

The hidden online 'gig' economy

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If you're a computer programmer, and you mainly support yourself by selling your freelance services via an online platform, do you get counted as part of the labour market?

Every month, statistical agencies survey their citizens about whether they have a job or are looking for one. Statistics Canada and the US Bureau of Labour Statistics release their monthly data tomorrow. But there are now a range of informal ways to earn money made possible by online platforms such as Fiverr, Taskrabbit, Uber, or Airbnb. Existing measures that ask about whether you hold a job don't yet capture this type of digital 'gig' economy work.

Many aspects of our lives - including our work lives - have moved online. Statistical agencies and researchers are attempting to develop new measures to reflect this, but policymakers and businesses do not yet have reliable, ongoing measures of how significant the global online 'gig' economy is, whether people are doing it because they have no better alternatives or if they prefer it, and whether it is having positive or negative impacts on our lives.

This data gap matters. If this type of work is - or will become - mainstream, the impacts would be wide-ranging. To take one example, if freelance digital work starts to become more widely adopted, this could materially impact global tax collection, since informal online-enabled work is likely to be underreported at tax time. Without a good sense of when this shift is coming, we'll be unprepared.

To truly understand and be prepared for the future of work, we need to complement existing job measures with new, real-time indicators that capture these new digital work options. As a starting point to address this gap, RIWI developed a [new online gig work indicator](#). In addition to asking people traditional employment questions, we asked them how they earned money, and specifically how much of their income comes from online work options such as selling products or services online, or using online apps to sell in-person services such as Uber or Airbnb.

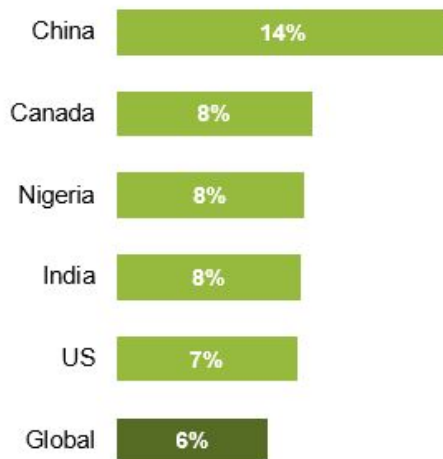
The indicator draws on the experiences of 32,000 randomly engaged Internet users in all major global hubs from November 2018-February 2019. This includes 24,000 observations from young people (18-34). Young people's experiences are particularly difficult to access using traditional survey methods but are particularly important for predicting what the future of work will look like.

What we find is that online 'gigs' are more than marginal activities. This type of work represents half or more of income for one in five of the world's young Internet users. This is not yet mainstream but it is significant.

The indicator also shows that the US and Canada are two of the early adoptee countries. For example, eight percent of the Canadian Internet-using population age 18+ reports that half or

more of their income comes from selling freelance services online. A Bank of Canada study also finds that, in 2018, about one in three Canadians participated in informal 'gig' work, including freelance online tasks such as software programming or online-enabled work via apps such as Uber. The Bank notes that part of this would not be included in standard employment measures, so the labour force is actually larger than the official data show.

Share with half or more of income from selling freelance services online



Source: RIWI data, continuous global tracking, Nov 1, 2018-Feb 2, 2019. 31,015 observations from Internet users aged 18+ in 43 countries in all global regions. Selected countries with highest adoption rates.

Contrary to views that people who take on online 'gigs' do so because they don't have alternatives, the data show that they do these types of 'gigs' because they want to. About 60 percent of the world's young and old alike do so because they like the work or flexibility or the extra money. This finding is broad-based across developed and developing economies and across both men and women. We even find that a majority of those who are earning money via Uber or Airbnb in particular do so because they want to.

When will such work become mainstream? The Oxford Internet Institute Online Labour Index finds that there has been 30 percent growth in online 'gig' vacancy ads from 2016 to February 2019. This represents rapid growth. It will be critical to continue to follow these signals over time. Only then can we anticipate whether and when such work becomes a key income source for a significant share of the global population.

The future of work - and many other aspects of our lives - is digital. To get a true and complete picture, we need to complement existing economic measures with new real-time and ongoing economic and social signal data that anticipate and help us navigate these changes.

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