

Policy brief

Improving the working terms and conditions of Platform workers in Uganda's Digital Platform Economy



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Introduction

The global digitalisation of work has given rise to the Digital platform economy, fundamentally reshaping labour markets which have overly been shaped by traditional employment relationships. In Africa, this digital growth is driven by increased penetration of smart mobile phones, internet access, and the growing population dominated by the youths(CIPESA, 2023)¹. Digital Platform work has a great potential to generate more income opportunities especially for Uganda’s growing youth population because of the ease and flexibility it presents when it comes to accessing the Labour market. However, it also has the potential of eroding labour protections and safeguards if not properly regulated.(Mothobi,O, 2021)². This policy brief draws insights from the existing literature, comparative case studies and interviews from a few stakeholders to highlight the key challenges platform workers in Uganda’s digital platform economy are experiencing. It further examines Uganda’s legal and regulatory framework in extending protection to platform workers, highlights legislative reforms in other jurisdictions and proposes policy recommendations for a more equitable digital platform economy in Uganda.

¹ CIPESA (2023) : *Labour & Digital Rights: State of Play & Policy actions*.

² Mothobi, O. (2021). *Digital labour in Africa: Opportunities and Challenges (Policy Brief 2021, No. 1)*. Research ICT Africa. <https://researchictafrica.net/publication/digital-labour-in-africa-opportunities-and-challenges/>

Overview of Digital platform work in Uganda

According to a research conducted by the International Labour Organization and Makerere University, digital labour platforms in Uganda have been steadily expanding since 2015.³ The research reveals that in 2024, approximately 18 platforms both international and local operate in the country.⁴ Urban centres dominate in taxi and delivery platforms such as Uber, Bolt, and SafeBoda, while e-commerce platforms like Jumia and Market Garden are gaining also popularity.⁵ However, the penetration of online freelance work remains limited, hindered by persistent digital divides.⁶

Platform workers in Uganda are predominantly young and highly educated, with an average age between 28 and 32 years across various sectors. Educational attainment is notably high: over 95% of freelancers and 50% of sellers on e-commerce marketplaces and social media platforms hold a bachelor's degree or higher. Even in sectors like taxi and delivery services, often seen as low-skilled, more than a quarter of workers possess at least a diploma or university degree.

According to the ILO, most platform workers transitioned from previous employment, driven by limited job opportunities and the pursuit of better income and skills development. This trend is revealed more among taxi (81%) and delivery (77%) workers, with a smaller but significant proportion among online freelancers (43%). While about a third of taxi and delivery workers came from related fields, the majority shifted from entirely different sectors.⁷

For more than 70% of platform workers, platform work is their primary source of income, demonstrating a high level of financial reliance. Earnings vary significantly by sector and gender. Taxi drivers and delivery workers earn an average of 4,810 and 3,486 Ugandan shillings per hour (US\$1.3 and US\$0.9), surpassing typical wages in traditional sectors. Freelancers reported even higher hourly earnings, averaging 17,708 shillings (US\$4.8) for paid work, although this drops to 14,583 shillings (US\$3.9) when unpaid activities are included.⁸

A significant gender pay gap persists across platforms. Among freelancers, men earn nearly 35% more than women—16,472 shillings (US\$4.4) versus 11,075 shillings (US\$3) per hour—largely due to occupational segregation, with women over represented in lower-paying fields such as writing and administrative support, while men dominate higher-paying sectors like IT and data analysis. Similarly, in e-commerce and social media sales, men earn an average of 490,000 shillings (US\$132) per week compared to women's 330,000 shillings (US\$89). Social media platforms offer greater earning potential (400,000 shillings or US\$107 per week) compared to e-commerce marketplaces (200,000 shillings or US\$54). Among platforms, Jiji stands out as the most profitable, with sellers earning an average of 560,000 shillings (US\$150) weekly.⁹

3 ILO(2024) a: Platform Work in Uganda: Promoting decent work for all.

4 *ibid* 3

5 *ibid* 3

6 *ibid* 3

7 *Ibid* 3

8 *Ibid* 3

9 *Ibid* 3

Challenges faced by Platform workers in Uganda's digital Platform Economy.

Platform workers across the globe are faced with many similar challenges. For Uganda, some of them are highlighted below;

i. Misclassification of Employment status

The digital Labour platforms in Uganda classify Platform workers as independent contractors while retaining greater control over their terms and conditions through algorithmic management. When Platform workers are classified as independent contractors, they are excluded from several labour protections offered by the existing Labour legislation for instance; sick pay and leave, maternity and paternity leave, annual leave, overtime pay, protection from unfair dismissals, compensation arising from occupational injuries and illnesses, social protection among others.

ii. High Platform Commission Fees and Operational Costs

The ILO research reveals that platform commission fees across sectors—ranging from 7% to 25% for taxi drivers, 10% to 20% for freelancers, and up to 19% for e-commerce sellers—significantly affect the earnings of platform workers.¹⁰ This is exacerbated by high operational expenses such as fuel, maintenance, insurance, and loan repayments.¹¹ While bonuses, though critical for income, have become increasingly difficult to obtain.¹²

iii. Long and Demanding Work Hours

In an effort to make ends meet, platform workers put in exceptionally long hours: taxi and delivery workers average 75–79 hours per week, freelancers work 46 hours (with significant unpaid time), and e-commerce sellers average 61 hours. Incentive structures tied to bonuses often push workers to extend their working hours, escalating fatigue and burnout.¹³

iv. Gendered Burdens and Care Responsibilities

Women platform workers face the additional burden of unpaid care work, spending four to five hours daily on household chores compared to three hours for men.¹⁴ While working from home provides some flexibility, it also blurs the boundaries between work and care giving responsibilities, limiting women's ability to productively participate in their work.

¹⁰ *Ibid* 3

¹¹ *Fairwork uganda(2023)*

¹² *Ibid* 3

¹³ *Ibid* 3

¹⁴ *Ibid* 3

v. Insufficient Work Opportunities

The ILO research revealed limited work opportunities for platform workers citing a shortage of available tasks sometimes. Over 80% of taxi and delivery drivers, and 90% of freelancers, expressed a desire for more work.¹⁵ Low internet penetration rate further limits access to opportunities.

vi. High Levels of Stress and Health Risks

About half of the platform workers reported significant stress stemming from intense competition, long hours, financial insecurity, and unsafe working conditions according to the research conducted by the ILO.¹⁶ Delivery and taxi drivers face additional pressures from road safety risks, traffic congestion, and client demands for speed.¹⁷

vii. Lack of Social Protection

Platform workers are largely excluded from essential social protections such as health insurance, pensions, and disability coverage. This leaves them particularly vulnerable to economic shocks, accidents, and health crises, especially among those engaged in physically risky work like taxi and delivery driving.(ILO, 2024a).

viii. Algorithmic Control, Bias and Rating Pressures

Platform workers' working terms and conditions are managed through opaque algorithmic systems. They govern access to work and earnings. Ratings based on task completion, client reviews, and rejection rates heavily influence workers' success. Low ratings can lead to reduced work opportunities or account deactivation.

ix. Constant Digital Surveillance

Digital monitoring tools, including GPS tracking and call monitoring, are widespread, particularly in the taxi and delivery sectors. This constant surveillance pressures workers to prioritize speed and efficiency, often at the expense of their well-being and autonomy.¹⁸

x. Weak Collective Voice

Formal collective organization through Labour unions or associations remains largely absent. Instead, informal social media groups provide a limited space for information-sharing and mutual support, particularly among taxi and delivery workers, but broader collective bargaining efforts are minimal.¹⁹

xi. Sexual harassment

According to a research conducted by Fair work project in 2023, women workers in particular experience sexual harassment and violence with no clear mechanism of redress.²⁰

¹⁵ *Ibid* 3

¹⁶ *Ibid* 3

¹⁷ *Ibid* 3

¹⁸ *Ibid* 3

¹⁹ *Ibid* 3

²⁰ *Fairwork(2023)*

Uganda's Legal and Regulatory framework

Platform workers in Uganda are largely unprotected under the current regulatory framework. Whereas, Uganda's National Constitution progressively extends protection to all workers irrespective of status, the existing legislation do not extend such protections to Platform workers. Some of these legislations are briefly examined below;

- i. **The Employment Act** establishes minimum working standards such as working hours, leave entitlements, contracts, protects from discrimination, protection against forced labour, protection form unfair dismissals, severance pay and compensation arising from unfair dismissals. However, these protections are limited to workers in a formal employee-employer relationship. Platform workers classified as independent contractors are excluded and cannot access these rights.
- ii. **The Labour Unions Act Cap 228** provides for associational rights for instance the right to organize and collective bargaining but the same are limited to employees under a contract of service. This leaves out platform workers who are classified by platforms as independent contractors.
- iii. **The National Social Security Fund (Amendment) Act** allows self-employed workers, including platform workers, to contribute voluntarily. However, regulations to operationalize this right have not been issued, leaving platform workers largely unprotected.
- iv. **The Workers' Compensation Act 2000** that entitles workers to compensation on the basis of occupational injuries and illnesses only covers workers in a defined employment relationship.
- v. **The Occupational Safety and Health (OSH) Act** obliges employers to ensure safe workplaces but places the burden of health and safety on self-employed individuals.²¹ For platform workers classified as independent contractors by the Platforms, this means they bear responsibility for their own safety, increasing their vulnerability, especially among taxi drivers and delivery workers.
- vi. The newly enacted **Competition Act No. 5 of 2024** aims to prevent anti-competitive behaviour, promote employment, and ensure fair access to economic opportunities. While it could apply to platform practices, such as excessive commission fees and discriminatory algorithmic management, the Act does not address unfair contractual terms or clearly exempts collective bargaining.

²¹ section 24

Legislative reforms on digital platform work in other jurisdictions.

Many countries have come up with innovative mechanisms of extending protection to digital platform workers. Some jurisdictions have directly re-classified platform workers as employees giving them access to all employee benefits. Some others have placed a legal presumption of employment status for platform workers based while some have given them a status of dependent workers. There are also those that have classified them as independent contractors while simultaneously improving on their working terms and conditions of work. What stands out is the fact that even where platform workers are classified as independent contractors, the said legislative reforms have extended certain protections to the said workers for-instance the right to collective bargaining, occupational safety and health, data protection, right of human review of decisions made by algorithms. These mechanisms are highlighted below;

a. New Digital Platform decree in Mexico

In December 2024, Mexico's National Congress amended the Federal Labour Law (LFT) to introduce new rules for digital platform work.²² The amendment defines "digital platform work" as a subordinate employment relationship requiring the worker's physical presence, managed through digital platforms using information and communication technologies.²³ A "digital platform worker" is someone providing paid, personal, and supervised services via a platform, earning at least the monthly minimum wage of Mexico City; those earning less are classified as self-employed.²⁴ This law clearly classifies platform workers as employees. The law establishes that an employment relationship exists during the "time effectively worked" — from task acceptance to its completion. If a worker remains inactive for 30 consecutive days, the relationship is automatically terminated.²⁵

Digital platforms are prohibited from disguising employment relationships through civil or commercial contracts, or from manipulating employment structures to evade tax, social security, or labor obligations.²⁶ Employment contracts must detail the nature of work, income calculation methods, equipment provided, supervision mechanisms, and information on algorithmic management.²⁷ These contracts must be authorized and registered with the Federal Centre for Labour Conciliation and Registration.

²² Published in the Official Gazette on 24 December 2024: https://dof.gob.mx/nota_detalle.php?codigo=5746132&fecha=24/12/2024&print=true

²³ Article 291-A

²⁴ Article 291-C

²⁵ Article 291-D

²⁶ Article 291-T

²⁷ Article 291-G &H

Platform workers must be paid at least weekly based on completed tasks, with payment including proportional amounts for rest days, holidays, bonuses, and overtime. Payment receipts are mandatory.

The amendment also regulates algorithmic management wherein platforms must implement a clear policy explaining how algorithms influence task distribution, performance evaluation, incentives, penalties, and the impact of third-party ratings.²⁸ Workers must be informed about these policies at the start of employment and whenever changes occur.

Existing dismissal protections under their principal law now apply to platform work. Employment can be terminated immediately for dishonesty, violence, threats, or harassment (including sexual harassment).²⁹ Platforms must allow workers to appeal platform access decisions through human-led reviews (not algorithms), with written notice required for any termination or access restrictions. Termination without prior notice is void.

Platforms must also provide grievance mechanisms for issues like discrimination and harassment. Workers are obligated to meet health and safety standards, complete tasks under agreed terms, communicate through platform channels, comply with data protection policies, and avoid misconduct.³⁰

In addition, platforms are required to: protect workers' personal data, register workers for social security and make relevant employer contributions, contribute to the National Workers Housing Fund, offer training and education on platform use, and inform workers about occupational health and safety measures.³¹

b. Directive (EU) 2024/2831 on working conditions in platform work

In October 2024, the European Parliament and the Council adopted Directive (EU) 2024/2831 on working conditions in platform work. Its goal is to improve working conditions and personal data protection for platform workers by: (a) ensuring correct employment classification, (b) promoting transparency, fairness, human oversight, and accountability in algorithmic management, and (c) enhancing transparency in platform work, including across borders.³²

The Directive applies to both location-based and online platform workers throughout the EU, regardless of the platform's location. It distinguishes between "platform workers" (those with or presumed to have an employment relationship) and "persons performing platform work" (anyone doing platform work, regardless of contractual terms). Regarding classification, the Directive introduces a rebuttable presumption of employment. Where evidence of direction and control exists, a person performing platform work is presumed to be an employee. Platforms seeking to challenge this must prove otherwise, based on facts of the working relationship rather than contractual labels. Automated systems' role in management is also considered in determining employment status.³³

28 Article 291-J

29 Article 291-M

30 Article 291-L

31 Article 291-K

32 Article 1

33 Article 4, 5, 6&7

The Directive also sets out strong data protection rules. Platforms must inform workers about automated monitoring and decision-making systems affecting recruitment, conditions, and earnings. They are banned from processing sensitive personal data such as emotional or psychological states, private conversations, union activities, political views, health status, biometric data (except for authentication), and data collected outside of work periods.³⁴

Platforms must ensure human oversight of automated decisions and any critical decision affecting workers such as account suspension or termination must be made by a human. Workers have a right to review of the said decisions.³⁵

Other key measures include; regular inspections and reporting obligations on the number of platform workers and intermediaries used, workers' access to dispute resolution and legal redress, protection against retaliation, cross-border cooperation among authorities, extension of collective bargaining rights to all platform workers, including the self-employed and provisions for platform workers' occupational safety and health.

c. Singapore's Platform Workers Act 2024³⁶

In September 2024, Singapore enacted the Platform Workers Act to regulate ride-hailing and delivery services. The Act allows platform workers to establish and join Platform Work Associations (PWAs) and introduces collective bargaining rights with platform operators, amending the Industrial Relations Act 1960 to regulate both collective and individual disputes.

It also extends protections under the Work Injury Compensation Act 2019, requiring platform operators to provide work injury insurance using a formula that accounts for business expenses, and integrates platform workers into Singapore's mandatory savings scheme under the Central Provident Fund Act 1953, with CPF contribution rates gradually aligning with those of employees by 2028.

Further, the Act amends the Workplace Safety and Health Act 2006 to impose safety and health obligations on platform operators, requiring them to ensure a safe work environment, provide proper training, and establish emergency procedures.

Platform operators must register with the Commissioner of Labour, maintain worker records, issue earnings slips, and comply with new safety, social security, and training requirements.

d. New legislation in Uruguay (2025)³⁷

In February 2025, Uruguay enacted a new law to protect workers operating through digital platforms, particularly in goods delivery and urban passenger transport services. The law defines "digital platforms" as software and procedures connecting customers to workers, regardless of the company's location, and includes platforms involved in price-setting or service execution methods.

³⁴ Article 8

³⁵ See Articles 10 & 11 of the directive

³⁶ Platform workers Act, 2024, Republic of Singapore <https://sso.agc.gov.sg/Act/PWA2024?WholeDoc=1>

³⁷ Law No. 20396 <https://www.impo.com.uy/bases/leyes-originales/20396-2025> Uruguay law on platform work

It applies to all workers, whether classified as employees or self-employed. The legislation mandates that platform terms must be clear, accessible, and free of clauses that unjustly limit company liability or workers' legal remedies, with Uruguayan courts holding jurisdiction over disputes.

It also requires transparency regarding automated monitoring and decision-making systems, ensuring workers are informed about data use, monitored actions, and decision parameters, and that they can request explanations and contact a responsible person regarding decisions like account suspensions.

For dependent workers, working time includes periods logged into the platform (excluding breaks) and is capped at 48 hours per week, with pay linked proportionally to the national minimum wage and prohibitions on unrelated wage deductions.

Self-employed workers are granted social security access under a simplified tax regime, and platforms are deemed employers for purposes of work accidents and diseases. They also have rights to collective bargaining agreements. Additionally, the law obliges platform companies to assess and mitigate risks from automated systems to protect workers' physical and mental health, prohibits systems that exert undue pressure, and requires companies to provide necessary work tools and welfare service.

e. Minimum pay rate for platform workers, New York City³⁸

In April 2024, New York City increased the minimum pay rate for app-based delivery workers who are classified as independent contractors, raising it from \$17.96 to \$19.56 per hour. This adjustment includes a phased-in 2024 rate of \$18.96, with an added 3.15% inflation adjustment. The rate is set to further increase to \$19.96 per hour plus inflation adjustments by April 1, 2025, with annual updates thereafter. This builds on the city's 2023 initiative establishing a baseline minimum wage for app-based restaurant delivery workers.

f. The right to unionize and collectively bargain ballot measure in Massachusetts³⁹

In November 2024, Massachusetts passed a ballot measure allowing platform drivers to unionize and collectively bargain over pay, benefits, and working conditions. The measure enables union certification if 5% of drivers show interest, granting organizing groups access to driver lists, and exclusive bargaining rights are secured with support from 25% of all active drivers. However, drivers are not classified as employees under the measure, meaning federal labor protections for unionization do not apply.

³⁸ New York City Department of Consumer and Worker Protection, April 2024.

<https://www.nyc.gov/site/dca/news/018-24/mayor-adams-first-annual-increase-minimum-pay-rate-app-based-restaurant-delivery#:~:text=NEW%20YORK%20%E2%80%93%20New%20York%20City,%2419.56%20per%20hour%20before%20tips>.

³⁹ Question 3, Ballot 2024 Commonwealth of Massachusetts, Question 3: https://www.sec.state.ma.us/divisions/elections/publications/information-for-voters-24/quest_3_full_text.html

g. Chile's Labour Code amendment, 2022⁴⁰

In Chile, a digital platform worker is anyone performing personal services, either as an employee or self-employed, through an application managed by a digital platform company. Their classification as dependent or independent depends on criteria outlined in Article 7 of the Labour Code. Platform companies must inform dependent workers in writing about job risks, safety measures, and proper working methods. Platform contracts must specify termination conditions, notice periods, and procedures, with independent workers who have provided services for at least six months entitled to 30 days' written notice unless dismissed for serious misconduct. Labour Code amendments in 2022 grants platform workers, including the self-employed, the right to form unions and engage in collective bargaining. Platforms must also uphold equality and non-discrimination, ensuring fair treatment in work assignments, bonuses, and pay calculations.

Policy recommendations.

To address the current challenges faced by platform workers in Uganda's digital platform economy, the existing legal framework needs to be reformed to extend protection. Some of the policy considerations are highlighted below;

i. Clarification on the Employment status of platform workers

Uganda's Employment Act should be amended to establish a clear criteria for the determining employment status of platform workers. A rebuttable legal presumption of employment for Platform workers could be introduced. For the self-employed Platform workers who may not fall in the said presumption, special regulations should be enacted by the Minister responsible for Labour to extend special worker protections.

ii. Support Platform workers' right to collective bargaining and Freedom of association

The Labour Unions Act cap 228 currently undergoing an amendment should ensure all platform workers, whether employees or self-employed, can unionize and bargain collectively. Section 2 of the principal Act should be amended to include the phrase "workers" in the definition of Labour union as opposed to "employees".

iii. Expand Social Security Coverage

There should be a deliberate effort to extend social protection to platform workers through both contributory and non-contributory mechanisms. The genuinely self-employed Platform workers should be sensitized about the voluntary contributions with the National Social Security Fund.

⁴⁰ Chile Law NO. 21,431 : Modifies The Labor Code Regulating the Contract Of Workers In Digital Service Platform Companies <https://www.bcn.cl/leychile/navegar?idNorma=1173544>

iv. Extend occupational safety and health to Platform workers

The current Occupational Health and Safety Act should be amended to define digital platforms as employers responsible for workers' health and safety, including mental health. New provisions should address the distinct risks associated with platform work especially the aspect of algorithmic management and digital surveillance.

v. Improve Data Protection and Algorithmic Transparency

The Data Protection and Privacy Act should extend rights to all workers, prohibit discriminatory data practices, guarantee data portability, and require transparency about algorithms that affect worker management.

Conclusion

As Uganda's digital platform economy continues to grow, its gains should not be watered down by the existing challenges. From the statistics above, there is a big potential for job creation and economic growth. The legal and regulatory framework should be reformed to counter the highlighted challenges. A considerable balance must be struck between the business interests of Platform owners or operators and the protection of Platform workers.

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