

THE DEVELOPMENT OF A NATIONAL CROWDSOURCING STRATEGY FOR ECONOMIC GROWTH IN MALAYSIA

Research-In-Progress

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Abstract

Online Gig Economy platforms provide an opportunity for income for socio-economically disadvantaged populations. The Malaysia Digital Economy Corporation (MDEC) (a 100% government-funded institution) has actively promoted such platforms as a means of income generation for the “bottom of the pyramid” through an initiative called eRezeki (e-livelihood) since 2014. We present a research in progress, outlining our planned qualitative study. This research has policy development implications for other governments around the world for a unique way in fostering economic growth through the Gig Economy.

Keywords: Gig Economy, Sharing Economy, Crowdsourcing, Process Research

1 Introduction

Digitization is enabling new forms of work such as micro-work and online freelancing done via digital platforms like upwork and freelancer.com and physical services such as Uber and food delivery. These new forms of work present new opportunities for socio-economically disadvantaged people in emerging economies. This opportunity is enabled by two developments over the past decade. First the global population of internet users in the past decade has doubled. In 2018, 51% of the global population was connected vs. 24% in 2009. Second, in many countries of the world un-employment and under-employment is a major social and economic concern for governments and policy makers.

These two converging trends have led many research centers and foundations to investigate the potential for online work to ameliorate high unemployment. The Rockefeller Foundation through its Digital Jobs Africa program has supplied funding to several organizations for training in Kenya, South Africa, and Ghana. In Pakistan the Khyber-Pakthunkhwa provincial government has partnered with the World Bank to train thousands of youth on digital skills necessary for working in the digital economy. These efforts across the world mainly consist of training and skills development and have been successful resulting in a 40-200% increase in monthly wages.

Governments have a large incentive for successfully crafting sound crowdsourcing policies as this will may solve chronic high unemployment and lead their citizens to be more competitive in the global landscape.

2 Literature Review and Background

There is a rich history of literature and academic interest in how to best use information technology for global development (ICT4D). In the crowdsourcing area, there have been prior studies looking at how to use aspects of the Gig Economy for development purposes (Malik et al. 2017). This work seems to fall into two areas: Reviewing the effectiveness of government interventions (often trainings)(e.g. Eskelund et al. 2019), as well as fair and ethical treatment of Gig Economy workers (e.g. Heeks 2017).

2.1 The Gig Economy

The Gig Economy (often called online outsourcing) is a name given to labor markets characterized by the prevalence of short-term contracts as opposed to permanent jobs. These jobs can be performed in the physical/real world, or the digital world (see Figure 1). The Digital Gig Economy is divided into two halves, one where the amount of work performed is relatively small (microwork, and contest-based), and another a larger amount of work is often given to one person (online freelancing) (Schmidt 2017). The Physical Gig Economy is often known as the Sharing Economy including platforms like Uber, AirBNB, and food delivery services.

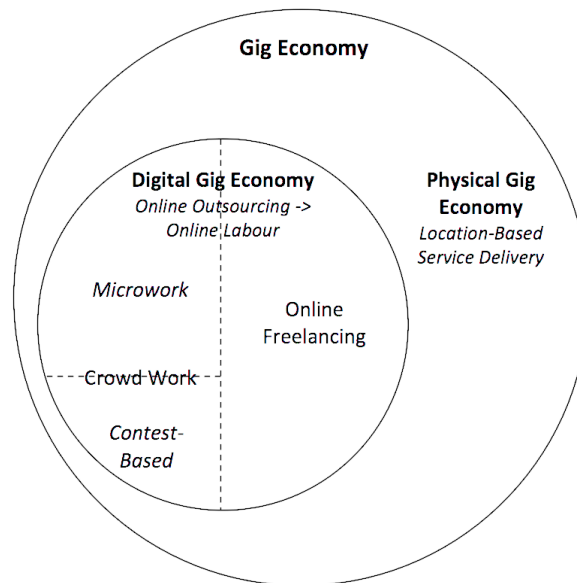


Figure 1. Aspects of the Gig Economy (Heeks 2017)

2.2 Malaysia's Efforts

Malaysia identified digital jobs as a key policy priority in 2012. The eRezeki initiative (Malay for e-Livelihood) was started to enable the 'B40s' or the bottom 40 percent of income earners to increase their yearly income by MYR 7,000 (USD 1,650). In 2014 a goal of 340,000 workers to contribute MYR 2.2 billion (USD 500 million) to the economy by 2020 was established.

The initial focus was on micro-work, small tasks that can be easily performed with basic skills such as image tagging or social media promotion (typically take 10-30 seconds to complete). Later the program expanded to "Digitally Enabled Work" and "Digital Work". Digitally Enabled Tasks are tasks that obtained digitally but are performed in a specific location (e.g. food delivery, remodelling). Digital work includes any work that can be done online including freelancing (graphic design, writing, and website design). MDEC helped new domestic platforms obtain demand (work) and supply (workers) by connecting each platform to a list of registered workers and promoting the platforms on this list.

This leads us to our research question: *How is Malaysia developing a crowdsourcing (gig economy) strategy to promote the development of its citizens?*

Malaysia's deliberate and sustained efforts to create a healthy ecosystem by taking actions to promote the supply and demand presents a unique case study. Lessons learned here may have implications for other governments. Malaysia is a unique and interesting case study for four reasons. They have been actively engaged in this work since 2012 (longer than any other case). They have received no outside funding, rather they are funded by the Malaysian government. They appear to have a balanced approach developing the supply-side along with the demand side. Lastly, they have positioned themselves as a two-sided market connecting 400,000 registered workers with scores of domestic and international online work platforms.

This leads us to our secondary research question, given the importance of platforms in the crowdsourcing area: *How is Malaysia utilizing and promoting crowdsourcing platforms as a means to grow both the supply and demand side?*

3 Methodology

As this research is currently a work in progress, we will describe our planned methodology, while seeking feedback from reviewers and interested parties.

We employ a dual, critical realist, longitudinal case study (Lee 1999; Yin 2003). Case studies are useful for gaining detailed knowledge about phenomena to which theoretical propositions have not yet been applied (Eisenhardt 1989). They are well suited to describe issues in practice, and capture organizational contexts in rich detail (Benbasat et al. 1987; Lee 1999).

Further, we adopt a process research lens (Lyytinen and Newman 2008). Process research seeks to discover key events that lead to an outcome, thus it is suited to answer “How” questions, while variance studies are suited to answer “why” (Fachin and Langley 2018). As our study is interested in the process of policy development over time, a process perspective is helpful. The process perspective is commonly used in the strategy development literature.

3.1 Data Collection

Our data sources will consist of documents provided by MDEC, interviews, and meeting observations in late 2020.

4 Anticipated Results

4.1 Contributions for Practice

This research aims to uncover how governments can create a path towards a stable crowdsourcing strategy which benefits the bottom of the pyramid. By presenting a detailed account of how Malaysia was able to do this, other governments and non-governmental organizations will be able to learn from this. We also hope to quantify the impact the gig economy has on the overall economy.

4.2 Contributions to Theory

This research seeks to develop a detailed empirical account of the development of a national crowdsourcing strategy and practice including a process model that describes how the strategy became sustainable and how actors addressed key challenges.

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Appendix A: Research Outline

Problem Setting	The socio-economically disadvantaged citizens of developing countries have a new opportunity for income through digital and digitally enabled gig work. With little guidance, governments are creating training and facilitating the development of the local sharing and digital gig economies with the goal of boosting opportunity for their citizens. (Bank 2015; Record et al. 2018)
Area of Concern	Crowdsourcing Policy for (Economic?)(Workforce?) Development (Eskelund et al. 2019; Lacity et al. 2014)
Framing / Theoretical Lens	Process Theory (Fachin and Langley 2018) Platform theory? Policy development theory?
Method	Longitudinal and retrospective qualitative case study of Malaysia's MDEC development of a national crowdsourcing strategy.
Research Question	How is Malaysia developing a crowdsourcing (gig economy) strategy to promote the development of its citizens?
Potential Contributions to Practice	Lessons for how governments can create a path towards a stable crowdsourcing strategy which benefits the bottom of the pyramid.
Potential Contributions to Academics	A detailed empirical account of the development of a national crowdsourcing strategy and practice including a process model that describes how the strategy became sustainable and how actors addressed key challenges.

