

The Changing Labor Market and Female Workers with Side Jobs¹⁾

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- With an increasing number of workers taking on side jobs as they feel the insufficiency of income, there have emerged newly coined terms such as 'n-job-ler' and 'establishing the second pipeline' in South Korea.
- This research examined the scale of the side job market and the characteristics of workers taking on side jobs by analyzing the raw data of the Economically Active Population Survey and the Additional Survey by Employment Type conducted by Statistics Korea. The surveys did not include those who were taking time off from work at the time of survey and were limited to those with a salaried job as a main source of income or as a side job.
- This research shows that vulnerable groups, including women, seniors, day laborers, and self-employed individuals, tended to supplement their income with side jobs; and the level of income from their main job was relatively low.
- Although the trend of those having side jobs seems to have changed after the Covid-19 pandemic, it is difficult to identify the changes with existing data.
- Structural changes in the labor market are requiring paradigm shifts in the current job-based welfare policy and for that, a survey is needed to collect baseline data.

1) This paper is a summary of the KWDI Gender-Sensitive Statistics Report 22-1 (Who Takes on Side Jobs?). The original report can be viewed on KWDI's Gender-Sensitive Statistics website (<https://gsis.kwdi.re.kr/gsis/kr/board/BoardDetail.html>).

A need to identify the scale of the side job market

- As an increasing number of workers are interested in taking on side jobs as they feel the insufficiency of their income, there have emerged newly coined terms such as ‘n-job-ler’ and ‘establishing the second pipeline’ in South Korea.
- With the rapidly expanding platform-based work sector and a growing number of people taking on multiple jobs, there is an increasing need to revise the definition of side job and to compile related data.
 - Due to a highly flexible labor market, the US has a greater number of workers with side jobs than does South Korea. The proportion of workers with side jobs in the US, which is about three times more than that of South Korea, declined from 5.2% in 2009 to 4.9% in 2014. Then, it started to rise again in 2015 and reached 5.1% in 2019 before falling to 4.5% in 2020 after the Covid-19 pandemic. In terms of gender, the proportion of those with side jobs among women is greater than that among men.²⁾
 - In response to a shrinking economically active population, Japan revised its regulations on employment in June 2017 to allow workers to have secondary jobs. Before this revision, workers were not allowed to take on side jobs in return for life-long employment. The government revised the regulations once again in January 2018 to define the areas for which companies may prohibit or limit side jobs for their employees with a goal to address problems associated with allowing side jobs for workers.³⁾
 - In South Korea, people customarily had one job and side jobs were prohibited in some sectors. Given that South Korea is likely to face a similar labor shortage problem as in Japan and employment practices are changing along with shifting industrial structures, it is necessary to reflect the changing landscape in labor policies and statistics.
- The economic crisis caused by the Covid-19 pandemic had negative impacts across the real economy and the labor market, resulting in weakened labor income. While this may have raised the potential to increase labor supply as more people sought supplementary income sources, it is presumed that the downward pressure in labor demand has shrunk the size of the side job market. In particular, the pandemic brought an immediate crisis to the real economy, including in-person service jobs, having a disproportionate impact on vulnerable groups, especially those with day labor jobs and other simple labor jobs.

2) Economic Research Division, <https://fred.stlouisfed.org/series/LNU02026620> <https://fred.stlouisfed.org/series/LNU02026624> <https://fred.stlouisfed.org/series/LNU02026622>, accessed on May 30, 2022.

3) The Korea Institute of Finance, “The Japanese government’s guidelines on side jobs” The Financial Research Brief, Vol. 27 Issue 8, pp.26-27

- As the economy was slowly rebounding after the pandemic, some sectors experienced a shortage of labor due to the demand surpassing the supply.⁴⁾ Labor shortage was felt particularly in temporary jobs and simple labor jobs, both of which can be relatively easily filled up by people seeking side jobs. In this regard, the proportion of people taking on side jobs is likely to increase as the economy recovers.
- This research aims to examine how side jobs have been surveyed, how the results of such surveys can be interpreted, and how to improve the surveys.

The proportion of workers taking on side jobs by period

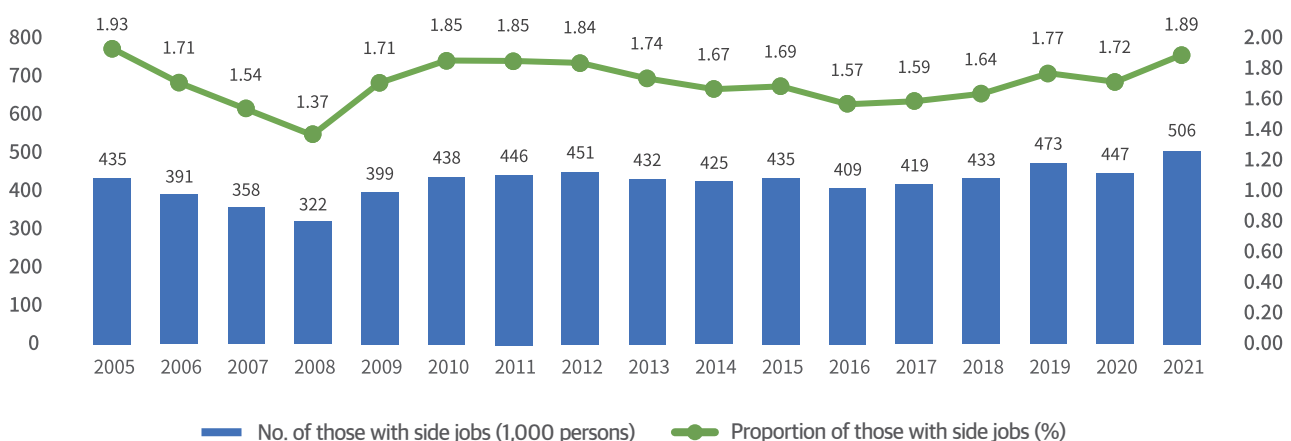
- A side job refers to a job that people take on in addition to their main job by using their spare time.
 - The Economically Active Population Survey, which is South Korea's major labor survey, defines main job as the job with the longest work hours among those that one holds, and other jobs as secondary jobs or side jobs.
 - The Economically Active Population Survey identifies the scale of side jobs and the number of hours spent on them. The survey also shows the gender, age, and marital status of those with side jobs; the status of economic activity by demographic category; and the differences between groups by job category.⁵⁾
 - The number of those having side jobs equals the scale of those having side jobs.
 - The proportion of those having side jobs refers to the number of those having side jobs relative to the total number of workers excluding those taking time off from work.
- As the economy was recovering from the crisis caused by the pandemic, the number of those taking on side jobs increased.
 - It is unclear if this is a temporary incongruity in the labor market or part of the restructuring of the labor market. While previous financial crises caused cyclical unemployment, the crisis caused by the pandemic caused structural unemployment by changing the real economy.
 - Therefore, it is necessary to investigate the trends in industries and the labor market to determine if the pandemic-led economic crisis had a temporary impact on the labor market or will bring about permanent industrial restructuring. If industries underwent permanent changes, the labor market would be accordingly restructured, shifting the supply and demand of main jobs and side jobs.

4) Shin Jun-seop, "There's no one to peel garlic," says the restaurant industry, The Kukmin Ilbo, July 25, 2022, <https://news.kmib.co.kr/article/view.asp?arcid=0017309499&code=61141111&sid1=eco&cp=nv1>, accessed on July 25, 2022.

5) Those who used a similar approach in research includes Jeong Seong-mi (2017) and Lim Yong-bin and Choi Yeong-jae (2017).

- The proportion of those having side jobs increased from 1.77% in 2019 (before the pandemic) to 1.89% in 2021. In 2020, however, it was lower than in 2019 with 1.72%. This is because the entire job market shrank during the pandemic, bringing down the scale of the side job market as well.
 - As it did after the subprime mortgage crisis in 2008, the size of the side job market seems to be increasing as the economy is recovering after it hit the peak of crisis in 202, with both the sheer number of jobs and the number of people who are seeking side jobs increasing.
- Despite some ups and downs, the number of those taking on side jobs is on the rise.
 - The proportion of those with side jobs varies but remains below 2%.
 - The figure hit the second highest in 2021 with 1.89%, following 2005 with 1.93%⁶⁾
 - It has yet to be seen if the figure will go down to a previous level or go up by reflecting changed labor environments after the pandemic.

<Figure 1> No. and proportion of those with side jobs



Source: The Economically Active Population Survey, Statistics Korea

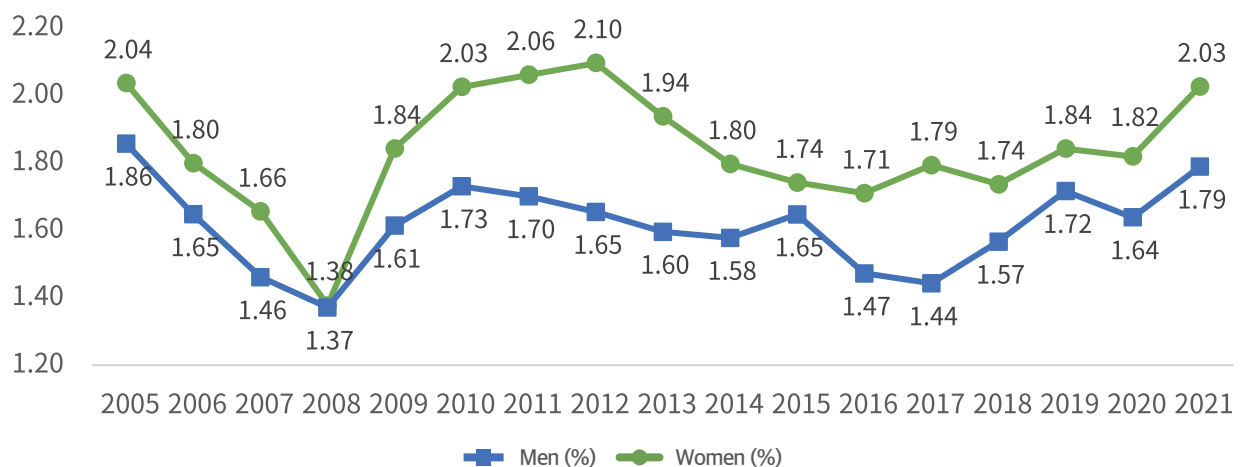
The characteristics of those taking on side jobs

- The characteristics of both those taking on side jobs and their main jobs were examined. Those with side jobs were usually vulnerable workers, such as women, temporary workers, day laborers, and self-employed individuals. They took on side jobs because they felt their income from the main job was insufficient.

6) More people seemed to have taken on side jobs when the economy rebounded after the credit card crisis in South Korea in 2002 and 2003.

- Those who failed to find regular work in the labor market take on two or more jobs to use spare time they have or to supplement their income. When viewed by gender, the proportion of those taking on side jobs is greater among older women compared to other groups, indicating that structural discrimination that workers experience over the course of life affect the need for side jobs for additional income. However, further research is needed on this regard.
- Since the proportion of those taking on side jobs indirectly shows the labor conditions of vulnerable individuals in the labor market, it can be used as an important indicator in policy-making decisions.
- Beginning in 2005, the proportion of female workers taking on side jobs has remained greater than that of their male peers by 0.1%p-0.4%p and the variations in the ratio have also been greater for women than for men. This indicates that women experience greater instability in the side job market than do their male peers. While the number of those taking on side jobs increased, the ratio of male to female workers with side jobs (the reverse sex ratio)⁷⁾ also went up. The ratio was higher than the reverse sex ratio for the entire working population, suggesting that the issue of side jobs is a labor issue closely related to women and it is important in policy to pay attention to female workers with side jobs despite their small number.

<Figure 2> The proportion of those with side jobs by gender



Source: The Economically Active Population Survey, Statistics Korea

7) While the sex ratio is generally calculated as the number of men per 100 women, the number of women per 100 men is often used in gender-sensitive statistics.

- In terms of age, the proportion of those with side jobs went up among those in their 50s and remained high among those in their 60s and 70s. Recently, the proportion of those taking on side jobs grew among those in their 10s. These findings show that younger and older individuals who are more vulnerable than are other age groups in the labor market tend to take on side jobs to earn extra money. Against the backdrop of the growing number of seniors in poverty, therefore, these findings may be reflected in the assessment of policy needs for senior workers in the labor market.
- By marital status and education, those who are married and have middle school education or lower showed a higher tendency of taking on side jobs. This may be related to the fact that older people are more likely to be married and less educated in South Korea.
- When it comes to employment type, the side job rate was high among temporary workers, day laborers, and self-employed individuals with around 3%. The side job rates of these groups remained consistently high regardless of the period, indicating their persistent need for extra income.

Number of work hours for those with side jobs

- The average number of weekly work hours spent on side jobs is on the decline. It has yet to be confirmed if it is the result of the overall trend of declining work hours or if it is due to a changing labor environment in which jobs are shared as in crowdsourcing and therefore, the number of work hours per person is reduced.
- The characteristics of side jobs and those taking on side jobs seem to have changed over time. Since side jobs are not separately surveyed, however, it is not possible to identify changing trends.

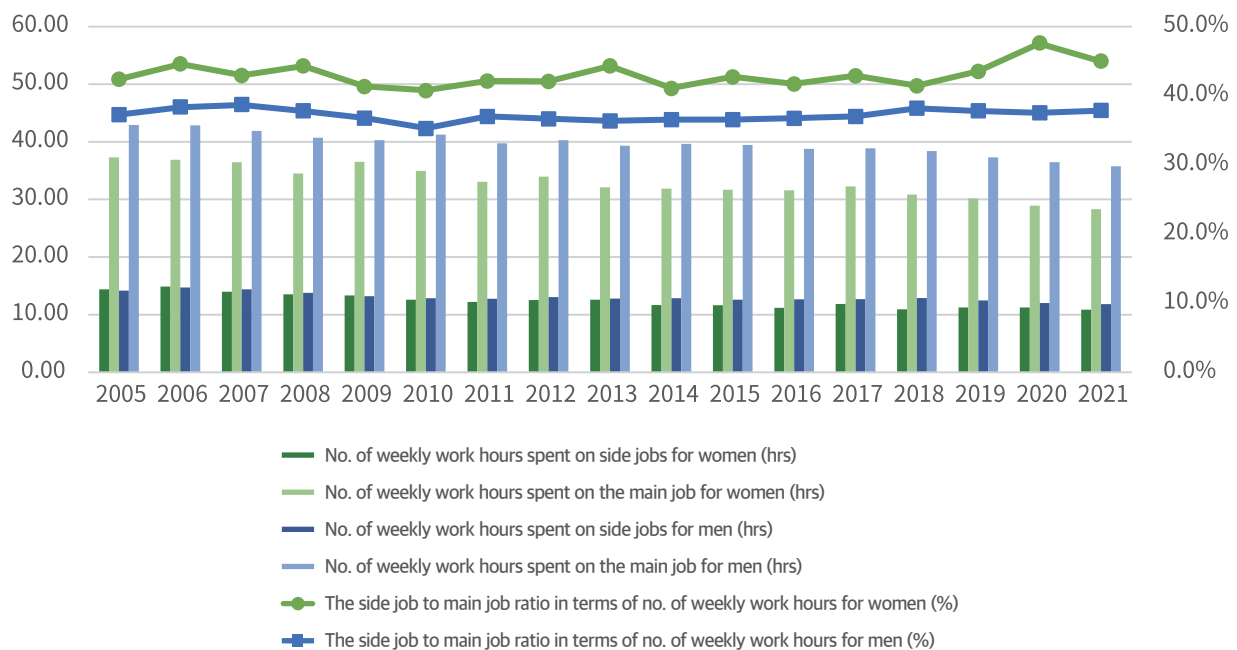
<Figure 3> No. of weekly work hours spent on side jobs



Source: The Economically Active Population Survey, Statistics Korea

- The number of work hours spent on side jobs relative to that spent on the main job(%) was greater among female workers than among male workers and surged in 2020. The difference between men and women in the number of work hours spent on side jobs is only one hour, compared to the gender difference in the number of work hours spent on the main job standing at 5-7 hours. This shows that for women, there is not much difference in the significance of the main job and side jobs.

<Figure 4> No. of hours spend on the main job and on side jobs by gender



Source: The Economically Active Population Survey, Statistics Korea

Amount of income that those with side jobs earn from their main job

- We used the data by employment type obtained from the Economically Active Population Survey in order to determine the 3-month average wage earned from the main job. According to the analysis, those with side jobs earned less than did those without and women with side jobs earned least.
 - Women with side jobs earned 60-70% of what women without side jobs earned.
 - Men with side jobs earned 70-80% of what men without side jobs earned.

<Table 1> > The 3-month average monthly wage from main job by gender and by whether or not having side jobs

구분		2005	2010	2015	2016	2017	2018	2019	2020	2021
Women	With side jobs	78.8	96.0	121.0	120.3	127.6	142.9	146.9	150.9	137.7
	Without side jobs	110.1	135.9	166.7	173.9	181.8	193.3	201.2	206.1	211.5
	Total (10,000 won)	109.5	135.1	165.9	173.0	180.9	192.5	200.3	205.1	210.1
	Wage ratio (%)	71.6	70.6	72.6	69.2	70.2	73.9	73.0	73.2	65.1
Men	With side jobs	157.8	181.5	235.8	242.5	237.8	254.1	252.7	259.9	248.6
	Without side jobs	191.7	238.0	277.2	285.6	291.1	305.8	315.5	318.9	328.2
	Total (10,000)	191.2	237.2	276.6	285.1	290.4	305.1	314.4	318.0	327.0
	Wage ratio (%)	82.3	76.2	85.1	84.9	81.7	83.1	80.1	81.5	75.7

Wage ratio: (Average wage from main job among workers with side jobs)/(Average wage from main job among workers without side jobs) x 100

Source: The Economically Active Population Survey (Additional Survey by Employment Type), Statistics Korea

- When it comes to the average hourly wage from the main job, the results were similar: those with side jobs earned less compared to their counterparts. The gender wage gap both among those with side jobs and among those without side jobs stands at 60-70%, showing that while the work conditions of women without side jobs are generally not decent, women with side jobs suffer low income and long work hours.

- For both men and women, the average hourly wage from the main job among those with side jobs is 70-80% of that among those without side jobs. Since women work shorter hours per week compared to men, the difference in hourly average wage between those with side jobs and those without side jobs is reduced.

<Table 2> The 3-month average hourly wage from main job by gender and by whether or not having side jobs

구분		2005	2010	2015	2016	2017	2018	2019	2020	2021
Women	With side jobs	0.472	0.626	0.846	0.859	0.877	1.016	1.201	1.108	1.121
	Without side jobs	0.593	0.774	0.979	1.039	1.087	1.174	1.248	1.289	1.324
	Total (10,000 won)	0.591	0.771	0.977	1.036	1.083	1.172	1.248	1.285	1.320
	Wage ratio (%)	79.6	80.8	86.4	82.7	80.7	86.5	96.2	86.0	84.6
Men	With side jobs	0.817	0.980	1.341	1.379	1.334	1.486	1.452	1.524	1.480
	Without side jobs	0.955	1.270	1.513	1.572	1.592	1.679	1.741	1.781	1.841
	Total (10,000 won)	0.953	1.266	1.510	1.569	1.589	1.677	1.736	1.777	1.835
	Wage ratio (%)	85.5	77.2	88.7	87.7	83.8	88.5	83.4	85.6	80.4
Wage reverse gender ratio	With side jobs (%)	57.8	63.8	63.1	62.3	65.7	68.3	82.7	72.7	75.7
	Without side jobs (%)	62.1	60.9	64.7	66.1	68.3	69.9	71.7	72.4	71.9
	Total (%)	62.0	60.9	64.7	66.0	68.2	69.9	71.9	72.3	71.9

1) Wage ratio: (Average wage from main job among workers with side jobs)/(Average wage from main job among workers without side jobs) x 100

2) Wage gender reverse ratio: (Average wage from main job among female workers)/(Average wage from main job among male workers) x 100

Source: The Economically Active Population Survey (Additional Survey by Employment Type), Statistics Korea

- The proportion of low-income workers among women with side jobs⁸⁾ was in the range of 30% and on the declining trend before climbing up in 2021 to 43.1%. In the case of male workers, about 30% of wage earners with side jobs were low-income workers before 2018 when the proportion dropped to the range of 20% and remained so until 2021.
- While the proportion of low-income workers declined in general, the figure among female workers went up, indicating that the financial situation of vulnerable population turned worse since the pandemic. They needed side jobs for extra income. It is possible that the economic downturn negatively affected the conditions of side jobs.
- For those with side jobs, the monthly average wage from the main job declined in 2021 compared to the previous year: by 4.3% for men and by 8.7% for women. In 2021, the proportion of those with side jobs among low-income workers was 3.4%, more than double the figure among non-low-income workers (1.4%).

<Table 3> The proportion of low-income workers by gender and by whether or not having side jobs

Category		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Women	With side jobs	54.3	57.1	51.2	54.4	55.6	47.7	46.7	38.6	38.6	35.1	36.3	43.1
	Without side jobs	40.5	40.7	38.6	37.7	37.1	37.1	33.9	25.3	25.3	22.5	23.8	21.4
	Total (%)	40.8	41.0	38.9	38.0	37.4	37.3	34.1	25.5	25.5	22.8	24.0	21.8
Men	With side jobs	27.4	28.9	27.7	27.3	29.1	23.5	23.5	19.0	19.0	20.4	21.6	20.8
	Without side jobs	16.2	16.2	15.6	15.1	14.4	15.0	15.1	12.0	12.0	11.0	11.7	10.7
	Total (%)	16.4	16.4	15.8	15.3	14.6	15.2	15.2	12.1	12.1	11.1	11.9	10.9

Source: The Economically Active Population Survey (Additional Survey by Employment Type), Statistics Korea

8) The proportion of those who earn two thirds of the median wage of all wage workers in main job.

A need for a survey to trace changes in the definition of side job

● Limitations of existing surveys of side jobs

- During economic downturns, some people may temporarily quit their main job and take on side jobs. By the current definition of main job, their side job is mistaken as the main job since they spend the longest work hours on their side job.
- Since an economic crisis affects the side job market as well and lays off those working in the sector, the possibility of a shrinking side job market should be considered.

● A need to investigate the sources of extra income

- Extra income from different sources, which is considered an extended part of income from the main job, is not identified in the existing survey. Given that a booming industry generates an increasing amount of extra income for workers and is likely to have a growing labor market, it is necessary to compile primary data needed for policy-making decisions.
- If the existing survey is retained, data from the National Tax Service may be used to identify additional income other than fixed income. Another option is to implement a survey focused on income source rather than on employment, given ever-diversifying economic activities.

● A need to understand different types of side job

- The Economically Active Population Survey, which is focused on the working conditions of wage workers, fails to cover those who engage in multiple non-wage jobs and the growing side job market. During the period of industrial transition, workers often engage in non-wage jobs significantly different from their main jobs. However, they will not be captured in the existing survey and in policy measures, even though this may be particularly important in South Korea, which has a high percentage of self-employed individuals.
- When conducting a survey of non-wage workers, it may be necessary to include questions on side jobs by considering the possibility of various combinations of side jobs that may emerge from the future reform of employment type categorization.

● A need for a survey to understand the changing landscape of the side job market and for customized policies

- Since the economic crisis caused by the pandemic, a growing number of people are taking on side jobs out of concern over their undervalued wages. Workers who are not necessarily underprivileged are seeking additional income sources by engaging in various employment types.
- While the landscape of the side job market is shifting, labor statistics and policies are lagging behind. It is necessary to understand the changes and prepare appropriate policies.

● A need to reform the current job-based welfare policy by reflecting changes in the labor market

- A welfare policy based on labor income rather than on employment status is needed in order to include non-wage workers in universal welfare policies. Emerging side jobs tend to be non-wage work; people earn extra money by using advertisement on online media, by using personal skills, or by working with multiple business entities through crowdsourcing.
- Institutional reforms to relax regulations on side jobs and protect workers are needed in order to aptly respond to diversifying types of work and to support the financial security of underprivileged workers.
- Regarding policy aspects, it is necessary to redefine jobs and shift paradigms in welfare policies.

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