

► Crowdfork for young people

Risks and opportunities

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▶ Analysis of the earnings and job satisfaction of (young) crowdworkers

▶ Main Question:

▶ How do young (female and male) crowdworkers do, earnings-wise, compared to older workers?

▶ *What explains any differentials found?*

▶ *How does this impact on the job satisfaction of crowdworkers?*

▶ Implications of these findings

To know more: O'Higgins, N., Pinedo Caro, L. . [Crowdwork for young people: Risks and opportunities](#),

ILO Working Paper no. 50 (Geneva).

Advancing social justice, promoting decent work

▶ What is crowdwork?

▶ What is Crowdwork?

“the execution of work by a large number of people who each contribute a small amount of labour” Harper-Collins Dictionary

“employment that ‘uses an online platform to enable organisations or individuals to access an indefinite and unknown group of other organisations or individuals to solve specific problems or to provide specific services or products in exchange for payment’. ” Eurofound

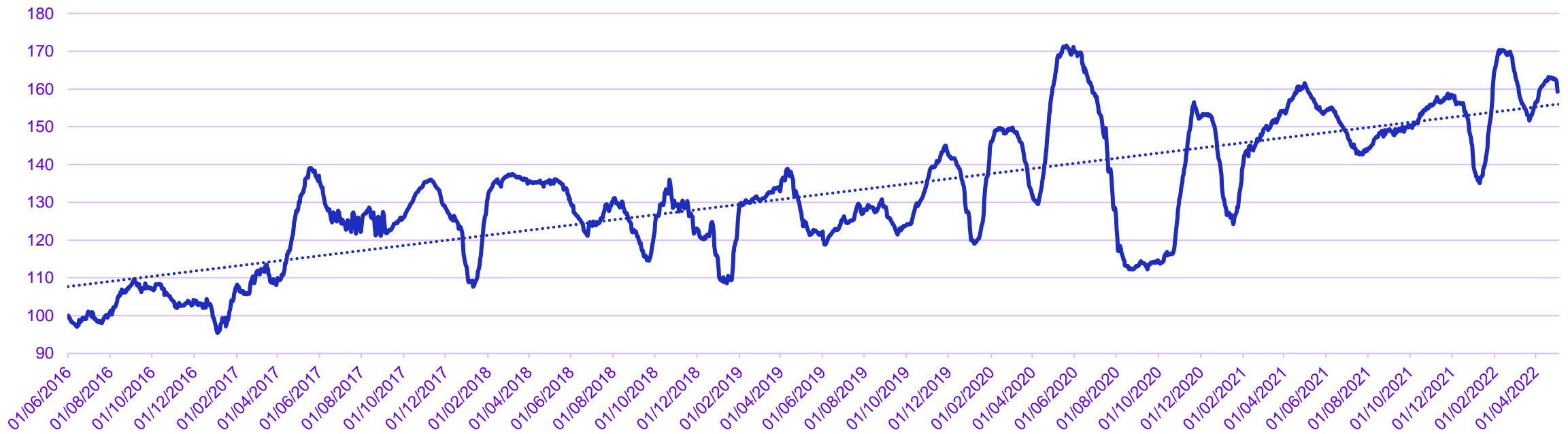
▶ What is Crowdwork? (II)

- ▶ **Form of Task-based** (very short-term) or **‘Gig’ work**
- ▶ Typically refers to online task-based **work mediated** through an Internet-based platform (e.g. Amazon Turk, Crowdfunder):
 - ▶ **We are specifically concerned with *Online Web-based Digital Labour Platforms***
- ▶ **Employers post a task on the platform, e.g.**
 - ▶ Data entry/cleaning
 - ▶ Processing photos
 - ▶ Translation
 - ▶ Software programming tasks
- ▶ **Workers choose** (i.e. compete for) **task(s) to perform from the platform**
 - ▶ Tasks or work assignments are performed online or remotely

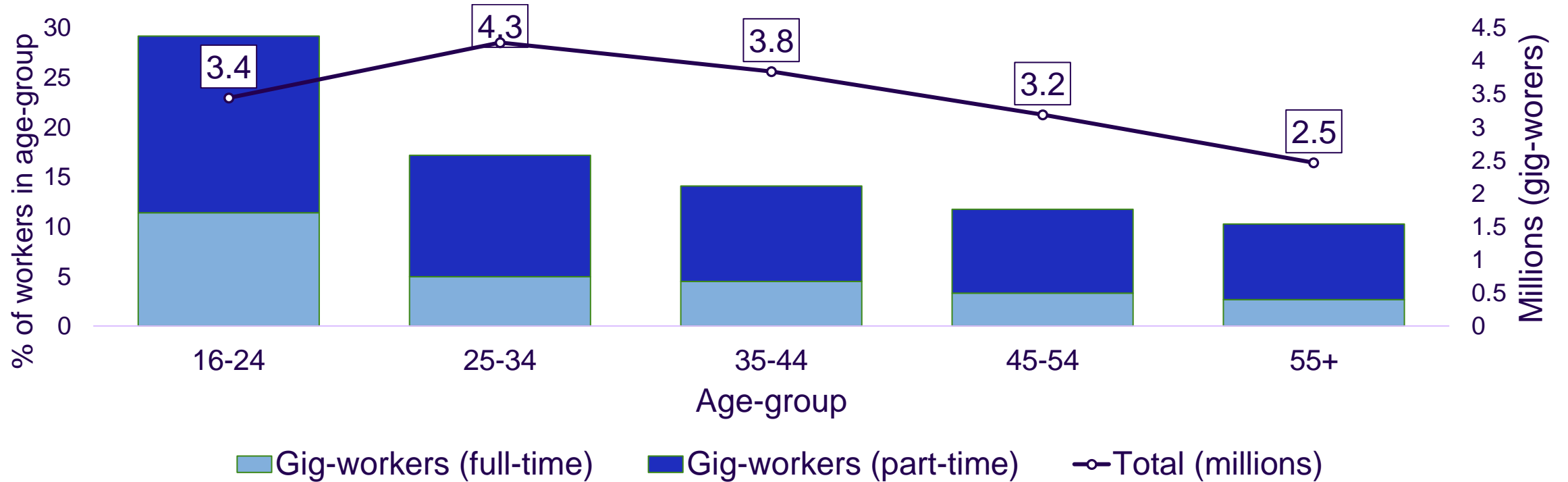
▶ **What are its characteristics?**

It is growing....

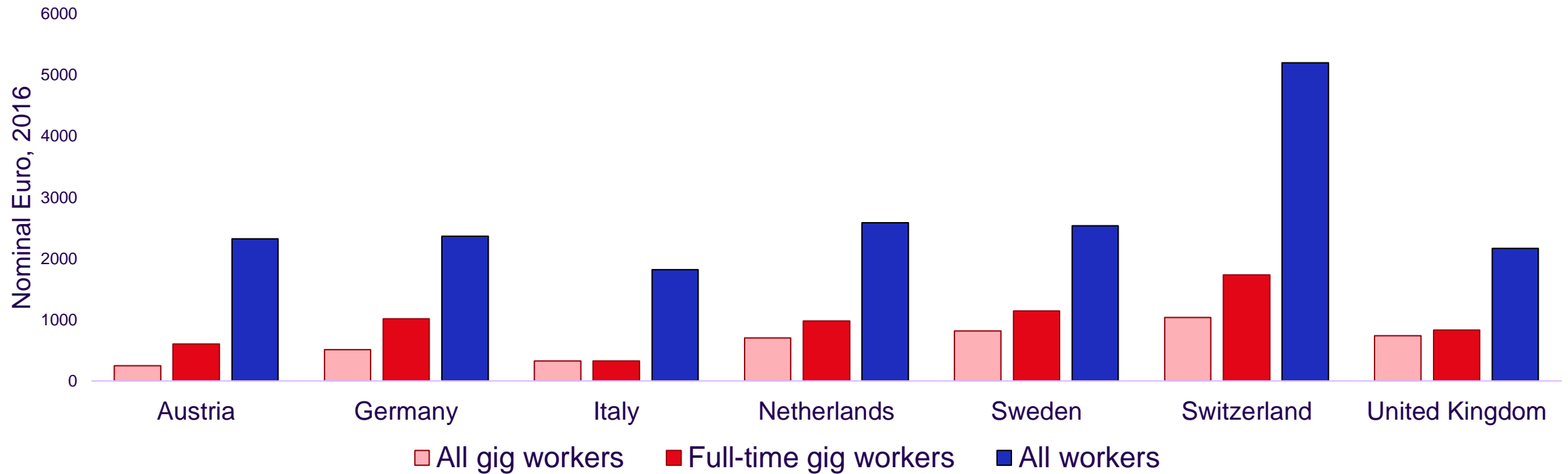
Online labour demand 2016- 2022



Young people are more likely to engage in gig (task-based) work



▶ Gig workers earn rather little compared to their peers – at least in High income countries



► Analysis and findings

▶ Main elements of the analysis

Determinants of hourly wage rates of crowdworkers

- Mincerian wage regression
- n.b. wage rate calculated including time needed to obtain work

Determinants of Job satisfaction

- *To help explain some of the findings*

[Data = ILO survey of Crowdworkers, pre-covid]

Results: Determinants of hourly wage rates

Variable	Specification 1	Specification 2
Weekly hours	-0.02***	-0.02***
<i>Weekly hours</i> ²	0.00003***	0.00003***
Age	-0.01***	0.04
<i>Age</i> ²		-0.0006
Education (high school or less=0)		
<i>Post-secondary</i>	0.03	-0.03
<i>Tertiary</i>	-0.13	-0.13
Tenure (<6 months=0)		
<i>6-12 months</i>	0.08	1.67*
<i>6-12 months*Age</i>		-0.08*
<i>6-12 months*Age</i> ²		0.0009
<i>12+ months</i>	0.21***	1.49**
<i>12+ months*Age</i>		-0.07
<i>12+ months*Age</i> ²		0.0007
Female	-0.23***	-0.23***
AMT	0.01	-0.02
AMT*US	1.61***	1.59***
<i>R</i> ²	0.4985	0.5003

Wage Rates FALL with age

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Weekly hours	-0.02***	-0.02***
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Education does not increase wages

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But on-the-job experience does (after a while)

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Table 3. Log hourly wage regressions

Especially if one differentiates by age – young people's₁₇ wage-rates increase much faster with experience

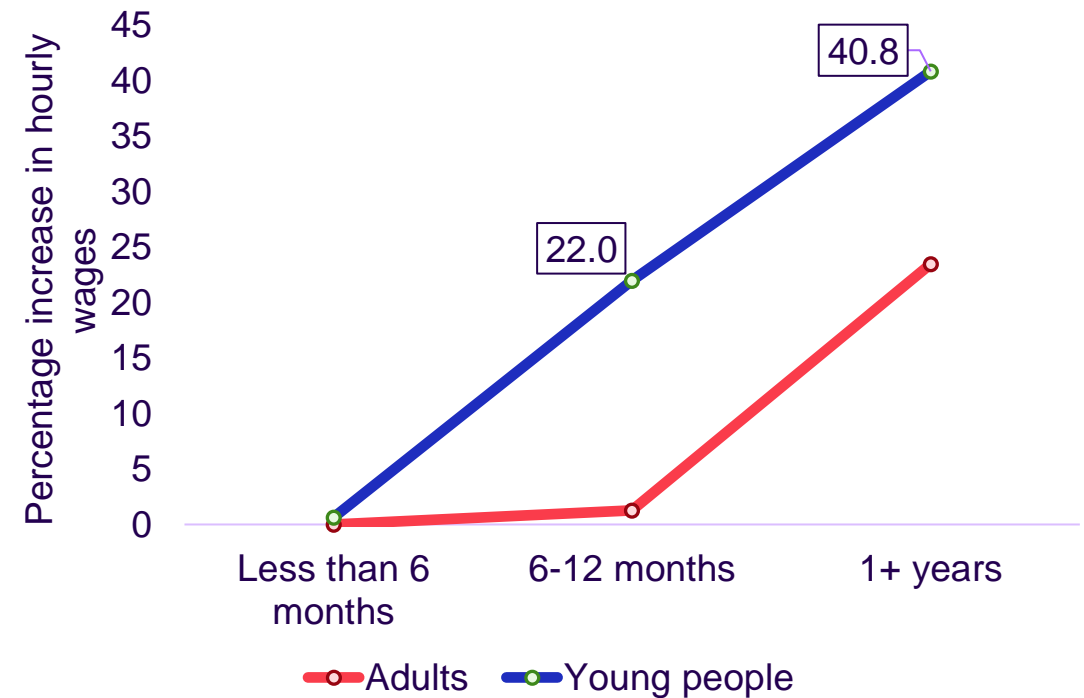
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And womens' wage rates are significantly lower than men's

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► Implications: Young people are particularly suited to crowdwork and have some **relative** advantages, for example:

- **young crowd-workers earn higher wages than older crowd-workers**; due to higher/faster returns on experience
- Particularly attractive to young people in lower income countries (given their alternatives)
- **However**, the hourly earnings of young (and adult) women are around 20% lower than for men
- & Returns to formal education are zero (although most crowd-workers are relatively well educated)



▶ Why do young women earn less?

▶ Not due to overt discrimination

- ▶ employers do not know who they are hiring ex-ante

▶ Rather, its due to **additional outside constraints** on (young) women:

- ▶ Young women without children do not earn less than men – the presence of children is associated with lower earnings
- ▶ Gender discrimination in local labour markets – lower alternative earnings

▶ A few words on Job Satisfaction

Main results

(N.B. Coefficient > 1 means the variable increases job satisfaction;
coeff < 1 means it decreases it)

	Odd ratios		
	All	Women	Men
Hourly pay	1.00	1.03	0.99
Under-qualified	0.88	1.06	0.77
Over-qualified	0.71**	0.73**	0.69*
Age	0.96***	0.98**	0.96***
Female	0.74		
Female*age	1.02		
Crowdworking reason (not exclusive)			
No employment available	0.35***	0.33***	0.36***
Only able to work at home	0.81	0.89	0.70
Prefers working from home	0.93	0.78	1.05
Pay is better	3.40***	5.32***	2.93***
Complement a second job	1.06	1.04	1.09
Cash while at school	0.85	0.79	0.87
Advancing social justice, promoting decent work			
Leisure	1.15	0.98	1.21
It is fun	3.01***	3.35***	2.96***

▶ Main Points re job satisfaction

- ▶ Young people display higher levels of job satisfaction than older counterparts
- ▶ Women, especially young women, report significantly lower job satisfaction
- ▶ Job satisfaction is strongly related to the perceived pay levels
- ▶ More generally, job satisfaction is positively related to the extent to which crowdwork is freely chosen



Some concluding remarks



The COVID-19 pandemic has reinforced the pre-existing trend - shift from long-term employment towards more short-term/task-based jobs, especially for young people, and especially, but not only, in high income countries

- Reinforced accentuated by the trend towards digitalisation
- (Gig and) Platform-based employment: important and growing source of work, especially for young people

Platform based work offers significant opportunities for young people

- Relatively high pay (for some)
- Flexibility
- Offers opportunities to those who face constraints on their working hours/location (e.g. young women with children, those with disabilities, and so on)

Basic issue of **job/employment/income security**

- Not actually that well paid
- Uncertainty regarding future work/income streams
- Access to recourse when problems arise
- Access to social protection
- Access to OSH
- Validating experience

Driver of **inequality** within youth labour markets?

- Which Young People have access (e.g. educational attainment, internet access)?
- Educational mismatch