

ITU KALEIDOSCOPE

ONLINE2020

7-11 December 2020

ANALYSIS ON THE SOCIAL AND ECONOMIC IMPACTS OF INTERNET PLATFORMS

—*Based on Survey Data from WeChat (China) during 2019-2020*

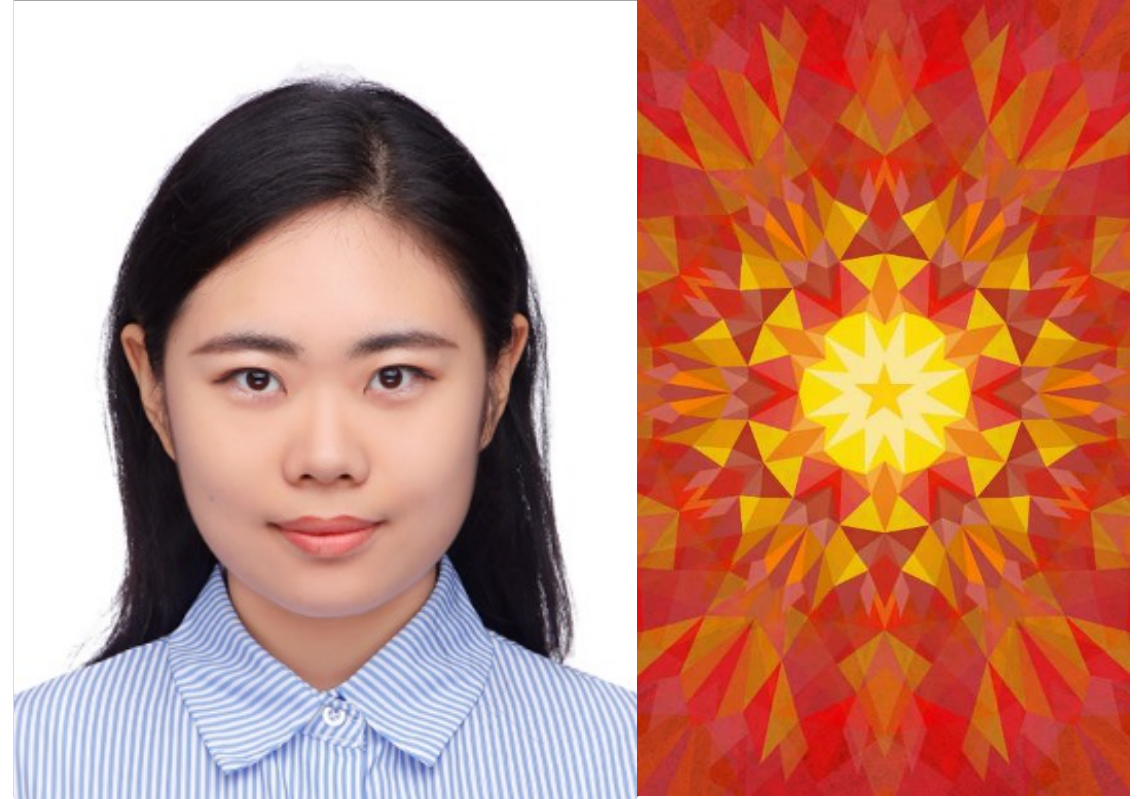
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Session 1:

The path towards digital transformation

Paper S1.2



Introduction

- Against the backdrop of the global economic downturn and COVID-19, the digital economy has presented extraordinary resilience of development, bringing opportunities to various industries and new engine to social and economic development.
- This paper studies WeChat as a typical case of an Internet platform due to it has become one of the representative products of China's digital economy.
- How large is the impact of the Internet platform on economic and social development? Will it increase the overall employment or influence the employment structure? Has the Internet platform truly stabilized the economy and society during the outbreak of COVID-19?

Methodology

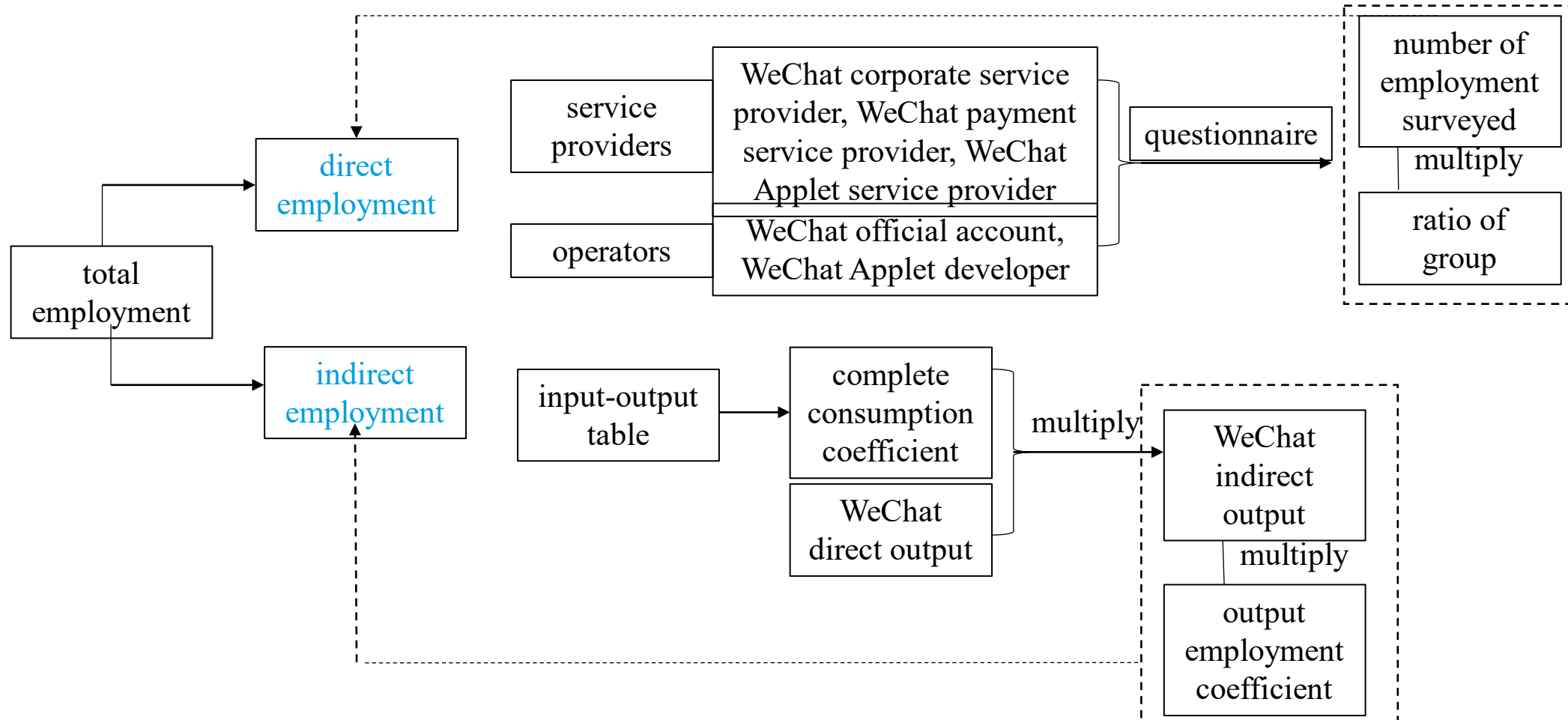
- This paper adopts **statistical method** for measuring **effects on economy** and **direct employment**.
 - Data is obtained from questionnaires on the WeChat platform.
 - The subjects of investigation are business operators and service providers of the platform.
- The calculation of **indirect employment** is conducted through the **expenditure method of the national economic accounting methods**.
 - Data is obtained from statistics related to consumption in personal questionnaires.
 - The subjects of investigation are from a random sample of people all over the country.
- To investigate the social and economic influences of the WeChat platform **in 2019**, we distributed and took back the questionnaires between December 2019 and January 2020.
- For the influences **during the outbreak of COVID-19**, we distributed and took back the questionnaires between March and April 2020.

Calculation of the economic impact of WeChat

- The economic impact of WeChat mainly refers to the driving of **consumption** (comparable with GDP).
- **Information consumption** refers to the **information products and services** purchased and used by residents or governments.(net flow traffic consumption, online games consumption, online reading consumption, etc.)
- Through the Internet platform and mobile payment, information consumption can greatly drive **consumption in traditional fields.**

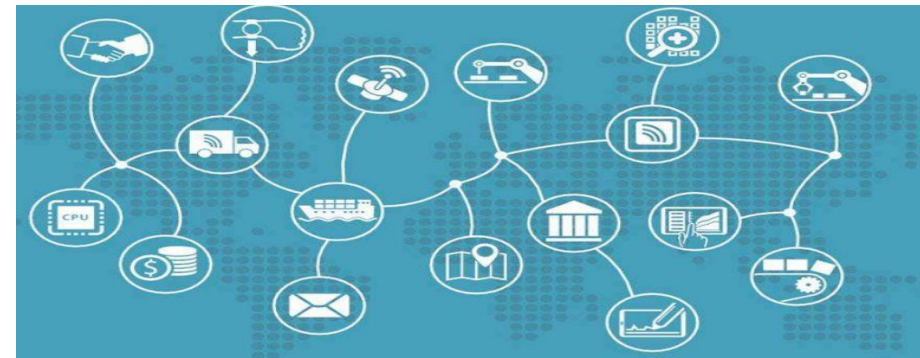


Calculation of the employment driven by WeChat



Functions of Internet Platform on Economy Growth

- The **direct economic revenue** caused by WeChat reached **CNY920.4 billion** in 2019 (**direct contribution to GDP**).
 - The **information consumption** brought by WeChat was about CNY323.8 billion in 2019. (accounting for 6% of the total information consumption in China, and the year-on-year growth was 34.8%.)
 - The **traditional consumption** driven by WeChat was CNY596.6 billion in 2019.
- The **indirect economic revenue** caused by WeChat was **CNY1130.1 billion** in 2019 (**indirect contribution to GDP**).
- During the breakout of COVID-19, the Internet platforms played an important role in connection, realizing **contact-free, remote operation** and **cross-border activities**.
- The Internet platforms opened up the links between millions of large, medium and small **enterprises, vendors and users**, activated **information consumption** and **cross-border trade**.

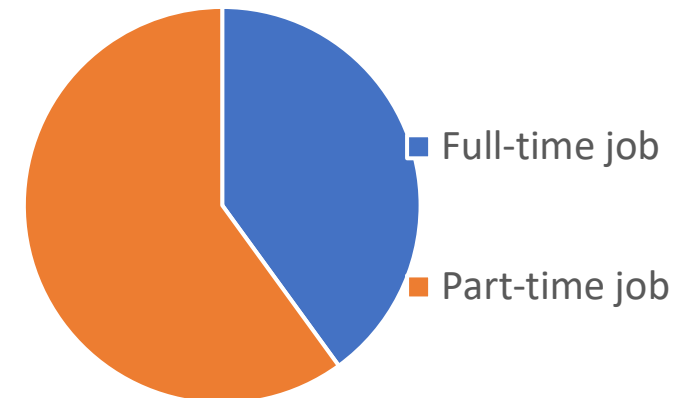


Functions of Internet Platform on Employment

- WeChat brought more than **26 million direct job positions** in 2019.
 - **Full-time job** positions reached 10.8 million.
 - **part-time job** positions reached 15.2 million.
- WeChat also brought about **3.6 million indirect job positions** in 2019.
- Internet platforms provide **more flexible employment options**, bring flexible employment relationship, detailed work scope division, flexible work manner, decentralized work arrangements, etc.

This report indicates that **part-time job positions** accounting for about 60% of total direct job positions brought by WeChat.

Direct job positions

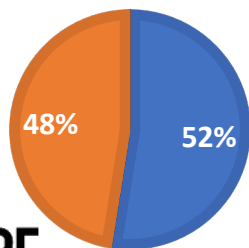


Functions of Internet Platform on Employment (cont.)

- Internet platforms provide various **fair employment opportunities**, which becomes a major supplement of offline employment.
 - provide more job opportunities to **people requiring special assistance**. (peasant-workers, housewives, the disabled, ex-servicemen)
 - provide **equal employment opportunities to men and women**.
- Internet platforms create good employment opportunities **for populations in less developed areas**.
 - Promote local employment **in western and northeast provinces in China** (less developed areas).
 - The benefits from Internet spread from first and second-tier cities to third and fourth- tier cities.

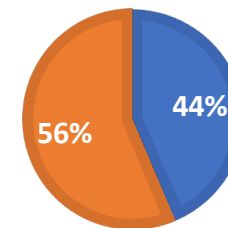
JOB POSITIONS

■ Men ■ Women



JOB POSITIONS

■ Western and northeast provinces



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Thank you!

