



Online Labour Index – Measuring platform work

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Introduction

- More and more work is transacted digitally via online platforms which algorithmically match workers to employers
 - \$4.8 billion aggregate turnover in 2015; projected to grow to \$15-25 bn. by 2020 (World Bank, 2015)
 - “Potential to empower millions with new ways of working and new jobs” (UNDP, 2013)
 - 4.4% of adults in the U.K. had earned some income from online platforms over the past 12 months
- Can have deep and wide-ranging implications to workers, firms, governments ...
- Current statistics published by statistical agencies are ill suited to capture these phenomena

Why are official statistics so bad at measuring digital work?

- If work is transacted fully digitally, it mostly falls outside of traditional statistical categories
 - Platform work is oftentimes a source of additional income
 - Definitional issues: no statistical category for “online work”
 - Tax evasion
 - Large share of online workers live in developing countries
 - Platforms may be reluctant to report to local authorities

What is the Online Labour Index

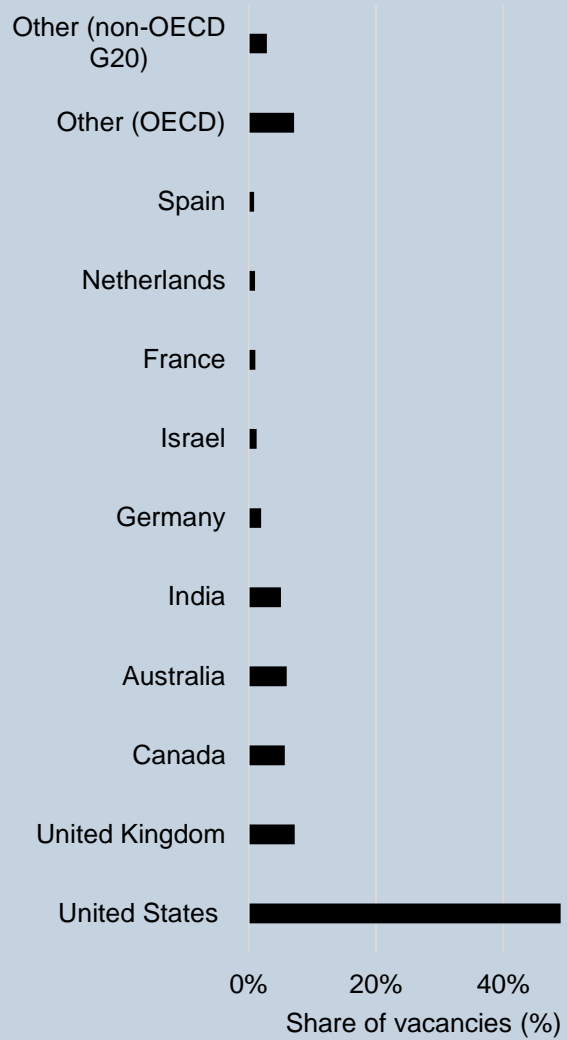
- Outputs:
 - Index for new vacancies posted
 - broken down by occupation type, and employer country
 - A weighed sample of workers who have been active over the last 28 days
 - Broken down by occupation type and employer country
 - Published as an interactive visualisation and an open data set in <http://ilabour.oii.ox.ac.uk/online-labour-index/>

What types of work are transacted digitally?

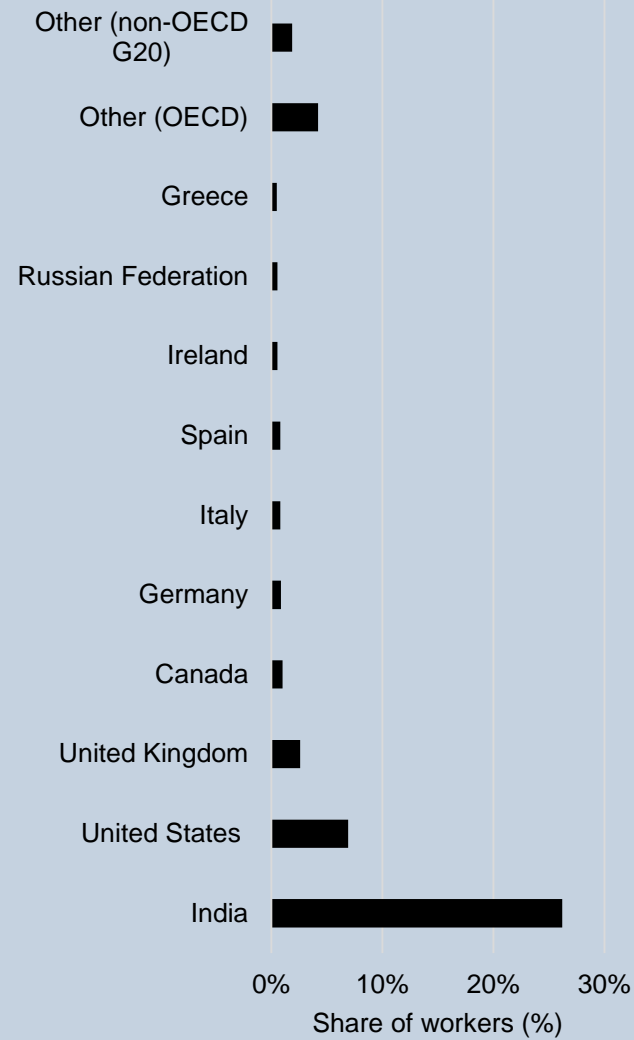
Occupation class name	Examples of work
Clerical and data entry	customer service, data entry, transcription
Creative and multimedia	animation, graphic design, photography
Professional services	accounting, legal, project mgmt
Sales and marketing support	lead generation, posting ads, search engine optimisation
Software dev and tech	data science, game dev, mobile dev, qa
Writing and translation	article writing, copywriting, translation

- Mostly inferred using platforms' own taxonomies
- If a platform taxonomy is not available, we use a machine learning approach to predict the occupation

Vacancies



Workers



Basic lessons from the OLI

- Online data collection enables measuring phenomena which would be near-impossible to measure without it
 - Vacancies in online labour markets grew by around 15 % year-on-year
 - Most employers are in the U.S., most workers in Asia
 - Tech vacancies dominate

Where does the demand come from?

- Main demand comes from the SME companies
- Largely from the IT sector, broadly understood
 - Driven by some combination of flexibility, costs, talent
- More and more Fortune 500 type of companies are starting to tie digital freelancing to their organisations (e.g. 24-hour support)
 - Substitute to using a traditional BPO company
- Online labour platforms are competing more and more closely with temp agencies and BPO companies

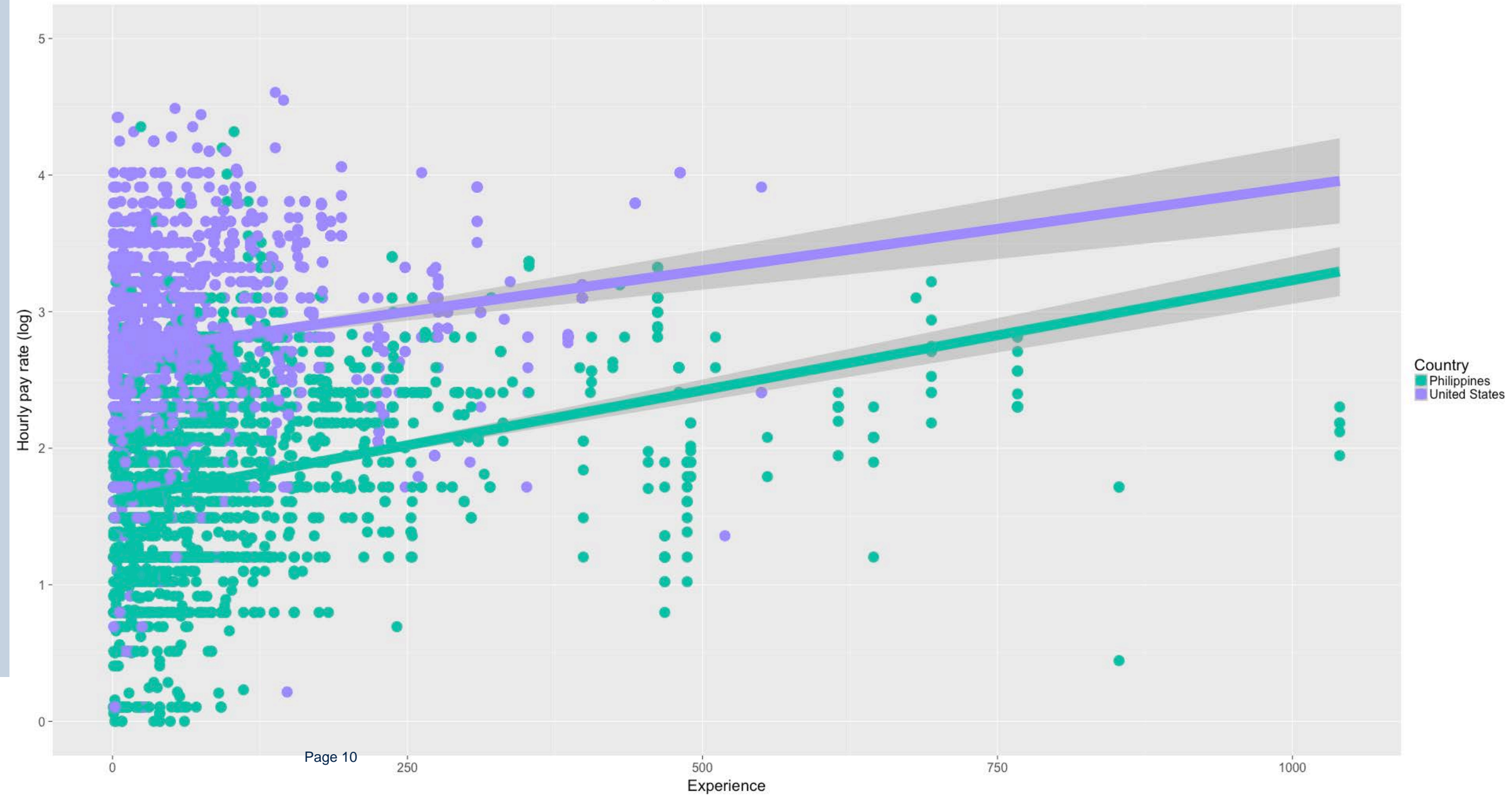
(Lehdonvirta & Corporaal, 2017 *Platform Sourcing: How Fortune 500 Firms are Adopting Online Freelancing Platforms?*)

Online freelancing as a new outsourcing institution

- Lowered transaction costs facilitate outsourcing
- Skilled workers who previously worked for a traditional BPO firm can make more money if they move their business online
- Clients are highly influenced by standardised information available from workers
- Workers try to game the standardised information in various ways

(Lehdonvirta et al (2018): 'The Global Platform Economy: A New Offshoring Institution Enabling Emerging Economy Microproviders' Journal of Management)

Association between experience and provide hourly pay rate
in the Philippines and the United States



Where are we going

- Recent data shows that growth might be slowing down
 - Related to stronger economy (esp. in the U.S.)
 - Increased regulation
- Algorithmic management introduced to traditional workplaces
- Huge competition in low-skill occupations

Role of collective worker voice?

- Internet-based communities play a vital role in supporting workers
 - Information sharing
 - Community support
- Structural barriers are many
 - Workers identify as freelancers
 - No shared identity as workers
 - Workers diverse in geography, skills
 - Work is not 'sticky' geographically
 - Labour platforms as intermediators

Wood et al (2018): “Workers of the Internet unite? Online freelancer organisation among remote gig economy workers in six Asian and African countries”. *New Technology, Work and Employment*

“Economic Geographies of Online Labour Markets”

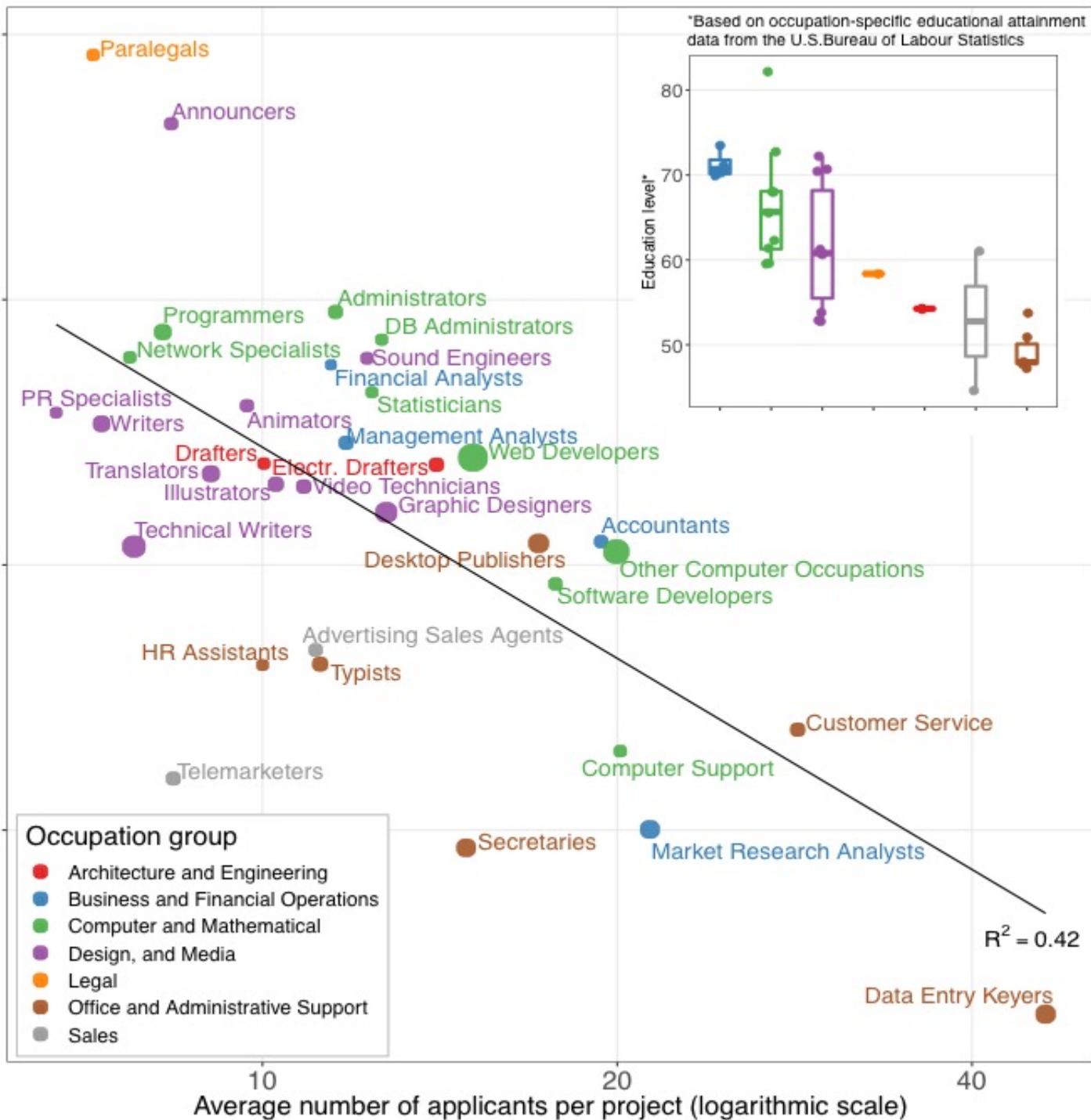
Fabian Braesemann, Otto Kässi, Sanna Ojanperä, Vili Lehdonvirta, Mark Graham

Online labour in the developing world

- Many local initiatives for promoting online work as a viable option for bringing job opportunities to global south
- In many cases the opportunity costs of workers are basically zero – even very menial jobs are attractive

Low negotiating power of workers

- Online labour markets are characterised by a huge oversupply of work
 - Race to the bottom?
 - Median number of applicants to a project: 21
 - 56% of workers have not won any projects
- Room for regulation?
- While many workers say that they are disinterested in labour unions, they do report interest in collective organisation to increase wages (Wood et al, 2018 'Workers of the Internet unite? Online freelancer organisation among remote gig economy workers in six Asian and African countries', *New Techn, Work and Employment*)



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