

## Measuring online labour: A subcategory of platform work

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Measuring platform work has proven difficult, as there are many different terms and definitions in use, and the phenomenon is still quite small. Eurofound (2018)<sup>1</sup> defines platform work as follows:

“Platform work is an employment form in which organisations or individuals use an online platform to access other organisations or individuals to solve specific problems or to provide specific services in exchange for payment.[...] The main features of platform work are:

- paid work is organised through online platforms;
- three parties are involved: the online platform, the worker and the client;
- work is contracted out;
- jobs are broken down into tasks;
- services are provided on demand.”

Several attempts have been made to capture the size of the phenomenon in the Nordic countries through surveys. The studies show that platform work in the Nordic countries remains marginal. Estimates range from 0.3 per cent of the working age population in Finland to 2.5 per cent in Sweden, and these surveys are based on different definitions and methodologies (see Table 1). In this brief, we present an alternative measure of the growth in online labour, a category of platform work – the online labour index.<sup>2</sup>

Table 1. Share of platform workers in the Nordic countries

Country	%	Methods	Source
Denmark	1%	Question in LFS	Ilse & Madsen 2017
Finland	0.3%	Question in LFS	Statistics Finland, 2017
Norway	0.5–1%	Survey (1525 respondents), interviews with CEOs and web search	Alsos et al. 2017
Sweden	2.5%	Survey of 7069 respondents	SOU 2017: 24

### Online Labour Index: An alternative measure

Online labour is a sub-section of platform work consisting of platform work whereby the product is submitted online. This is in contrast to work that is mediated through a platform, but where the service takes place in a local labour market.

The **Online Labour Index (OLI)**, provided by the Oxford Internet Institute, is an index that measures the utilisation of online labour platforms over time and across coun-

tries and occupations.<sup>3</sup> This is an alternative to the survey approach to studying the scope and the growth in online labour.

The OLI is constructed by tracking the number of projects or tasks on the five largest English-language online labour platforms through web scraping. The index also tracks the number of freelancers on these platforms. The platforms include Upwork, Freelancer, Guru, Peopleper-hour and Mturk. Together, these platforms represent about 70 per cent of the global online labour market, measured in terms of website traffic.

#### Nordic online labour

By taking a closer look at the Nordic countries, the index shows that:

- There has been no systematic growth in demand for online labour in the Nordic countries since May 2017.
- The development of the online labour market in the Nordic countries corresponds largely to the overall European development.
- Demand for online labour in the Nordic countries is higher than supply.

### Demand for online labour in the Nordic countries

Figure 1 shows the Nordic OLI, an interactive visualisation of the Online Labour Index zoomed in to the Nordic countries Iceland, Norway, Denmark, Sweden and Finland. In the figure we see an index of the development in tasks posted by Nordic companies over a certain period of time. The figure shows that there has been no systematic growth in demand for online labour in the Nordic countries since May 2017, but some significant seasonal variation is evident. Also, the Icelandic curve needs an explana-

Figure 1. Growth in online labour in the Nordic countries



tion. There are so few jobs in demand on Iceland, so a few additional jobs make a huge variation in the curve.

The data used to construct the index is collected by daily crawling and scraping of the list of vacancies (jobs, tasks, projects) available on each of the platforms. The index seen in Figure 1 is normalised so that 100 index points on the y-axis represent the daily number of tasks averaged over all days in May 2017.

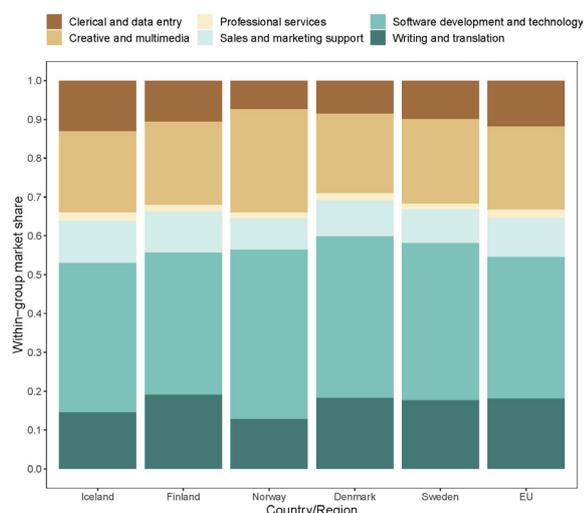
Absolute numbers are difficult to provide as the OLI cannot be sure to have collected all available projects at a given point in time (a certain share of projects is not publicly displayed; others disappear from the platform before being collected).

Nevertheless, to give an estimate of actual numbers from Norway, Alsos et al. (2017) studied the publicly available database from the Oxford Online Institute project in September 2017. In Norway, a monthly average of 194 tasks were posted on the five platforms that month.<sup>4</sup> Every job is available on the platforms for between 2 and 7 days, depending on occupation. If we assume 5 days as the average number of days the tasks were available on the five platforms, then there were about 1200 tasks posted by Norwegian companies in September 2017. This is an estimate of the number of tasks posted on the platforms in one country in a given month.

## Market shares and occupations

One way to study online labour is by exploring market shares in various countries, i.e. to what extent companies in the Nordic countries buy services via these platforms. First and foremost, the index reveals that demand for online labour in the Nordic countries is higher than supply. Also, the Swedish and Danish companies use online labour platforms to a slightly greater degree than companies in the other Nordic countries, with an average global market

Figure 2. Demand for online labour by occupation



share of 0.45% and 0.46%, respectively. The market share for Norway is 0.3%, for Finland 0.14% and for Iceland 0.04%. This means that Finland and Iceland are relatively marginal when it comes to use of online labour platforms.

The composition of Nordic demand for online labour into the main categories shown in Figure 2 corresponds largely to the European demand. Companies in the Nordic countries have a slightly higher demand for ‘software development and technology’ compared to the other categories.

### Notes

<sup>1</sup>Eurofound (2018). Platform work, European Observatory of Working Life.

<sup>2</sup>The OLI is one attempt to bring data from different platforms together. Data is owned by the platforms, which all offer slightly different business models. Thus, not only is there no joint definition in place, but data are stored in different silos.

<sup>3</sup>Kässi, O. & Lehdonvirta, V. (2016). Online Labour Index: Measuring the Online Gig Economy for Policy and Research. Paper presented at Internet, Politics & Policy 2016, 22-23 September, Oxford, UK. Kässi, O. & Lehdonvirta, V. (2018). Online labour index: Measuring the online gig economy for policy and research. Technological Forecasting & Social Change.

<sup>4</sup>Alsos, K., Jesnes, K., Øistad, B. S. & Nesheim, T. (2017).



## The future of work: Opportunities and challenges for the Nordic models

In this collaborative project funded by the Nordic Council of Ministers, more than 30 researchers from the five Nordic countries study:

- What are the main drivers and consequences of the changing future of work in the Nordic countries?
- In what ways will digitalisation, new forms of employment, and platform work influence the Nordic models?
- What kind of renewal in the regulation of labour rights, health and safety, and collective bargaining is warranted to make the Nordic model fit for the future?

Through action and policy oriented studies and dialogue with stakeholders, the objective is to enhance research-based knowledge dissemination, experience exchange and mutual learning across the Nordic boundaries. The project runs from 2017 to 2020, and is organised by Fafo Institute for Labour and Social Research, Oslo. [www.faf.no](http://www.faf.no)

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