

CONTRACT RESEARCH OPPORTUNITY

The Gig Economy and its Effects on Racialized and Immigrant Populations in Toronto

June 21, 2021

Background

In December 2019, [Statistics Canada](#) published the first Canadian study that systematically identified gig workers in Canada based on Canadian administrative sources, including individual and corporate income tax returns. However, there is continued speculation about both the number of gig workers, and the disproportionate effects of participation by groups such as women, racialized Canadians, youth, newcomers, immigrants, seniors, Indigenous Peoples and low-income earners. As such, the issues surrounding gig work become particularly relevant in Canada's largest and most culturally diverse city, Toronto.

The gig economy, which has always been a part of the labour market, was exacerbated by the 2008 recession. As youth exited post-secondary education, a larger number of experienced workers were also looking for jobs, which made finding long-term, stable employment more difficult. This alone would not have prompted a different cycle of market change had it not also been for the development of [Web 2.0](#). The renewed use of the internet occurred just prior to the recession, which started when interactive, peer-reviewed *Wikipedia* replaced closed-ended encyclopaedias as a new source for information. It marked the end of CD-ROMs and the passive use of the internet, and the beginning of its interactive model based on services like blogs, and social media networks including Facebook and Twitter. This shift led to new ways to deliver goods and services, while adopting the ability to pay through online portals, such as PayPal and direct deposits from bank accounts. This made gig work easy to perform and grow in a non-regulated environment.

Fast-forward to the 2020-2021 COVID-19 global pandemic where the impacts on non-regulated gig work were compounded. According to the [Statistics Canada](#) study, in 2016 the annual median net gig income was \$4,303. If this amount was the sole source of income for an individual in 2019, they were not eligible to receive the Canada Emergency Response Benefit (CERB) during the pandemic in 2020, which had a minimum qualification amount of \$5,000 earned in the previous year. Funds that were generated through cash gigs and perhaps not declared to the Canada Revenue Agency (CRA), were also excluded from the minimum qualification amount. Furthermore, since gig workers are often public-facing service providers, they were more at risk of contracting COVID-19—and more likely to lose their jobs during the shutdown—than those who were able to work from home. If certain groups are disproportionately involved in gig work, then both measuring and evaluating the long-term effects is important to understanding the full extent of the non-regulated gig economy.

It is in this environment that the Intergovernmental Committee for Economic and Labour Force Development (ICE Committee) is commissioning this contract research project. ICE is seeking to

engage a researcher/research team to take stock of the gig economy in Toronto, how it disproportionately affects different groups, identify some of the long-term effects of gig work in an unregulated environment, and guide future studies and methodologies on measuring the gig economy.

Purpose

This project will gather information on the size and structure of the gig economy in Toronto and which groups (women, racialized Canadians, youth, newcomers, immigrants, seniors, Indigenous Peoples, and low-income earners) are disproportionately impacted. The purpose is to lay a foundation of what the gig economy looks like in Toronto, and to inform future directions on measuring the gig economy in Canada.

Current Context

Over the last several years, much attention has been placed on the gig economy and its workers. Indications are that this is a growing segment of the labour market in Canada and globally, and it is important to define the phenomenon and what makes gig work different from other forms of labour.

In general, there are two main categories of structures for workers: (1) Paid employees, or persons who work for others and receive wages from that employer, and (2) Self-employed persons, who are working owners of an incorporated, or unincorporated business. Gig work generally falls under the unincorporated self-employed worker category, but more so, in a non-traditional, less structured work arrangement than other self-employed workers.

One of the methods used to identify gig workers from unincorporated self-employed workers is the way tax returns are filed. Generally, unincorporated self-employed workers in their tax filing can request a business number (BN) from the CRA, however gig workers tend to file without a business number. The high degree of unpredictability is also significant for gig workers compared to other self-employed workers, that is, gig workers are more likely to have minor or occasional contracts instead of long-term contracts, which makes their earnings more unstable. Even though appearing the same, gig work is not the same as “precarious work,” where individuals, self-employed or not, have many types of traditional work arrangements without the receipt of full-time employment benefits (such as leave or medical coverage), although, categorically, is very much precarious in nature.

There is some indication in the literature that gig work is actually quite positive for new immigrants as it allows them to access a job without requiring previous experience. However, the long-term implications of gig work has not necessarily been explored, such as the impacts of being unable to receive income benefits, such as Canada Pension Plan (CPP) and Employment Insurance (EI).

Scope of Work

The specific responsibilities and key activities of the successful proponent will include:

1. Developing a **project work plan** that incorporates an engagement strategy, research approach, research methodology and sources of data;
2. Conducting an **environmental scan** and **literature review** of existing discussions and documentation involving the best practices for a working definition of the gig economy, and what is excluded or included in the concept, the regulation of gig work and/or the lack of regulation, as well as a **jurisdictional review** of areas that have developed regulations protecting gig workers. Discussions of regulations should include:

- Determining key/common issues, approaches/laws and emerging best practices; and
- Identifying if and how other jurisdictions address issues of regulation in their approaches to gig work as it relates to gender, racialized groups, youth, newcomers, immigrants, seniors, Indigenous Peoples and low-income earners.

The key underpinning issues for this review are:

- *Measuring the current extent of the gig work in Toronto, and who is participating in the gig economy.*
 - *Examining the benefits and the groups that are benefiting from participating in the gig economy (e.g. those that use it as supplementary income rather than relying on it as sole income).*
 - *Examining the possible long-term implications for diverse groups (women, racialized groups, youth, newcomers, immigrants, seniors, Indigenous Peoples, and low-income earners) being overrepresented in the gig economy, such as:*
 - *The inability to unionize might result in exploitation of workers, especially those who are new to Canada and are not well-versed in Canadian labour laws.*
 - *Workers are usually required to use their personal equipment to perform gig work, creating barriers to entry for those who cannot afford to invest in a new car, laptop, phone, etc.*
 - *Most gig workers work in public-facing jobs but are usually isolated from peers, which could have potential negative impacts on mental health, and the ability to network and find employment elsewhere could be limited.*
 - *The long-term implications of gig work on income, such as the impacts of being unable to receive CPP or EI benefits.*
3. **Undertaking a survey and interviews** with gig workers and possibly other stakeholders (including businesses, community, and employment service providers that use gig work) to better measure the current state of the gig economy in Toronto; and
 4. Providing direction on **future measurement methodologies** of the gig economy in the Toronto region, Ontario, and Canada.

Deliverables

The deliverables for this assignment will include the development of the following:

- Development of detailed project work plan;
- Summary of best practices for a working definition of the gig economy, and what is excluded or included in the concept
- Detailed report summarizing the findings from the environmental scan, literature review and jurisdictional scan that synthesizes key approaches in other jurisdictions and describes options and considerations for regulating the gig economy in Toronto; an analysis of findings regarding which cohorts and/or groups are disproportionately participating in the gig economy; as well as direction on future measurement methodologies of the gig economy in the Greater Toronto Area (GTA), Ontario, and Canada
- Presentation of report at a (likely virtual) ICE Committee meeting for internal discussion; and
- Participation in a report launch event beyond the completion of the report (perhaps through a virtual event should COVID-19 still be a consideration).

Budget

The maximum budget for this contract research project is **\$25,425** including applicable taxes.

Timeline

The anticipated project timeline start date is August 30, 2021, with a draft report due March 4, 2022 and a final report due March 31, 2022. The successful applicant(s) should be available for the launch event of the report beyond completion of the report.

Application Process

To apply, email a three- to four-page submission to info@icecommittee.org with the subject line “ICE Contract – Gig Economy and its Effects on the Racialized and Immigrant Population.”

Your submission should:

- Outline how you propose to carry out the work related to this project.
- Demonstrate the requisite experience and capacity to carry out the project in the allotted timeframe, including your ability to do the required research.
- In addition to the three- to four-page submission, include a short resume or CV.

Application deadline: 5:00 p.m. Monday July 26, 2021

We will accept joint applications from groups of individuals or organizations. We encourage applications from current graduate students and graduates with relevant degrees. Credentials and professional experience earned either in Canada or internationally will be recognized. Preference will be given to organizations/individuals with leaders self-identifying as women, newcomers, immigrants, racialized groups, and/ or Indigenous Peoples.

Selection schedule (subject to change):

- All applicants will be notified of receipt of their submission when received. If you do not receive acknowledgement of receipt within 24 hours, please check back to ensure receipt.
- Applications selected for an interview will be contacted during the week of **August 3, 2021**.
- Interviews will take place via videoconference the week of **August 16, 2021** at a time and date to be determined.
- The project contract will be awarded by **August 23, 2021**.
- The project start date is **August 30, 2021**.

About the ICE Committee

The ICE Committee was established in 1997 by officials in the Government of Canada, the Province of Ontario, and the City of Toronto. The purpose of the committee is to coordinate the economic and labour force development activities of the three governments (and the various departments and ministries within each government) in Toronto. The ultimate goal of the ICE Committee is to achieve the effective delivery of economic and labour force development programs in Toronto. ICE has played a key role in bringing together critical players to share information on their respective programs and projects. For more information about ICE, please visit www.icecommittee.org.