



**International
Labour
Organization**

Global Centre
on Digital Wages
for Decent Work



► **Research and learning agenda on digital wages for decent work**

ILO Global Centre on Digital Wages for Decent Work

The ILO's Social Finance Programme

Enterprises Department

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► Introduction

The ILO's Global Centre on Digital Wages for Decent Work addresses the challenges of cash wages and promotes responsible digital wages through country interventions, research and knowledge management, and advocacy. Responsible digital wage payments meet the needs of women and men workers – particularly the most vulnerable and disadvantaged among them – in terms of accessibility, affordability, quality and protection, notably in line with the UN Principles for Responsible Digital Payments. They also respect workers' rights in accordance with national laws and regulations, internationally recognized human rights, including fundamental principles and rights at work and relevant international labour standards. Responsible digital wage payments respond to changes in the world of work for the protection of workers and address the needs of sustainable enterprises.

The objectives of the Research and Learning Agenda are to:

- Inform the research programmes of institutions and individuals interested in responsible digital wages by specifying major research tracks and research questions;
- Enable research collaborations with, and support for, ILO constituents and partners in understanding, tracking, discussing, and improving digital wages for decent work;
- Serve as a living document that captures on an ongoing basis evolving research and learning priorities and findings around the world, with a focus on the Global Centre's countries of intervention;
- Highlight the diversity of situations concerning responsible digital wages within and across countries, enterprises, and workers, and;
- Inform, document, and help fine-tune the initiatives of the ILO and ILO constituents and partners to promote responsible digital wages.

The evidence base on digital wages and their implications is growing. However, much of the evidence comes from narrow empirical contexts in terms of geographic coverage, economic activities, types of enterprises, and categories of workers, which makes generalizations difficult. Moreover, the relationship between digital wages and decent work has received insufficient attention.

The Research and Learning Agenda is aligned with the ILO's Knowledge Strategy and Research Strategy.¹ It reflects concerns and knowledge gaps relevant for ILO constituents (governments and employers' and workers' organizations) and partners, with inputs from ILO experts in headquarters and the field, researchers, policymakers, and practitioners working on digital wages and their implications.

The Agenda addresses a broad range of complex issues. It is guided by an overarching research question and six research tracks, each with higher-priority (tier-1) and lower-priority (tier-2) questions. Progress on its implementation hinges on the concerted efforts of multiple stakeholders in the next five years, beyond the first phase of the Global Centre.

► Overarching research question

Under what conditions, for whom, and how does the digital payment of wages contribute to decent work, how can it be introduced, expanded, regulated, and monitored for that purpose, and with what results for governments, employers, workers, and their organizations?

¹ GB.331/PFA/4; GB.334/PFA/INF/2; GB.337/INS/7.

The main research tracks are:

- The big picture: Transition pathways;
- Focus on governments;
- Focus on employers;
- Focus on financial service providers;
- Focus on women and men workers as wage earners, and;
- Focus on women and men workers as consumers and savers.

► 1. The big picture: Transition pathways

Multilevel transition pathways to responsible digital wages are seldom linear and predictable in a complex, uncertain world. While transitions vary across and within countries, there is a need to identify good practices and innovative approaches, notably for adequately sequencing interventions and mitigating unintended consequences. Policy outcomes of interest include decent work, gender equality, financial inclusion and empowerment, and consumer protection.

Tier 1

1. What are the enablers and barriers for responsible digital wages in different contexts' financial and digital ecosystems?
2. How can digital wages contribute to transitions from the informal to the formal economy, notably extending social security?
3. How can government institutions, workers' and employers' organizations, and other stakeholders collaborate on advancing responsible digital wages in different contexts?

Tier 2

4. How are laws, policies, institutions, infrastructures, and practices related to wages, digital payments, and digital wages evolving, and how can they be influenced to favour decent work, gender equality, financial inclusion and empowerment, and consumer protection?
5. How can policy coherence, coordination, and communication among stakeholders be ensured when collaborating on responsible digital wages, and how should the different interventions be sequenced?
6. What are potential lever points available to the different actors for advancing responsible digital wages?
7. When promoting responsible digital wages, how can barriers such as unequal access to financial and digital infrastructure, income insecurity, inadequate social protection, chronic indebtedness, and inadequate literacy, numeracy, financial literacy, or digital literacy skills be addressed?
8. How can progress concerning responsible digital wages be adequately tracked in a way that promotes good governance, transparency, fairness, and accountability, while ensuring data security, data protection, and privacy?

► 2. Focus on governments

Governments can develop policies, legislation, and other measures specifically aimed at facilitating the transition of enterprises and the workers they employ to responsible digital wages. To improve compliance and enforcement, government institutions need to strengthen the supervision and inspection machinery and impose effective sanctions in the event of infringements.

Tier 1

9. What policies, legislation, and other measures have been or can be adopted by governments to promote responsible digital wages, and with what implications for relevant stakeholders?
10. How can government institutions at different levels promote and contribute to responsible digital wages in various policy areas, notably those concerning decent work, gender equality, financial inclusion and empowerment, and consumer protection?

Tier 2

11. In promoting responsible digital wages, how can governments provide a conducive environment for sustainable enterprises and innovation and adequate protection for all workers?
12. In promoting responsible digital wages, what are good practices to ensure coordination across different levels of government and cooperation between the relevant bodies and authorities, such as financial and tax authorities, social security institutions, and labour inspectorates?
13. How can governments effectively regulate different forms of digital wages, notably concerning workers' choice and consent, full and free access to wages, ease and flexibility, disclosure requirements, fees, access to account information, and deposit insurance?
14. How can digital wages contribute to labour administration, compliance, and the detection and remedy of wage irregularities, including for migrant workers?
15. How can governments successfully support greater acceptance and use of responsible digital payments, including in rural areas?

► 3. Focus on employers

Compared with cash wages, digital wages may bring time and cost savings for enterprises, notably reducing the costs of cash management and security, administrative and accounting staff time, and production time lost. However, they may also bring additional costs, such as investment in information and communication technology, payroll service fees, and training of payroll staff and wage earners. Whether the benefits outweigh the costs and risks may therefore be context-specific. Enterprises of different types and sizes have different costs, benefits, opportunities, and risks associated with transitions to responsible digital wages. Gender and other intersecting factors need to be addressed, including for enterprises owned or led by women or employing large numbers of women workers, particularly low-wage workers.

Tier 1

16. What are the effects of digital wages on the productivity and growth of enterprises of different types and sizes?
17. For enterprises that have not transitioned to responsible digital wages, what factors explain the lack of transition, how do they vary across contexts, and how can they be adequately addressed?
18. How can global supply chain actors promote and contribute to responsible digital wages?
19. How can employers' organizations at different levels promote and contribute to responsible digital wages?

Tier 2

20. What means of wage payment do enterprises use, and how do digital wages relate to wage frequency, regularity, equity, deductions, regular and overtime rates, and wage-setting mechanisms?
21. What are the effects of digital wages on enterprises' access to financial and product markets and government services?
22. What are good practices and lessons learned from the experiences of enterprises that sought to transition or transitioned to digital wages, or reverted back to cash wages, notably those of small and medium enterprises?
23. What are enterprises' perceived and actual costs and benefits of various payroll models, and how do they vary across enterprises, economic activities, and countries?
24. What are the effects of digital wages on enterprises' access to financial and product markets and government services?
25. How does enterprise size and informal economy considerations influence enterprise capacity and motivation to transition to responsible digital wages?
26. What is the relationship between digital wages and the application of enterprise-level principles for sustainable enterprises, beyond compliance with the law?

► 4. Focus on financial service providers

The possibility of responsible digital wages depends to a significant extent on financial service providers' provision of responsible financial services, including responsible digital wage payment solutions. Financial services are responsible when they are safe, fair, and of good quality, meet consumer needs, and comply with applicable regulatory requirements. Financial service providers may notably include payment service providers, banks, microfinance institutions, financial cooperatives, mobile money service providers.

Tier 1

27. How can financial service providers promote and contribute to responsible digital wages?
28. How can financial service providers provide responsible (digital) financial services while maintaining financial viability?

Tier 2

29. What digital wage payment solutions are available or under development for employers and workers in different contexts?
30. How can digital wage payment solutions and other financial services be developed and tested in a way that is tailored to the needs of various categories of employers and workers?
31. What gaps exist in financial service providers' application of social responsibility guidelines, including the UN Principles for Responsible Digital Payments?
32. What are the characteristics of innovative digital wage payment solutions that successfully address inertia in wage payment systems and the use of financial services?
33. What are the characteristics of digital wage payment solutions and other financial services tailored to vulnerable workers?
34. What are the characteristics of digital wage payment solutions and other financial services tailored to enterprises of different types and sizes, and is there a business case for them?

► 5. Focus on women and men workers as wage earners

As wage earners, different categories of women and men workers vary in the costs, benefits, opportunities, and risks associated with digital wages. Vulnerable groups include, but are not limited to, those who face the most serious decent work deficits in the informal economy, notably women, young people, and migrants.

Tier 1

35. To what extent do various categories of women and men workers have freedom of choice of means of wage payment, and, to receive digital wages, choice of digital wage payment solution and financial service provider?
36. What are the effects of digital wages on the empowerment and protection of workers in accordance with the decent work agenda, and how do they differ between women and men?
37. How can workers' organizations at different levels promote and contribute to responsible digital wages?

Tier 2

38. How do various categories of women and men workers understand responsible digital wages and related gender equality, financial inclusion, and digital inclusion issues?
39. To what extent and under what conditions do records of digital wages and digital pay slips adequately reflect actual access to and control of wages by women and men workers, and how can workers use them to ensure fairness in labour dispute prevention and resolution?
40. What is the relationship between digital wages and the elimination of the gender pay gap?
41. What is the relationship between digital wages and the protection of women and men workers against violence and harassment in the world of work, including gender-based violence and harassment?

► 6. Focus on women and men workers as consumers and savers

As consumers and savers, different categories of women and men workers face different costs, benefits, opportunities, and risks in relation to digital wages. Vulnerable groups include, but are not limited to, those with income insecurity, inadequate social protection, chronic indebtedness, and those with inadequate literacy, numeracy, financial literacy, or digital literacy skills.

Tier 1

42. What are the most pressing concerns about existing digital wage payment solutions and related (digital) financial services for various categories of women and men workers, including potential shortcomings regarding accessibility, affordability, quality, and protection?
43. How do digital wages affect the well-being of various categories of women and men workers as consumers and savers?

Tier 2

44. How do digital wages relate to access to, and use of, financial services among the various categories of women and men workers?
45. How can government institutions, employers' and workers' organizations, financial service providers, and other stakeholders adequately meet the capacity development needs of various categories of women and men workers to benefit from digital wages adequately?
46. To what extent can workers who receive digital wages spend digitally, and how do digital wages relate to their financial behaviours?
47. How do various categories of women and men workers vary in terms of their digital fluency, financial literacy, financial decisions, and financial well-being, and how do digital wages relate to them?
48. What is the relationship between digital wages and the protection of women and men workers against domestic violence?
49. How can consumer organizations at different levels promote and contribute to responsible digital wages?

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