An Experimental Measure of Malaysia's Gig Workers Using Labour Force Survey

Action Area C. Integrated statistics for integrated analysis (SC3)
Which way now on the journey towards integrated statistics (2)?

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Outline

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Objective

To identify characteristics of gig employment and subsequently attempt an experimental measure of this group in Malaysia using the Labour Force Survey (LFS) in terms of:

❖ Sex
❖ Age group
❖ Education attainment
❖ Economic activity

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Introduction

Current labour market situation

The advances in technology has brought fundamental changes in the way we work and the types of locations we work.	Long-term trends of non-standard work arrangements and the boost of digital platform has introduced new term of employment - gig employment.	Digitalization has created more opportunities for individual to engage in gig employment whether for primary or secondary income.	Recent spread of COVID-19 pandemic and the actions taken by Malaysia's Government to contain it resulted in pay cut and job losses. Most turned to alternatives income opportunities in the form of gig work.

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Introduction

Measurement issues

Within the global landscape, there exists a gap in which this phenomenon cannot be conceptually defined and statistically measured uniformly, so as to provide a comparable measure across countries.

For Malaysia, no specific survey has been conducted for the soul purpose of quantifying gig workers.

The information available in the administrative record is limited to registered formal establishments that operates digital platform. There is a possibility of under-representatives of self-employed workers who are operating informally within the digital platform.

Concepts & Definitions

19th ICLS, 2013	• persons in employment are defined as all persons above a specified age who during a specified brief period, either one week or one day, were in the paid employment or self-employment categories.
20th ICLS, 2018	• ICSE 2018 was approved for adoption to measure form of employment based on type of authority or economic risks; • ICSE-18-A classified status of employment into ten categories which provides a dichotomy between independent workers and dependent workers.

Concepts & Definitions

Gig economy
- related to short-term, project-based and outcome-defined work;
- work obtained through an online platform with work doled out in bits and pieces (Abraham et al., 2018);
- include "crowdwork" referred to working activities that imply completing a series of tasks through online platforms, and "work-on-demand via apps" channeled through apps managed by firms (ILO, 2016).

Gig workers
- often labour independently and in direct competition with one another (ILO, 2018);
- usually not employed on a long-term basis by a single firm to complete a specific work at specific period of time (Statistics Canada, 2019);
- Don not have an implicit or explicit contract for long-term employment, (BLS, 2016).

Gig work
- associated with or representative of alternative, less structured work arrangements with a specific focus on non-employees;
- often short term or task-based; with higher presence in and online labour platforms (ILO, 2018).

Methodology

DATA SOURCE
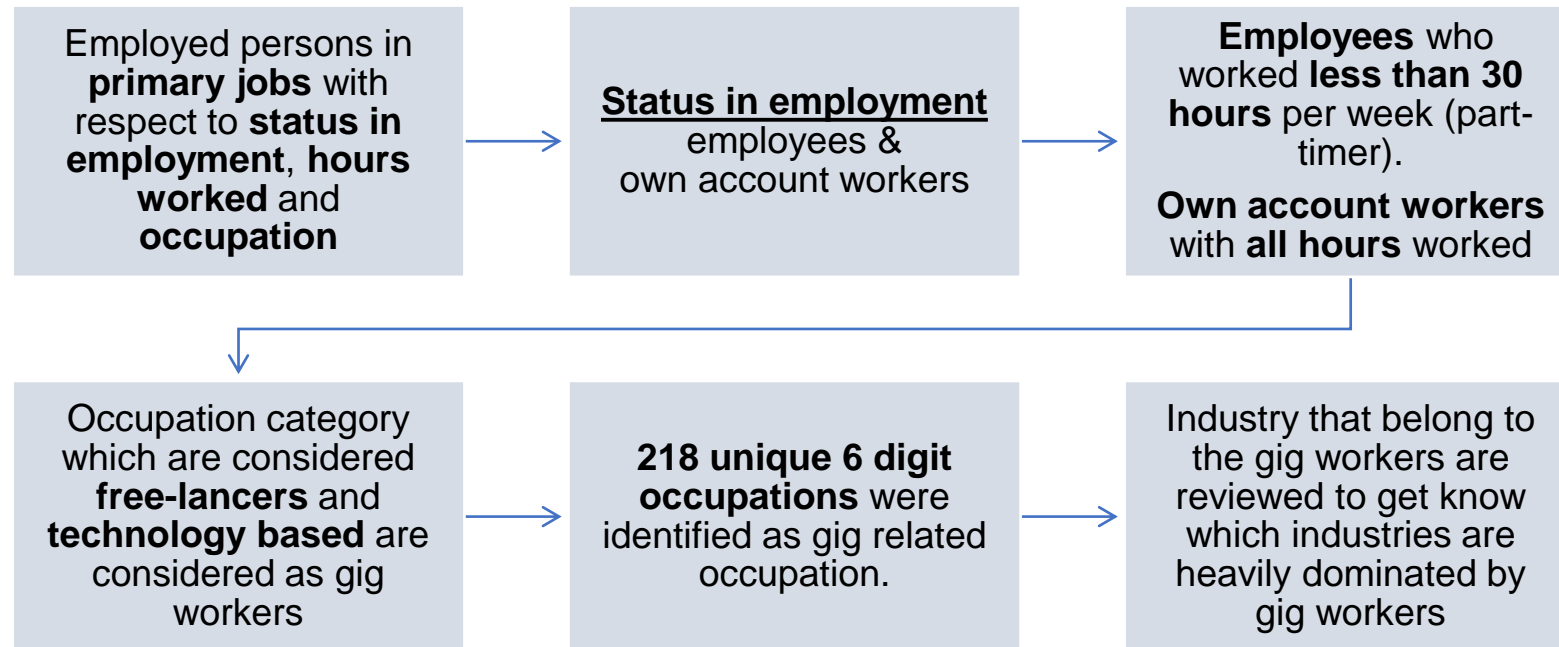Labour Force Survey (LFS), 2018 conducted by Department of Statistics Malaysia (DOSM)

Employed persons in **primary jobs** with respect to **status in employment**, **hours worked** and **occupation**	**Status in employment** employees & own account workers	**Employees** who worked **less than 30 hours** per week (part-timer). **Own account workers** with **all hours** worked
Occupation category which are considered **free-lancers** and **technology based** are considered as gig workers	**218 unique 6 digit occupations** were identified as gig related occupation.	Industry that belong to the gig workers are reviewed to get know which industries are heavily dominated by gig workers

LIMITATION
As measurement are only based on variables available in the LFS, there is a possibility of under-counted of persons involved in gig work.
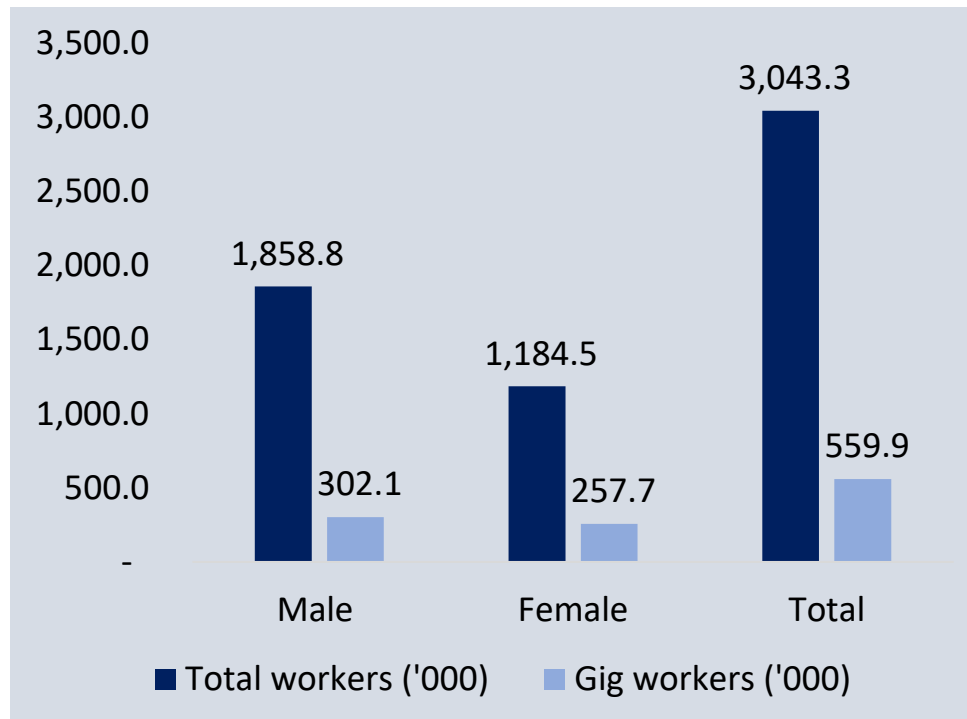
Results

Number of total workers and gig workers by sex, Malaysia, 2018

Source: Authors' calculation based on the data of Labour Force Survey 2018, Department of Statistics Malaysia

- 3,043.3 thousand persons were employed as part-time private employee and own account workers in Malaysia.
- Gig workers made up 559.9 thousand persons (18.4%).
- More than half of the gig workers were male which was 302.1 thousand persons (54.0%) while female 257.7 thousand persons (46.0%).
- Although male dominated, it is observed that the share of female of total gig workers (46.0%) were higher than the share of female out of total workers (38.9%).
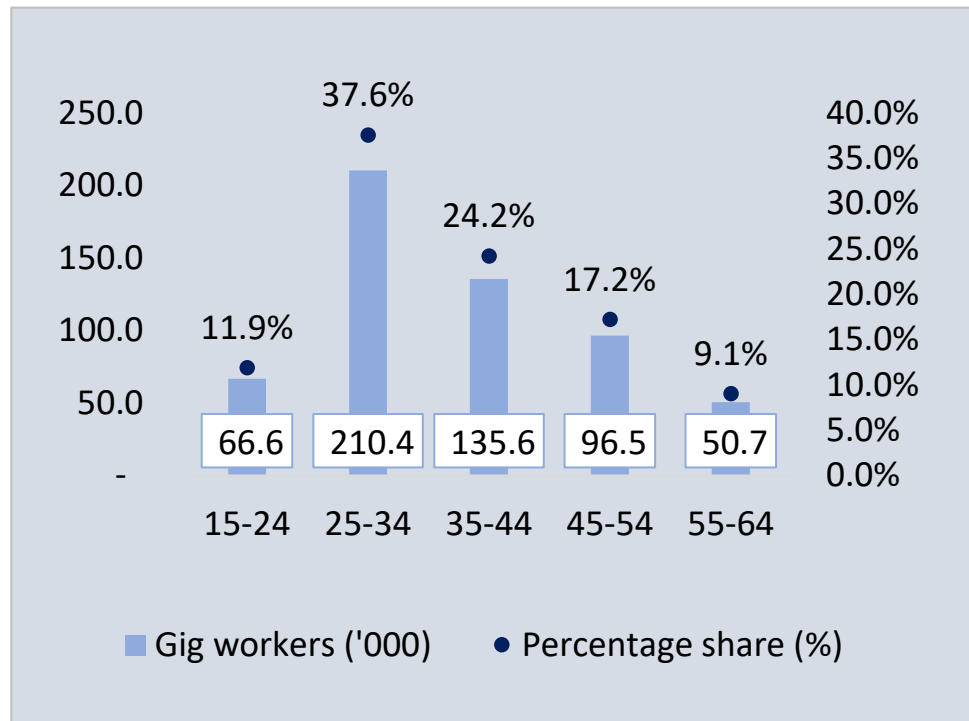
Results

Number and share of gig workers by age group, Malaysia, 2018

	15-24	25-34	35-44	45-54	55-64
Percentage share	11.9%	37.6%	24.2%	17.2%	9.1%
Gig workers ('000)	66.6	210.4	135.6	96.5	50.7

■ Gig workers ('000)   ● Percentage share (%)

Source: Authors' calculation based on the data of Labour Force Survey 2018, Department of Statistics Malaysia

- The highest share of gig workers was between the aged of 25 to 34 years old (37.65) followed by those between the ages of 35 to 44 years old (24.2%).
- Gig workers aged 55 to 64 years old accounted for the lowest share (9.1).
- This pattern was in line with the overall distribution of employed persons where the peak was witnessed for the 25 to 34 years age cohort.
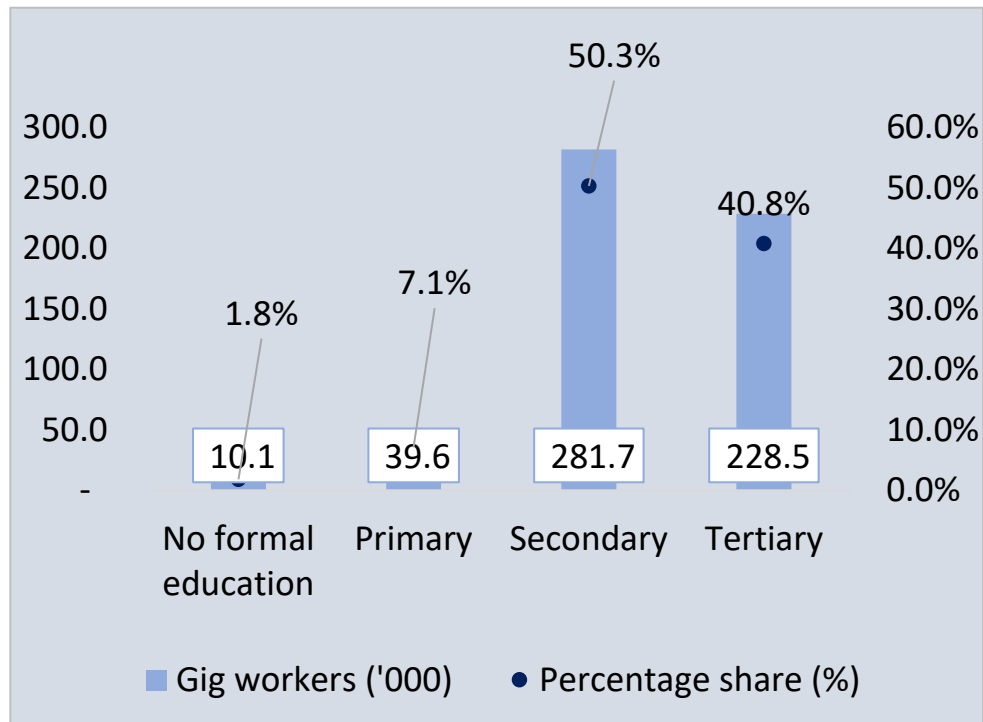
Results

Number and share of gig workers ('000) by education attainment, Malaysia, 2018

- Similar to the share of employed persons as a whole, half of the gig workers attained secondary education.
- This group made up 281.7 thousand persons. Interestingly, 40.8 per cent of gig workers has tertiary education, recording 228.5 thousand workers.

Source: Authors' calculation based on the data of Labour Force Survey 2018, Department of Statistics Malaysia

Results

Number of gig workers and percentage share by economic activities, Malaysia, 2018

Economic activities	Total ('000)	Percentage share (%)
Agriculture	**1.0**	**0.2**
Industry	**15.9**	**2.8**
Services	**543.1**	**97.0**
Wholesale and retail trade	206.0	36.8
Transportation and storage	90.9	16.2
Accommodation and food service activities	10.0	1.8
Other services	236.1	42.2
Total	**559.9**	**100.0**

Source: Authors' calculation based on the data of Labour Force Survey 2018, Department of Statistics Malaysia

- Services sector recorded the highest percentage share of gig workers which accounted for 97.0 per cent.
- Majority of gig workers are concentrated in wholesale and retail trade activities and transportation and storage activities with 36.8 per cent and 16.2 per cent of percentage share respectively.

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Discussion

1. Women, especially with family responsibilities tend to join the labour market as gig employment. Development of digital retail platform also creates pathway for women's involvement in gig economy.

2. Those aged 25 to 34 years were prevalent as gig works since most of them were likely to have had just completed higher education. This might be due to the flexibility of this form of work which allow them to seek for something more permanent. The low share of those age 55 to 64 could indicate that the gig employment was a mean to gain extra income to ensure a comfortable retirement plan ahead.

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Discussion

3. People with secondary education usually earn lower pay than those who have tertiary education. In order to get an extra income, most of them prefer to join gig employment as full-time or part-time workers. Those with tertiary education might do gig work because jobs with satisfactory salaries and benefits were hard to find or unable to secure other positions after completing studies.

4. Gig employment are incredibly popular within the Wholesale and retail trade and Transportation and storage industries, accommodated by technology development. The rise of various online retail website are very appealing among various segments of the population. Platform such as Grab and MyCar make it convenient for the customers to book a drive only through online application. Some people prefer to do this type of job as a second job in order to supplement their income.

Conclusion & Way forward

1. With current limitations, some improvements and way forward are identified as followed:

    i. Supplement survey to LFS can be created in which terms of independent contractor, independent consultant, and freelance worker are used. Questions related to work arrangements characteristics also can be asked.

    ii. Develop estimates based on household survey and administrative data that have been integrated at the individual levels such as tax data and business data. This integration offers a great potential in understanding the changing work arrangements and nature.

    iii. Information on secondary job from LFS can be refined to give a reliable data as gig employment are commonly classifies as secondary activities.

Conclusion & Way forward

2. The recommendation of Lynn Riggs, Isabelle Sin and Dean Hyslop (2019) can be adopted, where measures of gig work ideally would be multi-faceted and easy to aggregate or disaggregate to address a broad array of applications. These measures should go beyond simply counting the number of people engaged in gig work and also include measures of the extent to which people engage in gig work (number of hours, income, transaction volume), and they should include multiple timeframes (current, previous month, previous 12 months).

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