

New Work, Data and Inclusion in the Digital Economy: A Middle East and North Africa (MENA) Perspective







Policy Brief

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# NEW FORMS OF WORK BASED ON ELECTRONIC PLATFORMS FOCUS ON JORDAN

Policy Brief

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This report was carried out with the support of the Access to Knowledge for Development Center (A2K4D) at the American University in Cairo's (AUC) Onsi Sawiris School of Business as part of the project titled "New Work, Data and Inclusion in the Digital Economy: A Middle East and North Africa Perspective," with the aid of a grant from the Ford Foundation. The views expressed herein do not necessarily represent those of A2K4D and the Ford Foundation.

#### I. KEY POINTS FOR POLICYMAKING

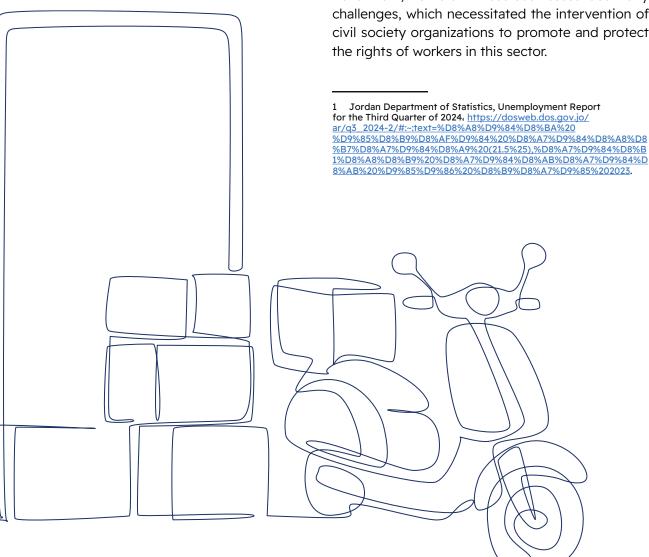
- Unstable working conditions and the lack of regulatory legislation for digital platform workers in Jordan create numerous challenges, including the denial of social protections, especially social security, the absence of job security, and low wages relative to work costs.
- Current legislation and policies are insufficient to regulate work through digital platforms and create a decent work environment.
- Comprehensive legislative reforms should protect platform workers and ensure fair wages, social protection, and safe working conditions and environments.

#### II. INTRODUCTION

The past few years have witnessed a major shift in the labor market, especially with the proliferation of digital platforms that vary from passenger transportation to food delivery and other products, besides providing digital services such as programming, translation, design, content writing, advertising, and others.

In a country like Jordan, which suffers from high unemployment rates, especially among the youth — the unemployment rate reached 21.5 percent in the third quarter of 2024<sup>1</sup> — the proliferation of digital platforms has created thousands of job opportunities for young Jordanians seeking employment. Moreover, the services offered by these platforms are beneficial to consumers.

Despite the contribution of these businesses in providing job opportunities for large sectors of unemployed young men and women looking for additional work, workers in these businesses face many challenges, which necessitated the intervention of civil society organizations to promote and protect the rights of workers in this sector.



## III. KEY FACTORS BEHIND THE CHALLENGES

The challenges faced by men and women working on digital platforms are because of legislative, economic, and social factors:

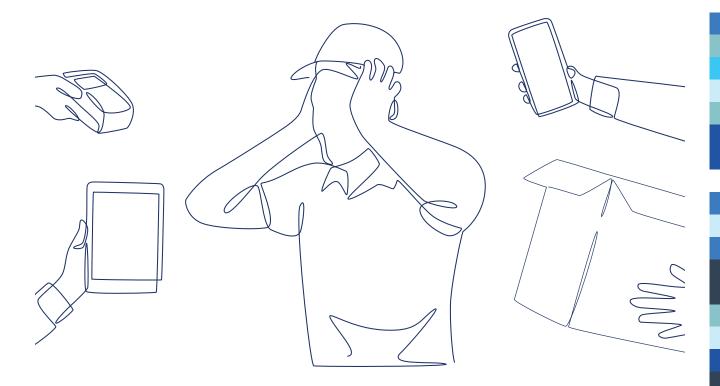
- Legislative factors: Legislation regulating this sector, whether laws, regulations, or instructions, is inadequate to cover digital platform workers. For example, the Jordanian Labor Law does not recognize the rights of digital platform workers as traditional workers and considers them employers rather than workers, which deprives them of their basic labor rights.
- Economic and social factors: High unemployment rates and a lack of job opportunities push young men and women to work on digital platforms. Requirements to enter the field are low, as workers do require university degrees. However, many workers engage in work on digital platforms without sufficient awareness of their rights, which contributes to the possibility of exploitation.

#### IV. ANALYZING THE CURRENT LEGISLATIVE LANDSCAPE FOR DIGITAL PLATFORM WORK

An analysis of the current legal landscape related to platform labor in Jordan shows that there are many gaps and challenges that need to be addressed to ensure better working conditions and social protections for platform workers. This section provides a detailed analysis of the current framework for digital platforms and provides some recommendations that would enhance working conditions in this sector:

1. The relationship between employer and worker: Under the Jordanian Labor Law, the traditional employer-employee relationship is clearly defined, providing worker protections such as guarantees against unfair dismissal, to a minimum wage, and to access to social security, health care, maternity leave, and paid sick and annual leave.<sup>2</sup> However, the relationship between employers (platform administrations) and workers on digital platforms is unbalanced.

<sup>2</sup> Jordanian Labor Law No. (8) and its amendments, https://www.mol.gov.jo/ebv4.0/root\_storage/ar/eb\_list\_page/%D9%82%D8%A7%D9%86%D9%88%D9%86 %D8%A7%D9%84%D8%B9%D9%85%D9%85 8 %D9%84%D8%B3%D9%86%D8%A9 1996 %D9%88%D8%AA%D8%B9%D8%AF%D9%8A%D9%84%D8%A7%D8%AA%D9%87.pdf



Platform administrations often categorize workers as "independent contractors" or "service providers," which excludes them from the protections and rights afforded to traditional workers. This categorization not only leaves workers without rights, but it also places the entire burden of social security contributions and tax payments on workers. These burdens sit beside others, including unfair low wages and a lack of occupational safety and health standards in the workplace.

2. Legislation for ground-based platforms (ride-hailing and food delivery applications): In 2018, the "Regulation of Passenger Transportation through the Use of Smart Applications" <sup>3</sup> was published in the Official Gazette. It provides a framework for those working in ground-based digital platforms, specifically those working in platforms that transport passengers to their destinations. The regulation prohibits workers from working in the sector unless they obtain a license and permit under the supervision of the Land Transport Regulatory Authority under the umbrella of the Ministry of Transport.4 The annual permit costs workers 400 dinars to be renewed each year.<sup>5</sup> They must also have a licensed and insured vehicle that has been manufactured within a period set by the regulation.6 These high costs are expected to fall solely on the workers. Moreover, the regulations do not provide any rights or protection for workers. As for those who deliver food or other products, they fall under the supervision of the Telecommunications Regulatory Authority, and there are no special laws, regulations, or instructions governing their work, although they number in the thousands. They are not required to obtain an official license from the government to work in the field. The companies operating the food delivery platforms or the restaurants employing them regulate their work.

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**3. Workers on Cloud-Based platforms:** As for workers on cloud platforms, there is no legislative framework that regulates their work and protects their rights. They are vulnerable to exploitation and fraud by customers and sometimes the management of cloud platforms, besides being deprived of their basic labor rights.

# IV. RECOMMENDATIONS (ALTERNATIVE POLICIES)

#### 1. Comprehensive legislative amendments:

- Jordan should amend its labor law to explicitly cover digital platform workers, thereby ensuring their labor rights.
- Develop a clear regulatory framework for cloud-based work, including tax entitlements, social security contributions, and workers' rights, to protect them from exploitation and economic vulnerability.

#### 2. Economic and social protection:

- Enforce minimum wage standards to the digital platform sector, in line with Jordanian labor legislation.
- Require companies' operating platforms and cloud platforms to include their workers under the social security umbrella or develop appropriate mechanisms and tools under the General Organization for Social Security to make it easier and less expensive for these workers to participate in the social security system.

#### 3. Job stability and safe working conditions:

- Apply occupational safety and health standards to the digital platform sector, including vehicle standards and insurance requirements, to protect workers and customers.
- Review the contracts and terms and conditions between workers and the companies operating ground and cloud platforms to ensure stability at work, alignment with Jordanian labor legislation, and guarantees of their stipulated rights.
- Mandate that operators of ground and cloud platforms establish a 24-hour hotline for workers to report unsafe work-

<sup>3</sup> Regulation for Organizing Passenger Transport Through Smart Applications and its amendments. https://www.ltrc.gov.jo/sites/default/files/nzm\_tnzym\_nql\_lrkb\_mn\_khll\_stkhdm\_lttbyqt\_ldhky\_

<sup>4</sup> Previous Reference, Article 3

<sup>5</sup> Previous Reference, Article 7

<sup>6</sup> Previous Reference, section, Article 11

ing conditions. These operators must also submit call reports to the Ministry of Labor and other concerned parties.

### 4. Strengthening trade union representation for workers:

Strengthen the role of the labor union that represents ground platform workers in defending their rights, besides establishing a labor union for cloud platform workers.

Establish mechanisms to solicit workers' feedback and address grievances with platform administrations, ensuring that workers are able to voice their concerns without fear of retaliation.

#### 5. Developing digital skills:

Train potential and current workers on digital skills to enhance their engagement on platforms, with a focus on labor rights, labor legislation, and entrepreneurship, to improve their ability to advocate for themselves in the labor market.

### 6. Promote the inclusive growth of the digital economy:

Promote policies that encourage the development of locally owned digital platforms to facilitate the relationship between workers and platform management.

# V. IMPLEMENTATION CONSIDERATIONS

The implementation of these recommendations faces many obstacles, including resistance from the management of digital platforms, the unorganized nature of most platforms, and the current economic climate. Counter-strategies should include the following:

- Relationships with platform management: Develop a collaborative approach with the management of digital platforms, with a focus on balancing labor rights and customer service quality.
- Public awareness campaigns: Launch campaigns to raise awareness workers and the public aware of the rights of digital platform workers and the importance of social protection.

- Financial incentives: Provide incentives to platform companies, such as exemptions from certain taxes, to encourage them to include their workers under the social security umbrella.
- International cooperation: Work with international organizations and other countries to share best practices and establish common standards for platform workers.

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#### **VI. REFERENCES**

Jordan Department of Statistics, Unemployment Report for the Third Quarter of 2024.

Jordanian Labor Law No. (8) and its amendments.

Regulation for Organizing Passenger Transport Through Smart Applications and its amendments.

Regulation for Organizing Passenger Transport Through Smart Applications, Article (3).

Regulation for Organizing Passenger Transport Through Smart Applications, Paragraph (a) of Article (11).

Regulation for Organizing Passenger Transport Through Smart Applications, Article (7).



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October 2025