



## ▶ Brief

March 2023

# Promoting responsible digital wage payments

### Key points

- ▶ This issue brief overviews why and how to promote responsible digital wage payments.
- ▶ Most wage earners in the world receive their wages digitally – into a financial institution account, a prepaid or payroll card, or a mobile money account. However, millions of women and men workers still lack access to digital wage payments. Moreover, workers paid digitally may not benefit fully from the transition.
- ▶ Digital wage payments bring benefits to workers, employers, and governments, when they are designed and implemented responsibly. Responsible digital wage payments contribute to sustainable enterprises and to the well-being of women and men workers.
- ▶ Wage payments, whether digital or otherwise, should comply with applicable national laws and regulations, and all actors involved should respect the fundamental principles and rights at work, other human rights, and the principles of relevant international labour standards.
- ▶ In the case of digital wage payments, they should also respect relevant principles and guidelines, notably concerning responsible digital payments, financial inclusion, and consumer protection.
- ▶ To harness the fullest potential of digital wage payments, the issues to consider include: choice, accessibility and security of income and assets, transparency and privacy, fair opportunities and treatment, and enabling conditions.

## Why responsible digital wage payments matter

### Digital wage payments are widespread, but access to and benefits from them are unequal

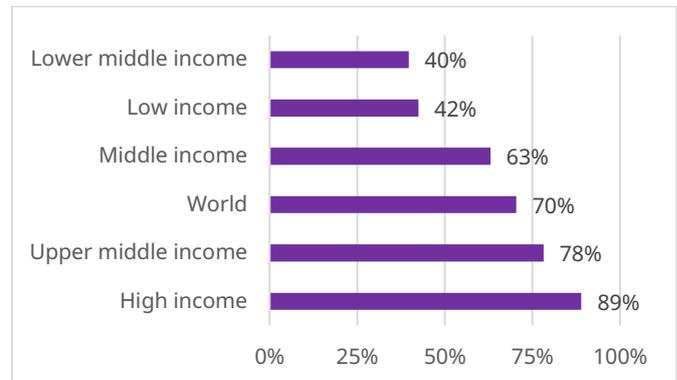
#### Most wage earners in the world receive their wages digitally – into a financial institution account, a prepaid or payroll card, or a mobile money account

In 2021, there were 3.3 billion persons with a job (39 percent women), including 1.7 billion workers in an employment relationship (40 per cent women).<sup>1</sup> Wages and the means of wage payment have a direct and tangible impact on the day-to-day lives of workers.<sup>2</sup> Around the world, employers have paid workers for the performance of work or services by means of payment in kind (non-monetary), in banknotes and coins (cash), by bank or postal cheques or money orders, or by digital means. Globally, 70 per cent of wage earners received their wages digitally in 2021.<sup>3</sup> Meanwhile, about 165 million workers without bank accounts received private sector wages in cash only.

#### However, access to digital wage payments is unevenly distributed

Wage earners in high-income economies are more than twice as likely to receive digital wage payments as their counterparts in low-income and lower-middle-income economies. In the latter, recipients of digital wage payments represented 40 per cent and 42 per cent of wage earners respectively, compared with 89 per cent in high-income countries.

#### ► Share of wage earners receiving digital wage payments, by economy income level, 2021



Source: Demirgüç-Kunt et al. (2022).

#### Moreover, digital wage payments should be designed and implemented responsibly to contribute to social justice and decent work

For the digitization of wage payments to benefit the various categories of employers and workers in line with the decent work agenda,<sup>4</sup> the associated risks should be identified, assessed, and addressed as appropriate. Tackling the underlying causes of such risks may involve measures to strengthen wage protection and consumer protection in law, policy, and practice.

<sup>1</sup> The statistics in this brief refer to persons aged 15+. The global labour statistics are from ILO modelled estimates, Nov. 2021.

<sup>2</sup> Wages are remuneration or earnings, however designated or calculated, capable of being expressed in terms of money and fixed by mutual agreement or by national laws or regulations, which are payable in virtue of a written or unwritten contract of employment by an employer to an employed person for work done or to be done or for services rendered or to be rendered.

<sup>3</sup> The source for the statistics on digital wage payment is: Demirgüç-Kunt, Asli, Leora Klapper, Dorothe Singer, and Saniya Ansar. *Global Findex Database 2021: Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19*. World Bank, 2022.

<sup>4</sup> Four inseparable, interrelated, and mutually supportive strategic objectives are at the heart of the decent work agenda: (a) set and promote standards and fundamental principles and rights at work; (b) create greater opportunities for women and men to decent employment and income; (c) enhance the coverage and effectiveness of social protection for all, and; (d) strengthen tripartism and social dialogue.

## Responsible digital wage payments can contribute to sustainable enterprises and the well-being of women and men workers

Wage payments, whether digital or otherwise, should comply with applicable national laws and regulations.<sup>5</sup> All actors involved should respect the fundamental principles and rights at work,<sup>6</sup> other human rights, and the principles of relevant international labour standards.<sup>7</sup>

### ► [The ILO and the protection of wages](#)

Since its earliest days, the ILO has advocated labour standards seeking to guarantee and protect the rights of workers in respect of wages.

The Protection of Wages Convention (No. 95) and Recommendation (No. 85), 1949 are the first two international labour instruments dealing in a comprehensive manner with aspects such as the form and manner of the payment of wages and seeking to accord the fullest possible protection to workers' remuneration. They address:

- the form and method of wage payment
- the freedom of workers to dispose of their wages
- the duty of information
- wage guarantees
- enforcement

Provisions with direct relevance to the protection of wages are included in other ILO instruments.

In the case of digital wage payments, they should also respect relevant principles and guidelines, notably concerning responsible digital payments, financial inclusion, and consumer protection. The UN Principles on Responsible Digital Payments set out who needs to be responsible, what it means to be responsible, and how to be responsible.

### ► [UN Principles for Responsible Digital Payments](#)

1. Treat users fairly
2. Ensure funds are protected and accessible
3. Prioritize women
4. Safeguard client data
5. Design for individuals
6. Be transparent, particularly on pricing
7. Provide user choice through interoperability
8. Make recourse clear, quick and responsive
9. Champion value chain accountability

## Responsible digital wage payments can contribute to achieving the Sustainable Development Goals

Responsible digital wage payments are relevant for multiple Sustainable Development Goals, including Goals 1 (no poverty), 5 (gender equality), 8 (decent work and economic growth), 9 (industry, innovation, and infrastructure), 10 (reduced inequalities), and 16 (peace, justice, and strong institutions).



Responsible digital wage payments can provide potential benefits to workers, enterprises, and governments. These represent the ideal case, in which the challenges, risks,

<sup>5</sup> The existence of an employment relationship between an employer and a worker is a means to provide certainty and legal protection to the worker, as emphasized in the [ILO Centenary Declaration for the Future of Work](#) and the [Global call to action for a human-centred recovery from the COVID-19 crisis that is inclusive, sustainable and resilient](#).

<sup>6</sup> The fundamental principles and rights at work are: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; the elimination of discrimination in respect of employment and occupation; and a safe and healthy working environment.

<sup>7</sup> International labour standards are legal instruments drawn up by the ILO's constituents (governments, employers and workers) and setting out basic principles and rights at work. They are either Conventions (or Protocols), which are legally binding international treaties that may be ratified by member states, or Recommendations, which serve as non-binding guidelines.

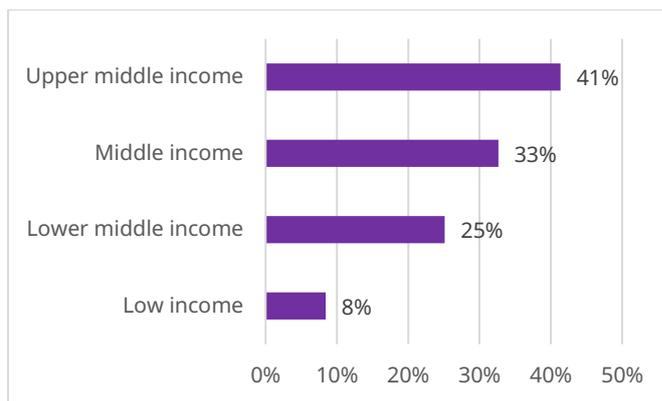
and costs have been adequately addressed. The following section addresses the issues to consider to make the potential benefits a reality.

### Potential benefits to women and men workers

- **Formalization and extension of social security coverage:** Digital wage payments provide a record of transactions between an employer and a worker, which can be used to provide evidence of the existence of an employment relationship, for example by documenting the periodic payment of remuneration to the worker. Digital wages can also help improve access to social security: the record of transactions can be used to enrol workers in social security schemes and, when pay is fully digital, help avoid underreporting of wages. The associated records can also be used to identify beneficiaries.
- **Protection of wages:** Digital wage payments allow workers to receive their pay automatically, in full, and on time, even if they miss work on a payday. The transparency afforded by digital wage payments can also help to avoid arbitrary, unfair, or unforeseen deductions. Workers receive a proof of wage payment, which alongside the payslip that the employer should provide, can be used in case of an error or a dispute with the employer or the financial service provider. Moreover, accurate digital wages can help avoid foregoing some pay when paid in cash and small denominations of banknotes are unavailable. It also avoids the risk of receiving damaged or counterfeit banknotes that exists with cash payments. Receiving wages digitally is safer than carrying large amounts of cash, which may be lost or stolen. Digital wage payments are also safer than cheques, which may not be honoured. PIN protection, other protection against fraud, effective recourse mechanisms, and deposit insurance provide additional safeguards. With such safeguards in place, workers paid digitally can be better protected against the insolvency of employers or financial service providers.
- **Access to suitable formal financial services:** With the opportunity to receive their wages digitally, previously excluded workers, particularly women, can gain access to a bank account. Recipients of digital wages can develop relationships with financial service providers, which can help build trust and a history of transactions. Financial service providers can draw on those to make decisions related to the workers and offer them solutions that meet their needs and means. In addition, workers can more easily access formal financial services

such as savings, credit, money transfers, and insurance, among others, for better resilience and economic opportunities.

### ► Share of the population who opened their first account at a financial institution specifically to receive a wage payment, 2021



Source: Demirgüç-Kunt et al. (2022).

- **Better control over time and money:** Workers can receive their pay without having to wait for a cheque or having to queue to receive their wages in cash. This is possible when cash-in and cash-out (CICO) points, such as ATMs, bank branches, or bank or mobile money agents, are easily and safely accessible. Workers who have sufficient digital and financial capacity can check their balance, monitor their spending, and organize it in line with their priorities. Inclusive financial services can empower workers to withdraw cash when they need it. Workers, particularly vulnerable women workers, can thus have better control over their wages and have an opportunity to better plan how to manage their finances. This benefit is optimized when workers can access their financial account or card when they want. When digital wages are implemented in an inclusive, equitable, and gender-responsive manner, the risks of violence and harassment related to pay can be reduced.

► Case study: Bangladesh

Bangladesh is the world’s second largest garment exporter. A Better Than Cash Alliance – World Bank research estimated that an average factory with 2,500 workers lost 750 hours in production per month when paying wages in cash. In contrast, when payroll was digitized, garment factories recorded a 53% savings in admin and finance staff time. A responsible approach to wage digitization increased the likelihood of women, who represent a majority [80% in 2017] of the garment workforce in Bangladesh, to participate in household decisions related to spending and savings by 15%.

Source: Better Than Cash Alliance. *Digitizing Wage Payments in Bangladesh’s Garment Production Sector*. 2017

**Potential benefits to enterprises**

- **Productivity improvement and cost-saving:** Greater worker satisfaction and cost-effectiveness can increase productivity, as less time would be needed to make and receive wage payments. This benefit is optimized when workers can access and use their digital wages quickly, easily, affordably, and when needed. Such productivity gains may exist even if digital pay does not bring direct cost savings. Digital wage payments can also decrease the costs of the wage payment process, including the costs of calculating and distributing wages to the workers, and reduce the costs of transporting cash and keeping it safe (security guards, insurance).
- **Accuracy:** Human error can be reduced when processing digital wage payments as compared to paper-based ones, thus improving the accuracy of wage payments. The employer can use the digital payments and their records for tax and social security purposes and as evidence in case of error or dispute. This also applies to households employing domestic workers.

► Case study: Cambodia

Potential savings from wage digitization for two garment factories		
Factory characteristics	Large factory with permanent workers	Smaller factory with permanent and temporary workers
Number of workers	2,000 (85% women)	885 (85% women) (677 permanent, 208 temporary)
Monthly payroll outflow	\$500,000	\$221,250
Total savings per worker/month	\$0.85	\$1.40 (per worker paid digitally)
Total savings per month	\$1,700	\$1,116 (based on 797 workers paid digitally)
Break-even point	Under 4 months	Under 9 months

Source: BSR HERProject et al. *The potential gains of digitizing garment sector wages in Cambodia*. 2022.

- **Safety:** Risks of loss and theft associated with managing large amounts of cash or paper cheques can be reduced when using reliable digital payment solutions. Moreover, the risks of using damaged or counterfeit banknotes can also be decreased.
- **Access to finance:** Disbursing wages digitally can contribute to developing the enterprise’s relationship with its financial service provider, building trust and a history of transactions the financial service provider can use in making decisions related to the enterprise and offering it solutions that meet its needs.
- **Access to markets:** Responsible digital wage payments can signal to customers, consumers, and other stakeholders that the enterprise is committed to responsible practices more generally. They can also help improve compliance with customer requirements and certification bodies, and facilitate access to public procurement.
- **Formalization:** Depending on national circumstances, the digital payment of wages can be used among the operational criteria to determine the formality status of enterprises. In addition, digital wage payment can help enterprises to develop and strengthen their financial track record, contributing to the transition to the formal economy. This can also help the enterprise access direct and indirect support measures provided by the government.

► **Case study: Jordan**

The garment sector employs over 76,000 people or 9 percent of the total adult private sector workforce in Jordan of which 73 percent are women. Three Jordanian companies representing 12 percent of the sector total workers proved the significant benefits of responsible digital wage payments to their workers in line with the *UN principles for responsible digital payments*: the administrative time to disburse wages dropped by 66 percent for deposits made directly to bank accounts, and by 70 percent for payments made directly to e-wallets. Data also showed that disbursing wages in cash can be the equivalent of the monthly wages of 4.4 workers.

Source : Better Than Cash Alliance, Better Work, ILO, GIZ. *Promoting decent work by digitizing wages responsibly in Jordan.* 2021

**Potential benefits to governments**

- *General benefits for the public sector and its workers:* Public sector entities and workers can derive benefits from digital wage payments that are similar to those of other entities and workers.
- *Compliance:* The transparency provided by digital wage payments can support the competent authorities to ensure that laws and regulations are adequately applied, including those related to wages and consumer protection. It can notably help labour administration and inspection authorities detect and anticipate situations in which wages and required social security contributions may not be paid in full and or on time, and thus support on-site visits.
- *Formalization:* Records of digital wage payments provide data that can be processed in a coordinated and cooperative manner across different levels of government and relevant bodies, and authorities can help promote the transition of enterprises and workers from the informal to the formal economy. Moreover, they can enable the authorities to better address issues related to tax and social security evasion.
- *Employment promotion:* The enabling conditions for responsible digital wage payments and the records such payments generate can also facilitate employment promotion measures such as special loan facilities, temporary subsidies, or temporary tax concessions.
- *Social protection:* Responsible digital wage payments can facilitate contributions and disbursement of social

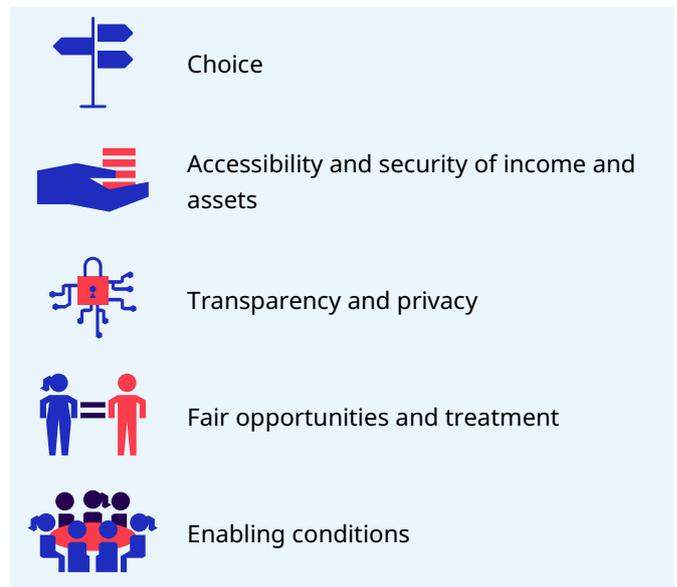
security benefits, social transfers, income support, and wage subsidies through responsible digital means.

- *Dispute prevention and resolution:* In case of dispute between the employer and the worker regarding wages or between either employers and workers and their financial service providers, the digital payment records can provide a source of evidence that the authorities can use in adjudicating.

**Issues to consider in promoting responsible digital wage payments**

In order to gain the full benefits of digital wage payments, enterprises, governments, employers' and workers' organizations, financial service providers, development partners should consider a number of issues when implementing digital wage payments. The issues to consider include those of choice, accessibility and security of income and assets, transparency and privacy, fair opportunities and treatment, and enabling conditions (see below).

► **Issues to consider when implementing digital wage payments**



**Choice**

**Choice of digital means of wage payment**

The choice of digital means of wage payment may occur at different levels, such as the public (laws or regulations), collective (collective agreements), arbitral (arbitration awards), or individual (consent of the worker concerned) level.

Enterprise-level social dialogue provides an essential foundation for the successful implementation of responsible digital wage payments.<sup>8</sup> It enables workers to communicate their needs and concerns. It also enables management to enhance workers' understanding of enterprise needs and objectives as well as market conditions. It can thus help to forge a common approach to the transition and ensure a just sharing of the benefits.

### Choice of financial service provider

The necessary measures should be in place to guarantee that workers may, if they so wish, choose the financial service provider in which employers deposit their wages.

### Choice of financial products and services

Employers and workers should have the opportunity to search, compare and, where appropriate, switch between products and providers easily and at reasonable and disclosed costs.



## Accessibility and security of income and assets

### Form, adequacy, timeliness, and fullness of digital wage payments

Wages, whether paid digitally or otherwise, should be paid only in legal tender. Payment in the form of promissory notes, vouchers, coupons, other tokens, or in any other

form alleged to represent legal tender, should be prohibited.<sup>9</sup>

Workers should receive an adequate minimum wage, statutory or negotiated, taking into account any charge that may ensue from receiving and accessing digital wage payments.

Wages should be paid regularly at such intervals as will minimize the likelihood of indebtedness among the workers.

Wage guarantees should be designed to ensure the total payment of the wages due and protect workers from arbitrary, unfair, or unforeseen decreases in their remuneration, particularly through recruitment fees, excessive deductions or attachment orders, or on account of the closure of a bankrupt enterprise.

In the case of digital wage payments, measures must also ensure that workers are entitled to keep in their possession their identity documents, payment instruments such as a card or mobile phone, personal information such as passwords and PINs related to the payment instrument, and other documents related to their account.

### Suitability of financial services to the needs and means of employers and workers

Employers and workers should have affordable and convenient ways to view, access, use, and withdraw their funds on demand. Workers should have the possibility to access the full amount of their wages. While different financial services vary in their fees, the availability of low-cost solutions would respond to the needs and means of vulnerable and disadvantaged workers.

Financial service providers should engage with the competent authorities and employers' and workers' organizations to develop responsible digital wage payment solutions and other financial services that facilitate employers' and workers' adoption and use.

<sup>8</sup> Enterprise-level social dialogue includes all types of negotiation, consultation and exchange of information between management and the representatives of workers within the enterprise.

<sup>9</sup> In nearly all countries, cryptocurrencies are not accepted as legal tender. The two exceptions as at 1 May 2022 are El Salvador and the Central African Republic, in which Bitcoin is legal tender.

► **Case study: United Arab Emirates**

The Ministry of Human Resources and Emiratization has issued a smart multi-purpose bank ID card for domestic workers with a variety of features, including serving as an electronic wallet. The card also provides a new automated system to monitor transfer transactions to ensure that domestic workers’ wages are protected and to transfer wages quickly while ensuring confidentiality.

In developing such solutions, consideration should be given to encouraging voluntary savings, facilitating remittances, reducing account and transaction fees, preventing chronic indebtedness, protecting against usury, and promoting sound investments.

**Protection of employers’ and workers’ financial assets against fraud, misuse, and insolvency**

Relevant information, control, and protection mechanisms should be developed and implemented to protect workers’ digital wages, as well as employers’ and workers’ deposits, savings, and other similar financial assets. In the event of the insolvency of the financial service provider, employers’ and workers’ financial assets should be protected, for example through a national deposit insurance system.

**Transparency and privacy**

**Appropriateness and understandability of information for workers on their wages**

Workers should receive such information before they enter employment, when any changes take place, and at the time of each digital wage payment. When paying wages digitally, employers should provide itemized wage statements (payslips) to workers, either digitally or paper-based, for the pay period concerned, including: (a) the gross amount of wages earned; (b) the reason for and amount of any deductions that may have been made; and (c) the net amount of wages paid. Employers should maintain payroll records showing, in respect of each worker employed, the particulars specified above.

**Completeness, accuracy, and non-deceptiveness of information for employers and workers on financial services**

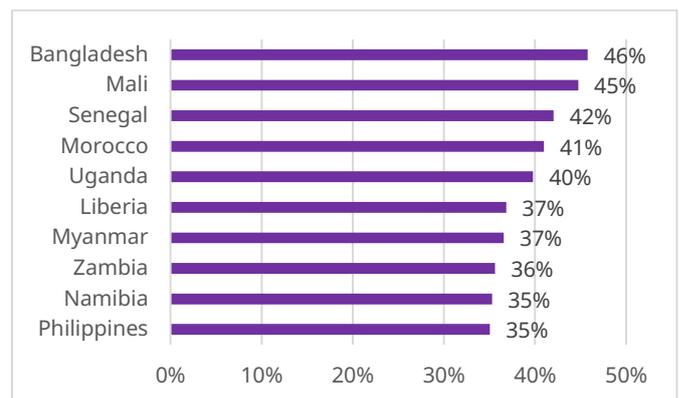
The promotion of responsible digital wage payments is facilitated when financial service providers provide appropriate information about financial services and

products and their benefits, costs, and risks at all stages of the relationship with employers and workers. In addition, all financial, promotional materials should be accurate, understandable, and not misleading.

Employers and workers should be informed about the amount they would be charged, if any, when opening an account, making or receiving payments, maintaining the account, renewing the bank or payment card, including case of loss, theft or defect, cashing-out, and terminating the relationship with the provider, including in regard to taxation. Employers should be adequately informed of the benefits, costs, and risks of digital wage payment solutions and associated financial services for them and their workers. They should apprise their workers in advance of all the relevant information regarding the different available payment methods as well as any possible changes in the solutions used.

Moreover, employers and workers making or receiving digital wage payments should receive accurate and up-to-date account statements and transaction notifications from financial service providers.

► **Countries with the highest reported shares of digital wage payment recipients who paid higher fees than they expected to receive their wages, 2021**



Source: Demirgüç-Kunt et al. (2022).

**Protection of employers’ and workers’ data and privacy**

The processing of workers’ data should be done in a manner that protects this data, respects its confidentiality,

and ensures respect for workers' privacy.<sup>10</sup> Employers' and workers' financial and personal information should be protected through appropriate control and protection mechanisms. Adequate safeguards should be in place to ensure that any surveillance measures are in line with human rights.

## Fair opportunities and treatment

### Equality of opportunity and treatment for all workers

Digital wage payments should be designed and implemented in a way that promotes equal remuneration for work of equal value, non-discrimination, conciliation of employment and family responsibilities, and protection from violence and harassment, including gender-based violence and harassment. Moreover, data on digital wage payments can contribute to monitoring pay equity.

#### ► Case study: Jordan

Digital wage payments can contribute to addressing the gender pay gap. The National Committee for Pay Equity, created with ILO support in 2011, launched the Stand-up with the Teacher campaign in 2015. Subsequently, the Association of Private School Owners and the Union of Private Education Workers signed a sectoral collective agreement regulating gender pay gap issues, including wage payment by bank transfer. This paved for the Regulation on Registration and Licencing of Private and International Schools. Under this Regulation, registration and licencing of these schools depend on wage/salary payment by bank transfer or e-wallets, in coordination with the Central Bank of Jordan.

### Equity of access and treatment of employers and workers as financial consumers

Employers and workers should be treated equitably, honestly, and fairly at all stages of their relationship with financial service providers and their representatives.

### Effectiveness of dispute prevention and resolution systems

Dispute prevention and resolution systems should be accessible, consensus-seeking, fair, impartial, transparent,

simple, rapid, inexpensive, and have the necessary expertise. Relevant grievance mechanisms may include those offered by the government, enterprise or financial service provider.



## Enabling conditions

### Conduciveness of the policy, legal, regulatory, and supervisory environment and reliance on social dialogue

Governments, in consultation with employers' and workers' organizations, and, as appropriate, with other relevant organizations, should engage in gender-inclusive social dialogue to ensure the development and implementation of policies, laws, and regulations, to promote responsible digital wage payments. Social dialogue processes can be used to consider what responsible digital wage payments mean in a particular context, identify the priority needs and concerns of the key stakeholders, integrate the issue into related policies and strategies or develop a context-specific action plan, develop coordination mechanisms as needed, and determine how to monitor progress. In addition, government institutions and employers' and workers' organizations may benefit from awareness raising and capacity development on responsible digital wage payments to enable their effective participation in social dialogue on the subject.

Fair and effective competition can help provide employers and workers with the greatest range of choice among

<sup>10</sup> See Hendrickx, F. 2022. *Protection of workers' personal data: General principles*, ILO Working Paper 62 (Geneva, ILO).

financial products and services at the lowest cost. The promotion of a digital approach to financial inclusion should balance innovation and risk. Systems of wage protection and financial consumer protection should be strengthened to monitor, prevent, and address non-compliance effectively. Special attention should be dedicated to the needs of population groups and individuals in vulnerable situations. Coordination and cooperation should be ensured across different levels of government and relevant bodies and authorities.

### ► Case study: Philippines

Labour Advisory No. 26 of 2020 on Payment of wages and other monetary benefits through transaction accounts highly encourages employers to explore or undertake initiatives such as to: communicate to workers the benefits of receiving wages digitally; assist workers who need it to open an account; offer workers the option to receive their wages digitally when feasible; require partner financial service providers to provide workers with adequate information; ensure that opening, maintaining, and usage of accounts does not result in any additional expenses/fees or diminution of wages and other monetary benefits received by the workers; ensure compliance with wage protection provisions; and, issue to the workers a payslip or a record of payment of wages and other monetary benefits as well as deductions for a particular period.

The promotion of responsible digital wage payments should be considered in the design and implementation of integrated policy frameworks to facilitate the transition of women and men workers and enterprises from the informal to the formal economy. Tailored approaches may be necessary to address the diversity of characteristics, circumstances and needs of these workers and enterprises.

Capacity development may need to be provided to financial service providers on responsible digital wage payment solutions and associated financial services that meet the diverse needs and means of employers and workers in a gender-responsive manner.

### ► Case study: Bangladesh

According to the Government, in response to COVID-19, mobile financial service (MFS) providers were instructed to open new MFS wallets for the workers who do not have a bank account or wallet effective from 20 April 2020. Almost 2.2 million wallets were opened after the instructions were issued, which brought the total number of accounts to nearly 3.8 million. The providers were instructed to keep the agent points open, active with sufficient cash to serve the worker's needs. The cash-out charge to cash-out the salaries were reduced to 0.8 percent from 1.85 percent.

Source: Bangladesh Bank, Policy Measures of Bangladesh Bank in Response to the COVID-19 Pandemic (January 2021).

### Infrastructure readiness

Insufficiently developed infrastructure or restrictions on cash withdrawal undermine workers' freedom to access and use their digital wages as they choose. Consideration should be given to the availability and accessibility of support services, including access to reliable energy, telecommunications, and physical infrastructure.

The financial infrastructure such as an adequate payment system with interoperability between providers, including both financial institutions and mobile money providers and a network of physical access points may need to be expanded for the safe, reliable, and low-cost provision of digital financial services to all relevant geographical areas, especially underserved rural areas.

Accessible, affordable, and verifiable identification systems may need to be developed to help facilitate the -- transition to digital wage payments.<sup>11</sup>

### Capacity of enterprises and workers on responsible digital wage payments

Employers who need assistance should have access to capacity development support to implement responsible digital wage payments.

In addition, workers who need it should have access to training, advice, and assistance on how to access their wages digitally and manage their finances digitally,

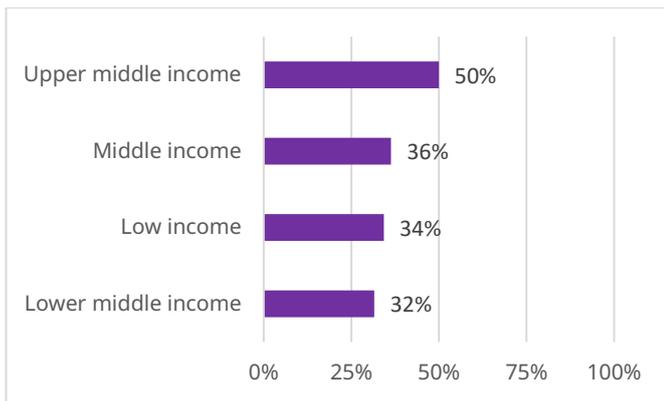
<sup>11</sup> According to the World Bank, an estimated 1 billion people worldwide did not have basic [identity documents](#) in 2018.

including with respect to literacy, numeracy, financial literacy, and digital literacy.

Particular attention should be given to the situations of persons with nationally identified special needs, such as women, youth, older persons, persons with disabilities, migrants, ethnic minorities, and indigenous and tribal peoples.

Education and training institutions, employers’ and workers’ organizations, financial service providers, customers, and other stakeholders can provide capacity development support for enterprises and workers.

► **Share of population without an account who could use an account at a bank or financial institution without help if they opened one, by economy income level, 2021**



Source: Demirgüç-Kunt et al. (2022).

In particular, employers’ and workers’ organizations are well placed to raise the awareness, capacity, and acceptance of their members on responsible digital wage payments. Employers’ organizations can raise awareness and increase acceptance of their members through demonstrating the business case, sharing good practices, and negotiating with payroll and financial service providers. They can also support the capacity development of their members on how to implement responsible wage digitization. Workers’ organizations can help to ensure that digital wage payments are responsible and that workers are effectively consulted in that regard throughout, from the very early stages of the transition. Other stakeholders can also contribute. For example, customers can support the capacity development of their suppliers on responsible digital wage payments.

In conclusion, the promotion of responsible digital wage payments in an inclusive, coherent, integrated, and gender-responsive manner that adequately addresses the issues of concern can help realize the potential benefits and advance social justice, decent work, and sustainable development for all.

The Global Centre on Digital Wages for Decent Work is an initiative of the [ILO’s Social Finance Programme](#).

<p><b>Contact details</b></p>	<p><b>International Labour Organization</b>  <b>Global Centre on Digital Wages for Decent Work</b>                  Route des Morillons 4                  CH-1211 Geneva 22                  Switzerland</p>	<p>T: +41 22 799 7239                  E: <a href="mailto:digitalwages@ilo.org">digitalwages@ilo.org</a>  <a href="http://www.digitalwages.org">www.digitalwages.org</a></p>
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