, already accounting for up to **12.5% of the global labor market**".
4. "In developing countries, demand for online workers is outpacing that of developed countries. Nearly 60% of firms surveyed in poorer countries reported increased outsourcing to gig workers. In wealthier countries, less than half said the same".
5. "In general, regional/local platforms tailor their operations to the local context and thus rely on the language spoken in that country, whereas most global platforms use English as the main language."
6. Most online gig workers tend to be youth under the age of 30, mostly students or young professionals at the beginning of their careers. More than half of online gig workers are under 30.
7. In the Middle East and North Africa region, out of every 100 advertised online freelance jobs, 56 go to females, compared to 44 to males.
8. "Communication skills and time management were listed as most important, alongside a set of other skills such as self-confidence; this observation holds true across education levels and genders".

9. “Most online gig workers currently do not receive any insurance coverage from platforms”.

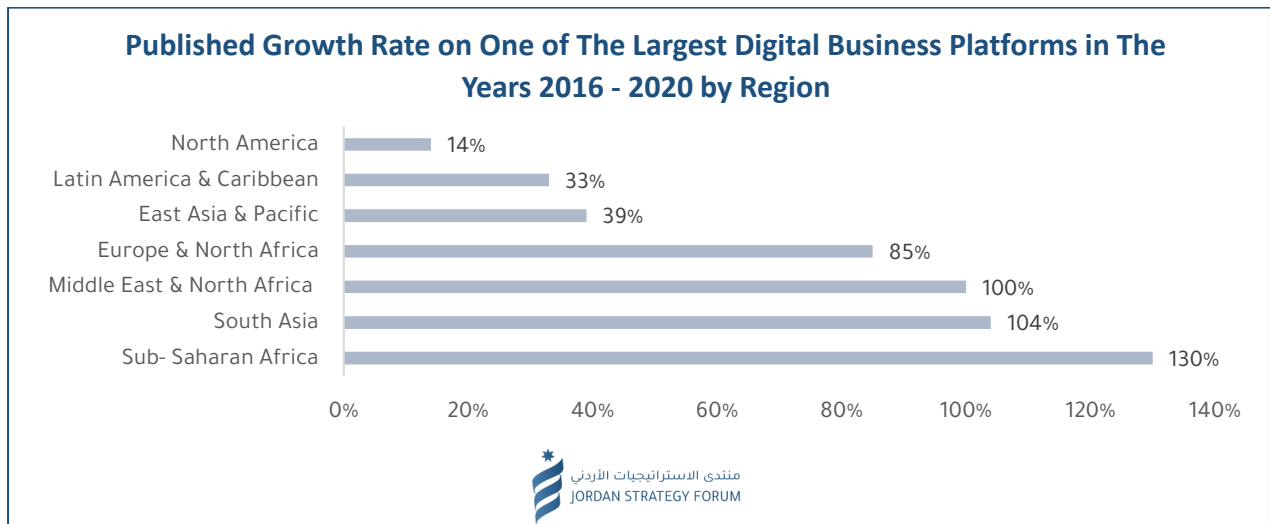
However, online gig work presents several challenges:

1. **Connectivity:** Workers need access to the internet or digital devices so they can participate in the online gig economy.
2. **Career Progression:** Gig jobs do not provide a stable income and have limited career progression pathways for youth.
3. **Discrimination:** Women and workers in developing countries often experience discrimination, especially for high-paying tasks.
4. **Social Protection:** In low-income countries, over 90% of the workforce, including gig work, is in the informal sector without labor regulations, social insurance, and benefits.

3. A Summary

There is no doubt that freelance online work constitutes a major shift in the way employment and provision of services are being done. Online work offers new opportunities for individuals to develop their skills and earn income while working independently. The online freelance sector is growing at an enormous speed, especially in developing countries.

Indeed, the recent regional growth rate of job postings on one of the largest digital labor platforms in 2016-2020 is simply huge. However, potential challenges must be addressed and legal and social protection for workers in this modern type of business must be ensured.



Jordan can benefit from temporary freelance work opportunities via the Internet, as a short-term measure to overcome labor market challenges. This type of work contributes to providing job opportunities for young people, especially in less fortunate areas. It also contributes to reducing the economic and social gap in those areas and increases women’s economic participation in the labor market.

On another level, companies, especially emerging ones, benefit from temporary freelance work opportunities via the Internet, through their access to the required talent, expertise, and skills, which reduces their costs and increases their resilience to survival, growth, continuity, and responsiveness to the changes that occur in their jobs' environment. All of this leads to improving firms' efficiency and enhancing their productivity, which also contributes to the creation of new jobs at the level of the economy as a whole.

Based on the World Bank's report (**WORKING WITHOUT BORDERS: The Promise and Peril of Online Gig Work**), the Jordan Strategy Forum (JSF) provides some recommendations whose objective is to take advantage of the opportunities and capabilities offered by online Gig work:

1. Provide affordable access to the Internet and digital devices.
2. Promote the expansion of social protection coverage for all informal workers.
3. Partner with platforms and the private sector to design programs, policies, and products to cover informal workers, including gig workers.
4. Teach digital skills, especially to youth and women.
5. Put in place mechanisms to regularly gather and track data on gig work systematically.

22.8%

The unemployment rate in Jordan in 2022



30%

of the unemployed have a B.A. degree or higher.



80%

of the unemployed females have a B.A. degree or higher.

There are opportunities for the online GIG work

Individuals provide their services and skills independently through digital platforms that bring together companies and these individuals in exchange for an agreed-upon fee.

Online GIG Work Covers Different Tasks



Design, Multimedia and creative work



Business, research and consulting



Sales and marketing support



Data entry, administrative and clerical tasks



IT, software development and tech



Writing and translation



Online microwork

Some observations about online GIG work



Employs about **435** million individuals.



Equivalent to **12.5%** of the global labor market.



Most of the online gig workers are students & young professionals under the age of 30.



56% The share of women in the online gig work in the MENA region.

How can Jordan benefit from the online GIG work



Youth:

1. Provides employment opportunities in the economy.
2. Reduces economic and social gaps.
3. Increases female participation rate.



Companies:

1. Greater access to the required talent, expertise, and skills.
2. Improved efficiency and productivity.
3. Cost Reduction



منتدى الاستراتيجيات الأردني
JORDAN STRATEGY FORUM

[Rate this paper](#)



www.jsf.org

www.jsf.org



[/JordanStrategyForumJSF](https://www.facebook.com/JordanStrategyForumJSF)



[@JSFJordan](https://twitter.com/JSFJordan)