

# Pathways through Platform Livelihoods in Indonesia

July 2023



# Contents

01	About DFS Lab and the Indonesia research program	3
02	Context of digital economy, digital platforms and livelihoods in Indonesia	8
03	The nature of working and trading on platforms	12
04	Research methodology and sample frame	19
05	Digital platforms as a source of first-time job creation	24
06	The earning potential for workers and traders on digital platforms	30
07	The link between platform participation and financial inclusion	35
08	The livelihoods of women platform workers and sellers	41
09	Platform working or trading is not for everyone; some leave	50
10	Summary of key results	53
11	The need for better data and some key unknowns	55

DFS Lab's primary identity is as an investor in founders building the new digital commerce models in Africa.  
But we are also researchers and mentors.

# DFS Lab has two complementary offerings serving one mission

## DFS Lab Advisory

BILL & MELINDA  
GATES foundation



Our advisory practice strengthens our global perspective, **produces actionable market insights**, and subsidizes our operational expenses.

Our portfolio support naturally provides us with **learning opportunities** to enhance our advisory offerings with up-to-date knowledge.



We were one of the first food-tech investors in Kenya after research revealed the growth of internet food brands and restaurants.

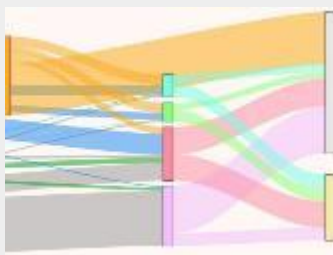


We were one of the first social commerce investors in Nigeria after research revealed its popularity in frontier markets.

## DFS Lab Investments

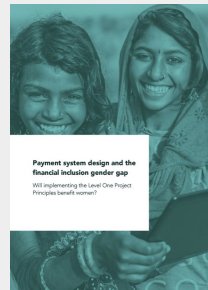
Our team does **rigorous field work and end user research** to understand the perspective of the people and businesses adopting digital products.

#### Indonesian digital livelihoods pathways research



We are conducting a series of studies in Indonesia, looking at the phenomenon of digital platform livelihoods, including selling via WhatsApp or e-commerce platforms and gig work. We look at how people transition in/out of these livelihoods and how their economic or subjective well-being evolve. We seek to understand how to reduce the gap between those who benefit and those who do not

#### Gender bias in payment systems



We did an extensive study for the Gates Foundation unearthing subtle ways in which payment systems design creates barriers to women's access. Methods included focus groups in three countries, big data analysis, and expert interviews. Results show features from delays in transaction confirmation to KYC requirements can present barriers and that implementing Gates's L1P principles helps to solve these issues

#### Retail digitization tracker

##### Announcing: The DFS Lab Retail Digitization Tracker

By Jake Kendall and [Charmyn Johnson](#)



We surveyed a representative sample of 2,100 retail establishments in Nigeria and Kenya to understand the level of adoption of digital tools, platforms, and marketplaces and barriers to said adoption, as well as the total market opportunity for digital services to this sector

Some of our clients or partners in this area include:

BILL & MELINDA  
GATES foundation



Interledger  
FOUNDATION

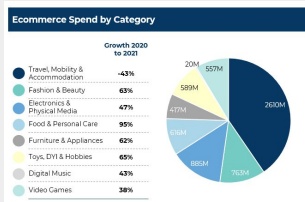
rise

RiSE  
Research and Consulting

DFS  
LAB

We manage funds for strategic partners and perform due diligence, investment strategy, and advisory.

## Global hedge fund African investment strategy



We conducted a deep analysis of various e-commerce and financial services value chains using proprietary data sourced from market insiders. We also conducted a landscaping and sourcing exercise profiling potential investment targets and sectors across four key African countries

## Stellar Africa fund



We are managing an investment fund for Stellar Development Foundation to invest in high-potential startups who are going to implement Stellar technology in their products to solve key payment challenges in Africa. DFS Lab's role includes everything from sourcing to support and to exit of opportunities

## F3 Prize



Working in partnership with Flourish, Women's World Banking, and FinEquity DFS Lab launched the F3 Prize to recognize the most innovative digital financial products that are narrowing the gender gap in financial inclusion. Of note: this was not a female founders prize, but rather one focused on products designed for women

Some of our clients or investors include:





We run **innovation programs, accelerators, and bootcamps** from a detailed playbook. Through these programs, we have supported **150+ startups** across Africa and other parts of the world.



We've run many innovation bootcamps to support partnership development and co-created prototyped solutions. These include a bootcamp with the Central Bank of Egypt to pair banks with fintechs, one to create COVID solutions, and another to help Stellar build relationships with its Stellar Community Fund applicants.



We run the Digital Kaduna incubator – a multiyear innovation incubator supporting Kaduna state, the local banking sector, and other private sector partners in creating financial inclusion innovations and e-commerce models for women-run MSMEs.



We ran the DFS Accelerator – a three-year Gates Foundation program to bring new financial inclusion technologies to market, which supported 20+ technologies to go from lab to market, reaching millions of low-income users.

Some of our clients or partners in this area include:



BILL & MELINDA GATES foundation



Globally the **digital economy** is changing how many people pursue their livelihoods – how they find work, sell goods and services, and earn a living

**Indonesia** is at the **forefront** of this digital economic transition with **nearly 1 in 5 Indonesians participating in digital livelihoods** in some way creating an innovative ecosystem of mega platforms and smaller players



# Digitalization of the Indonesian economy is rapidly taking shape

The **digital economy** in Indonesia is estimated to have grown by 88% to a **market size of US\$77 billion<sup>1</sup>** between 2019 and 2022.

We estimate that as many as **one in five working Indonesians<sup>3</sup>** rely on a digital platform for at least some part of their livelihood.



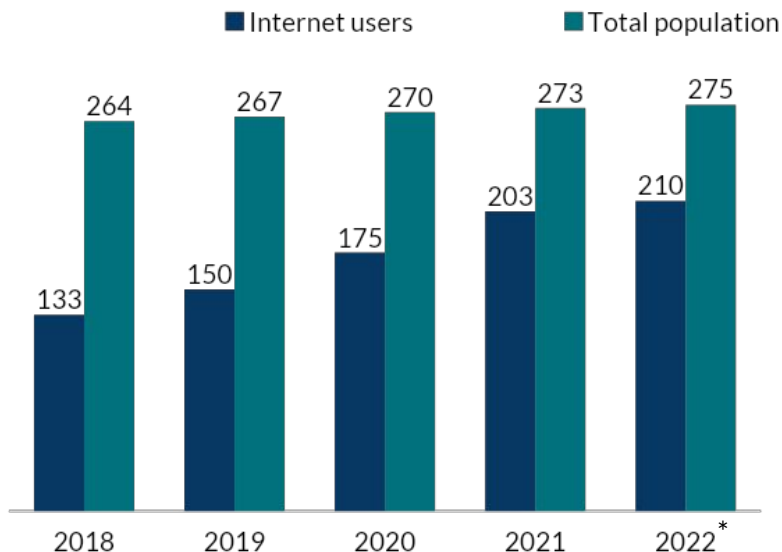
But the **rural-urban gap** in internet penetration is wide<sup>2</sup>, as affordability and quality of mobile connectivity remain a challenge.

“Indonesia is the **fifth-most internet-engaged country** in the world...”<sup>2</sup> and more than half of its adult population have access to the internet.

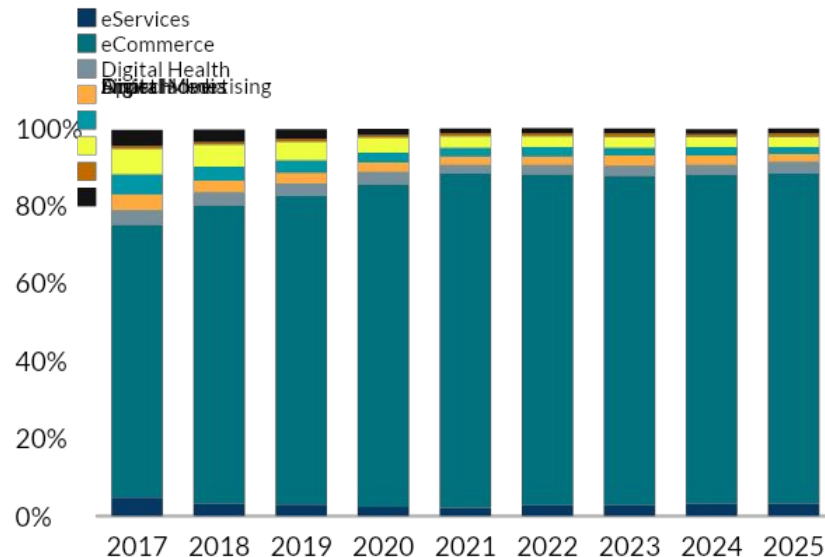
Sources: 1. [Fulcrum](#) (2022) 2. [World Bank](#) (2021) 3. [DFS Lab, RISE Indonesia and Caribou Digital](#) (2022)

# Rising internet penetration is driving the development of Indonesia's digital economy, in particular the e-Commerce sector

Internet users (million)<sup>1</sup>



Digital Business Ecosystem and Outlook (% revenue share estimated)<sup>2</sup>



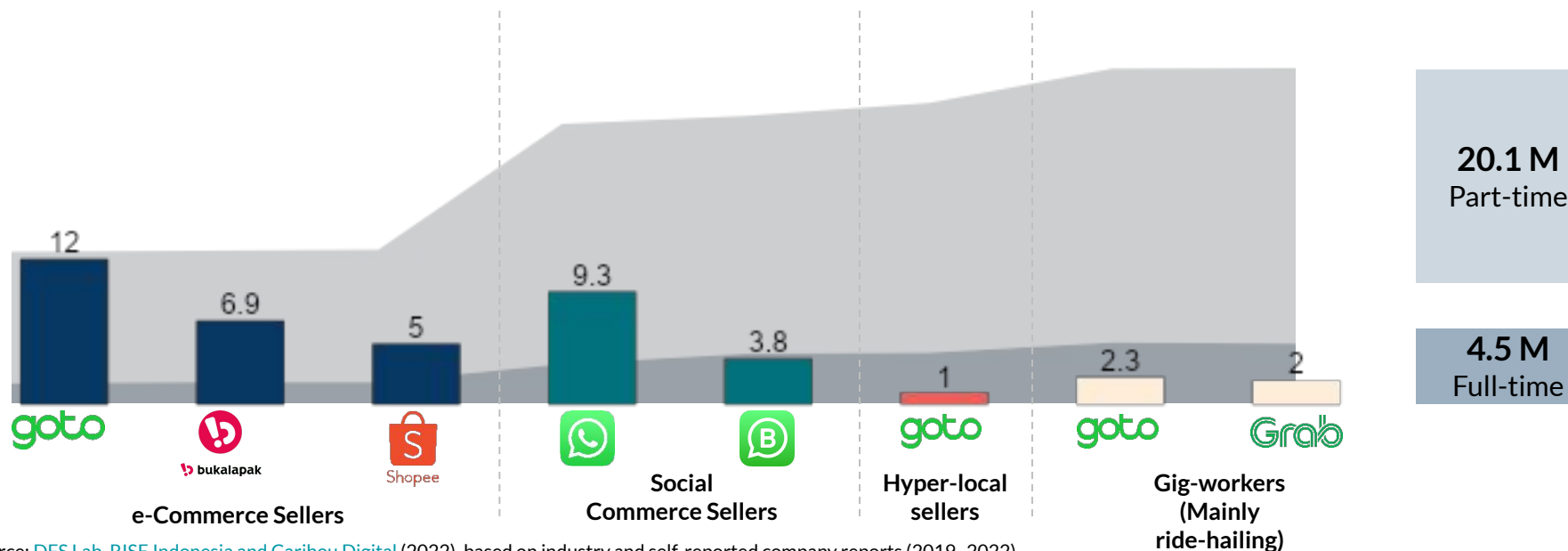
Source: 1. [Fulcrum](#) (2022). 2. [Statista](#) (2022). Note. The digital economy is measured by Statista as the total revenue from eight segments: e-commerce, digital health, apps, digital media, digital advertising, e-services, smart homes, and fintech. Data for 2022 onwards are forecast

# As many as **one in five** working Indonesians rely on a digital platform for at least some part of their livelihood

All estimates<sup>1</sup> are quoted in millions of people.

■ Full-time participants – Cumulative estimate

■ Part-time participants – Cumulative estimate



Source: [DFS Lab, RISE Indonesia and Caribou Digital](#) (2022), based on industry and self-reported company reports (2019–2022).

Assumptions: (1) 100% multi-homing within a category, so the highest reported user base is the whole user base; 2. The ratio of full-time participants to the whole user base is assumed to be 1/6 and 1/3, with respect to sellers and workers, respectively. These deflators are based on benchmark data sourced from Amazon, Tokopedia, and the World Bank; 3. Only platforms with 750,000+ enrollees are included; agriculture and other niche forms of platform livelihood like renting (Airbnb, etc.) and content creation/influencing are excluded given small sample sizes.

Most other data and research focuses on **jobs** and formal employment, but these concepts **miss the rich tapestry** of strategies employed for online livelihoods **on digital platforms**.

We look at this dynamic ecosystem through the lenses of **marketplace platforms, digital livelihoods, and fractional income** earning strategies and attempt to comprehensively assess people's experience beyond income.

These lenses imply inventing a **new set of methods and research approaches** to understand the experiences of digital livelihood earners.

# The research program in Indonesia looks at this dynamic ecosystem across three key thematic areas



**We review the empirical literature and collect primary data on the uptake of digital platforms by individuals and business owners to support their livelihoods.**

Despite the spread of marketplace and social platforms in many parts of the world, there is relatively scant data on how many people depend on them to earn a living, in Indonesia or elsewhere. Our review of 100+ publications revealed estimates that could be prone to enumeration challenges.



**We explore and build an evidence base around the growing phenomenon of digitally enabled livelihoods through online selling, gig-work, renting, and creating.**

The pathways into and out of platform livelihoods are not well understood. We spend time in the field with platform participants and “leavers” to better understand changes in economic and subjective well-being, and to understand more deeply the relationship between platform participation, financial inclusion, and mobility.

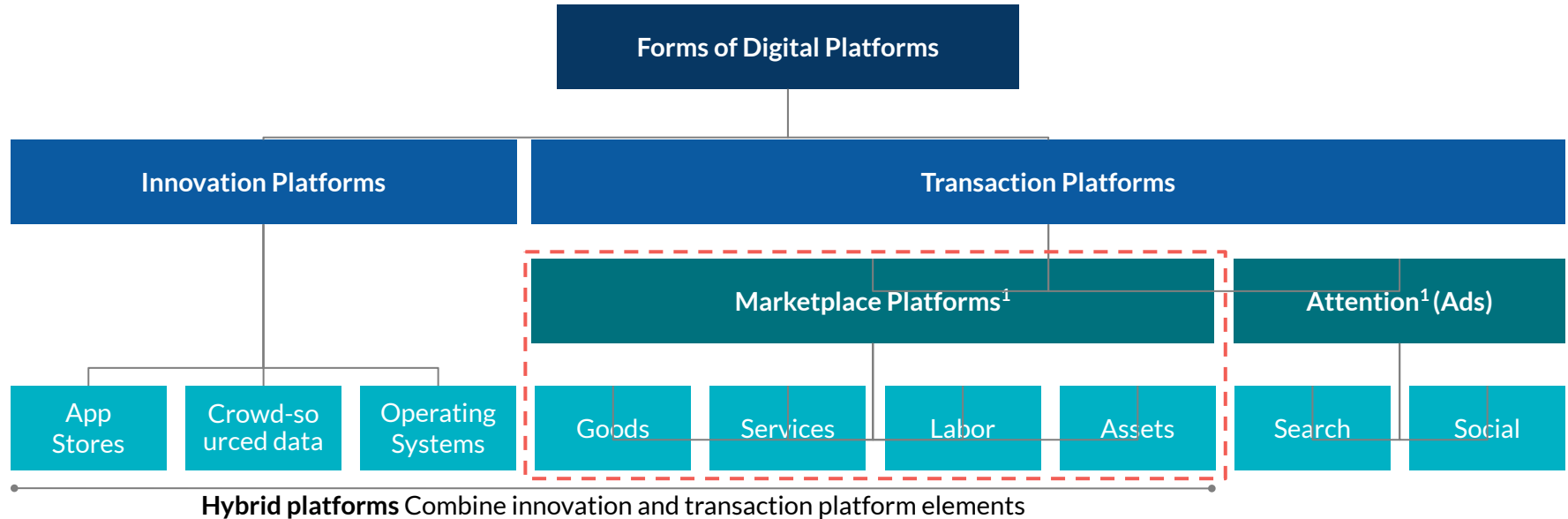


**We seek to close the divide between those who benefit from new platform livelihoods and the potentially excluded, from all angles, including user experience, business models, and policy.**

Platform activity is dynamic in major metropolitan areas, but it is important to extend the analytical lens: (1) beyond Jakarta and the major metros to identify any promising leads in peri-urban and rural areas, and (2) to ensure that we are understanding any specific barriers or opportunities that platform livelihoods present to women.

The program is a set of interconnected research activities designed to explore and document the current shape of the Indonesian platform economy, with a special focus on livelihoods – identifying individuals who have come to rely on digital platforms for various elements of earning a living

Digital platform is a broad term – in this study we focus on the **marketplace platforms** where people are making their **livelihoods**



While attention platforms like Meta are made for selling adds, they are more and more coopted for social commerce

Source: Caribou Digital. (2021). Platform Livelihoods: Working, trading, renting, and creating in digital marketplaces.



# We expand the lense of **platform livelihoods** beyond gig work to include working, renting, trading, and creating

The broad umbrella of digitally-enabled **platform livelihoods** suggests that there are many ways to earn a living and many ways in which platforms mediate (facilitate, afford, structure, and govern) livelihoods and, increasingly, financial services.

## WORKING

When people rely on platforms to **match their labor to compensation** outside the contexts and protections of employer–employee relationships, **they're earning a platform livelihood.**

## RENTING

When people **lend or lease an asset** such as a tractor or truck by the hour or day, offer a room of their house on Airbnb, or lend (rent) money on peer-to-peer loan platforms, **they're earning a platform livelihood.**

## TRADING

When people or small businesses **offer products and services to customers through marketplace platforms** and/or through social media, **they're earning a platform livelihood.**

## CREATING

When Instagram influencers, YouTube and TikTok **content creators**, and affiliate marketers **get paid for bringing attention to content** (or to the ads alongside that content), **they're earning a platform livelihood.**

Source: Caribou Digital. (2021). [Platform Livelihoods: Working, trading, renting, and creating in digital marketplaces.](#)

This brings into focus a **vibrant ecosystem** of digital marketplaces and social media helping Indonesians work, trade, rent, and create.



### Work

**fiverr.**

 **fastwork**

**99designs**

 **ShopeeFood**

**Grab**

 **gojek**



### Trade

 **Shopee**

 **bukalapak**

**tokopedia**

 **ShopeeFood**



**GOFOOD**  
POWERED BY  gojek

 **Lazada**



### Rent

**traveloka** 

**tiket.com**

**agoda**  


**Booking.com**

**STAAH** 

 **pegipegi**



### Create

 **facebook**

 **Instagram**



 **TipTip**



  
**TikTok**

# Platform experiences are multifaceted - we track experiences comprehensively along these 12 elements

## Platform livelihood experience elements

 Economic experiences	Access to work & markets	<ul style="list-style-type: none"> <li>• Are there income generating opportunities for those who want them?</li> </ul>	 Human development experiences	Inclusion	<ul style="list-style-type: none"> <li>• Can women and other marginalized groups pursue this livelihood?</li> </ul>
	Earnings	<ul style="list-style-type: none"> <li>• Is there a fair return for time and assets applied?</li> </ul>		Objectivity & Professionalism	<ul style="list-style-type: none"> <li>• Do people feel they are treated with dignity and respect?</li> </ul>
	Flexibility	<ul style="list-style-type: none"> <li>• Can people work and sell, when and where they want?</li> </ul>		Upskilling & Growth	<ul style="list-style-type: none"> <li>• Can people learn and advance?</li> </ul>
 Subjective experiences	Social Acceptability	<ul style="list-style-type: none"> <li>• How do others view platform livelihoods?</li> </ul>		Health & Safety	<ul style="list-style-type: none"> <li>• Are people healthy and safe when pursuing this livelihood?</li> </ul>
	Purpose & Passion	<ul style="list-style-type: none"> <li>• What mark does the work leave on the world?</li> </ul>		Betweenness & Protection	<ul style="list-style-type: none"> <li>• How is this space between employment and self-employment experienced? And how are people protected in it?</li> </ul>
	Entrepreneurial Drive	<ul style="list-style-type: none"> <li>• Is it important to be one's own boss?</li> </ul>		Association, Organization & Support	<ul style="list-style-type: none"> <li>• Are people in this together?</li> </ul>

Source: [Caribou Digital](#) (2020).

**Digital livelihoods** are **mosaic strategies** with multiple sources of income balanced in hidden hierarchies and where the boundaries between firms, families, and individuals are blurry and porous



# Research methodology and sample frame

# Pathways Study: We developed a methodology to track pathways into and out of platform livelihoods for workers and sellers

**Face to Face**

Structured survey<sup>1</sup>

**612**

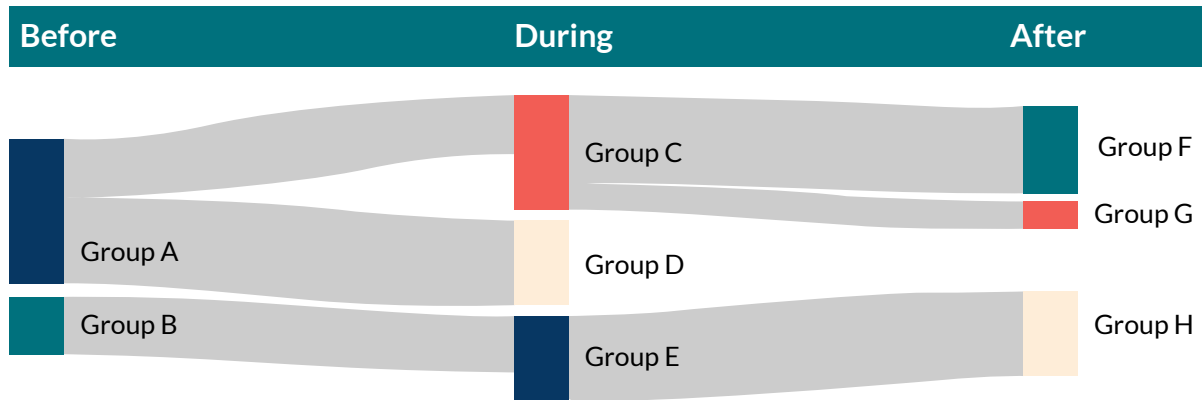
Respondents

**Greater  
Jakarta**

**+30**

Qualitative in-depth  
interviews

The pathways study aims to understand digital platforms as a livelihood source, capturing and contrasting the self-reported state of participants before, during, and after engaging on platforms. We recruited respondents across various platform sectors, including ride-hailing, food prep, and local services, freelance, e-commerce, and social commerce. The respondent sample distribution by gender, is roughly even.



1. The primary method of data collection is a face-to-face interview using a structured questionnaire; only a small proportion (6%) were surveyed using online applications such as WhatsApp and Zoom. Data was collected in the field between 19 May 2022 and 14 June 2022. For reference, 58% of the sample of respondents had joined a platform after the COVID-19 pandemic had started.



# Using purposive sampling, we surveyed livelihood earners across segments from gig work to social commerce and talk to active users and those who had dropped out.

## Sampling frame

Segment	Active				Dropped Out		Total		
	Male		Female		Male	Female	Male	Female	Total
	Before Pandemic	After Pandemic	Before Pandemic	After Pandemic					
1 Ride hailing	25	48	15	22	12		85	37	122
2 Food Prep & Local service	13	22	25	48	3	9	38	82	120
3 Freelancing	25	50	10	27	7	6	82	43	125
4 e-Commerce	13	25	24	47	6	7	44	78	122
5 SosMed	13	23	26	49	3	9	39	84	123
Total	89	168	100	193	31	31	288	324	612

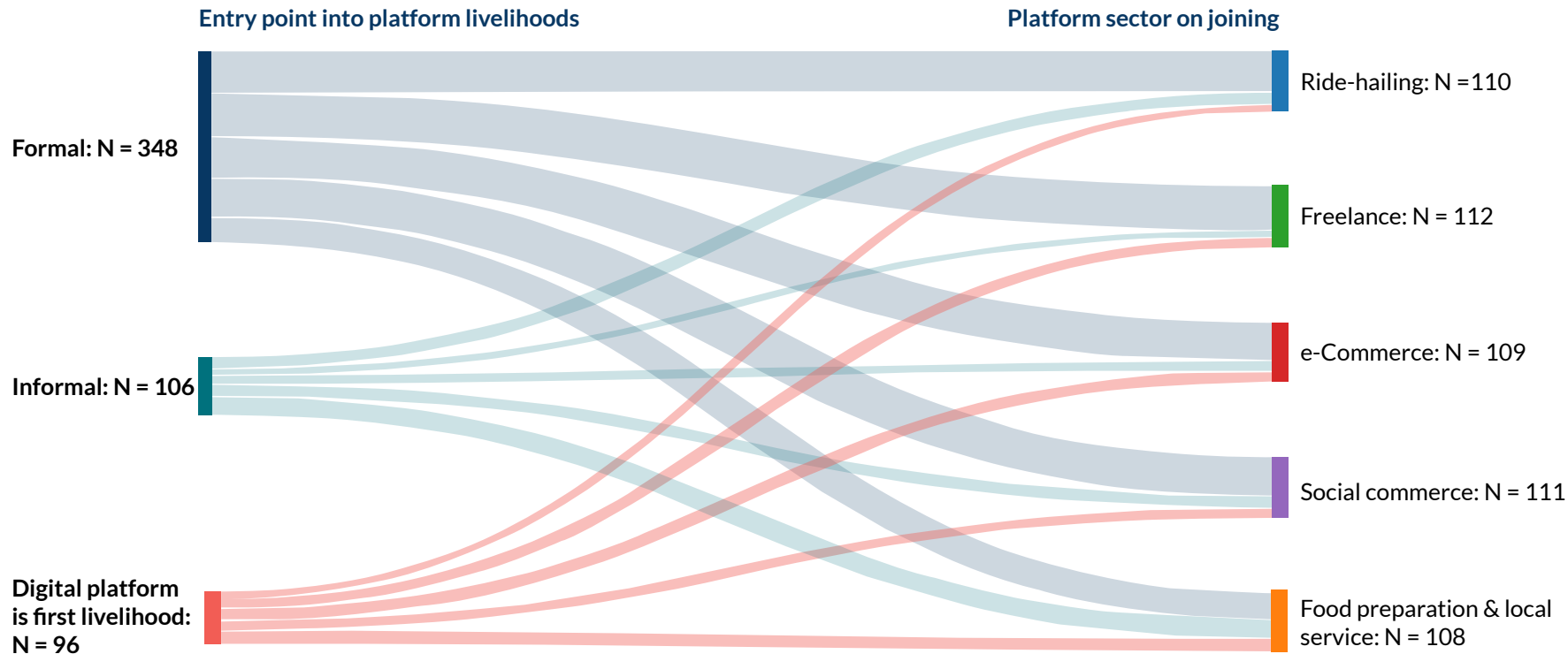
## A few limitations

- Survey data is not nationally representative and suffer, for example, from urban bias, in which case respondents are generally more digitally included and savvy than the general population.
- Self-reported data could be impacted by memory bias, which generally refers to systematic errors in people's recall of events or experiences.
- For some parts of the analysis, we rely on sample sizes; and the results, although indicative, should be interpreted with caution.

Digital platforms are a source of first-time livelihood creation in Indonesia.

They are preferentially reaching women, youth, and low-education segments of the population.

# Platform participation is a **first-time entry point into livelihoods** for many people and pulls others in from the informal sector



Source: DFS Lab research based on a survey conducted in Indonesia between 19 May 2022 and 14 June 2022. N = 550 respondents  
Data reported in the Sankey diagram refers to the total number of survey respondents (N) in each segment.

# New entrants to digital livelihoods are more likely to be women, those with lower education, and the youth indicating platform livelihoods may be an opportunity for these groups

They earn relatively well in relation to the minimum wage.



**4.1X**

more likely to  
be women



**1.7X**

more likely to  
have a lower level  
of education



**3.1X**

more likely to  
be youth



**US\$1.95**

per hour median  
earnings

Source: DFS Lab research based on a survey conducted in Indonesia between 19 May 2022 and 14 June 2022. N = 550 respondents. Earnings are reported by survey respondents in Indonesian rupiah (IDR) and converted to USD using the average exchange rate between May 2022 and June 2022 (OECD.Stat).

# The demographic breakdown of survey respondents, show women and youth are overrepresented across first-time livelihood entrants

Employment status before joining a digital platform	Age			Gender	
	19–25 year	26–45 year	> 45 year	Women	Men
Formal (N = 348)	19%	71%	11%	45%	55%
Informal (N = 106)	13%	67%	20%	57%	43%
Digital platform is first-time job (N = 96)	40%	52%	8%	78%	22%
Total (N = 550)	21%	67%	12%	53%	47%

**US\$1.95**  
per hour

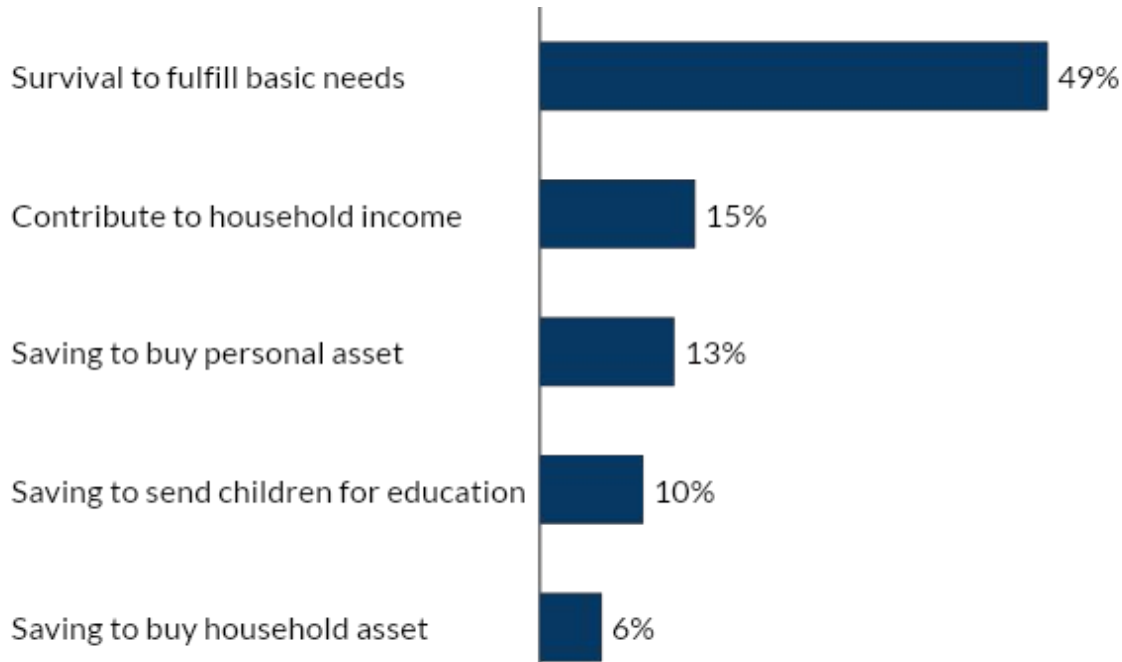
**Median earnings<sup>1</sup> reported by first-time job entrants** on digital platforms, roughly in line with respondents who have previous work experience

Source: DFS Lab research based on a survey conducted in Indonesia between 19 May 2022 and 14 June 2022. N = 550 respondents.

1. Earnings are reported by survey respondents in Indonesian rupiah (IDR) and converted to USD using the average exchange rate between May 2022 and June 2022 (OECD.Stat)

# Many people join platforms as a **survival strategy**, but many end up seeing platforms as a **long-term livelihood strategy**

## What is the most important goal of your platform livelihood?



For every **10** participants in the digital economy, **9** see themselves still engaging in the digital economy, as their long-term livelihood strategy.

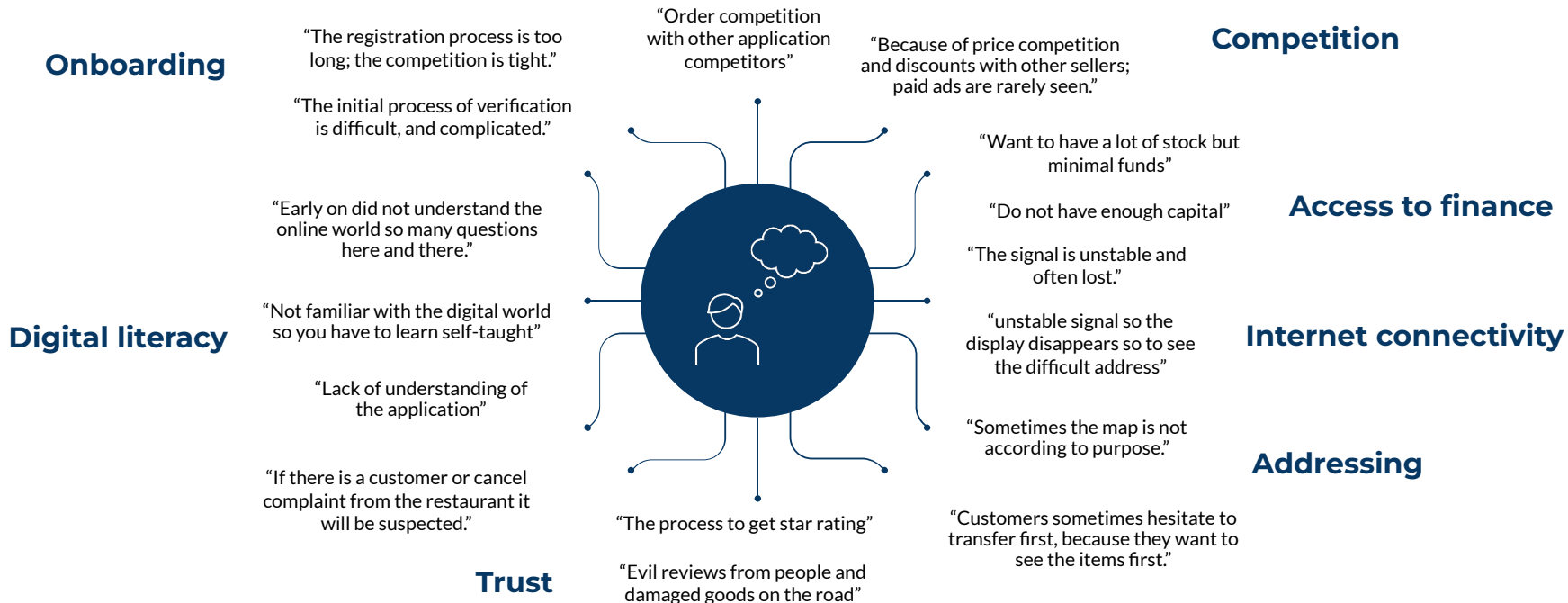
**Ride hailers** are an **outlier**, with a quarter of respondents signaling that they **do not envision a longer-term future** in platform-based work.

Source: DFS Lab research based on a survey conducted in Indonesia between 19 May 2022 and 14 June 2022. N = 550 respondents.



# Digital platforms often advertise an easy process and low barriers to entry, but survey respondents experience **many hurdles upon joining**

What is the experience you found most challenging when you first joined the platform?



Source: DFS Lab research based on a survey conducted in Indonesia between 19 May 2022 and 14 June 2022.

Survey data suggests that the earning potential of platform participants is better than the minimum wage.

Sellers are earning several multiples more than gig workers (in the ride-hailing sector).

## Workers may have offline clients and **augment with platform work**; sellers might also mix channels

Leila<sup>1</sup>, the owner of the Eatwell\* stall from Subang (West Java Province), decided to sell food products in Tangerang (Greater Jakarta, under Banten Province) because her older sister was offered a kiosk in Tangerang.

She started selling the product offline in 2017 with loan capital from her brother-in-law. She promotes her stall by putting up banners in front of the stall and posting on Facebook to inform her network that she now sells seblak, grilled sausages, and drinks.

In addition to stalls, Mrs. Leila<sup>1</sup> has established several other businesses, namely massage services, which she promotes through Facebook, and a fried-chicken business using GoFood and Shopee Food.

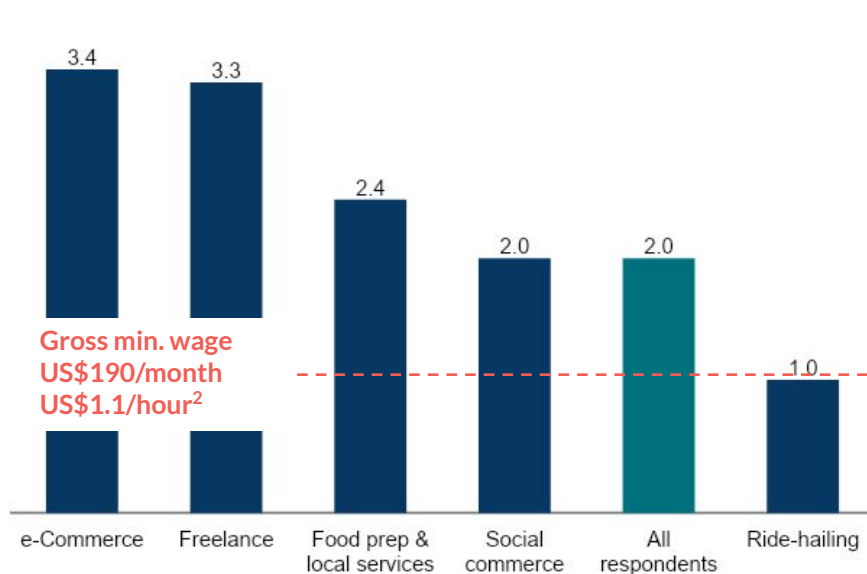
1. Her real name and stall name have been censored for privacy purposes.  
Source: DFS Lab research based on quantitative survey data and qualitative research with platform workers in Indonesia, between 19 May 2022 and 14 June 2022.

“I use up to three digital applications because I want to heavily promote my products. The customer also said, just open Shopee Food, Bu, a lot of buyers from other applications are moving there now. I finally opened Shopee.”

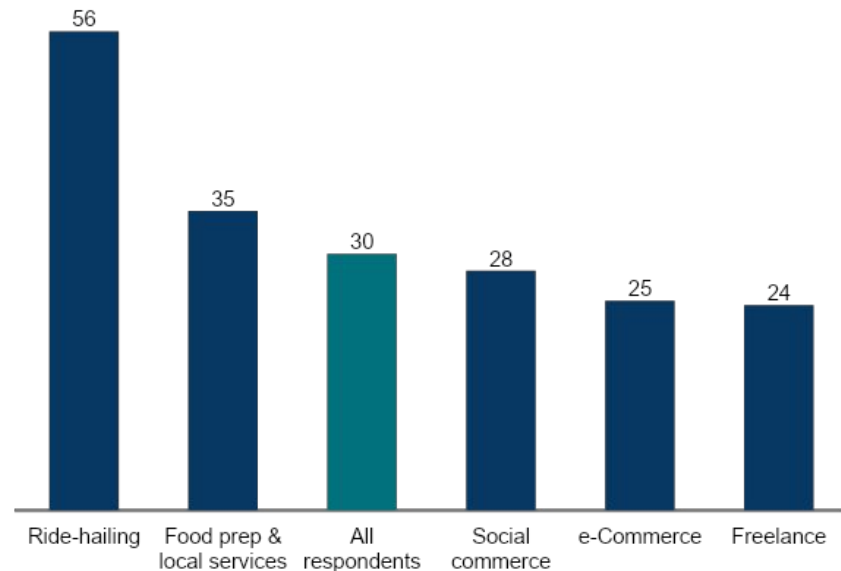


# Traders and freelancers report 2X to 3X greater hourly earnings on platform, than ride-hailers while working half as much

Median income earned per hour<sup>1</sup> (US\$)



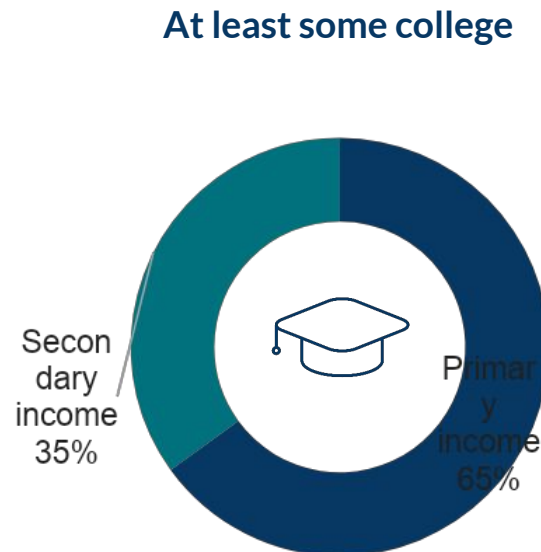
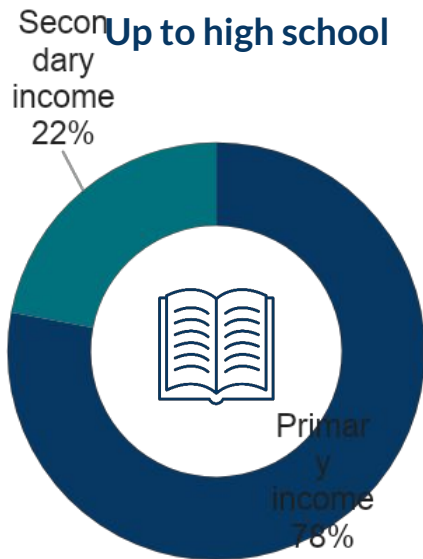
On average, how many hours per week do you spend working on platform for income?



Source: DFS Lab research based on a survey conducted in Indonesia between 19 May 2022 and 14 June 2022. The number of respondents per platform sector is as follows: Ride-hailing n=110, Food prep & local services n= 108, Freelance n=112, e-Commerce n=109, and Social commerce n= 111. Total respondents N = 550. 1. Earnings are reported by survey respondents in Indonesian rupiah (IDR) and converted to USD using the average exchange rate between May 2022 and June 2022 ([OECD.Stat](#)) 2. Indonesia Ministry of Labour (2022).

# Those with lower levels of education report relatively higher levels of income dependence on their platform livelihood

Is your platform livelihood your primary or secondary source of income? (% respondents, by education level)



Source: DFS Lab research based on a survey conducted in Indonesia between 19 May 2022 and 14 June 2022. N = 550 respondents.

## Testimonials from **ride-hailers** indicate: the pathway to a more prosperous future can be challenging

When asked about the joys and sorrows of being a Gojek driver, a 24-year-old university student says he currently feels **more sorrow than joy**. He has felt that his income has decreased since 2021, even when compared to the start of pandemic conditions in 2019. According to him, one of the factors is the **growing number of drivers on the platform**, so orders must be shared with other riders.

He lives in a rented house with his parents and three younger siblings. His father is currently unemployed after being laid off during the pandemic, while his mother works at a juice stand at the university. **He says household obligations** such as paying house contracts, electricity, adding pocket money for his younger siblings, and his own tuition fees **often mean he does not have money to set aside for saving or investing**.

Although he believes that his **current situation is not as good as when he first joined**, he persists because working as a Gojek driver allows him to do other things, such as teach and finish his university studies.

Source: DFS Lab research based on quantitative survey data and qualitative research with platform workers in Indonesia, between 19 May 2022 and 14 June 2022.

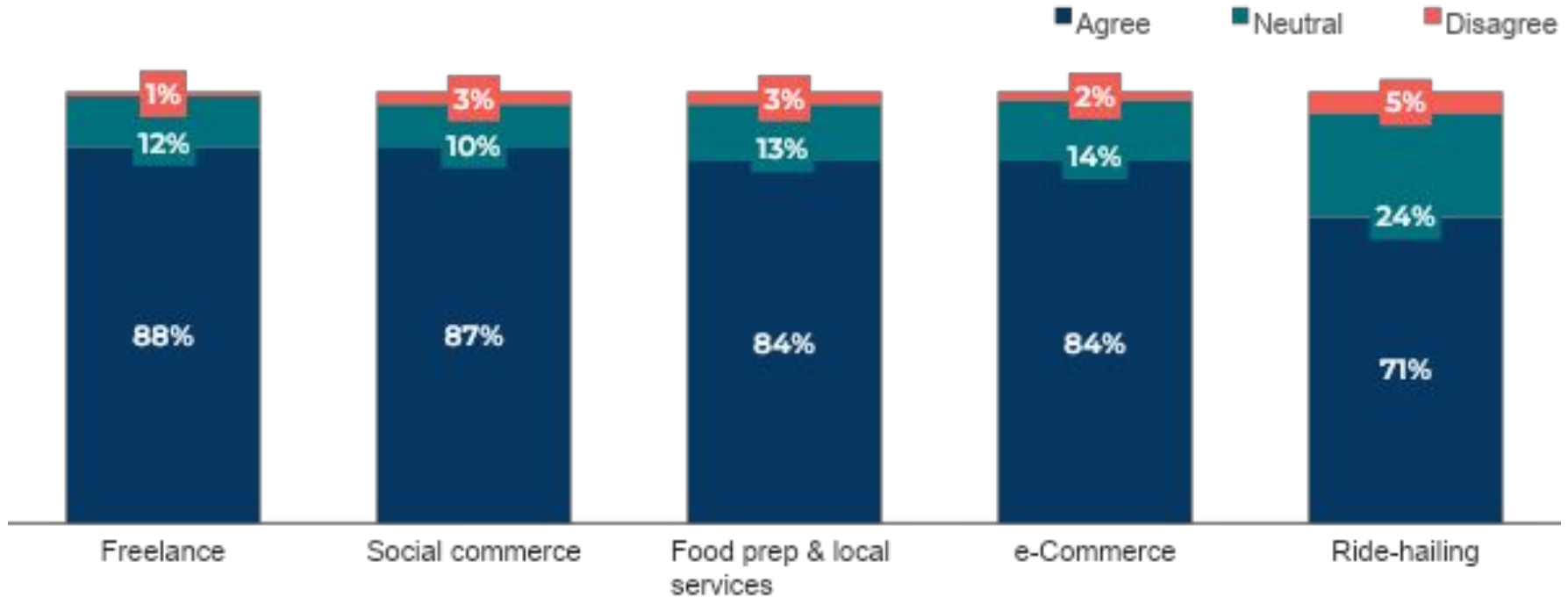
"[...] if there is no Gojek, I can't live until now... and I can't help my family's economy either."





# Most respondents agree that their **income is higher after joining the platform**; ride-hailers to a lesser extent

Has your income (from all sources) increased since joining the platform? (% of respondents)



Source: DFS Lab research based on a survey conducted in Indonesia between 19 May 2022 and 14 June 2022. N = 550 respondents.

## Overall, participants reported **higher levels of satisfaction** with their platform livelihood experiences



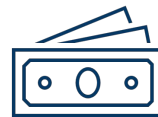
**More than 70%**

of the participants reported an improvement in their social status since joining the platform.



**8 in 10**

participants reported feeling safer since joining the platform.



**4 in 5**

participants reported an increase in their income since joining the platform.

Source: DFS Lab research based on a survey conducted in Indonesia between 19 May 2022 and 14 June 2022. N = 550 respondents.

Survey data suggests a positive link between platform participation and financial inclusion.

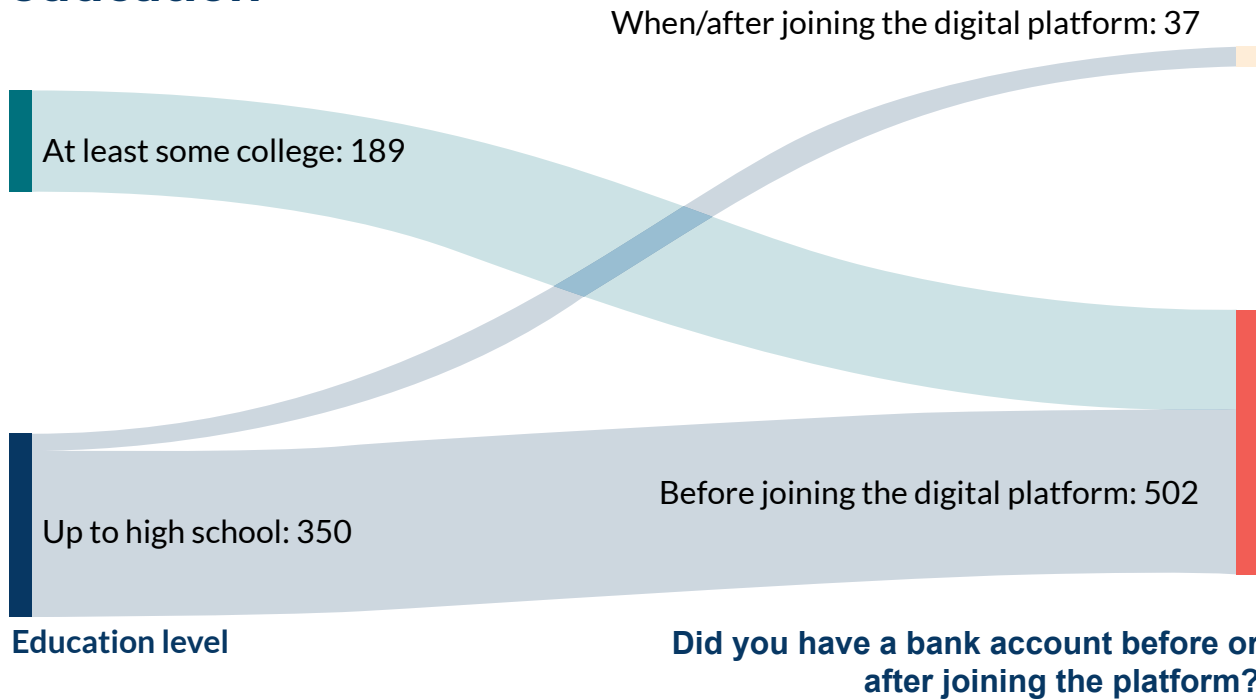
But there are important nuances around education, the platform sector, and the type of financial service being accessed.

# Survey responses suggest a **positive relationship between platform participation and financial inclusion, especially for those with lower levels of education**

**91%**

of respondents already had an account as urban Indonesia is highly included.

Survey data suggests the ride-hailing segment is more likely to have a bank account for the first time after joining a platform.

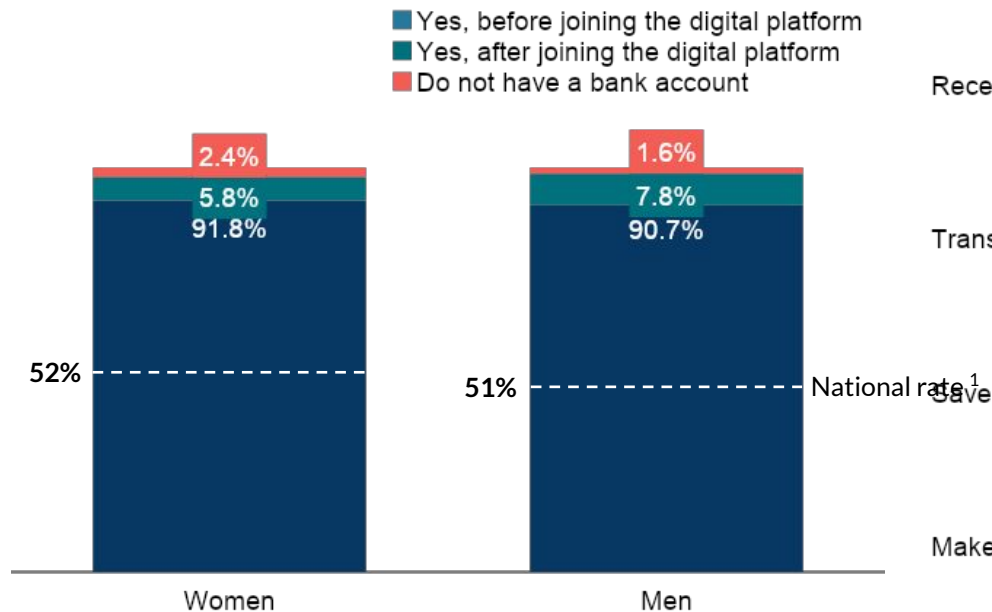


Source: DFS Lab research based on a survey conducted in Indonesia between 19 May 2022 and 14 June 2022. Data reported in the Sankey diagram refer to the total number of survey respondents in each segment.

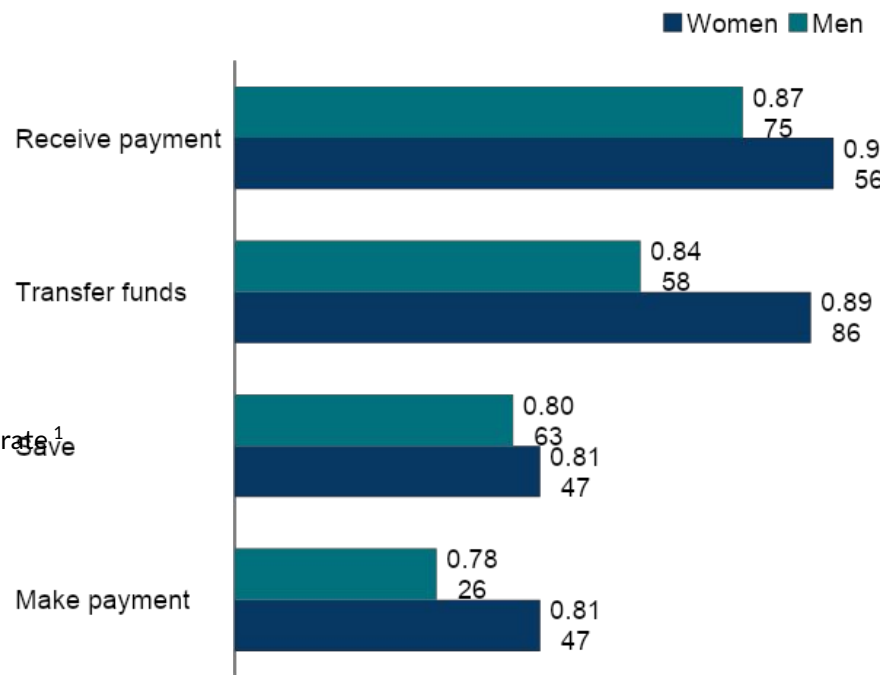
# Across both genders, the reported **rate of financial inclusion of platform workers and sellers exceeds national statistics**

## Access to bank account (% respondents)

Dotted line represents the national rate of financial inclusion<sup>1</sup>



## Bank account usage by use case (% respondents<sup>2</sup>)

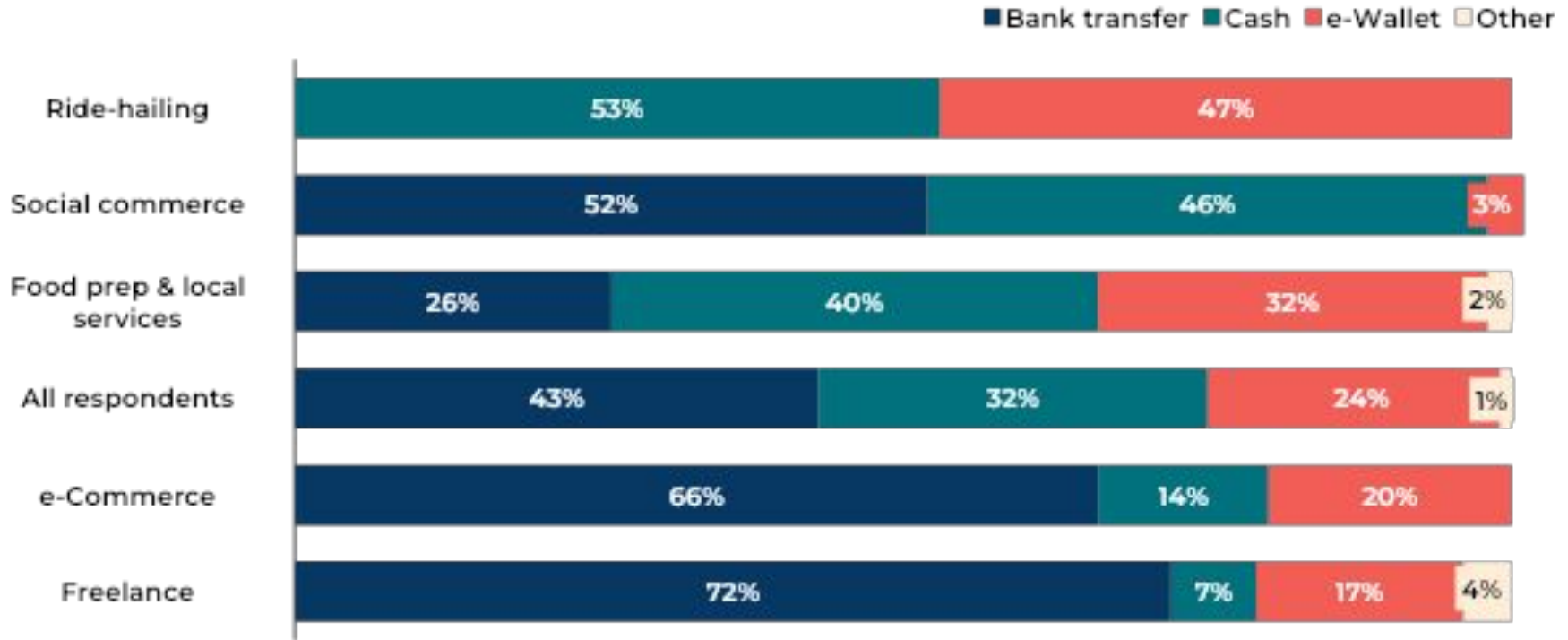


Source: DFS Lab research based on a survey conducted in Indonesia between 19 May 2022 and 14 June 2022. N = 550 respondents.

1. World Bank, Global Findex (2021). The proportion of the adult population with a financial institution account, by gender. 2. The respondents refer to those who have bank accounts. N = 539

# Despite high levels of financial inclusion, **cash is often still a preferred method of payment**

What is your preferred method of payment from customers? (% respondents)

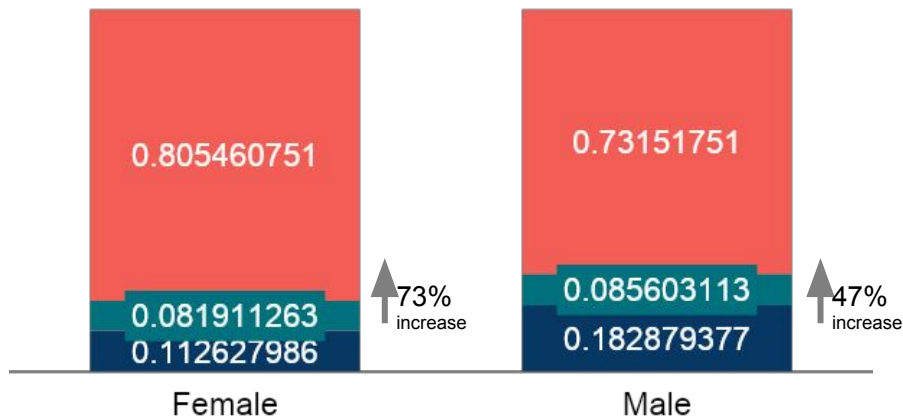


Source: DFS Lab research based on a survey conducted in Indonesia between 19 May 2022 and 14 June 2022. N = 550 respondents.

# Women have less access to credit than men but see a larger percent increase when joining; insurance is more gender balanced

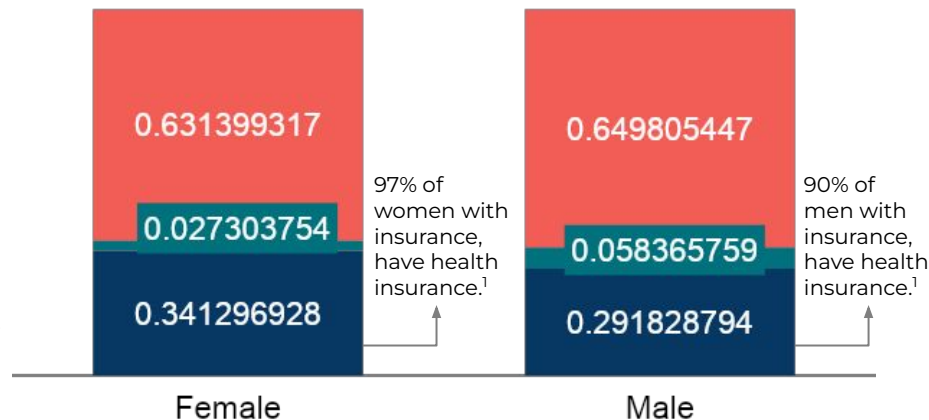
## Access to formal credit (% respondents)

- Yes, before joining the digital platform
- Yes, after joining the digital platform
- Do not have access to a formal loan



## Access to insurance (% respondents)

- Yes, before joining the digital platform
- Yes, after joining the digital platform
- Do not have insurance



Source: DFS Lab research based on a survey conducted in Indonesia between 19 May 2022 and 14 June 2022. N = 550 respondents.

1. According to [Pratiwi AB, Setiyaningsih H, Kok MO, et al. \(2021\)](#), the Indonesian population is relatively well covered by health insurance due to the BPJS public health program, which is used by more than 50% of the population.

# User testimonials suggest **positive** perceptions of the value of digital financial services to platform livelihoods



“Mobile banking was opened after having an online business [...] I suggest opening mobile banking, so you do not go back and forth to ATMs”



In addition to accepting cash payments, a freelance worker says he also accepts payments through GoPay, Ovo, and Dana e-wallet to make it easier for his customers to transfer payments.



“Please consider the balance life of the driver. Better to cover the driver with health and work insurance, so drivers can be motivated.”



An e-commerce seller says she has two formal financial accounts: one for business and one for personal savings. And she says the mobile banking applications help her to manage the finances of her online business.

Source: DFS Lab research based on a survey conducted in Indonesia between 19 May 2022 and 14 June 2022.





Many **women** in Indonesia were hit hard by the COVID-19 pandemic, and **platforms played a supporting role** during tough economic times.

Although the subjective wellbeing of female platform participants has largely improved, **gender pay gaps** present as a **challenge**.

# Many female survey respondents were affected by the COVID-19 pandemic and subsequently joined a platform to increase income

What were these women doing before?

**More than 50%**  
had formal employment before.

**1 in 4**  
are first-time livelihood entrants.

**1 in 4**  
come from the informal sector.

Why did they join the platform?

**3 in 4**  
joined to increase income.

**1 in 4**  
joined to “work independently”.

For how long have they been on the platform?

**2.5 years**  
is the average duration of platform participation for women who took part in the survey.

What was the impact of the COVID-19 pandemic?

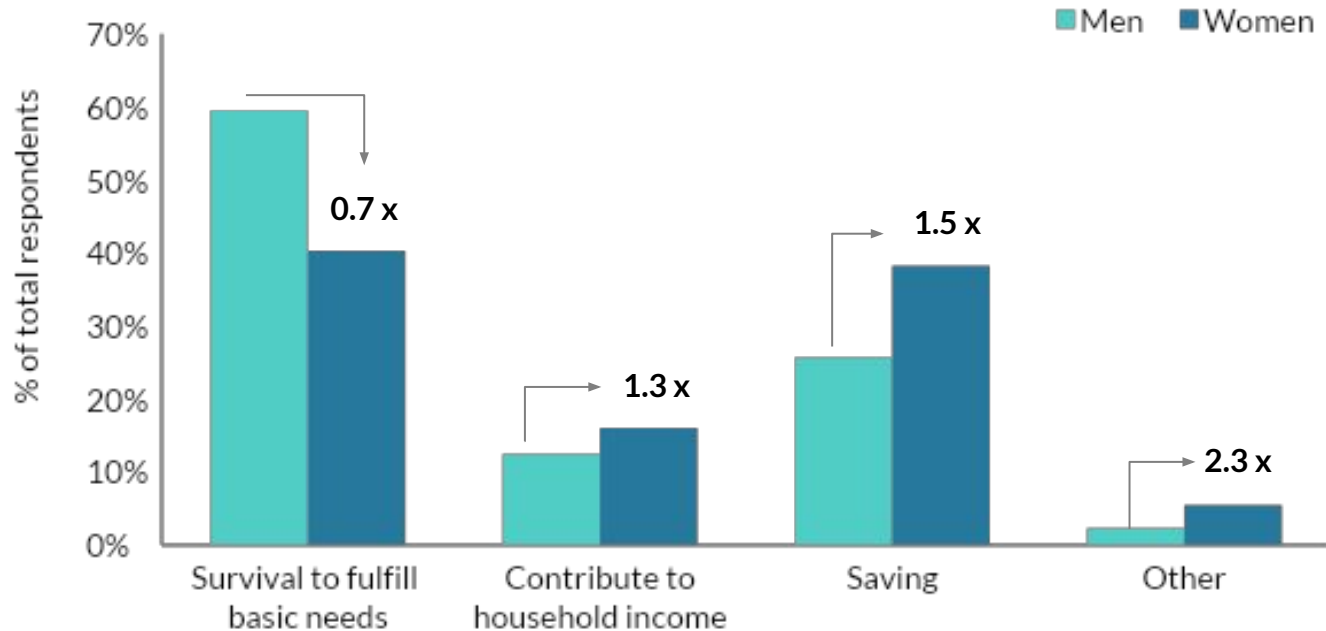
**83%** of female survey respondents joined a platform after the pandemic.

The **pandemic** was cited as a key reason for many women having lost their previous job in the formal sector.

Source: DFS Lab research based on a survey conducted in Indonesia between 19 May 2022 and 14 June 2022. N = ~300 respondents.

# Women are more likely to set goals for saving and contributing to the household income, while men focus more on fulfilling basic needs

## What is the main goal you have in engaging on a digital platform?



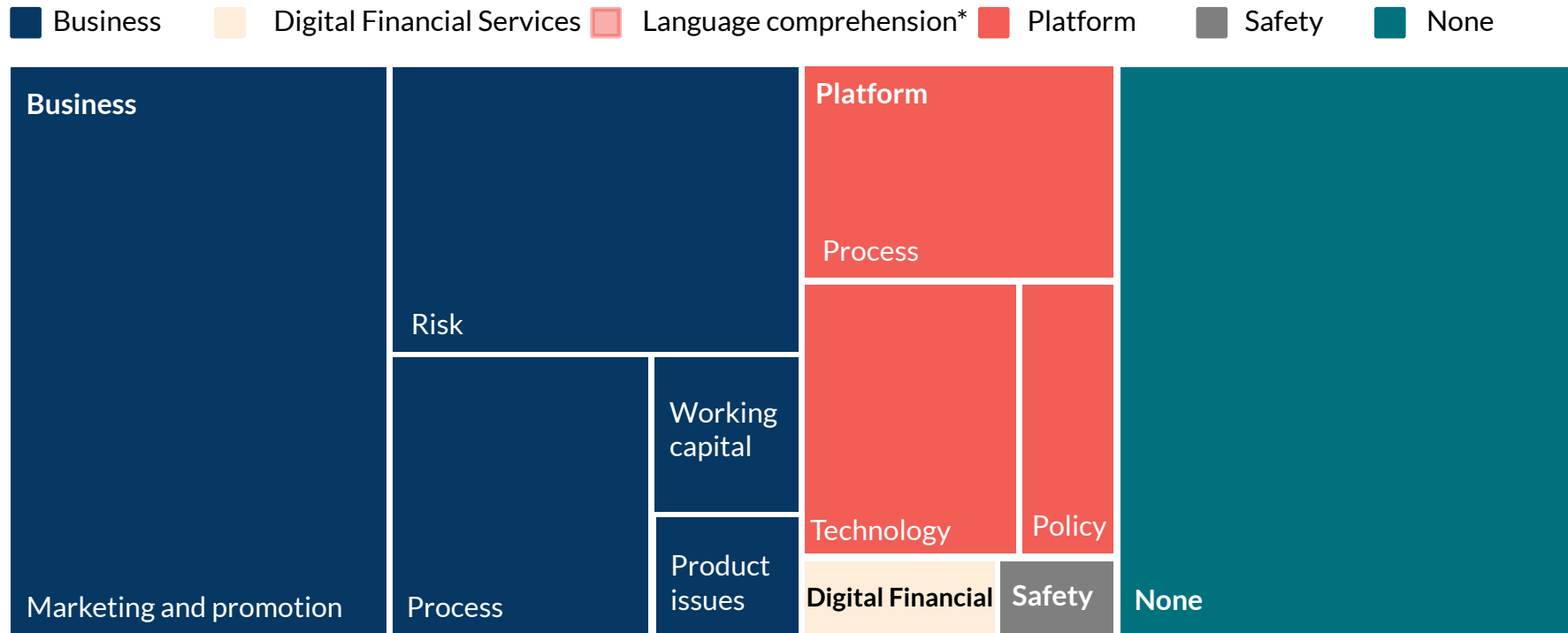
Children's needs, everyday, there are also unexpected needs

Female merchant using social media platforms to market and sell her products

Source: DFS Lab research based on a survey conducted in Indonesia between 19 May 2022 and 14 June 2022. N = 550 respondents

# Business-related issues are the main challenge women experience working on platforms, though many report no significant challenges

What is the experience you find the most challenging with your platform engagement? (summarized by theme)



Source: DFS Lab research based on a survey conducted in Indonesia between 19 May 2022 and 14 June 2022. N = 293 female respondents.

\*“Language comprehension” was an option in the quantitative survey, however so few respondents selected it and so it does not appear in this treemap chart.

## More than 80% of the women surveyed said their social status and work-life balance improved after joining the platform

This mom to four children aspires to open her own boutique and make-up studio in the longer term. Her income has doubled to US\$500 per month since she started operating in the social commerce sector. She says she sets aside monthly savings to buy business assets such as cosmetic equipment and wedding dress sets

After quitting work [with a cosmetics company], I was unemployed for almost a year, before starting into an online business

My hobby is my source of income

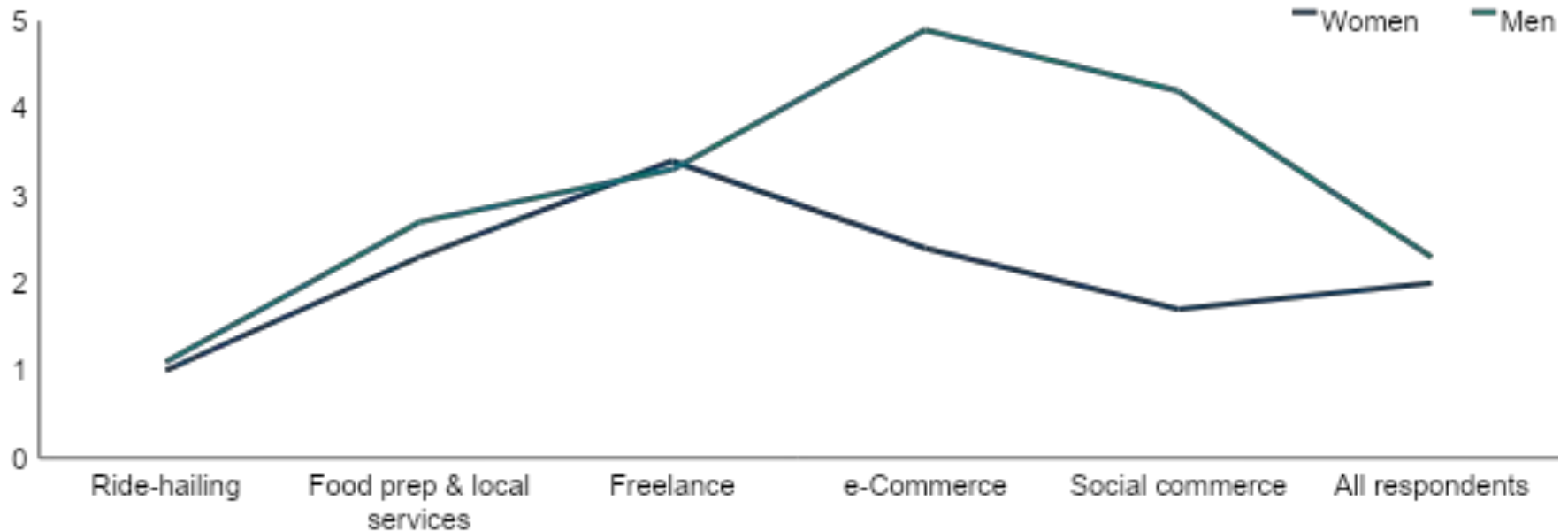
If I can't handle the work myself, I usually recruit people, it can be nephews, neighbors, friends

33-year-old female make-up artist from Jakarta



## Gender pay gaps appear in selling livelihoods (e-commerce and social commerce) but are minimal in gig-work sectors

Median income<sup>1</sup> (US\$ per hour)



Source: DFS Lab research based on a survey conducted in Indonesia between 19 May 2022 and 14 June 2022. The number of respondents per platform sector is as follows: Ride-hailing n=110, Food prep & local services n= 108, Freelance n=112, e-Commerce n=109, and Social commerce n= 111. Total respondents N = 550.

1. Earnings are reported by survey respondents in Indonesian rupiah (IDR) and converted to USD using the average exchange rate between May 2022 and June 2022 (OECD.Stat)

# Evidence on gender pay gaps in social and e-commerce is mixed; what is known is that **women sellers are often at home where they must balance family care against platform tasks**

## According to survey<sup>1a</sup> data for e-commerce and social commerce

- 01 | Hourly earnings of women are at least 50% less than that of male counterparts.
- 02 | More than 70% of women identify as spouses, rather than the head of the household.
- 03 | Women, more often than men, say<sup>1b</sup> they struggle to balance the demands of their platform livelihoods with unpaid care work and family responsibilities.

## Other studies



Based on a study of women's GMV traded on e-commerce platform Lazada<sup>2</sup>, women traders in Indonesia are reported to earn better than their male counterparts.



In a qualitative study<sup>3</sup> of women running home-based social commerce businesses, long hours, lack of any reduction in domestic responsibilities, and competition kept many interviewees' earnings relatively low.



Women have trouble in separating business and personal accounts on social media, leading to suboptimal customer relationship management, as well as difficulty tracking deliveries, payments, and business expenses.<sup>4</sup>

Sources: DFS Lab research based on: 1a. A quantitative survey conducted in Indonesia between 19 May 2022 and 14 June 2022. Sample sizes: e-Commerce n=109, and Social commerce n=111, and 1b. semi-structured qualitative interviews with 15 respondents; 2. IFC. (2020). [Women and E-Commerce in Southeast Asia](#); 3. Izzati, F.F. (2020). [Women's Work in Indonesia's Social Media-based Online Store Business: Social Reproduction and the Feminization of Work](#); 4. Women's World Banking (2019). [Social commerce entrepreneurship and new opportunities for women's financial inclusion in India and Indonesia](#).

# Testimonials of women reflect that the flexibility inherent in platform work can be both a **blessing and a burden** (1/2)



Flexibility inherent in platform sales allows women to stay engaged during maternity leave and homemaking, for example. Their income earning activities further supports gender equality and agency in decision making in the family



But the long hours potentially required to earn sufficient income, coupled with the ever-present responsibilities at home, mean that flexibility is a burden and a chance to work all the time, more than it is a choice of when to work



Becoming a partner of [the platform] doesn't need capital, doesn't have to have stock, doesn't bother packing and shipping, just share the online shop link; an easy way for mothers to earn an income

*– A mom to three kids, who engages in e-commerce and social commerce to support their livelihood*

She says the average time used to focus on managing her online store is only 30 minutes to an hour per day, by distributing all promotional materials and discounts to customers via WhatsApp. She doesn't have to bother handling the order because [...] delivery is then done by [the platform]



Initially, I joined [the e-commerce platform] to find additional income, I thought managing an online store was easy but it turned out to be difficult; orders came at any time sometimes at night, I also couldn't divide the time between the business and family, I lacked planning [...] The [app] is actually good as a vehicle for selling, but I feel like I'm competing with other sellers to get to the top rank

*– Female trader who closed her e-commerce snack business due to personal time constraints and fierce competition*

Source: DFS Lab research based on quantitative survey data and qualitative research with platform workers in Indonesia between 19 May 2022 and 14 June 2022..



# Testimonials of women reflect that the flexibility inherent in platform work can be both a **blessing and a burden** (2/2)

**94%** of women foresee themselves working on a platform in the next five years

**87%** of women recommend their family and/or children follow in their footsteps and earn a platform livelihood

“

When I was still working, children were often entrusted to their parents, because their husbands also worked. [...] I was pregnant with my 4th child, often felt nauseous, couldn't afford to go out of town, so I decided to quit (working at a cosmetic company)[...] After quitting work, I was unemployed for almost a year, before starting into an online business [...] I'm satisfied

*– Make-up artist running a business online, after losing her job during her pregnancy*

Source: DFS Lab research based on quantitative survey data and qualitative research with platform workers in Indonesia between 19 May 2022 and 14 June 2022.

The demands of platform work can be very challenging, and some platform workers do leave or become inactive

That said, many of these “leavers” report finding formal employment, often with better earnings than before.

## Testimonials of “leavers” further demonstrate challenges of platform work

**Sarah** provided voice-over and scriptwriting services for films and advertisements on fastwork.id. at a rate of IDR150,000 per project. She says many people and companies from all over Indonesia hired her while she was on the platform.

But for a freelance worker like her, she was always pressured to be online, to diligently reply to prospective employer chats to find jobs, and to maintain high ratings and reviews.

Apart from these and other challenges she faced as a first-time gig worker (including app errors and a lack of training provided), her perception is that platform providers pay no attention to freelancers and appear to be only trying to profit from attracting as many partners as possible.

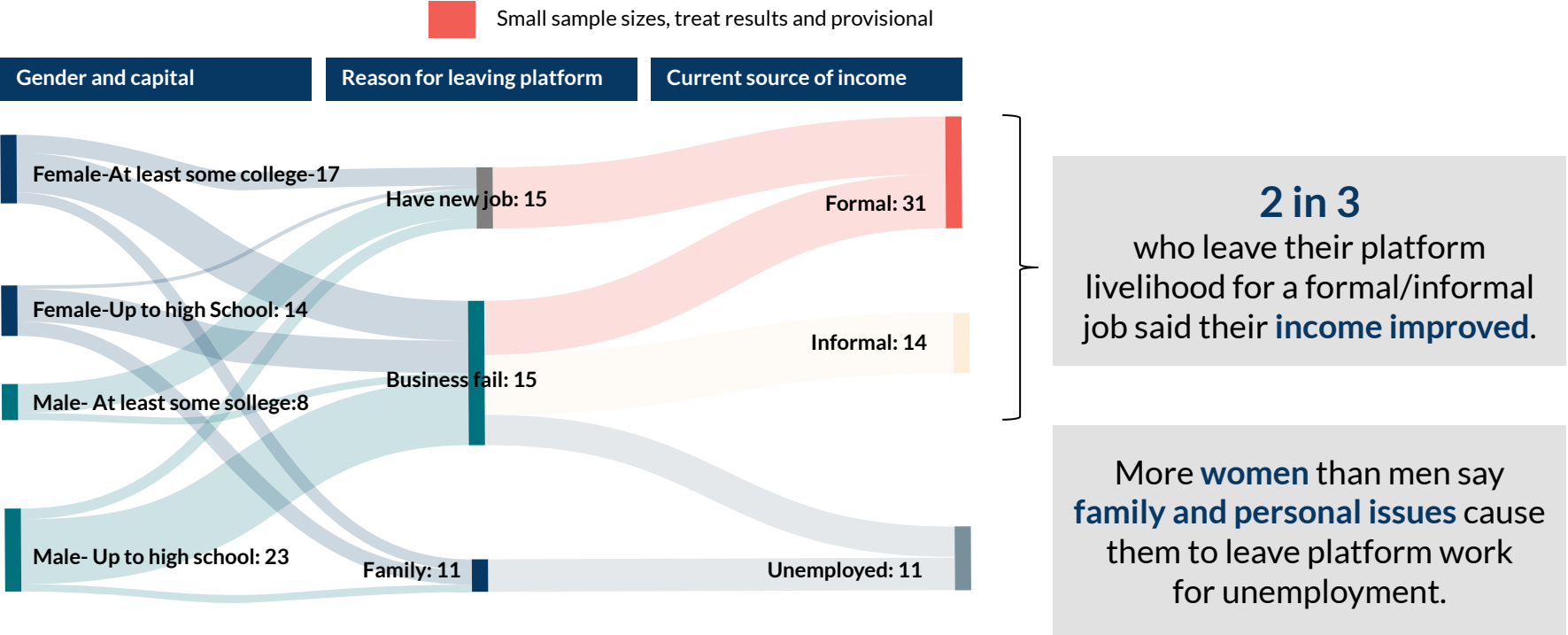
After discontinuing her platform work, **Sarah** said she feels more comfortable and at ease, without being disturbed and pressured by app notifications. She expressed feeling annoyed and depressed when platform clients would send messages to her at night, as well as when she was resting or prioritizing her college studies.

She says she is now happy to apply her own fee (a minimum rate of IDR750,000 per project) without the pressure of taking on platform clients who typically offered low rates.

Even though she is inactive, this 24-year-old says she is reluctant to delete her account because apart from her good rating on the app, she thinks the freelance app can still be relied on if she needs another job.



# Close to 50% of “leavers” said they went back to formal employment, after exiting the platform; most report improved income after



Source: DFS Lab research based on a survey conducted in Indonesia between 19 May 2022 and 14 June 2022. Data reported in the Sankey diagram refer to the total number of survey respondents in each segment.

Platforms are an increasingly important part of livelihoods in Indonesia but should **not be perceived as a silver bullet for inclusion** and decent standards of work.

Close attention of policymakers, development actors, the broader research community, and technologists who are building the ecosystem, is warranted.

# Summary of key results

1

Evidence indicates platform livelihoods are more prevalent than most expect with nearly 1 in 5 Indonesians participating. Despite the focus on gig work in other research, we find people selling or trading online are up to 10X more numerous than gig workers

2

Most respondents report income has increased since joining the platform and feel higher social status and greater safety

3

Sellers earn 2-3X more per hour than ride hailing while working 1/2 as many hours. However, its important to note that the reported goals of platform livelihoods differ between different segments. Women tend to be relatively more motivated toward achieving long-term financial goals, compared to men.

4

For an important minority of platform workers, it's their first time making a living. For these first timers, they are 4.1X more likely to be women, 1.7X lower education, 3.1X youth, and median earnings are above the minimum wage indicating platform livelihoods are a potential opportunity for these groups

5

Most participants were already financial included as the sample was urban. However, some fraction did adopt digital financial services because of joining the platforms. Despite near universal inclusion cash payments are very common

6

Access to credit grew by 73% for women and 47% for men, though overall credit access was still small (~20%). Insurance showed very little change

7

Many women were hit hard by COVID and joined platforms because of losing a previous job or source of income. Many are still on the platform 2-3 years later

8

Across the different categories of livelihood, gig work showed no gender gap in income, while selling income was nearly double for men. Some women sellers reported challenges working from home and balancing other tasks that men are not expected to handle which may reduce productivity per hour

9

Nevertheless, more than 80% of women said work life balance and social status improved since joining the platform

# The need for better data and some key unknowns

# Some key “unknowns” and directions for future research

01

**Nationally representative data about platform livelihoods and the digital transformation of micro and small enterprises** (including at a gender-disaggregated level)

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02

**Research required to take a closer look at productivity** and explore the drivers and pathways of mobility in the digital economy

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03

**Empirical evidence on the relationship between participation in the digital economy, DFS usage, and declining dependence on cash**

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04

**Developing a deeper base of intelligence on the changing ecosystem** within which the fortunes of individual workers and enterprises are being reshaped

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05

**Identification of models that have the greatest potential to expand inclusion in the digital economy**, and charting the way forward on the role of the public sector, development actors, and donors in supporting the sustainability of these models



Get in touch with us to hear more  
about our wider **digital economy**  
measurement initiatives!

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