

NEW FORMS OF WORK AND PLATFORM WORK IN CENTRAL ASIA

Summary

© European Training Foundation, 2024. Reproduction is authorised, provided the source is acknowledged. This document has not undergone professional proofreading or editing.

New forms of work and platform work in Central Asia

As a result of social, economic, and technological changes, labour markets in the European Union and countries worldwide are becoming increasingly flexible. This shift has led to the emergence of new employment relationships that differ from traditional work in terms of working conditions, job content, and regulatory and legal implications.

The research, conducted by the regional EU-funded project DARYA, took place between March and September 2023. The study focused on online freelancing and platform work in four Central Asian (CA) countries: Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan.

Multiple data sources were triangulated, gathering evidence through desk research, interviews with stakeholders at both country and platform levels, focus group discussions with online freelancers, and automated data collection from three online labour platforms (Freelancer.com, Guru.com, and Weblancer.com).

Setting the scene

The economies of the four Central Asian (CA) countries, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, are undergoing a transformation marked by a rise in the service sector, a corresponding decline in agriculture, and stable industrial output. The four CA countries differ in their degrees of economic development. While Kazakhstan can be considered an upper middle-income country, other countries are lagging behind in terms of GDP per capita. The COVID-19 pandemic disrupted CA markets, leading to varying degrees of decline in economic growth and in inflation curve patterns. While inflation rates in Kazakhstan, Kyrgyzstan, and Uzbekistan have risen over recent years, Tajikistan has maintained a consistent decline in inflation over time. With regard to changes in GDP, Kazakhstan and Kyrgyzstan experienced a considerable contraction in GDP growth during the pandemic, which recovered to previous levels in 2021. In Tajikistan and Uzbekistan, GDP growth remained positive throughout the pandemic.

Labour markets across CA face several significant challenges. Despite experiencing sustained economic growth, the region's economies have struggled to diversify and generate a sufficient number of quality jobs for existing job seekers. Consequently, labour market participation remains low, particularly among women and youth, with widespread emigration leading to “brain drain” and a heavy reliance on remittances within local economies.

Low internet connection speeds are common across the entire region, and represent one of the main hurdles to further development of the **digital economy**. Notable disparities exist across the region in terms of internet access, the development of digital public services and the levels of digital skills possessed by the populace. While Kazakhstan is the most favourably positioned of the four, Tajikistan faces the greatest challenges in all of these aspects. Ultimately, these discrepancies translate into unequal opportunities to leverage the advantages of the digital economy.

Online and on-location platform work

Platform work is a global phenomenon that has been gaining traction in CA over the past decade. Two broad types of platform work have been examined in this study:

- **Online platform work**, which refers to the remote delivery of services (e.g. via freelance marketplaces), also known as cloud work, crowd work, online freelancing, remote platform work or global-reach platform work.

- **On-location platform work**, which refers to the physical delivery of services, with digital matching and administration between customers and the providers of services (e.g. transportation, cleaning or delivery services), also known as app work, location-based digital labour or mobile labour markets.

Prevalence of platform work

Online labour platforms have been present in the region since the mid-2000s, with international Russian-language (e.g. Weblancer, Freelance.ru) and English-language platforms (e.g. Upwork, Freelancer, Guru) being the most prevalent.

Most of the region's online platform workers are based in Kazakhstan, followed by Uzbekistan and Kyrgyzstan, while Tajikistan has the lowest number of online freelancers. The prevalence of online platform work on a per-capita basis is highest in Kazakhstan and Kyrgyzstan, followed by Uzbekistan and Tajikistan. Creative and multimedia, and software and technology, are the most frequent occupations among online freelancers in the region. Online platform workers are mostly young and male.

On-location labour platforms began appearing in the 2010s, with local ride-hailing and delivery companies being the first market entrants, later joined by international companies. Currently, at least 29 on-location platforms are active in CA. The most visible categories of on-location platform work are ride-hailing (e.g. Yandex Go, InDrive) and delivery (e.g. Glovo, Chocofood), with domestic, ancillary and care services platforms (e.g. Naimi.kz) being the least well developed and visible category in the region. In a similar manner to online platforms, young men also tend to be the most highly represented group on ride-hailing and delivery on-location platforms. Women are more widely represented on domestic and care services platforms, but there are no reliable estimates to assess the degree of the gender divide.

Both online and on-location platform work have gained traction in CA in recent years. There are tens of thousands of registered worker accounts in CA,¹ although the number of active workers is lower.² While it is difficult to ascertain the exact numbers of on-location workers in the region, it can be estimated that there may be around 10,000 couriers on delivery platforms in Kazakhstan and Uzbekistan,³ and at least 170,000 ride-hailing drivers in Kazakhstan, Kyrgyzstan and Uzbekistan, according to available approximations.⁴

Attractiveness of platform work

The reasons that draw people to work on **online labour platforms** in CA are **mostly pull factors**, such as flexibility, higher income, and the opportunity to become a more experienced professional. When it comes to **on-location platform work**, both **push factors** such as the lack of local job opportunities and **pull factors** such as low barriers to entry, flexibility, and the opportunity to gain additional income are at play. The lack of job security, social protections and opportunities for skills development and career growth are the main **disincentivising factors for both types of platforms**.

Working conditions

Platform work enables workers in Central Asia to earn **incomes** that are comparable to or above the average wage in the country. Notably, on **online platforms**, the average hourly rates requested by freelancers are between 3 and 11 times higher than average hourly wages in the local labour market.⁵ Furthermore, women tend to demand higher hourly rates than men in all countries in CA except for

¹ There are 27,649 on Freelancer, Guru.com, PeoplePerHour, Weblancer, Fl.ru and Freelancehunt. However, data concerning other large platforms such as Upwork are not available. The actual numbers of workers could differ because the same person could have an account on multiple platforms, or some accounts could be used by more than one freelancer.

² Based on data collected from the Freelancer, Guru and Weblancer platforms, out of 12,144 identified profiles, only 815 were 'active', meaning that they had completed at least one task on the platform.

³ <https://www.the-village-kz.com/village/business/businessmen/26949-glovo-pomozhet-kazahstanskomu-msb-s-vygodom-v-onlayn/>; <https://iac.enbek.kz/ru/node/1457> ; <https://www.spot.uz/ru/2020/03/19/delivery/>

⁴ [https://www.inform.kz/ru/proveryat-voditeley-taksi-v-populyarnom-prilozhenii-budut-через-biometriyu_a3968151/](https://www.inform.kz/ru/proveryat-voditeley-taksi-v-populyarnom-prilozhenii-budut-cherез-biometriyu_a3968151/);

<https://eurasia.expert/v-kazahstane-planiruyut-izmenit-registratsiyu-voditeley-yandeks-taksi/>;

<https://5qbe.kz/ru/interview/kajrzhhan-kozhaly-sejchas-samoe-vremya-vyhodit-na-it-rynok-tashkenta> ;

<https://fpk.kg/novosti/platformennaja-zanjatost-i-ee-vlijanie-na-rabotnikov-pozicija-federacii-profsojuzov-kyrgyzstana/>;

<https://www.solidaritycenter.org/publication/roadmap-to-justice-how-kyrgyzstans-platform-economy-workers-can-stand-for-their-rights-2022/>

⁵ Data collected from Freelancer, Guru and Weblancer platforms, and from national statistical offices.

Tajikistan. However, such comparisons should be treated with caution, as the hourly rates requested by freelancers do not take into account factors such as the irregularity of income and unpaid time spent securing paid work, and that the actual hourly rate accrued might differ from the rate requested. Work via **on-location platforms**, even in low-skilled occupations, can sometimes provide **higher income** than some traditional high-skilled jobs. However, as on-location platform workers do not have a guaranteed minimum wage, their income depends on their working hours, incentivising them to **work as much as possible**.⁶

Platform workers in CA do not usually have employment contracts and **operate under civil law** either as self-employed, independent contractors, or individual entrepreneurs. Under such arrangements, workers are responsible for their own taxes and contributions and are often paid in cash, which leads to their unwillingness to interact with government agencies.⁷ **Common problems** linked with such a status are a lack of employment security and of social protections, including health insurance, accident insurance, and pension contributions.

Some platforms have taken steps to provide basic social protections to their workers, but these initiatives remain scarce. Over the last five years, Yandex Go and Glovo have introduced free accident insurance for their drivers and couriers in Kazakhstan and Kyrgyzstan. Furthermore, in 2022 Glovo launched a global initiative, “The Pledge”, which signals Glovo’s commitment to providing social benefits to its couriers, including parental benefits, sickness benefits, and payments to couriers’ relatives in the event of injury to workers.⁸

Skills development

Most **online platform workers** in the region are highly educated; however, education is not a determining factor for success in platform work. According to previous research⁹, as well as focus groups conducted during this study, expertise in a particular professional domain and several key competencies, such as independent learning, knowledge of digital technologies, and social skills are crucial to succeeding on digital labour platforms. Some local training initiatives support freelancers in Central Asia in acquiring these skills, including “Freelance School” by Astana Hub International Technopark of IT Startups in Kazakhstan, and a free offline course on digital freelancing by Ilmhona Skills Accelerator in Tajikistan, among others.

Opportunities for skills development and career advancement in **on-location platform work** are somewhat limited, due to the generally low level of skills required to perform on-location platform work. At the same time, on-location workers possess varying levels of education and are often overqualified for their job,¹⁰ which can lead to de-skilling in the long run. Some on-location platforms have begun investing in **small-scale training initiatives** to allow platform workers to develop skills applicable outside of the platforms. Examples include the “Start” programme for couriers by Glovo and Impact Hub Almaty; free courses in digital professions for Yandex Go drivers in Kazakhstan; and free-of-charge training in programming and English language for Express24 couriers in Uzbekistan.

Challenges and opportunities

The platform economy has substantial strengths, providing workers with opportunities to secure employment, elevate their income levels, increase flexibility, and in some cases to develop skills. However, these advantages coexist with poor social protections and labour rights, irregular income patterns, limited skills development and tax evasion.

⁶ <https://iac.enbek.kz/ru/node/1457> ; <https://cabar.asia/en/in-the-shadow-of-the-platform-economy-in-kazakhstan-how-can-growing-labor-troubles-be-resolved> ; <https://emgek.kg/tpost/0o515v3o61-47-voditelei-v-srednem-rabotayut-bolee-8>

⁷ <https://iac.enbek.kz/ru/node/1457>

⁸ <https://www.thecourierspledge.com/>

⁹ Cedefop (2021). Skill development in the platform economy: Comparing microwork and online freelancing. Luxembourg: Publications Office of the European Union, Cedefop research paper, No 81. Available here.

¹⁰ As demonstrated by a survey of ride-hailing and delivery platform workers in Kazakhstan, an overwhelming majority (around 75 %) of the workers surveyed possessed either secondary vocational or tertiary education. See [here](#).

Strengths	Weaknesses
<p>New employment opportunities</p> <p>Labour market integration of youth and women</p> <p>Low barriers to entry into on-location platform work</p> <p>Higher income prospects in both online and on-location platform work</p> <p>On-the-job skills development opportunities in online labour platforms</p> <p>Flexible working arrangements</p>	<p>Undeclared work and tax evasion</p> <p>Lack of social protection and labour rights for workers</p> <p>Irregular incomes, particularly on online labour markets</p> <p>Lack of or insufficient access to skills development and certification opportunities.</p> <p>Problem of de-skilling in on-location platform work</p>
Opportunities	Threats
<p>Increasing the quality of jobs in the region</p> <p>Proliferation of graduate-level jobs through online freelancing and platform work</p> <p>Labour market integration of vulnerable groups, including persons with disabilities, (return) migrants</p> <p>Development of skills that are in demand in local and global labour markets</p> <p>Substitute for migration and brain drain</p> <p>Potential to attract highly skilled migrants</p>	<p>High level of global competition on online labour markets and unequal access to work</p> <p>Gaps in digital infrastructure and access to it</p> <p>Insufficient digital, occupational, business and language skills</p> <p>Lack of acknowledgement of the new forms of employment in regulation and policy</p>

Policy pointers

To promote the positive impact of online and on-location platform work on workers, businesses and states within Central Asia, it is imperative to formulate policy interventions in the areas of the labour market and employment, skills development, and digitalisation.

Labour market and employment

1. **Defining the employment status of online and on-location platform workers and recognising these at policy level.** Clarifying the employment status and tax obligations of platform workers is a foundational step towards safeguarding labour rights and ensuring legal compliance with such rights and obligations. In this regard, some initiatives have already been undertaken in the region. In Kazakhstan, legislative changes have mainly been aimed at regulating on-location platform work. The most notable amendments concern the definition of the main concepts related to platform work, introducing provisions that regulate the conclusion of employment contracts with workers on certain types of on-location platforms;¹¹ and the development of a specialised tax regime, whereby income tax, mandatory pension contributions, health insurance and social contributions should be deducted by the platform in favour of workers. In Uzbekistan, online freelancing and a number of occupations common on on-location platforms (e.g. ride-hailing drivers, couriers, cleaners, etc.) have been defined as occupations eligible for special self-employment status. Due to the simplified registration procedure and favourable tax regime applied, this policy has the potential to bring platform workers out of the shadow economy.¹² Overall, while employment contracts may be an option for some forms of on-location work, enabling self-employment and streamlining the legal obligations of the self-employed appear the most promising avenues for the regulation of platform work at present. Crucially, when regulating the platform economy, it is important that policymakers strike a balance

¹¹ These new provisions are mainly tailored for on-location ride-hailing and delivery platforms. The Labour Code makes a distinction between such platforms and 'crowdworking' platforms (e.g. Naimi.kz, Megamaster.kz, Upwork). In the case of the former, the Labour Code specifies the conditions for concluding employment contracts, e.g. that the contract should be concluded for at least one year. However, the option to work through civil contracts remains available. For crowdworking platforms, the worker-platform relationship is not classified as employment, and falls under civil law regulation.

¹² According to data from the official website of the State Tax Committee of the Republic of Uzbekistan, the number of self-employed persons was 1,866,139 people as of September 2022. O'zbekiston Respublikasi Davlat soliq qo'mitasi, <https://soliq.uz>

between labour market flexibility and the creation of jobs on the one hand, and protecting the quality of jobs and workers' rights on the other.¹³

2. **Securing social protection of the workers.** Due to the complexity of regulating the platform economy, transformative shifts in relation to workers' status could be highly protracted, and short-term initiatives aimed at the social protection of workers may therefore be needed. Short-term initiatives could focus on the expansion of health and social benefits targeted at those in atypical work arrangements. For instance, platforms could be incentivised to undertake voluntary initiatives to provide social benefits to workers, such as "The Pledge" by Glovo.¹⁴ While governments cannot impose such initiatives in the short run, platforms could be encouraged through dialogue, financial incentives or clarifications that they will not be treated legally as employers purely because they provide such benefits.
3. **Fostering tax compliance and the transparency of financial transactions in the platform economy.** Pervasive informality not only negatively impacts workers, but also strains state budgets. Therefore, shorter-term remedies aimed at fostering tax compliance and transparency are essential. Such measures could be achieved through heightened scrutiny of on-location platforms' legal compliance and increased transparency with regard to cross-border financial transactions.
4. **Monitoring trends in the platform economy.** Evidence-based decision making requires up-to-date data, and one of the main issues faced by governments in the regulation of the platform economy is a lack of information about platform work. In order to regulate the platform economy, Central Asian countries should open a discussion as to how to monitor developments in platform work and how to combine different data collection strategies, including traditional surveys or AI tools.
5. **Education about the administrative procedures essential for self-employment.** Platform workers should have ready access to guidance on taxation protocols, business registration, implications for social welfare, and the various governmental processes necessary not only to comply with legal requirements, but also safeguard their rights. This could be provided through courses or comprehensive guidelines, educating workers on the requirements for the different categories of employment available in their respective countries. A model example of this practice is www.myfreelance.uz, a government-supported project that provides support to online freelancers navigating complex administrative procedures.
6. **Facilitating the participation of youth and women in the platform economy.** Labour platforms could potentially compensate for the lack of quality jobs for Central Asian youth and women. This is especially true in the case of less developed economies in the region and the highly skilled work available on online labour platforms. Prior education and previous work experience are advantageous on online labour platforms.¹⁵ On-location platforms offer more jobs with lower barriers to entry and relatively high earnings compared with jobs in the traditional economy, albeit that these opportunities often lack stability or avenues for skill enhancement and career progression. Thus, policymakers should support the securing of employment and high earnings, as well as skills development and recognition.

Key competencies, skills and human capital development

1. **Upgrading the essential digital skills of students and the general workforce.** Although digital skills are comparatively low in the region, many important upskilling initiatives exist, paying special attention to the development of basic digital skills.¹⁶ The population of the Central Asian countries would benefit from the continuation and expansion of existing programmes aimed at basic and advanced digital skills development. Established frameworks for digital competence such as the DigComp¹⁷ could be used for this.

¹³ Datta, N., Rong, C., Singh, S., Stinshoff, C., Iacob, N., Nigatu, N.S., & Klimavičiūtė, L. (2023). *Working without borders: The promise and peril of online gig work*, World Bank, Washington, DC. Available [here](#).

¹⁴ <https://www.thecourierspledge.com/>

¹⁵ <https://www.oii.ox.ac.uk/news-events/news/how-workers-learn-skills-in-the-online-platform-economy-and-how-platforms-policies-and-learning-providers-can-support-them/>

¹⁶ Outlined in the section 'Error! Reference source not found.'

¹⁷ <https://digital-skills-jobs.europa.eu/en/actions/european-initiatives/digital-competence-framework-digcomp>

2. **Providing access to micro-training modules in domain-specific skills.** While formal education provides basic knowledge with regard to occupations such as software development and writing, most of the jobs available on platforms require the constant updating of specific knowledge due to rapid technological developments. To keep up with evolving skill needs, online platform workers in CA could benefit from short and regularly updated upskilling programmes, including massive open online courses (MOOCs) and online courses developed in collaboration with local vocational education and training (VET) programmes. These programmes should follow up-to-date trends in the market, primarily the supply of and demand for skills on online labour platforms and in industry locally.¹⁸
3. **Encouraging independent learning from early education onwards.** Independent learning encompasses a wide range of skills such as the ability to research and analyse evolving skills requirements, to actively ask for feedback, and to assess and adapt one's learning strategies. These skills should be developed early on in the education process.¹⁹ Because the educational systems in most CA countries are quite rigid, policy interventions should focus on already developing autonomous learning competencies at the level of primary education. This could be achieved by facilitating individuals in setting their own individual learning objectives, along with the autonomous use of specific learning tools and individual experimentation.²⁰
4. **Building stronger English language competencies.** While most of the CA population is proficient in Russian, only a minority is proficient in English.²¹ This presents a problem for the proliferation of online platform work on international platforms. Accordingly, policy initiatives should seek to increase the coverage and quality of English language courses within educational curricula. Policies should also target the broader adult population, particularly in rural areas, where proficiency is lower.²²
5. **Providing opportunities for the development of entrepreneurial skills.** Online platform workers function as independent contractors, responsible for sourcing their own work, shaping their own career trajectories and navigating legal responsibilities, which makes entrepreneurial skills crucial.²³ However, these skills do not appear to be the focus of educational systems in the region. Thus, policy interventions should focus on youth entrepreneurship programmes that facilitate decision making, adaptability and innovation skills. Activities such as simulating the establishment of mini-enterprises in these programmes could significantly improve individuals' capabilities to work self-employed.²⁴
6. **Enabling better skill recognition on digital platforms.** Previous research²⁵ and focus groups conducted for this study show that proving one's competence and reliability to potential employers is one of the main challenges in highly competitive online labour markets, especially for newly registered freelancers. To address this issue, policymakers could initiate public portfolio-based systems. Such systems would enable workers to exhibit and promote substantiated evidence of their qualifications, skills and platform-related experience across diverse platforms on their personal profiles. However, the challenge still exists of incentivising platforms to use these external portfolio systems, and the outcomes of previous initiatives of this type remain inconclusive.²⁶

Digitalisation

1. **Improving ICT infrastructure and its inclusivity.** To foster both on-location and online platform work, better ICT infrastructure is needed. This includes widespread access to high-speed internet

¹⁸ Cedefop (2021). *Skill development in the platform economy: Comparing microwork and online freelancing*. Luxembourg: Publications Office of the European Union, Cedefop research paper, No 81. Available [here](#)

¹⁹ Cedefop (2021). *Skill development in the platform economy: Comparing microwork and online freelancing*. Luxembourg: Publications Office of the European Union, Cedefop research paper, No 81. Available [here](#).

²⁰ Cedefop (2021). *Skill development in the platform economy: Comparing microwork and online freelancing*. Luxembourg: Publications Office of the European Union, Cedefop research paper, No 81. Available [here](#).

²¹ <https://www.ef.com/wwen/epi/>

²² <https://www.ef.com/wwen/epi/regions/asia/kazakhstan/>

²³ Cedefop (2021). *Skill development in the platform economy: Comparing microwork and online freelancing*. Luxembourg: Publications Office of the European Union, Cedefop research paper, No 81. Available [here](#).

²⁴ Cedefop (2021). *Skill development in the platform economy: Comparing microwork and online freelancing*. Luxembourg: Publications Office of the European Union, Cedefop research paper, No 81. Available [here](#).

²⁵ Cedefop (2021). *Skill development in the platform economy: Comparing microwork and online freelancing*. Luxembourg: Publications Office of the European Union, Cedefop research paper, No 81. Available [here](#).

²⁶ Cedefop (2021). *Skill development in the platform economy: Comparing microwork and online freelancing*. Luxembourg: Publications Office of the European Union, Cedefop research paper, No 81. Available [here](#).

connectivity and the availability of the necessary hardware. The whole region struggles with very low internet speeds; hence, greater investment in faster internet is necessary. Furthermore, a substantial portion of the population faces challenges stemming from the scarcity of essential hardware, particularly computers, necessary to participate in online freelancing and platform work. Establishing technology centres or publicly supported co-working spaces could be shorter-term solutions to ensure both access to the internet among the populace and the provision of the requisite equipment.

- 2. Streamlining e-government services for the self-employed.** Self-employed workers often have to deal with complex administrative procedures in relation to taxation and social contributions, and monitoring such activities can be also challenging for governments. Thus, both platform workers and governments would benefit greatly from digitalised government services. Although most CA countries have made advancements towards e-governance, there is significant scope for progress. Further expansion of e-services for taxation and social benefits would simplify administrative processes for workers, and potentially discourage the informality that is prevalent within the sector.
- 3. Facilitating digital transformation in the private sector.** A broader digital transformation in the private sector could enhance the skills development and employability of online and platform workers. Although Kazakhstan and Uzbekistan have made some advances in the use of digital technologies in the private sector, all of the CA economies are still lagging behind developed countries in this regard. To catch up, the CA economies should support digitalisation efforts in the private sector and the growth of the ICT sector, alongside exploring prospects for public-private partnerships.