

The new “Gig” – digital platform work

Tan Zhai Gen

Asia School of Business

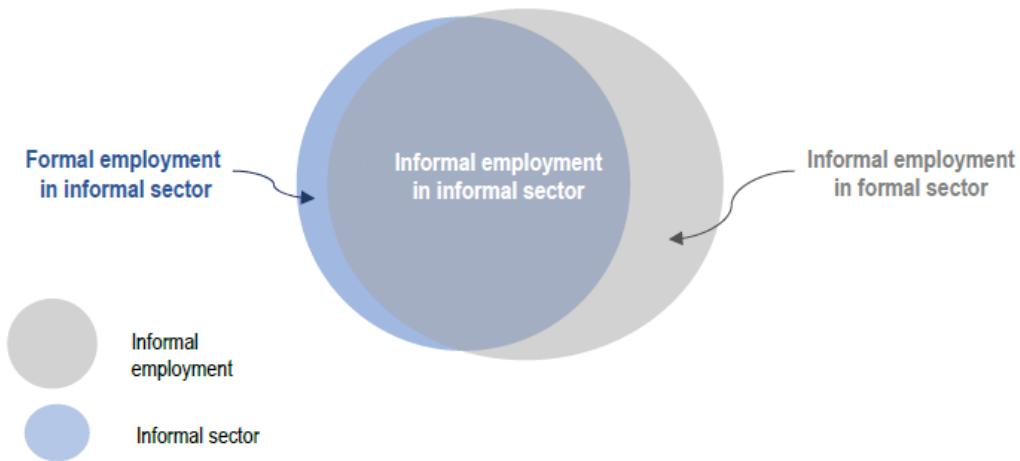
zhai.gen@asb.edu.my

In collaboration with Khazanah Research Institute and MDEC

Informal employment

- Informal employment – unprotected workers without legal and social protection, such as retirement schemes, annual and sick leave (KRI, 2019)
- Non-decent work – regulatory deficit leading to decent work deficit, despite flexibility (KRI, 2020).
- “Gig” – contract with independent workers for short-term arrangements.

Fig 1: Venn diagram of informal sector and informal employment



Source: Authors

Note: The size of the circle is a proxy for the magnitude of workers. Empirically, the share of informal employment is higher than informal sector. The overlap between informal employment and sector is also concentrated in the informal sector, not the formal sector. Although conceptually informal sector includes both formal and informal employment, formal employment within informal enterprises is relatively rare. Source: ILO (2002b)

Fig 2: Potential decent work deficit

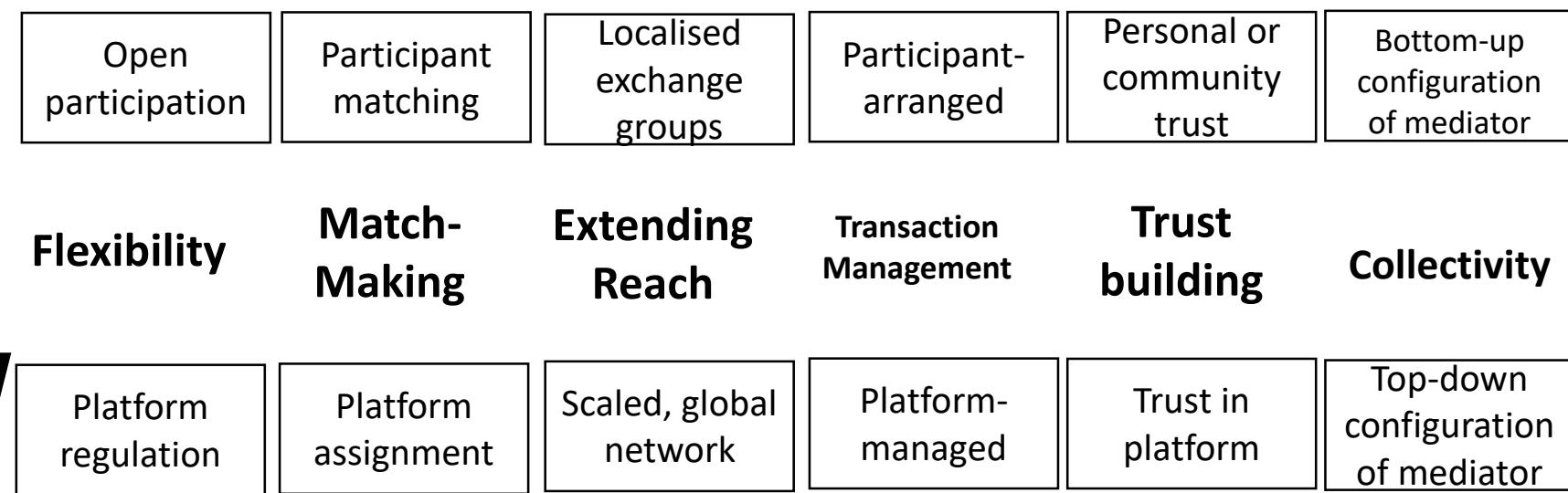
| | |
|---|--|
| 1 | Uncertain working hours |
| 2 | Blurred work-life boundaries |
| 3 | Economic and social insecurity |
| 4 | Imbalance of power between firms and workers |
| 5 | Unequal taxation burden between firm and workers |

The new digital “gig” – platform economy work

- The new digital “gig” – work in platforms, including digital work, microtasks & digitally-enabled work, both remotely or local.
- Platform which spans from highly centralized, low worker agency to highly decentralized, high worker agency, but without protection and training (Sutherland & Jarrahi, 2018).

Fig 3: Degrees of centralisation in digital platform work

Centralisation



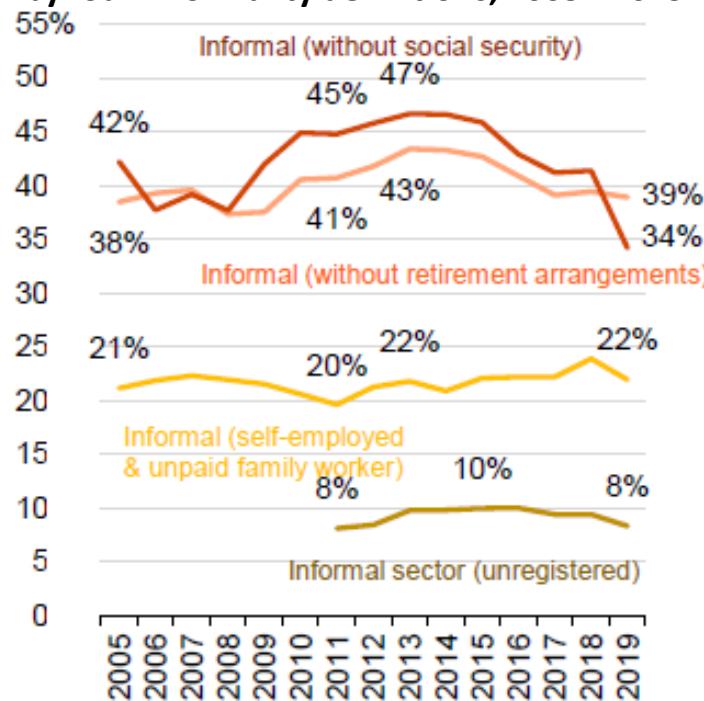
Global rise in digital platform work

- Global research focus on data-rich advanced countries
 - Number of global microtask platform workers estimated at 48 million, with 10% active (Kuek et al 2015).
 - Microtask platform work increasing at 14% per annum. (Kässi and Ledonvirta 2018)¹
 - 52% of global microtask platform work comes from the US (Kässi and Ledonvirta 2018).¹
 - Microtask workers are young, well-educated, male. (Berg et al 2018)
 - 1 percent of JPMorgan Chase (US) adult customers had earned income from the platform economy in each month (Farrel and Gregg 2016)

Informality & digital platform work in Malaysia

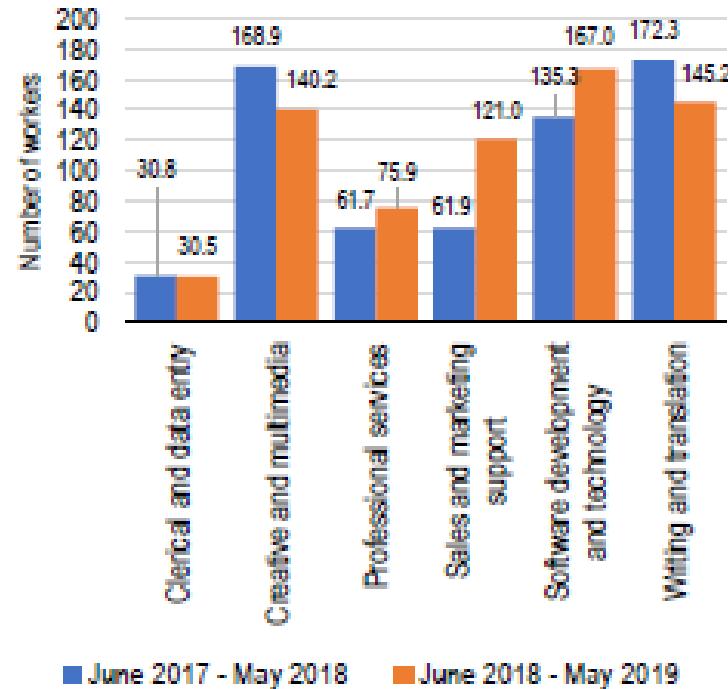
- Informality in Malaysia – shares have been roughly constant since 2005, with 39% without retirement arrangements (KRI, 2020).
- Increased participation in global microtask platform – 7.8% more between June 17 – May 18, vs same period before (KRI, 2019).

Fig 4: Estimated share of informal employment by four informality definitions, 2005 - 2019



Source: KRI, 2020

Fig 5: Number of workers on labour services platforms, 2017-2019



Source: KRI, 2019

Young and female – platform workers in Malaysia

- We study workers in a matching platform hosted by the Malaysian Digital Economy Corporation to match workers to digital platforms from 2017 to 2019.
- Young, female and highly educated – median age 29, 54% female.
- Preliminary – access to infrastructure and digital tools matter more than demographic differences.

Fig 6: Share of Malaysian digital platform workers by age

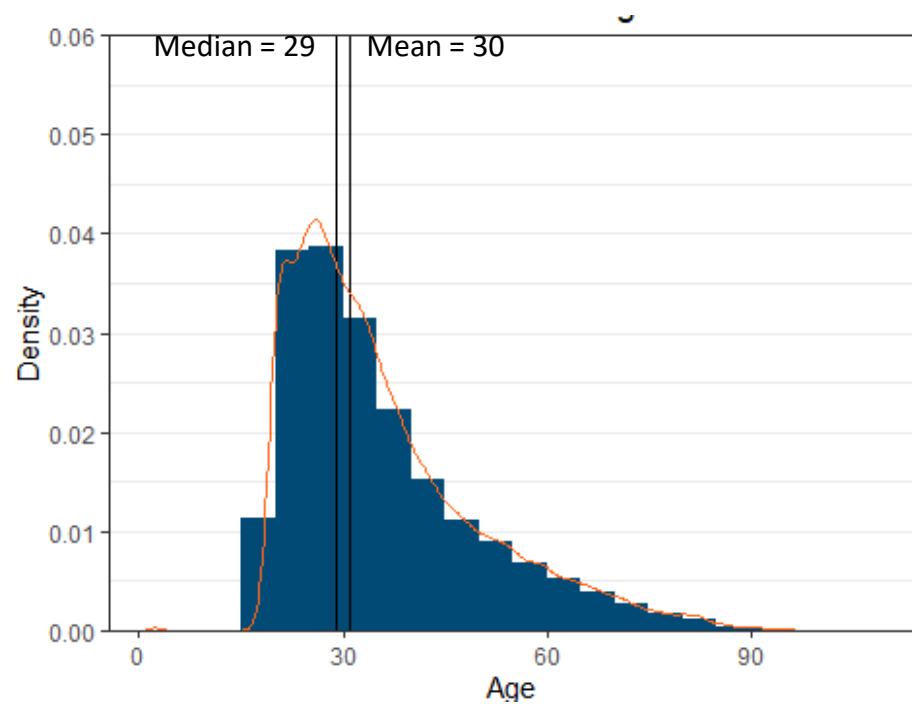
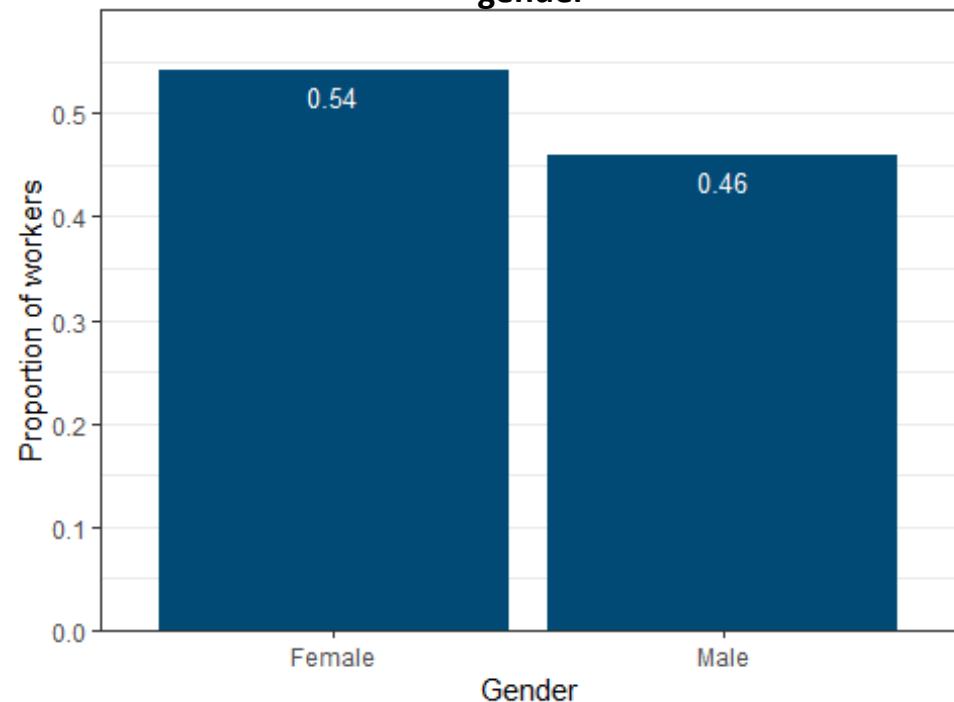


Fig 7: Share of Malaysian digital platform workers by gender



Education and location of digital platform workers

- The largest share of workers are degree-holders, followed by SPM holders. This matches global trends.
- Majority workers are from Selangor, followed by Johor. Sabah is fourth – state development may not be as significant.

Fig 8: Share of Malaysian digital platform workers by education

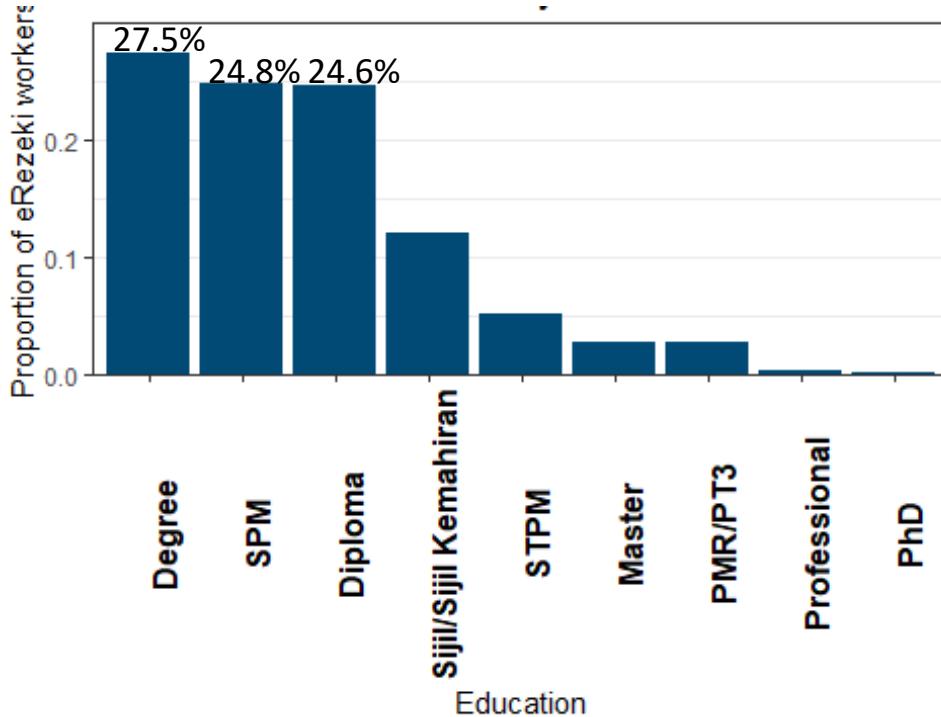
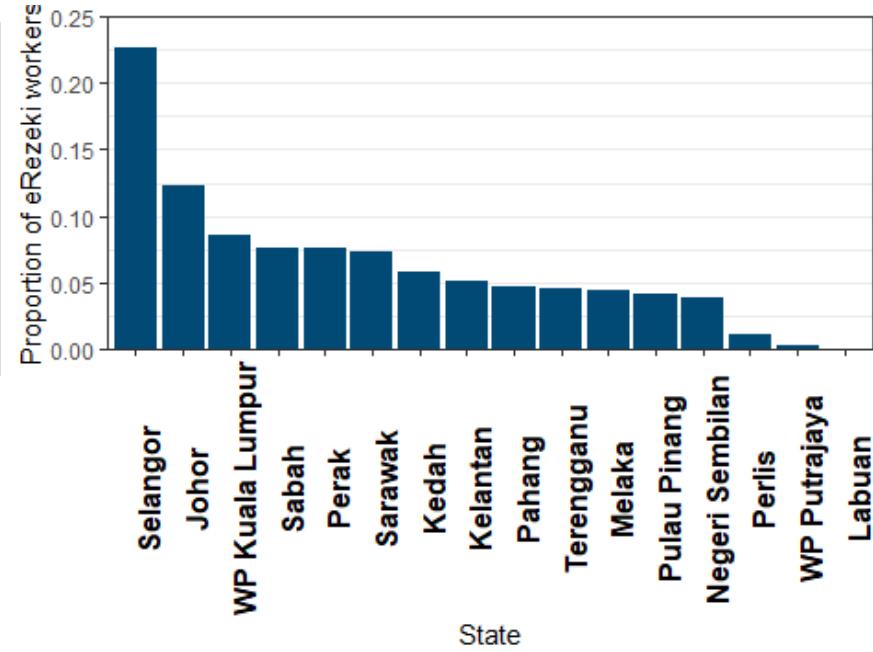


Fig 9: Share of Malaysian digital platform workers by state



Policies: Preparing the workforce, securing the workers.

- Portable benefits – redesigning welfare arrangement to balance flexibility and dynamism of modern jobs and security of traditional employment (KRI, 2017)
 - Protection tied to workers instead of employer, where platforms contribute to workers – including health insurance.
 - Example: Grab Singapore contribute to drivers Medisave.
 - Example: Malaysia's Self-Employment Social Security Scheme with SOCSO.
- Lifelong learning and skills training
 - Employer-based training and upskilling will not be available for workers.
 - Training fund targeted at workers – flexible and for workers.
 - Higher waged online work – needs more complex skills. Malaysians not ready?
 - Example: SkillsFuture Singapore.

Policies: Preparing the workforce, securing the workers.

- Labour unions – enabling platform workers
 - Access to industrial courts.
 - Formal unions to accept platform workers (Kessler 2018, Kochan & Dyer 2019).

Thank You

Reference

- Khazanah Research Institute, 2019. “The demise of formal employment? – A literature update on informality”
- Khazanah Research Institute, 2020. “Shrinking “Salarariat” and Growing “Precariat”? Estimating Informal and Non-standard Employment in Malaysia.”.
- Will Sutherland & Mohammad Hossein Jarrahi., 2018. “The sharing economy and digital platforms: A review and research agenda”.
- Ryan Calo & Alex Rosenblat., 2017. “The Taking Economy: Uber, Information, and Power”.
- Kuek, S. C., C. Paradi-Guilford, T. Fayomi, S. Imaizumi, and P. Ipeirotis. 2015. The Global Opportunity in Online Outsourcing. Washington D.C.: World Bank Group
- Kässi, Otta, and Vili Ledonvirta. 2018. Online Labour Index: Measuring the Online Gig Economy for Policy and Research. *Technological Forecasting and Social Change* 137:241-248.
- Berg, Janine, Marianne Furrer, Ellie Harmon, Uma Rani, and S. Silberman. 2018. “Digital Labour Platforms and the Future of Work: Towards Decent Work in the Online World.” *International Labour Organization*, 135.
- Khazanah Research Institute, 2017. “An Uneven Future”.
- Sarah Kessler, 2018. “Gigged, The End of the Job and the Future of Work”.
- T. Kochan and L. Dyer., 2019. “Shaping the Future of Work”