

# 'E-Lancing' in Latin America and the Caribbean

How to connect digital talent with global opportunities?

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# ‘E-LANCING’ IN LATIN AMERICA AND THE CARIBBEAN

How to connect digital talent  
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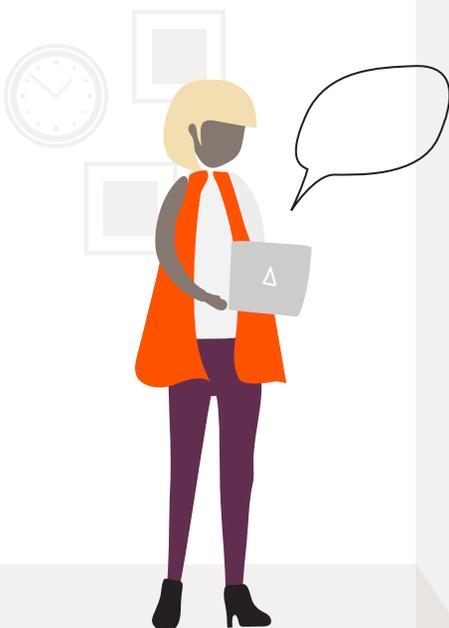
# EXECUTIVE SUMMARY



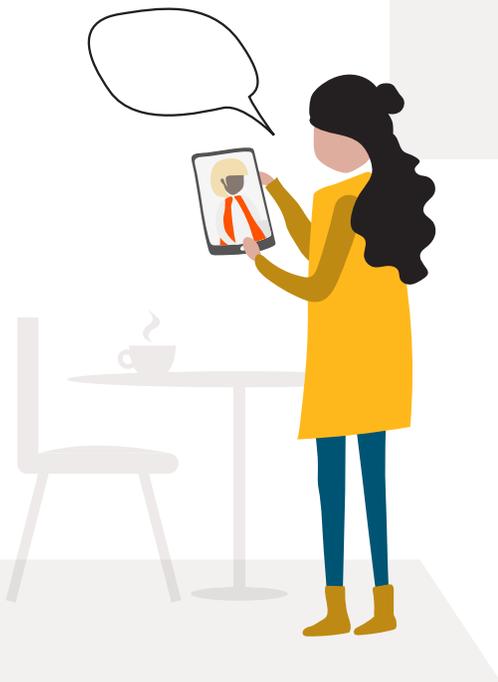
Digital platforms have revolutionized labor markets across the entire globe, transforming how we work and offering opportunities for workers with a diverse range of profiles. Remote working platforms or e-lancing platforms, in particular, connect freelancers with clients anywhere in the world. This means that new income-generating mechanisms are emerging that may be especially attractive for groups of the population that often face barriers to finding traditional employment, such as women, youth, migrants, and people with disabilities. Among the most sought-after profiles on these platforms are those related to web development, design, digital marketing, languages and customer service.

With this in mind, in 2020 the IDB launched a pilot program in El Salvador to build knowledge on how to connect youth in the region with these types of opportunities. The program was 100% virtual and lasted for four weeks. Participants had access to theoretical content and practical exercises designed to develop the skills required to work on these platforms, including creating profiles, preparing proposals, and managing projects. Participants also had access to tutors who monitored their progress and supported them in preparing their proposals, which turned out to be a key element in the success of the program. In total, the participants submitted more than one thousand proposals, working with clients in countries as diverse as Germany, the United States and Vietnam.

An important motivation for carrying out the pilot was to develop solutions that enable knowledge to migrate, while allowing human talent to remain and to continue to grow in the region, without the need for people in Latin America and the Caribbean to leave their countries. The pilot experience in El Salvador demonstrated that technology can be an ally to connect people with new income-generating opportunities. In this publication, we share the lessons learned from this project, which was carried out 100% online due to the COVID-19 pandemic. Although this format restricted participation to people who owned a computer with internet access and who had an advanced English level and digital skills, it provided us with the opportunity to test the project and create an easily replicable and expandable option to reach a broader and more diverse group of participants.



Despite the fact that the COVID-19 pandemic has accelerated digital transformation and promoted the global expansion of these new work modalities, the region has only just begun to enter into this space. With the exception of some countries such as Argentina and Brazil, Latin America and the Caribbean is not yet capitalizing on the growth of these platforms. To improve opportunities for workers in this ecosystem, governments must increase access to information and communication technologies (ICT) and expand training in digital skills. In addition, positioning strategies are needed so that individuals and companies understand the potential of these platforms. In turn, these strategies must be accompanied by training programs that support people to develop the skills required to succeed. It is also important to increase financial inclusion, modernize labor regulations to ensure the protection of e-lancers, and encourage research to build further understanding of the impact of these platforms on the productive development of the region.



# E-LANCING IN NUMBERS



## GLOBALLY

+230 digital platforms for independent professionals



## UNITED STATES

Full-time freelancers

17% in 2014 vs. 28% in 2019

In 2019-2020 freelancers represented:

35% of the workforce = \$1.2 billions for the economy

52% will be or will have been a freelancer by 2023

66% find their work in digital platforms

60% make more money than in traditional employment

**JAMAICA** is the country with the highest number of e-lancers per capita in Latin America and the Caribbean

## LATIN AMERICA AND THE CARIBBEAN

30% increase in e-lancing application downloads between January and March 2020

**ARGENTINA AND BRAZIL** are the countries in the region that are most connected with clients in the United States via Upwork

**BRAZIL, MEXICO, COLOMBIA, ARGENTINA AND VENEZUELA** are the countries with the highest number of e-lancers in Latin America and the Caribbean

DEVELOPED BY THE AUTHORS WITH DATA FROM:

Azuara, et al., 2020; Hilbert and Lu, 2020; Horton, Kerr, and Stanton, 2017; MBO Partners, 2018; OIT, 2021; and UpWork, 2019

# INTRODUCTION



Technology has transformed the world of work as we know it. The fourth industrial revolution has generated new kinds of jobs that even a few months ago would have been unimaginable, and the trend of innovations in the labor market is expected to continue accelerating (Bosch, Ripani, & Pagés, 2018). One example of these new technology-enabled opportunities is on-demand digital remote work platforms. These systems facilitate intermediation between job posters (clients) and suppliers (e-lancers) who may be in the same city or could also be on the other side of the world, generating added value and income virtually. Clearly, the COVID-19 pandemic has accelerated this trend of work becoming digitized, as demonstrated by a strong increase in demand for digital platforms during 2020.

*“To see how technology can help to reduce the distance is just incredible to me. It’s comforting to know that people living in countries that are so different to ours can still use our services and be really happy with them. The fact that we are from El Salvador and not Switzerland doesn’t mean that we can’t deliver quality work.”*

*A lo largo de la publicación, los textos en este formato representan testimonios de los participantes del piloto desarrollado en El Salvador en 2020.*

However, since this work modality is still emerging in Latin America and the Caribbean, there is a lack of information available to understand whether people in the region are professionally prepared and ready to generate income through digital platforms. There is also no evidence regarding what kinds of opportunities are present in this context. Furthermore, there is a prevailing need to create new ways to generate income in the countries of the region, especially for the small and not well diversified economies in Central America and the Caribbean. As we monitor this growing demand at the global level, and seek to identify opportunities for the region, we ask ourselves: Is it possible to capitalize on the growing demand for digital platforms at a global level, the skills needed for remote work among Latin American and Caribbean workers? With this question in mind, in 2020 the IDB supported the implementation of a pilot program in El Salvador to train young people in skills enabling them to work on digital platforms. This publication shares lessons learned to take into consideration for future initiatives that aim to replicate and/or scale up similar interventions.

## **A PIONEERING E-LANCING PROGRAM FOR LATIN AMERICA AND THE CARIBBEAN**

The program, co-designed in collaboration with the Government of El Salvador and Wisar, ran for four weeks. Target participants were young people aged between 18 and 29 years of age with a good command of English and with academic studies and/or proven experience in the areas of systems and computing, digital marketing or graphic design. Given that COVID-19 precautions were necessary, the program was 100% virtual and asynchronous. This virtual format limited participation to people who already had a computer with access to the internet, but also meant that we were able to test a digital

*“There are several things that I learned. One of the main skills was to explain how I visualize a project and how I visualize its solution.”*

modality that would be the easiest to replicate if the program were to be expanded to a wider and more diverse group of participants in the future. The main focus of the theoretical and practical training was to orientate participants to the specific tasks required to access e-lancing work (such as creating profiles on different platforms, preparing proposals, project management, setting rates, and interacting with clients). Likewise, the training included a focus on the social-emotional and transferable skills required to be an e-lancer.

An important element of the program was that the participants were supported by tutors, something they valued highly in the follow-up surveys and focus groups. The tutors monitored participants' progress throughout the entire course, providing them with feedback and supporting them in preparing their proposals.

As part of the practical training, participants presented more than one thousand project proposals to clients in countries as diverse as Germany, the United States and Vietnam. In this way, they had the opportunity to go beyond the theoretical content and put their learning into practice. In the focus group, one of the participants highlighted something very important about remote work via digital platforms: “The fact that we are from El Salvador and not Switzerland doesn't mean that we can't deliver quality work.” This, precisely,

*“What is most attractive to me about being an e-lancer is the financial freedom. Not having to depend on one job directly, but rather be working on my own projects.”*

is the objective that underpins these kinds of initiatives, aimed at connecting young people with global opportunities. Based on this experience, the Government of El Salvador is exploring alternatives to continue promoting digital platform work opportunities within the scope of their “Digital Agenda 2020 - 2030”.

In this publication, we analyze opportunities and considerations for connecting human talent in Latin America and the Caribbean with the e-lancing universe. We share conclusions, best practices and lessons learned from this pilot training program in El Salvador. Testimonials from the pilot participants are also included so that the reader can learn their motivations and opinions on the project. These learnings will be useful for governments and experts who are seeking to promote future initiatives to connect talent with digital platforms, fostering greater job opportunities in our region.

### FREELANCING VS. E-LANCING

Non-conventional work modality in which a person works independently or autonomously for different clients at the same time. These clients may be individuals or companies. Work may be in-person or remote. Contracts with clients may be for a larger project or a single task, but are typically short-term.

Freelancing modality characterized by the fact the work is performed remotely, intermediated by digital platforms that connect workers with clients that may be in the same city or on the other side of the world. All communication between clients and workers is conducted through the platform, as are payments for work completed and the sharing and submission of projects. People working in this modality are known as e-lancers or online freelancers.



## DIGITAL PLATFORMS:

A work opportunity that is not yet well-known in Latin America and the Caribbean



Digital platforms are growing rapidly, and e-lancing platforms are especially important for Latin America and the Caribbean. These platforms represent a versatile alternative for remote work, allowing access to the global market and offering a more flexible working model for people with multiple responsibilities (such as studying and/or caring for a family). In addition, they help to shorten the time that people spend unemployed and improve opportunities for generating additional income (McKinsey Global Institute, 2015)<sup>1</sup>. In fact, these jobs have been resilient to the economic instability caused by the COVID-19 pandemic, and have even experienced exponential growth thanks to the digitization of services. Between January and March 2020, downloads of these types of platforms increased by 30% in the region, and it could be said that this income source has functioned as a kind of ‘unemployment insurance’ for people who lost work in the crisis, providing them with an opportunity to continue to generate income (Azuara, et al., 2020). By January 2021, there were at least 237 different platforms available for independent professionals (ILO, 2021).

The universe of digital platforms generates a growing demand for talent at a global level, and offers extensive opportunities for remote work. Connecting with jobs on digital platforms is not only a viable option to generate income in countries where there are barriers to creating jobs, but also has the potential to promote inclusion for youth, women, migrants, people with disabilities, and other groups that traditionally face barriers to finding work.

*“Right now I am at the point of finishing my studies, and I see e-lancing as something I can do after my classes, which is going to help me to generate income and build experience so that when I get a project I will already have a portfolio.”*

In the case of youth, these opportunities are even more relevant, considering that many of them are digital natives and have greater confidence when it comes to using these types of tools. Furthermore, platforms can help young people gain their first experiences in the world of work, something that is often very challenging to achieve in the traditional labor market.

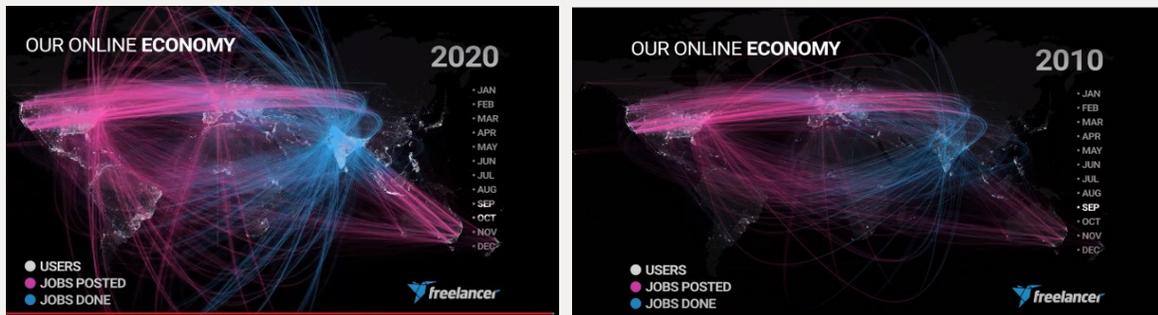
Despite the growth of the e-lancing platforms, Latin America and the Caribbean is one of the regions that is least connected with this ecosystem. Figure 1 depicts the evolution of the e-lancing market between 2010 and 2020, demonstrating that the region is yet to actively participate in this economy. In general,

<sup>1</sup> One reason why people face difficulties finding employment in the traditional labor market is a lack of information about the occupations and skills that are most in demand. Digital platforms reduce this barrier, as access to this type of information is available to everyone. In this way, the platform acts as an intermediary between employers (who in this case are clients) and job seekers (who would be the e-lancers). In addition, inputs are generated to facilitate the analysis of labor markets.

statistics in relation to the number of e-lancers in Latin America and the Caribbean are difficult to obtain, in part given that many e-lancers work across more than one platform, resulting in a duplication of their numbers. According to existing research, we know that in 2017 Argentina and Brazil were the only representatives from the region among the 20 countries with the most e-lancers working for employers in the United States via Upwork, one of the best-known remote work platforms (Horton, Kerr, & Stanton, 2017). More recent data suggests that Jamaica is the country with the highest number of e-lancers per inhabitant, while in absolute terms, Brazil, Mexico, Colombia, Argentina and Venezuela are the countries with the highest number of e-lancers overall (Hilbert and Lu, 2020).

## FIGURE 1

### EVOLUTION OF SUPPLY AND DEMAND IN THE E-LANCING MARKET BETWEEN 2010 AND 2020



Source: Freelancer.com

# MOST IN-DEMAND PROFILES ON E-LANCING PLATFORMS



Digital remote work platforms offer opportunities for people from a range of diverse profiles (see figure 2). At one extreme there are platforms that focus on low complexity tasks, such as microwork platforms. This subsection includes jobs that are generally simple, fast and mechanical and which do not require specific training, such as categorizing words or images, downloading and installing applications, or watching videos. At the other extreme are platforms that are associated with skills that are typically developed through vocational training or college-level education. This subsection includes e-lancing platforms, which are the focus of this publication (Kuek, Paradi-Guilford, Fayomi, Imaizumi, & Ipeiritis, 2015).

**FIGURE 2**

**THE DIGITAL PLATFORM UNIVERSE: FROM MICROWORK TO E-LANCING**



DEVELOPED BY THE AUTHORS WITH DATA FROM: Kuek, Paradi-Guilford, Fayomi, Imaizumi, and Ipeiritis (2015)

On e-lancing platforms, the large majority of talent demand is related to web development and creativity. Occupations in high demand are those related to writing and translation, sales and marketing (OIT, 2021). The most in-demand skills are related to web development and design, followed by foreign language skills and different skills related to customer service (Hilbert & Lu, 2020). Trends in the first four months of 2021 indicate increases in demand for blockchain technology professionals, artificial intelligence, as well as mobile application and website developers. Likewise, there has been a rebound in areas affected by the COVID-19 pandemic, such as customer service and call centers (Freelancer, 2021)<sup>2</sup>.



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<sup>2</sup> Additionally, given the isolation caused by the pandemic, occupations that would normally be performed in person, such as language or music classes, also began to be delivered virtually through these platforms, expanding the potential of international demand for this kind of work. These roles do not require an advanced level of digital skills.

# WHAT SKILLS ARE REQUIRED TO BE AN E-LANCER?



Beyond possessing the technical and digital skills necessary to create an e-lancer profile and earn and complete a contract with clients remotely, e-lancers need to possess a set of transferable skills unique to the 21st<sup>3</sup> century that are essential for achieving success on digital platforms. The training pilot in El Salvador also demonstrated the importance of e-lancers having the following cross-sectional skills:

- **Entrepreneurship** to seek out opportunities and be self-motivated to prepare proposals.
- **Perseverance** to stay motivated in a competitive environment where the acceptance rate for proposals is low.
- **Communication** to maintain professional interactions with potential clients and employers.
- **Ability to resolve problems** in response to any unexpected issues that may occur while executing a project.
- **Time management** to balance working simultaneously on different e-lancing projects with varying delivery dates.
- **Commitment and responsibility** to meet all of the project terms and build a digital reputation<sup>4</sup>.
- **Ongoing learning** to stay up-to-date professionally, mastering skills that meet market demand.

*“I realized that I need to be patient and persistent to win a project.”*

Despite the fact that these transferable skills are a critical factor when it comes to success in the world of e-lancing – and the fact that individuals must constantly develop their skills to keep up with changes in demand – digital platforms do not offer sufficient resources so that people can properly engage in professional development.

Whilst the platforms do provide information and tutorials on how to complete basic tasks, such as creating a profile, they do not offer more extensive learning material for developing these skills. In this sense, our training and mentoring pilot in El Salvador was an innovative and valuable resource for young people who wanted to get a start in e-lancing, as expressed in the feedback surveys.

<sup>3</sup> For more information on 21st century skills, we recommend referring to *The Future is Now: Transversal Skills in Latin America and the Caribbean in the 21st Century* (Mateo Díaz, M., and Rucci, G., Eds., 2019, IDB).

<sup>4</sup> The term ‘digital reputation’ refers to the positioning of a subject (in this case, workers on a platform) in the digital ecosystem. It is constructed through a combination of client feedback (which may be in the form of a rating or reviews), and through the algorithms that vary from one platform to another, based on varying criteria in each case. In general, there is little transparency around these algorithms (ILO, 2021).

# HOW CAN WE EXPAND ACCESS TO E-LANCING OPPORTUNITIES?



Latin America and the Caribbean is only just beginning to engage with e-lancing platforms, and if remote working is a viable way to earn an income from this work, it is important to explore how to expand those opportunities to more people in the region. Based on the pilot experience in El Salvador, we carried out a feasibility study to analyze a series of key aspects for designing and implementing programs for connecting workers with digital platforms. From this study we identified a series of elements to consider when designing e-lancing projects in the region, which could be developed through multi-sectoral partnerships:

## **ACCESS TO A COMPUTER WITH INTERNET AND ADVANCED DIGITAL SKILLS**

By definition, digital platforms require workers to have access to a computer with a stable broadband internet connection. Ideally, people would need to have access to technology in their own home, as this kind of work is characterized by variable working hours. While e-lancers can decide their own work hours, earnings are directly proportional to the number of hours they dedicate to their work. The lack of access to high-quality internet in the region, especially in remote areas, can make it very difficult to engage in this kind of work, which means that initiatives to expand internet connectivity are vital<sup>5</sup>.

## **STRONG TECHNICAL SKILLS**

As previously mentioned, the most highly paid opportunities require advanced technical skills such as web development, graphic design and digital marketing. Any program that aims to encourage work through platforms must start by analyzing the intersection between the human talent available in the country and the most in-demand profiles. In the case of the pilot in El Salvador, we carried out a supply-demand simulation exercise using artificial intelligence to determine which profiles were better positioned on digital platforms.

## **ENGLISH LANGUAGE**

Having a good English level is essential to be successful on e-lancing platforms. The volume of offers in English is not only considerably higher than the number of offers in Spanish, but contract rates are also higher.

Therefore, people with a more advanced English level will have access to more and better opportunities. Some tasks, such as those

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<sup>5</sup> 71% of the urban population in Latin America and the Caribbean have options for connectivity, compared to less than 36.8% among the rural population. This gap of 34 percentage points represents an immense negative impact on countries' social, economic and productive potential. The data is more promising when it comes to the use of devices (especially smartphones) and access to 4G technology, with average penetration levels in rural populations of 71% and 37%, respectively (IICA; IDB; Microsoft, 2020).

related to web development and graphic design, do not necessarily require speaking English, but interaction with clients does usually take place in this language. However, there are alternatives that could benefit those who do not speak English, such as agencies (see box 2).

## BOX 2

### E-LANCING IN COLLABORATION

Digital platforms offer a mechanism for various e-lancers to come together to present proposals – this is known as an ‘agency’. Through agencies, which may or may not be registered as formal companies, people with diverse profiles can work together to strengthen their opportunities. This mechanism is especially relevant for people who do not speak English, allowing them to access the platform ecosystem by collaborating with e-lancers who do speak the language and therefore can take the lead in searching for projects and interacting with clients.

It could also be the case that a university, NGO or another type of organization assumes the leadership of the agency.

If the organization has computer equipment, this could be an alternative to facilitate access for individuals who do not have access to ICT at home. Furthermore, it is an ideal environment for individuals to develop their experience as e-lancers with the support of experts and tutors and be better prepared to start building their digital reputation independently.

Platforms also offer alternatives for workers who wish to present proposals together without forming an agency, fostering collaboration between people with different profiles.



### PROPOSAL CONVERSION RATES

Given the high demand and supply for some types of e-lancing projects, not all proposals become contracts. The rate of conversion from proposals to contracts varies greatly, depending on the type of task and from platform to platform. This may be due to the high competition on these platforms or simply because a lot of people create profiles but then do not use them. On the other hand, some platforms have a fixed number of proposals that e-lancers can send at no cost and, when this number is exceeded, a fee is charged per proposal submitted. In this sense, e-lancers must be extremely assertive when submitting proposals to ensure that they apply for those jobs where they have the strongest chances. Paid services such as Wisar.pro use artificial intelligence algorithms to send recommendations to e-lancers about recently published offers where they have the best chance of landing a contract.

*“The tutor was really important for me. In the beginning I was very motivated and later I started to fall behind, but my tutor helped me to keep going.”*

## **SUPPORT FROM TUTORS AND MENTORS**

The information collected in the e-lancing training pilot in El Salvador demonstrated that support from tutors was key to maintaining motivation and improving the learning process, as well as participants’ mastery of theoretical and practical skills.

This element is especially relevant when training is provided virtually: the ability to learn from tutors with international experience in the world of e-lancing and having access to support when presenting proposals to clients is crucial for ensuring successful first steps as an e-lancer. These types of support can result in improved rates of participation and completion in training programs; they can also make a difference in the professional trajectory of those who go on to become e-lancers.

*“I really found the tax part a bit complicated. That part confuses me and scares me... to what extent I could be breaking the law or to what extent I am doing everything right.”*

## **LEGAL, FISCAL AND REGULATORY CONSIDERATIONS**

Despite the fact that many countries have committed to modernizing their regulations to deal with increasing digitization in the wake of the COVID-19 crisis, it is still uncommon to find specific references to e-lancing. One of the most notable peculiarities of this environment, which makes it difficult to regulate, is that often the worker, the client and the platform are all located in different countries. However, in general terms, it can be said that e-lancers fall into the category of self-employed workers, which entails different tax obligations depending on the level of income. In terms of labor protection and social security, self-employed workers do not have access to benefits such as minimum wage, paid vacations, or severance pay, among others, which places them in a more precarious situation than formal salaried workers (Alaimo, Chaves, and Soler, 2019). Box 3 summarizes one of the strategies that has emerged to extend social security benefits to platform workers.

## BOX 3

### WORKERTECH: solutions adapted to the needs of platform workers

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The traditional labor market does not always cover people who work on digital platforms. By working mostly as independent workers, e-lancers encounter challenges when it comes to ensuring their basic rights as workers, optimizing productivity and career development, and organizing collectively. In this context, WorkerTech services are now emerging in the market, offering benefits, capabilities and access to systems in order to protect and/or defend rights. In principle these services are intended for platform workers, but in reality they have advantages for workers of all kinds. Some examples of WorkerTech are Heru, in Mexico, or MyAlia, in the United States, which offer financial services, insurance and administrative management. There are also Mercado Libre vendor centers or Domestika courses, which provide training, and the AppSindical tools in Argentina or Acua in Chile, which facilitate representation and collective action.

IDB Lab, the IDB Group's innovation laboratory, is promoting WorkerTech services in countries such as Argentina, El Salvador and Guatemala, recognizing their significant potential for promoting the formalization of work and protection for platform workers. The main focus points for the IDB Lab WorkerTech agenda are executing pilot projects with companies, entrepreneurs and governments, creating a contemporary work observatory to understand the challenges faced by different worker groups, and building public-private partnerships to promote the development of the WorkerTech ecosystem. As part of this agenda, in 2018 the IDB Lab approved a direct investment in Zolvers, a platform that promotes labor formalization and financial inclusion for domestic workers. Among other services, the company offers domestic workers automated salary payment and social security contributions, and support with opening bank accounts and personal credit lines; while also connecting them with potential clients (Cañigueral, Heredero, Molina, Okumura, and Ripani, 2021).

# WOMEN IN E-LANCING PLATFORMS



Digital platforms offer a variety of opportunities for promoting female employment. The flexible hours that characterize e-lancing allow women who are responsible for domestic and care responsibilities to generate income without leaving their home and according to their own schedule. Likewise, the competitive format of e-lancing platforms could be helpful in overcoming stereotypes and prejudices that limit women's employment. Other reasons that motivate women to work on digital platforms include obtaining work experience, generating extra income, and compensating for the lack of opportunities in the traditional labor market (Bustelo, Suaya, & Viollaz, 2019).

Despite the potential that digital platforms present to close the gender gap, significant barriers for women still persist. Although women work more hours than men, the rates for female e-lancers is lower even when controlling for other variables such as ratings, experience, occupation and educational level (Barzilay and Ben-David, 2017). It is possible that the biases and prejudices of employers explain this difference, but it is also important to note that it is the e-lancers themselves who set their rates and, therefore, women may be taking their previous salaries in traditional jobs as a reference, where they were already being paid less than men.

Furthermore, women lag behind men in terms of digital skills which may affect their ability to take advantage of ICTs. Although the gaps in access to the internet and mobile phones between men and women in Latin America and the Caribbean are low compared to other regions, men are more likely to use the internet for work activities and take better advantage of smartphone functionalities. In addition, women are underrepresented in science, technology, engineering, and computing roles, which are the highest-paying on digital e-lancing platforms (Bustelo, Suaya, & Viollaz, 2019).



# CONCLUSIONS AND KEY ACTIONS



E-lancing platforms have revolutionized the world of work. More and more companies are assessing their human talent requirements to identify whether the way work is distributed makes business sense; in order to focus on their area of expertise and determine which tasks can be outsourced or even digitized. Likewise, from the workers' point of view, younger generations have clear preferences for breaking with the paradigm of applying for jobs that offer little flexibility in terms of hours and location. In addition, young people seek work environments with greater career development, more innovation and better work-life balance, which is also known as 'NextGen Work' (Manpower Group, 2020). The COVID-19 pandemic, and the consequent acceleration of digital transformation, has only intensified this trend. Thus, digital platforms have found themselves on a fast track to continued expansion.

A positive aspect of working on e-lancing platforms is that all transactions are recorded. This digital footprint can increase the likelihood of people registering for social security systems and reduce the high informality that characterizes work in Latin America and the Caribbean. However, to prevent new ways of working from increasing the precariousness of the labor market, it is important that countries promote innovation when it comes to regulation. On the one hand, it is necessary to avoid distortions in the regulation that affect the hiring of workers, and on the other, it is imperative to protect people from risks regardless of whether they are e-lancers, workers on any other type of platform, self-employed, salaried or unemployed.

## **ACTIONS TO IMPROVE THE POSITIONING OF LATIN AMERICA AND THE CARIBBEAN ON E-LANCING PLATFORMS**

How the region will ultimately position itself in this new context of job opportunities depends on the policies that are established in relation to work on these e-lancing platforms. Some actions that can be taken in this area are:



1. Expand **training in digital skills**. A basic digital curriculum with practical experience must be instilled from an early age and must be a priority throughout all stages of life, including basic education and vocational training.



2. Increase **access to ICTs**, both at the infrastructure level to enhance connectivity, as well as access to using digital tools. Access to connectivity has proven essential to connect and reinvent jobs

that were digitized during the pandemic and will continue to be digital into the future.



3. Implement **awareness campaigns and strategies**. On the one hand, these strategies can spread information about the potential of digital platforms in order to expand knowledge about income-generating opportunities for workers. On the other hand, they can target Latin American and Caribbean companies that use digital platforms and promote the hiring of local e-lancers, thus stimulating the national economies and regional value chains.



4. Develop alliances with post-secondary training institutions, boot-camps and other key partners to promote **e-lancing trainings** that will provide practical experience to future graduates, with real projects and international clients. This kind of training should be complemented with opportunities to develop those technical skills most in-demand on platforms (ensuring the curriculum is constantly updated to align with the needs of employers) and English training.



5. Promote **financial inclusion** to ensure that people have access to the mechanisms required to be able to charge for work performed on e-lancing platforms.



6. Modernize **labor regulations** to promote all workers being registered with social security to ensure they have protection against the risks of illness and unemployment. It is also important to guarantee access to an old-age pension and promote additional benefits such as portability of ratings from one platform to another<sup>6</sup>.



7. Encourage **research** that will explore the impact of new work modalities on labor income and the stability of the income received by platform workers, generating inputs to reinforce the positioning strategies of digital platforms.

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<sup>6</sup> The fact that client ratings are the property of the platforms limits the opportunities for e-lancers, since these are equivalent to job references in the traditional job market. Worldwide, there are different initiatives to change this and allow the digital reputation of e-lancers to be transferred from one platform to another (Alaimo, Chaves, & Soler, 2019).

What is the best way to boost income generation on digital platforms? How can we connect young people with new jobs made possible by technology? With the pilot experience in El Salvador, we found that it is important to develop new training models adapted to new work modalities, taking advantage of the access that technology offers to reach more people. In addition, it is important to invest in connectivity and payment digitalization, and ensure that labor regulations promote an environment that is conducive to worker protection in new ways of working<sup>7</sup>.

Today's social security systems do not yet provide universal coverage in traditional jobs, nor are they in a position to guarantee coverage in jobs of the future

*“It is exciting to see the quality of the work and that our knowledge is international.”*

The COVID-19 pandemic accelerated digital transformation and generated devastating effects on employment, demonstrating the vulnerability of the region and evidencing the lack of worker protection against the risks of illness and unemployment. It also reflected the region's dependence on automatable, poorly diversified, and informal sectors. In this increasingly digitized world, where non-technological jobs are increasingly scarce or precarious, countries must develop plans to enhance opportunities for their citizens, linking investment in training with the fourth industrial revolution, and fostering a new ecosystem to promote the future of productive development in the region.

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<sup>7</sup> The accelerated pace at which technology is creating new jobs provides the perfect opportunity to rethink what the future of social security should look like in order to effectively protect workers, as new forms of work continue to emerge.

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